

Condensed Consolidated Financial Statements

Horizon Group Properties, Inc.

For the nine months ended September 30, 2025 and 2024

Horizon Group Properties, Inc.
Condensed Consolidated Financial Statements
(Unaudited)

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HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Balance Sheets
(unaudited)

	September 30, 2025	December 31, 2024
	<i>(In thousands)</i>	
ASSETS		
Real estate		
Land	\$ 565	\$ 565
Buildings and improvements	3,382	3,382
Less accumulated depreciation	(1,637)	(1,480)
	2,310	2,467
Construction in progress	16	3
Land held for investment	17,820	23,736
Total net real estate	20,146	26,206
Investment in and advances to joint ventures	22,872	21,915
Investment in and advances to joint ventures, at fair value	50,950	50,951
Cash and cash equivalents	3,868	4,127
Restricted cash	1,785	4,561
Marketable securities, at fair value	5,026	1,967
Tenant and other accounts receivable, net	275	625
Deferred costs, (net of accumulated amortization of \$59 and \$116, respectively)	22	64
Notes receivable	18,137	18,155
Other assets	1,734	865
Total assets	\$ 124,815	\$ 129,436
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage and other debt (net of unamortized debt issuance costs of \$131 and \$144, respectively)	\$ 12,348	\$ 22,803
Accounts payable and other accrued expenses	9,731	11,256
Prepaid rents and other tenant liabilities	206	156
Total liabilities	22,285	34,215
Commitments and contingencies		
Stockholders' equity:		
Common stock (\$.01 par value, 50,000 shares authorized, 9,799 shares issued and outstanding)	98	98
Preferred stock (\$.01 par value, 50,000 shares authorized, 2 shares issued and outstanding)	-	-
Additional paid-in capital	114,100	114,100
Accumulated deficit	(30,691)	(37,068)
Total stockholders' equity attributable to the controlling interest	83,507	77,130
Noncontrolling interests in consolidated subsidiaries	19,023	18,091
Total stockholders' equity	102,530	95,221
Total liabilities and stockholders' equity	\$ 124,815	\$ 129,436

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024
<i>(In thousands)</i>		
REVENUE		
Base rent	\$ 116	\$ 122
Expense recoveries	30	23
Management, development, and leasing fees	917	1,108
Interest	472	491
Total revenue	1,535	1,744
EXPENSES		
Property operating	114	116
Real estate taxes	24	24
Other operating	13	(9)
Depreciation and amortization	54	63
General and administrative	1,680	1,531
Interest	255	478
Total expenses	2,140	2,203
OTHER INCOME AND EXPENSE		
Income from investment in joint ventures	2,248	1,869
Other income	501	569
Loss on sale of real estate	-	(12)
Total other income and expense	2,749	2,426
Consolidated net income	2,144	1,967
Less net income attributed to the noncontrolling interests	(187)	(195)
Net income attributable to the Company	\$ 1,957	\$ 1,772

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	<u>Nine Months Ended</u> <u>September 30, 2025</u>	<u>Nine Months Ended</u> <u>September 30, 2024</u>
<i>(In thousands)</i>		
REVENUE		
Base rent	\$ 317	\$ 406
Expense recoveries	89	102
Management, development, and leasing fees	2,829	3,668
Interest	1,380	1,195
Total revenue	<u>4,615</u>	<u>5,371</u>
EXPENSES		
Property operating	410	494
Real estate taxes	73	71
Other operating	17	(1)
Depreciation and amortization	211	166
General and administrative	4,816	4,657
Interest	951	1,151
Total expenses	<u>6,478</u>	<u>6,538</u>
OTHER INCOME AND EXPENSE		
Income from investment in joint ventures	5,700	5,297
Other income	523	569
Gain from sale of real estate	5,468	841
Total other income	<u>11,691</u>	<u>6,707</u>
Consolidated net income	9,828	5,540
Less net income attributed to the noncontrolling interests	(1,059)	(754)
Net income attributable to the Company	<u>\$ 8,769</u>	<u>\$ 4,786</u>

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Stockholders' Equity
 Nine Months Ended September 30, 2025 and 2024
(unaudited, in thousands)

	Common and Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity Attributable to the Controlling Interest	Noncontrolling Interests in Consolidated Subsidiaries	Total Stockholders' Equity
Balance, January 1, 2025	\$ 98	\$ 114,100	\$ (37,068)	\$ 77,130	\$ 18,091	\$ 95,221
Net income	-	-	8,769	8,769	1,059	9,828
Dividends	-	-	(2,392)	(2,392)	-	(2,392)
Distributions to noncontrolling interests	-	-	-	-	(127)	(127)
Balance, September 30, 2025	<u>\$ 98</u>	<u>\$ 114,100</u>	<u>\$ (30,691)</u>	<u>\$ 83,507</u>	<u>\$ 19,023</u>	<u>\$ 102,530</u>

	Common and Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity Attributable to the Controlling Interest	Noncontrolling Interests in Consolidated Subsidiaries	Total Stockholders' Equity
Balance, January 1, 2024	\$ 98	\$ 114,100	\$ (38,626)	\$ 75,572	\$ 17,625	\$ 93,197
Net income	-	-	4,786	4,786	754	5,540
Dividends	-	-	(3,305)	(3,305)	-	(3,305)
Distributions to noncontrolling interests	-	-	-	-	(267)	(267)
Balance, September 30, 2024	<u>\$ 98</u>	<u>\$ 114,100</u>	<u>\$ (37,145)</u>	<u>\$ 77,053</u>	<u>\$ 18,112</u>	<u>\$ 95,165</u>

