

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-37420

SERITAGE GROWTH PROPERTIES

(Exact name of registrant as specified in its charter)

<u>Maryland</u> (State of Incorporation)	38-3976287 (I.R.S. Employer Identification No.)
500 Fifth Avenue, Suite 1530, New York, New York (Address of principal executive offices)	10110 (Zip Code)

Registrant's telephone number, including area code: (212) 355-7800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A common shares of beneficial interest, par value \$0.01 per share	SRG	New York Stock Exchange
7.00% Series A cumulative redeemable preferred shares of beneficial interest, par value \$0.01 per share	SRG-PA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 13, 2025, the registrant had the following common shares outstanding:

<u>Class</u>	<u>Shares Outstanding</u>
Class A common shares of beneficial interest, par value \$0.01 per share	56,324,607
Class B common shares of beneficial interest, par value \$0.01 per share	0
Class C common shares of beneficial interest, par value \$0.01 per share	0

**SERITAGE GROWTH PROPERTIES
QUARTERLY REPORT ON FORM 10-Q**

QUARTER ENDED JUNE 30, 2025

TABLE OF CONTENTS

PART I.	<u>FINANCIAL INFORMATION</u>	<u>Page</u>
Item 1.	<u>Condensed Consolidated Financial Statements (unaudited)</u>	3
	<u>Condensed Consolidated Balance Sheets as of June 30, 2025 and December 31, 2024</u>	3
	<u>Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2025 and 2024</u>	4
	<u>Condensed Consolidated Statements of Equity for the three and six months ended June 30, 2025 and 2024</u>	5
	<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2024</u>	6
	<u>Notes to Condensed Consolidated Financial Statements</u>	8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	28
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	37
Item 4.	<u>Controls and Procedures</u>	37
PART II.	<u>OTHER INFORMATION</u>	
Item 1.	<u>Legal Proceedings</u>	38
Item 1A.	<u>Risk Factors</u>	38
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	38
Item 3.	<u>Defaults upon Senior Securities</u>	38
Item 4.	<u>Mine Safety Disclosures</u>	38
Item 5.	<u>Other Information</u>	38
Item 6.	<u>Exhibits</u>	39
	<u>SIGNATURES</u>	40

PART I. FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

SERITAGE GROWTH PROPERTIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, amounts in thousands, except share and per share amounts)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Investment in real estate		
Land	\$ 38,412	\$ 65,009
Buildings and improvements	197,086	239,978
Accumulated depreciation	(35,215)	(39,940)
	200,283	265,047
Construction in progress	91,378	93,587
Net investment in real estate	291,661	358,634
Real estate held for sale	8,511	-
Investment in unconsolidated entities	165,937	189,699
Cash and cash equivalents	71,802	85,206
Restricted cash	8,328	12,503
Tenant and other receivables, net	7,199	7,894
Lease intangible assets, net	924	1,047
Prepaid expenses, deferred expenses and other assets, net	21,345	22,791
Total assets ⁽¹⁾	<u>\$ 575,707</u>	<u>\$ 677,774</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Term loan facility	\$ 200,000	\$ 240,000
Accounts payable, accrued expenses and other liabilities	22,970	31,971
Total liabilities ⁽¹⁾	<u>222,970</u>	<u>271,971</u>
Commitments and Contingencies (Note 9)		
Shareholders' Equity		
Class A common shares \$0.01 par value; 100,000,000 shares authorized; 56,324,607 and 56,274,466 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	562	562
Series A preferred shares \$0.01 par value; 10,000,000 shares authorized; 2,800,000 shares issued and outstanding as of June 30, 2025 and December 31, 2024; liquidation preference of \$70,000	28	28
Additional paid-in capital	1,362,718	1,362,644
Accumulated deficit	(1,011,936)	(958,778)
Total shareholders' equity	351,372	404,456
Non-controlling interests	1,365	1,347
Total equity	352,737	405,803
Total liabilities and equity	<u>\$ 575,707</u>	<u>\$ 677,774</u>

⁽¹⁾ The Company's consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs"). See Note 2. The consolidated balance sheets, as of June 30, 2025, include the following amounts related to our consolidated VIEs: \$8.5 million included in real estate held for sale and \$0.2 million of cash. The Company's consolidated balance sheets as of December 31, 2024, include the following amounts related to our consolidated VIEs: \$3.3 million of land, \$2.8 million of building and improvements, \$(0.9) million of accumulated depreciation and \$3.2 million of other assets included in other line items.

The accompanying notes are an integral part of these condensed consolidated financial statements.