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Cash flows provided by (used in) operating activities:	<i>(In thousands)</i>	
Net income	\$ 9,828	\$ 5,540
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Operating distributions from joint ventures	3,460	3,767
Income from investment in joint ventures	(5,700)	(5,297)
Gain from sale of real estate	(5,468)	(841)
Depreciation	157	141
Amortization	52	23
Interest expense from deferred finance costs	13	28
Changes in fair value of marketable securities	(558)	-
Changes in assets and liabilities:		
Tenant and other accounts receivable, net	350	(60)
Deferred costs, net, and other assets	(879)	280
Accounts payable and other accrued expenses	(1,525)	460
Prepaid rents and other tenant liabilities	50	41
Net cash provided by (used in) operating activities	(220)	4,082
Cash flows provided by (used in) investing activities:		
Investment in future developments	-	(126)
Purchase of marketable securities	(2,501)	-
Net proceeds from sale of real estate	11,884	1,805
Distributions from joint ventures, return of capital	2,646	1,955
Contributions to joint ventures	(1,362)	(3,811)
Issuances of notes receivable	-	(18,114)
Principal payments on notes receivable	18	-
Expenditures for real estate	(513)	(394)
Net cash provided by (used in) investing activities	10,172	(18,685)
Cash flows provided by (used in) financing activities:		
Distributions to noncontrolling interests	(127)	(267)
Dividends	(2,392)	(3,340)
Net proceeds from borrowing	-	22,248
Principal payments on mortgages and other debt	(10,468)	(1,223)
Deferred finance costs acquired	-	(150)
Net cash provided by (used in) financing activities	(12,987)	17,268
Net increase (decrease) in cash, cash equivalents, and restricted cash	(3,035)	2,665
Cash, cash equivalents, and restricted cash:		
Beginning of year	8,688	7,419
End of year	\$ 5,653	\$ 10,084

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
	<i>(In thousands)</i>	
Reconciliation from consolidated statements of cash flows to consolidated balance sheets:		
Cash and cash equivalents	\$ 3,868	\$ 5,394
Restricted cash	1,785	4,690
Cash, cash equivalents, and restricted cash, End of year	<u>\$ 5,653</u>	<u>\$ 10,084</u>
Supplemental information:		
Noncash activity related to accrued dividends payable to shareholder:	<u>\$ -</u>	<u>\$ 35</u>

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
Nine Months Ended September 30, 2025 and 2024
(*unaudited*)

Note 1 – Organization and Basis of Presentation

Horizon Group Properties, Inc. (“HGPI” or, together with its subsidiaries “HGP” or the “Company”) is a Maryland corporation that was established on June 15, 1998. The operations of the Company are conducted primarily through a subsidiary limited partnership, Horizon Group Properties, L.P. (“HGP LP”) of which HGPI is the sole general partner. As of September 30, 2025 and December 31, 2024, HGPI owned approximately 87% of the partnership interests (the “Common Units”) of HGP LP. In general, Common Units are exchangeable for shares of Common Stock on a one-for-one basis (or for an equivalent cash amount at HGPI’s election).

The accompanying unaudited condensed consolidated financial statements include the accounts of all majority-owned subsidiaries, and all significant inter-company amounts have been eliminated. Due to the seasonal nature of certain operational activities, among other factors, the results for the interim period ended September 30, 2025 are not necessarily indicative of the results that may be obtained for the full fiscal year.

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and include selected information and disclosures for the interim periods. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2024.

The Company’s primary assets are its investments in subsidiary entities that own real estate. HGPI consolidates the results of operations and the balance sheets of those entities of which the Company owns the majority interest and of those variable interest entities of which the Company is the primary beneficiary. The Company accounts for its investments in entities which do not meet these criteria using the equity or cost method. The entities referred to herein are consolidated subsidiaries of the Company, unless they are discussed in Note 4; those entities are accounted for using the equity method of accounting.

Note 2 - Summary of Significant Accounting Policies

The condensed consolidated financial statements have been prepared in conformity with GAAP, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including disclosure of contingent assets and liabilities) at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of management, all adjustments necessary for a fair statement of the financial position and results of operations for the interim periods presented have been included in these condensed consolidated financial statements and are of a normal and recurring nature.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of HGPI and all subsidiaries that HGPI controls, including HGP LP. The Company considers itself to control an entity if it is the majority owner of or has voting control over such entity. All significant intercompany balances and transactions have been eliminated in consolidation.

Pre-Development Costs

The pre-development stage of a project involves certain costs to ascertain the viability of a potential project and to secure the necessary land. Direct costs to acquire the assets are capitalized as future development costs once the acquisition becomes probable. These costs are carried in Other Assets until conditions are met that indicate that development is forthcoming, at which point the costs are reclassified to Construction in Progress. In the event a development is no longer deemed probable and costs are deemed to be non-recoverable, the applicable costs

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
Nine Months Ended September 30, 2025 and 2024
(unaudited)

previously capitalized are expensed when the project is abandoned or these costs are determined to be non-recoverable.

At September 30, 2025 and December 31, 2024, predevelopment costs classified as Other Assets included projects totaling \$0, respectively.

Revenue Recognition

Revenue from Leasing Arrangements

The Company's revenues primarily result from revenue from leasing arrangements. Leases with tenants are accounted for as operating leases. Lease revenues included minimum rent, percentage rent, other rents and reimbursements from tenants for real estate taxes, insurance, CAM and other operating expenses as provided in these lease agreements. Minimum annual rentals are recognized on a straight-line basis over the terms of the respective leases. Rents that represent basic occupancy costs, including fixed amounts and amounts computed as a function of sales, are classified as base rent. Amounts which may become payable in addition to base rent and which are computed as a function of sales in excess of certain thresholds are classified as percentage rents and are accrued after the reported tenant sales exceed the applicable thresholds. Expense recoveries based on common area maintenance expenses and certain other expenses are accrued in the period in which the related expense is incurred.

Management, Development and Leasing Fees

The Company earns revenue from contracts with third parties and unconsolidated affiliates for property management, leasing, development and other services. These contracts are accounted for on a month-to-month basis. Management fees are charged as a percentage of revenues and recognized as revenue over time as services are provided. Leasing fees are charged for newly executed leases and lease renewals and are recognized as revenue upon lease execution, when the performance obligation is completed. Development fees are set as a fixed rate in a separate agreement.

Development and leasing fees received from an unconsolidated affiliate are recognized as revenue only to the extent of the third-party partner's ownership interest. The Company's share of such fees are recorded as a reduction to the Company's investment in the unconsolidated affiliate. Fees received from consolidated joint ventures are eliminated in consolidation.

Income Taxes

Deferred income taxes are recorded based on enacted statutory rates to reflect the tax consequences in future years of the differences between the tax bases of assets and liabilities and their financial reporting amounts. Deferred tax assets, such as net operating loss carryforwards which will generate future tax benefits, are recognized to the extent that realization of such benefits through future taxable earnings or alternative tax strategies in the foreseeable future is more likely than not.

As of September 30, 2025 and December 31, 2024, and for the periods then ended, the Company did not have a net liability for any unrecognized tax benefits. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as interest or general and administrative expense in the statement of operations. For the periods ended September 30, 2025 and 2024, the Company did not incur any interest or penalties.

Investments in Joint Ventures

The Company uses the equity method of accounting for its investments in Joint Ventures, as the Company is able to significantly influence the operations of the underlying investment, but does not control the underlying investment. The investments are recorded at initial cost and adjusted for the Company's proportionate share of income or loss. Contributions and distributions are treated as additions or reductions of the investments' cost basis.

HORIZON GROUP PROPERTIES, INC.
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The Company elected the fair value option for its investment in Horizon Atlanta and Horizon Louisville. Due to the nature of these investments, the Company elected the fair value option to more accurately present the Company's portion of the value and changes thereof in the underlying investments. Changes in the fair value of the joint ventures are recorded as a component of income from investment in joint ventures on the consolidated statement of operations.

Distributions are reported in cash flows from operations unless the facts and circumstances of a specific distribution clearly indicate that it is a return of capital, which would then be presented as cash flows from investing activities.

Subsequent Events

The Company has evaluated subsequent events through December 5, 2025, the date the condensed consolidated financial statements were available to be issued.

Note 3 – Investment in Real Estate

The following table contains information on the operating properties and land held for investment owned by the Company and for which the Company consolidates the results of operations and the assets and liabilities as of September 30, 2025.

<u>Property Name</u>	<u>Location</u>	<u>Property Type</u>	<u>Gross Leasable Area (Sq. Ft.)</u>	<u>Net Carrying Value (in thousands)</u>	<u>Ownership Percentage</u>
Village Green Center	Huntley, IL	Retail	22,204	2,187	100.0%
Corporate Assets	Chicago, IL	Various	N/A	123	100.0%
	Total		<u>22,204</u>	<u>\$2,310</u>	
			<u>Acres</u>		
Land held for Investment	Fruitport, MI	Land	6	\$ 156	100.0%
Laredo Phase II Land	Laredo, TX	Land	2	900	60.8%
Ridgewalk Land	Woodstock, GA	Land	77	5,481	100.0%
Land Held for Investment	Huntley, IL	Land	<u>286</u>	<u>11,283</u>	100.0%
	Total		<u>371</u>	<u>\$ 17,820</u>	

The portion of the net income or loss of HGPI's subsidiaries owned by parties other than HGPI is reported as Net Income or Loss Attributable to the Noncontrolling Interests on the Company's condensed consolidated statements of operations and such parties' portion of the net equity in such subsidiaries is reported on the Company's condensed consolidated balance sheets as Noncontrolling Interests in Consolidated Subsidiaries.

Note 4 - Investment in Joint Ventures

The following table contains information and the effective ownership percentage attributable to the Company for the joint venture outlet centers in operation or development as of September 30, 2025. In addition, the joint ventures' own out parcels and other land for development.