SERITAGE GROWTH PROPERTIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, amounts in thousands, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
REVENUE				
Rental income	\$ 4,526	\$ 4,166	\$ 8,983	\$ 9,891
Management and other fee income	127	50	269	98
Total revenue	4,653	4,216	9,252	9,989
EXPENSES				
Property operating	3,237	4,160	6,145	7,833
Real estate taxes	692	1,238	1,645	2,631
Depreciation and amortization	2,040	1,212	4,115	6,483
General and administrative	6,172	6,874	21,865	16,066
Total expenses	12,141	13,484	33,770	33,013
Gain on sale of real estate, net	1,967	2,034	8,903	3,173
Loss on sale of interests in unconsolidated entities	(1,417)	—	(1,417)	—
Impairment of real estate assets	(18,000)	(86,388)	(18,000)	(87,536)
Equity in income (loss) of unconsolidated entities	756	(566)	(7,172)	(187)
Interest and other income (expense), net	930	717	1,790	2,140
Interest expense	(5,139)	(6,282)	(10,369)	(13,293)
Loss before income taxes	(28,391)	(99,753)	(50,783)	(118,727)
Benefit (provision) for income taxes	(115)	(1,474)	75	(1,485)
Net loss	(28,506)	(101,227)	(50,708)	(120,212)
Preferred dividends	(1,225)	(1,225)	(2,450)	(2,450)
Net loss attributable to Seritage common shareholders	\$ (29,731)	\$ (102,452)	\$ (53,158)	\$ (122,662)
Net loss per share attributable to Seritage Class A common shareholders - Basic	\$ (0.53)	\$ (1.82)	\$ (0.94)	\$ (2.18)
Net loss per share attributable to Seritage Class A common shareholders - Diluted	\$ (0.53)	\$ (1.82)	\$ (0.94)	\$ (2.18)
Weighted-average Class A common shares outstanding - Basic	56,324	56,268	56,304	56,242
Weighted-average Class A common shares outstanding - Diluted	56,324	56,268	56,304	56,242

The accompanying notes are an integral part of these condensed consolidated financial statements.

SERITAGE GROWTH PROPERTIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, amounts in thousands)

	Six Months Ended June 30,	
	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	\$ (50,708)	\$ (120,212)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity in loss of unconsolidated entities	7,172	187
Loss on sale of interests in unconsolidated entities	1,417	—
Distributions from unconsolidated entities	2,605	4,197
Gain on sale of real estate, net	(8,903)	(3,173)
Impairment of real estate assets	18,000	87,536
Share-based compensation	201	1,122
Depreciation and amortization	4,115	6,483
Amortization of above and below market leases, net	87	76
Straight-line rent adjustment	225	246
Non-cash lease expense	875	274
Change in operating assets and liabilities		
Tenant and other receivables	470	4,543
Prepaid expenses, deferred expenses and other assets	970	1,855
Accounts payable, accrued expenses and other liabilities	2,240	(7,286)
Net cash used in operating activities	(21,234)	(24,152)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in unconsolidated entities	(362)	(3,231)
Distributions from unconsolidated entities	4,838	—
Net proceeds from sale of interests in unconsolidated entities	8,092	—
Net proceeds from sale of real estate	51,560	83,040
Development of real estate	(18,041)	(22,447)
Net cash provided by investing activities	46,087	57,362
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	(40,000)	(80,000)
Preferred dividends paid	(2,450)	(2,450)
Contributions from non-controlling member of consolidated variable interest entities	18	55
Net cash used in financing activities	(42,432)	(82,395)
Net decrease in cash and cash equivalents, and restricted cash	(17,579)	(49,185)
Cash and cash equivalents, and restricted cash, beginning of period	97,709	149,700
Cash and cash equivalents, and restricted cash, end of period	\$ 80,130	\$ 100,515

SERITAGE GROWTH PROPERTIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited, amounts in thousands)

	Six Months Ended June 30,	
	2025	2024
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents at beginning of period	\$ 85,206	\$ 134,001
Restricted cash at beginning of period	12,503	15,699
Cash and cash equivalents and restricted cash at beginning of period	\$ 97,709	\$ 149,700
Cash and cash equivalents at end of period	\$ 71,802	\$ 86,706
Restricted cash at end of period	8,328	13,809
Cash and cash equivalents and restricted cash at end of period	\$ 80,130	\$ 100,515

	Six Months Ended June 30,	
	2025	2024
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 10,536	\$ 13,246
Income taxes paid	128	1,485
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Development of real estate financed with accounts payable	\$ 6,220	\$ 17,749
Preferred dividends declared and unpaid	1,225	1,225

The accompanying notes are an integral part of these condensed consolidated financial statements.