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
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(unaudited)

<u>Property Name</u>	<u>Location</u>	<u>Property Type</u>	<u>Leasable Area (Sq. Ft.)</u>	<u>Ownership Percentage</u>
The Outlet Shoppes at El Paso	El Paso, TX	Outlet Retail	433,045	49.41%
The Outlet Shoppes at Gettysburg	Gettysburg, PA	Outlet Retail	249,937	48.90%
The Outlet Shoppes at Atlanta	Woodstock, GA	Outlet Retail	405,146	48.52%
The Outlet Shoppes of the Bluegrass	Louisville, KY	Outlet Retail	428,060	47.79%
The Outlet Shoppes at Laredo	Laredo, TX	Outlet Retail	357,866	33.29%
Lincoln City Outlets	Lincoln City, OR	Outlet Retail	255,608	12.00%
Outlet at the Dells	Baraboo, WI	Outlet Retail	<u>269,315</u>	10.75%
Total			<u>2,398,977</u>	

El Paso Entities

During 2012, the Company sold a portion of its interest in El Paso Outlet Holdings, LLC (“El Paso Holding”) to an affiliate of CBL & Associates Properties, Inc. (“CBL”) for the outlet shopping mall in El Paso, Texas. El Paso Holding owns an entity that owns the outlet shopping center in El Paso, TX (“the El Paso Center”). During 2014, additional retail space owned by El Paso Outlet Center II Expansion, LLC, was developed at the El Paso Center. El Paso Outlet Center II Expansion is 100% owned by El Paso Outlet Center II, LLC (“El Paso II”). At September 30, 2025 and December 31, 2024, El Paso Holding was owned 50% by CBL, 25% by Horizon El Paso, LLC (“Horizon El Paso”), and 25% by the Company.

At September 30, 2025 and December 31, 2024, the Company owned 97.4% of the preferred interests and 92.8% of the common interest in Horizon El Paso, respectively.

On September 10, 2018, El Paso Holdings and El Paso II refinanced Phase I and Phase II of the shopping center with the proceeds of \$75 million originated by Deutsche Bank. In conjunction with the refinance, El Paso Holdings and El Paso II contributed its interest in Phase I and Phase II to El Paso Outlet Center CMBS, LLC (“El Paso CMBS”). El Paso CMBS is owned by an entity that is owned by El Paso Holdings. Phase I and Phase II of the shopping center secures the loan. The annual interest rate is 5.103%. Payments are \$407,350 per month, based on a 30-year amortization. The loan matures on October 6, 2028. The principal balance at September 30, 2025 and December 31, 2024, was \$66.2 million and \$67.3 million, respectively. El Paso CMBS is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

El Paso Outlet Outparcels, LLC owns several outparcels (the “Outparcels”). At September 30, 2025 and December 31, 2024, Outparcels was owned 50% by Horizon El Paso, 33.3333% by CBL, 11.75% by Pleasant Lake Apts., LP (“PLA”), an entity owned by Howard Amster, majority shareholder and director of the Company, and 4.9167% by Pleasant Lake Skoien Investments, LLC (“PL Skoien”), an entity owned by Howard Amster and Gary Skoien, the Chairman of the Board, Chief Executive Officer (“CEO”), President, and a shareholder of the Company.

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
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El Paso Outlet Outparcels II, LLC, formed in 2019, owns ancillary land adjacent to the shopping center (the “Outparcels II”). At September 30, 2025 and December 31, 2024, Outparcels II was owned 50% by CBL and 50% by Horizon El Paso.

The Company received management, leasing and similar fees from El Paso Center that totaled \$229,000 and \$253,000 during the three months ended September 30, 2025 and 2024, respectively, and \$756,000 and \$1.1 million during the nine months ended September 30, 2025 and 2024, respectively.

Summary financial information (stated at 100%) for the El Paso entities as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024, are as follows (in thousands):

	As of September 30, 2025	As of December 31, 2024		
Assets				
Real estate - net	\$ 67,551	\$ 69,580		
Cash and cash equivalents	1,282	1,014		
Restricted cash	2,830	1,408		
Other assets	2,750	3,068		
Total assets	<u>\$ 74,413</u>	<u>\$ 75,070</u>		
Liabilities and members' equity				
Mortgages and other debt	\$ 66,222	\$ 67,330		
Other liabilities	2,610	1,404		
Members' equity	5,581	6,336		
Total liabilities and members' equity	<u>\$ 74,413</u>	<u>\$ 75,070</u>		
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Statements of Operations				
Revenue	<u>\$ 4,734</u>	<u>\$ 4,488</u>	<u>\$ 14,281</u>	<u>\$ 13,426</u>
Operating expenses	1,095	1,485	3,722	4,014
General and administrative expenses	308	281	877	824
Depreciation and amortization expense	955	976	2,864	2,904
Interest expense	870	888	2,620	2,675
Total expenses	<u>3,228</u>	<u>3,630</u>	<u>10,083</u>	<u>10,417</u>
Net income	<u>\$ 1,506</u>	<u>\$ 858</u>	<u>\$ 4,198</u>	<u>\$ 3,009</u>

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
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(*unaudited*)

Gettysburg Entities

During 2012, an entity owned by an affiliate of CBL and an affiliate of Howard Amster and Gary Skoien converted a mezzanine loan into equity ownership in Gettysburg Outlet Center Holding, LLC and Gettysburg Outlet Center LLC (the “Gettysburg entities”) At September 30, 2025 and December 31, 2024, the Gettysburg entities are owned 50% by CBL, 48.9% by the Company, and 1.1% by other entities. Gettysburg Outlet Center Holding, LLC, owns Gettysburg Outlet Center, LP, which owns the shopping center. Gettysburg Outlet Center LLC owns vacant land around the shopping center. The members of the Gettysburg entities accrue a 10% preferred return on capital invested.

The mortgage loan for Gettysburg CMBS is secured by the shopping center, had an initial balance of \$38.5 million, bears interest at 4.8% and matures in 2025. Gettysburg CMBS is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person. On August 17, 2020, in response to the COVID-19 outbreak, the lender consented to a deferred principal period commencing with the July 2020 payment date through the December 2020 payment date, with the deferred principal to be repaid during 2021. The mortgage balance was \$19.4 and \$19.9 million at September 30, 2025 and December 31 2024, respectively.

Since 2020, the property failed to meet the Debt Service Coverage Ratio which triggers a Sweep Event Period. The Lender has provided notice of the commencement of a Sweep Event Period. During a Sweep Event Period, the borrower is required to establish a Clearing Account under the control of the Lender.

The Company received management, leasing and similar fees from Gettysburg entities that totaled \$55,000 and \$42,000 during the three months ended September 30, 2025 and 2024, respectively, and \$174,000 and \$170,000 during the nine months ended September 30, 2025 and 2024, respectively.

Summary financial information (stated at 100%) of the Gettysburg entities as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024, is as follows (in thousands):

	As of September 30, 2025	As of December 31, 2024
Assets		
Real estate - net	\$ 9,755	\$ 9,767
Cash and cash equivalents	237	120
Restricted cash	988	1,294
Other assets	939	1,567
Total assets	<u>\$ 11,919</u>	<u>\$ 12,748</u>
Liabilities and members' deficit		
Mortgages and other debt	\$ 19,438	\$ 19,877
Other liabilities	2,522	2,838
Members' deficit	(10,041)	(9,967)
Total liabilities and members' equity	<u>\$ 11,919</u>	<u>\$ 12,748</u>

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
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(unaudited)

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Statements of Operations				
Revenue	\$ 1,200	\$ 1,466	\$ 3,792	\$ 3,814
Operating expenses	584	624	2,150	1,873
General and administrative expenses	155	66	357	203
Depreciation and amortization expense	173	610	627	1,297
Interest expense	244	251	731	758
Total expenses	<u>1,156</u>	<u>1,551</u>	<u>3,865</u>	<u>4,131</u>
Net income (loss)	<u>\$ 44</u>	<u>\$ (85)</u>	<u>\$ (73)</u>	<u>\$ (317)</u>

Atlanta Entities

During 2012, the Company entered into a joint venture (the “Atlanta JV”) with an affiliate of CBL to develop The Outlet Shoppes at Atlanta in Woodstock, Georgia. At September 30, 2025 and December 31, 2024, the Atlanta JV was owned 50% by CBL, 35% by Horizon Atlanta Outlet Shoppes, LLC (“Horizon Atlanta”), and 15% by the Company. At September 30, 2025 and December 31, 2024, the Company owns 94.1% of the preferred interests and 90.1% of the common interests in Horizon Atlanta, but maintains voting control over Horizon Atlanta. The Company is responsible for the leasing and management of the center.

On October 3, 2023, the Atlanta JV obtained a \$79.3 million loan from Barclays Capital and Goldman Sachs (the “Atlanta Refinance”). The Atlanta Refinance paid off both previous property loans. The Atlanta Refinance has a term of 10 years and bears interest at 7.85%. Payments are interest only through the maturity date. The Atlanta Refinance is secured by a mortgage on The Outlet Shoppes at Atlanta and had a balance of \$79.3 million at September 30, 2025 and December 31, 2024, respectively.

The Company received development, management, leasing, and similar fees from Atlanta JV that totaled \$149,000 and \$121,000 for the three months ended September 30, 2025 and 2024, respectively, and \$446,000 and \$842,000 for the nine months ended September 30, 2025 and 2024, respectively.

Summary financial information (stated at 100%) of the Atlanta entities as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024, is as follows (in thousands):

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	As of September 30, 2025	As of December 31, 2024
Assets		
Real estate - net	\$ 37,023	\$ 38,539
Cash and cash equivalents	679	877
Restricted cash	1,240	951
Other assets	3,088	3,259
Total assets	\$ 42,030	\$ 43,626
Liabilities and members' deficit		
Mortgages and other debt	\$ 79,330	\$ 79,330
Other liabilities	1,739	1,325
Members' deficit	(39,039)	(37,029)
Total liabilities and members' deficit	\$ 42,030	\$ 43,626

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Statements of Operations				
Revenue	\$ 4,208	\$ 3,950	\$ 12,503	\$ 12,055
Operating expenses	874	722	2,606	2,299
General and administrative expenses	192	199	576	541
Depreciation and amortization expense	651	633	1,942	1,910
Interest expense	1,613	1,614	4,788	4,806
Total expenses	3,330	3,168	9,912	9,556
Net income	\$ 878	\$ 782	\$ 2,591	\$ 2,499

Bluegrass Entities

During 2013, the Company entered into a joint venture (the “Louisville JV”) with an affiliate of CBL to develop The Outlet Shoppes of the Bluegrass in Louisville, Kentucky. At September 30, 2025 and December 31, 2024, the Louisville JV was owned 65% by CBL and 35% by Horizon Louisville Outlets, LLC (“Horizon Louisville”). At September 30, 2025 and December 31, 2024, the Company owns 93.69% of the preferred interests and 89.97% of the common interests in Horizon Louisville, but maintains voting control over Horizon Louisville.

In May of 2013, and again in December of 2014, Horizon Louisville met certain return of investment and internal rate of return criteria stipulated in the joint venture agreement with CBL; therefore, the Company’s share of future distributions from the Louisville JV increased from 35% to 50%. The Company is responsible for the leasing and management of the center.