SERITAGE GROWTH PROPERTIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Organization

Seritage Growth Properties (“Seritage”) (NYSE: SRG), was formed as a Maryland real estate investment trust on June 3, 2015, operated as a fully integrated, self-administered and self-managed real estate investment trust (“REIT”) as defined under Section 856(c) of the Internal Revenue Code (the “Code”) from formation through December 31, 2021. On March 31, 2022, Seritage revoked its REIT election and became a taxable C Corporation effective January 1, 2022. Seritage’s assets are held by and its operations are primarily conducted, directly or indirectly, through Seritage Growth Properties, L.P., a Delaware limited partnership (the “Operating Partnership”). Under the partnership agreement of the Operating Partnership, Seritage, as the sole general partner, has exclusive responsibility and discretion in the management and control of the Operating Partnership. Unless otherwise expressly stated or the context otherwise requires, the “Company” and “Seritage” refer to Seritage, the Operating Partnership and its owned and controlled subsidiaries.

Prior to the adoption of the Company’s Plan of Sale (defined below), Seritage was principally engaged in the ownership, development, redevelopment, management, sale and leasing of diversified retail and mixed-use properties throughout the United States. As of June 30, 2025, the Company’s portfolio consisted of interests in 13 properties comprised of approximately 1.3 million square feet of gross leasable area (“GLA”) or build-to-suit leased area and 198 acres of land. The portfolio encompasses eight consolidated properties consisting of approximately 0.8 million square feet of GLA and 113 acres (such properties, the “Consolidated Properties”) and five unconsolidated entities consisting of approximately 0.5 million square feet of GLA and 85 acres (such properties, the “Unconsolidated Properties”).

The Company commenced operations on July 7, 2015 following a rights offering to the shareholders of Sears Holdings Corporation (“Sears Holdings” or “Sears”) to purchase common shares of Seritage in order to fund, in part, the \$2.7 billion acquisition of certain of Sears Holdings’ owned properties and its 50% interests in three joint ventures which were simultaneously leased back to Sears Holdings under a master lease agreement (the “Original Master Lease” and the “Original JV Master Leases,” respectively).

On March 1, 2022, the Company announced that its Board of Trustees had commenced a process to review a broad range of strategic alternatives. The Board of Trustees created a Special Committee (the “Special Committee”) of the Company’s Board of Trustees to oversee the process. The Special Committee retained Barclays as its financial advisor. The agreement with Barclays expired in August 2023. The Company’s strategic review process remains ongoing as the Company executes sales pursuant to the Plan of Sale, and the Company remains open minded to pursuing value maximizing alternatives, including a potential sale of the Company. There can be no assurance that the review process will result in any transaction or that the Company will be successful in fully executing the Plan of Sale. The Board of Trustees is currently overseeing the Plan of Sale.

On March 31, 2022, the Company announced that its Board of Trustees, with the recommendation of the Special Committee, approved a plan to terminate the Company’s REIT status and become a taxable C Corporation, effective for the year ended December 31, 2022. As a result, the Company is no longer required to operate under REIT rules, including the requirement to distribute at least 90% of REIT taxable income to its shareholders, which provides the Company with greater flexibility to use its free cash flow. Effective January 1, 2022, the Company is subject to federal and state income taxes on its taxable income at applicable tax rates and is no longer entitled to a tax deduction for dividends paid. The Company operated as a REIT since inception and through the 2021 tax year, and existing REIT requirements and limitations, including those established by the Company’s organizational documents, remained in place until December 31, 2021.

As a result of the Company’s change in corporate structure to a taxable C Corporation effective January 1, 2022, the Company incurred a one-time, non-cash deferred tax benefit of approximately \$161.3 million during the quarter ended March 31, 2022. The Company also recorded a full valuation allowance against the deferred tax asset pursuant to ASC 740, *Income Taxes*, as discussed in more detail below.

The Company sought a shareholder vote to approve a proposed plan of sale of the Company’s assets and dissolution (the “Plan of Sale”) that would allow the Board to sell all of the Company’s assets, distribute the net proceeds to shareholders and dissolve the Company. The Plan of Sale is expected to increase the universe of potential buyers by allowing Seritage and potential buyers to enter into and complete value maximizing transactions without subjecting any such transaction to the delay and conditionality associated with having to seek and obtain shareholder approval. On July 6, 2022, Edward Lampert, the Company’s former Chairman, entered into a Voting and Support Agreement under which he exchanged his equity interest in the Operating Partnership for Class A common shares and agreed to vote his shares in favor of the Plan of Sale. As of June 30, 2025, Mr. Lampert owns approximately 23.9% of the Company’s outstanding Class A common shares, and Seritage, including its consolidated subsidiaries, is the sole owner of all outstanding Operating Partnership interests.