On October 31, 2024, Bluegrass Outlet Shoppes CMBS 2024, LLC (“Bluegrass CMBS 2024”), which is owned 100% by the Louisville JV obtained a \$66.0 million loan from Goldman Sachs (the “Louisville Refinance”). The Louisville Refinance paid off the previous property loan. The Louisville Refinance has a term of 10 years and

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bears interest at 6.84%. Payments are \$431,943 per month, based on a 30 year amortization. The Louisville Refinance is secured by a mortgage on The Outlet Shoppes of the Bluegrass and had a balance of \$65.5 million and \$65.9 million at September 30, 2025 and December 31, 2024, respectively. Bluegrass CMBS is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received management, leasing and similar fees from the Louisville JV that totaled \$162,000 and \$310,000 during the three months ended September 30, 2025 and 2024, respectively, and \$574,000 and \$693,000 during the nine months ended September 30, 2025 and 2024, respectively.

Summary financial information (stated at 100%) of the Louisville entities as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024, is as follows (in thousands):

	As of September 30, 2025	As of December 31, 2024
Assets		
Real estate - net	\$ 40,158	\$ 41,498
Cash and cash equivalents	610	568
Restricted cash	2,003	2,198
Other assets	2,678	2,407
Total assets	\$ 45,449	\$ 46,671
Liabilities and members' deficit		
Mortgages and other debt	\$ 65,478	\$ 65,944
Other liabilities	1,829	889
Members' deficit	(21,858)	(20,162)
Total liabilities and members' deficit	\$ 45,449	\$ 46,671

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Statements of Operations				
Revenue	\$ 3,284	\$ 3,191	\$ 9,956	\$ 9,364
Operating expenses	1,101	927	3,120	2,649
General and administrative expenses	150	162	459	414
Depreciation and amortization expense	751	902	2,293	2,818
Interest expense	1,165	646	3,480	1,953
Total expenses	3,167	2,637	9,352	7,834
Net income	\$ 117	\$ 554	\$ 604	\$ 1,530

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Laredo Outlet Shoppes

On May 10, 2016, the Company, CBL, and Lawrence Friedman formed a joint venture, Laredo Outlet JV, LLC (“Laredo JV”) to develop an outlet shopping center in Laredo, Texas. At September 30, 2025 and December 31, 2024, Laredo JV is owned 65% by CBL and 35% by Horizon El Portal, LLC (“Horizon El Portal”). At September 30, 2025 and December 31, 2024, the Company owns 60.8% of Horizon El Portal. Lawrence Friedman is a Class B member and will participate in distributions after certain internal rate of return hurdles are met.

On May 13, 2016, Laredo JV closed on a construction loan to finance the construction of the center. The loan has a maximum principal balance of \$91.3 million, a 36-month term and one 24-month extension option, subject to certain conditions. Interest accrues on the loan at LIBOR and 2.5% until the development reaches 90% occupancy, at which time the interest rate will drop to LIBOR plus 2.25%. Monthly principal payments of \$150,000 began on October 1, 2018. The loan contains certain provisions requiring principal pay-downs subject to certain conditions. In May of 2019, the loan was extended through May 2021. As a condition of the extension Horizon El Portal and its partner, CBL, made a \$10.8 million principal payment through capital contribution on the construction loan. Horizon El Portal’s share of the payment was \$3.8 million. On April 20, 2020, the loan was amended in response to the COVID-19 outbreak to include an interest-only period from April 1, 2020 through June 1, 2020, with principal installments deferred until the maturity date. At September 30, 2025, and December 31, 2024, the loan balance was \$31.6 million and \$32.6 million, respectively.

Interest accrues on the loan at LIBOR and 3.75%. Monthly principal payments of \$100,000 began on July 1, 2021. On April 13, 2023, borrow executed a Consent Letter to change term to SOFR from LIBOR. On April 24, 2023, Borrower provided notice of extension for a third year, extending the loan to June 30, 2024. On October 31, 2023, the loan was amended with a \$3.1 million principal paydown, and extending the loan to June 30, 2025. On September 30, 2025, the loan was amended adding a Burlington TI Escrow reserve in the amount of \$1.3 million, and extending the loan to June 30, 2026. The Company also executed a Letter Agreement dated September 30, 2025, requiring Horizon El Portal to fund the Burlington TI Escrow and any operating deficits through June 30, 2026 arising during this period, but limited to and not in excess of the projected operating deficits set forth in the budget in the amount of \$507,000. On September 30, 2025, the Company made a capital contribution of \$1.4 million to fund the loan closing.

The Company received management, leasing, and similar fees from the Laredo JV that totaled \$138,000 and \$127,000 for the three months ended September 30, 2025 and 2024, respectively, and \$261,000 and \$324,000 for the nine months ended September 30, 2025 and 2024, respectively.

Summary financial information (stated at 100%) of the Laredo entities as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024, is as follows (in thousands):

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	As of September 30, 2025	As of December 31, 2024
Assets		
Real estate - net	\$ 33,945	\$ 34,955
Cash and cash equivalents	152	452
Restricted cash	1,658	348
Other assets	1,026	1,811
Total assets	\$ 36,781	\$ 37,566
Liabilities and members' equity		
Mortgages and other debt	\$ 31,580	\$ 32,580
Other liabilities	3,532	3,907
Members' equity	1,669	1,079
Total liabilities and members' deficit	\$ 36,781	\$ 37,566

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Statements of Operations				
Revenue	\$ 2,007	\$ 2,115	\$ 5,997	\$ 6,230
Operating expenses	1,043	1,080	3,012	2,816
General and administrative expenses	108	87	304	315
Depreciation and amortization expense	423	441	1,302	1,307
Interest expense	835	768	2,151	2,260
Total expenses	2,409	2,376	6,769	6,698
Net loss	\$ (402)	\$ (261)	\$ (772)	\$ (468)

Lincoln City Entities

On February 13, 2024, the Company, Gary Skoien, and Betty Kimbrow formed a joint venture, LC Outlets JV, LLC (“LCO JV”) to acquire Lincoln City Outlets, an outlet center in Lincoln City, Oregon. At September 30, 2025 and December 31, 2024, LCO JV is owned 56% by Gary Skoien, 32% by Betty Kimbrow and 12% by the Company.

On February 13, 2024, LC Outlets CMBS, LLC (“LCO CMBS”), which is owned 100% by the LCO JV, obtained a \$23.2 million loan from an affiliate of Citi Financial (the “Lincoln City Loan”). The Lincoln City Loan has a term of 10 years and bears interest at 7.15%. Payments are interest only through the maturity date. The Lincoln City Loan is secured by a mortgage on the Lincoln City Outlets and had a balance of \$23.2 million at September 30, 2025 and December 31, 2024, respectively. Howard Amster and an affiliate of Howard Amster loaned the Company total of \$ 10.3 million in conjunction with the transaction, The Company made a loan of \$7.6 million to Gary Skoien and a loan of \$2.8 million to Betty Kimbrow in conjunction with the transaction. Each loan is guaranteed by the respective borrower. LCO CMBS is a separate entity from the Company and its affiliates and its

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assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received management, leasing, and similar fees from the LCO JV that totaled \$59,000 and \$63,000 for the three months ended September 30, 2025 and 2024, respectively, and \$164,000 and \$144,000 for the nine months ended September 30, 2025 and for the period February 13, 2024 through September 30, 2024, respectively.

Summary financial information (stated at 100%) of the LCO JV as of September 30, 2025, and December 31, 2024, and for the three and nine months end September 30, 2025, and for the of period February 13, 2024 through September 30, 2024, respectively, is as follows (in thousands):

	As of September 30, 2025	As of December 31, 2024
Assets		
Real estate - net	\$ 30,126	\$ 30,833
Cash and cash equivalents	355	147
Restricted cash	1,564	974
Other assets	2,863	3,772
Total assets	\$ 34,908	\$ 35,726
Liabilities and members' equity		
Mortgages and other debt	\$ 23,163	\$ 23,163
Other liabilities	657	507
Members' equity	11,088	12,056
Total liabilities and members' equity	\$ 34,908	\$ 35,726

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	February 13, 2024 through September 30, 2024
Statements of Operations				
Revenue	\$ 1,472	\$ 1,479	\$ 4,097	\$ 3,741
Operating expenses	456	503	1,355	1,143
General and administrative expenses	68	71	194	184
Depreciation and amortization expense	433	653	1,365	1,836
Interest expense	443	444	1,318	1,118
Total expenses	1,400	1,671	4,232	4,281
Net income (loss)	\$ 72	\$ (192)	\$ (135)	\$ (540)

Dells Entities

On March 22, 2024, the Company and Dells TIC, LLC (“Dells TIC”), an entity owned by PLA, formed a joint venture, Dells Acquisition Company, LLC (“Dells JV”) to acquire a 71.75% membership interest in Wisconsin Dells Outlet Holding, LLC (“Dells Holding”) which owned 100% of Wisconsin Dells Outlet Fee LLC (“Dells Owner”) which owned the Outlets at The Dells in Baraboo, Wisconsin. Subsequent to the acquisition of the 71.75% interest in Dells Holding, Dells Holding was liquidated by the distribution of the following tenant-in-

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common interests: 61% to Dells TIC, LLC (“Dells TIC”), 10.75% to HGP TIC, LLC (“HGP TIC”), and 28.25% to Tall Pines TIC, LLC (“Tall Pines TIC”). Dells TIC is owned by an affiliate of Howard Amster, HGP TIC is owned by the Company and Tall Pines TIC is owned by the entity that owned the other 28.25% of Dells Owner.

On March 22, 2024, HGP TIC, Dells TIC, and Tall Pines TIC, collectively obtained a \$36.7 million loan from an affiliate of Barclays Capital (the “Dells Loan”). The Dells Loan has a term of 10 years and bears interest at 7.07%. Payments are interest only through the maturity date. The Dells Loan is secured by the mortgage on the Outlets at The Dells and had a balance of \$36.7 million at September 30, 2025 and December 31, 2024, respectively.

The Company received management, leasing, and similar fees from the Outlet at The Dells that totaled \$86,000 and \$88,000 for the three months ended September 30, 2025 and 2024, respectively, and \$233,000 and \$170,000 for the nine months ended September 30, 2025 and for the period from March 22, 2024 through September 30, 2024, respectively.

Summary financial information (stated at 100%) of the Outlet at The Dell as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025, and for the period of March 22, 2024 through June 30, 2024, is as follows (in thousands):

	As of September 30, 2025	As of December 31, 2024
Assets		
Real estate - net	\$ 49,463	\$ 50,202
Cash and cash equivalents	804	336
Restricted cash	630	817
Other assets	3,382	4,103
Total assets	\$ 54,279	\$ 55,458
Liabilities and members' equity		
Mortgages and other debt	\$ 36,730	\$ 36,730
Other liabilities	1,103	1,353
Members' equity	16,446	17,375
Total liabilities and members' equity	\$ 54,279	\$ 55,458

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	March 22, 2024 through September 30, 2024
Statements of Operations				
Revenue	\$ 2,069	\$ 1,939	\$ 5,891	\$ 4,058
Operating expenses	538	541	1,895	1,261
General and administrative expenses	104	117	285	213
Depreciation and amortization expense	633	969	1,933	2,409
Interest expense	688	687	2,044	1,448
Total expenses	1,963	2,314	6,157	5,331
Net income (loss)	\$ 106	\$ (375)	\$ (266)	\$ (1,273)

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Note 5 – Mortgages and Other Debt

Total secured indebtedness was \$12.3 million and \$22.8 million at September 30, 2025 and December 31, 2024, respectively. Cash paid for interest for the nine months ended September 30, 2025 and 2024, was \$1.2 million and \$900,000, respectively, of which \$791,000 and \$462,000, respectively, was paid to a related party.

The Company's ability to secure new loans is limited by the fact that most of the Company's real estate assets are currently pledged as collateral for its current loans. The Company will pay the scheduled principal amortization in the normal course of business during 2025.

Note 6 - Related Party Transactions

At September 30, 2025 and December 31, 2024, PLA owns 11.75%, of El Paso Outparcels, and 100% of Dells TIC.

At September 30, 2025 and December 31, 2024, PL Skoien, owns 4.9167%, of El Paso Outparcels.

At September 30, 2025 and December 31, 2024, Gary Skoien, owns 56% of LCO JV.

At September 30, 2025 and December 31, 2024, David Tinkham, an officer of the Company, owned 1.27% of Horizon Atlanta, and 3.24% of Horizon Louisville.

At September 30, 2025 and December 31, 2024, Andrew Pelmoter, an officer of the Company, owned 2.12% of Horizon Atlanta, and 4.31% of Horizon Louisville, in addition to the Net Profits Interests discussed below.

The Company has granted Common interests in Horizon El Paso, Horizon OKC, Horizon Atlanta, and Horizon Louisville (the "Net Profits Interests") to certain officers of the Company. Holders of the Net Profits Interests are not entitled to any distributions until the holders of the preferred interests have received their capital and a 12% return thereon.

Net Profits Interests are recorded as a component of accounts payable and other accrued expenses on the accompanying balance sheet. The Net Profits Interests associated with Horizon Atlanta and Horizon Louisville continue to be adjusted associated with the Company's fair value election on these investments discussed in Note 1. As of September 30, 2025 and December 31, 2024, the Net Profits Interest liability approximated \$6.7 million and \$6.8 million, respectively.

Net profits interests have been granted to officers of the Company as follows: (1) Horizon El Paso - 3.5%, to Andrew Pelmoter, (2) Horizon OKC - 2.5%, 2.5% and 3% to Gary Skoien, Tom Rumptz and Andrew Pelmoter, respectively; (3) Horizon Atlanta, - 1.25%, 1.25%, 1.25% and .0375% to Messers Skoien, Rumptz, Pelmoter and James Harris, respectively, (4) Horizon Louisville, - 1.25%, 1.25%, 1.25% and .0375% to Messers Skoien, Rumptz, Pelmoter and Harris, respectively, and (5) Horizon El Portal, - 1.52%, 1.52%, 1.22% and .61% to Messers Skoien, Pelmoter, Rumptz and Harris, respectively.

On February 7, 2024, the Company made an unsecured loan to Gary Skoien in the amount of \$7.6 million. The related unsecured note payable by Mr. Skoien has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to the distributions received by Mr. Skoien in the prior month related to his ownership in the Lincoln City Outlets JV, LLC (See Note 4). The amount of any monthly payment in excess of the interest due shall be applied to reduce principal.

On February 7, 2024, the Company made an unsecured loan to Betty Kimbrow in the amount of \$2.8 million. The related unsecured note payable by Ms. Kimbrow has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to approximately 65.5% of the distributions received by Ms. Kimbrow in the prior month related to her ownership in the Lincoln City Outlets JV, LLC (See Note 4). The amount of any monthly payment in excess of the interest due shall be applied to reduce principal.

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On February 7, 2024, the Company borrowed \$7.3 million from PLA. The related note payable by the Company has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to 70.9% of the payments received by the Company from the notes from Gary Skoien and Betty Kimbrew. The amount of any monthly payment in excess of the interest due shall be applied to reduce principal. On March 31, 2025, the Company made a principal reduction payment in the amount of \$3.3 million. At September 30, 2025 and December 31, 2024, the loan balance was \$3.0 million and \$7.3 million, respectively.

On February 7, 2024, the Company borrowed \$3.0 million from Howard Amster. The related note payable by the Company has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to 29.1% of the payments received by the Company from notes from Gary Skoien and Betty Kimbrew. The amount of any monthly payment in excess of the interest due shall be applied to reduce principal.

On March 14, 2024, the Company made an unsecured loan to Laughlin Holdings, LLC, an affiliate 100% owned by Howard Amster, in the amount of \$7.7 million. The related unsecured note receivable has a term of 3 years and bears interest at SOFR plus 4.25%. Payments are interest only through the maturity date.