The affirmative vote of at least two-thirds of all outstanding common shares of the Company was required to approve the Plan of Sale. The 2022 Annual Meeting of Shareholders occurred on October 24, 2022, following the Company's filing of a final proxy statement with the SEC on September 14, 2022. During the meeting, the Plan of Sale was approved by the shareholders. The strategic review process remains ongoing as the Company executes the Plan of Sale, and the Company remains open minded to pursuing value maximizing alternatives, including a potential sale of the Company. There can be no assurance that the review process will result in any transaction or that the Company will be successful in fully executing on the Plan of Sale. See "Item 1A. Risk Factors — Risks Related to Our Business and Operations — There can be no assurance that we will be able to complete any transaction or any strategic change on terms satisfactory to the Board of Trustees." included in our Annual Report on Form 10-K, (the "Annual Report") for the year ended December 31, 2024. The Board of Trustees is currently overseeing the Plan of Sale.

Liquidity

The Company's primary uses of cash include the payment of property operating and other expenses, including general and administrative expenses and debt service (collectively, "Obligations"), and certain development expenditures. Property rental income, which is the Company's primary source of operating cash flow, did not fully fund Obligations during the six months ended June 30, 2025 and the Company recorded net operating cash outflows of \$21.2 million. Additionally, the Company generated net investing cash inflows of \$46.1 million during the six months ended June 30, 2025, which were driven by asset sales and partially offset by development expenditures and investments in unconsolidated entities.

Obligations are projected to continue to exceed property rental income and the Company expects to fund such costs with a combination of capital sources including, but not limited to, cash on hand, sales of Consolidated Properties, sales of Unconsolidated Properties and potential financing transactions. During the six months ended June 30, 2025, the Company sold two Consolidated Properties and two Unconsolidated Properties for gross proceeds of \$60.7 million and made aggregate principal prepayments of \$40.0 million reducing the outstanding Term Loan Facility balance to \$200.0 million at June 30, 2025. The maturity date for the Term Loan Facility was July 31, 2025. On November 20, 2024, the Company entered into an amendment to the Term Loan Facility agreement which provided the Company with an option to extend the maturity of the Term Loan Facility to July 31, 2026. On July 28, 2025, the Company exercised its extension option and on July 30, 2025, the Company paid a 2% extension fee equal to \$4.0 million extending the maturity date to July 31, 2026. The Company also paid an incremental facility fee of \$4.0 million. All other terms under the Term Loan Agreement shall remain unchanged during the extension period including the interest rate and the incremental facility fee in accordance with the Term Loan Agreement.

Going Concern

In accordance with ASC 205-40, *Presentation of Financial Statements - Going Concern*, for each annual and interim reporting period, management evaluates whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. As part of this evaluation, the Company takes into consideration all Obligations and certain development expenditures due within the subsequent 12 months, as well as cash on hand and expected cash receipts. The Company currently anticipates that it will continue to use sales of Consolidated and Unconsolidated Properties as the primary source of capital to fund its Obligations, including the principal payments on the Term Loan Facility, while at the same time pursuing alternative financing arrangements.

As of August 14, 2025, there are three Consolidated Properties under contract for aggregate gross proceeds of \$109.8 million. Additionally, the Company is currently negotiating sales for two consolidated properties with aggregate gross proceeds of \$134.5 million and three unconsolidated properties with aggregate proceeds of \$46.7 million at share for total aggregate proceeds of \$181.2 million which are not considered in our going concern analysis. The Company continues to monetize its assets, however, the timing of sales and the amount of proceeds from future sales are not under the Company's control and therefore cannot be deemed probable.

The anticipated proceeds from the sales of assets under contract and existing cash on hand, will not allow the Company to fund its Obligations because the Term Loan Facility, which matures on July 31, 2026, is presently a current Obligation. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern until assets under contract are sufficient to increase the Company's projected cash flows such that they exceed the Company's Obligations, or until alternative financing arrangements have been made. These uncertainties raise substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates it will be able to realize assets and settle liabilities and commitments in the normal course of business for the foreseeable future. Accordingly, the accompanying condensed consolidated financial statements do not include any adjustments that may result from the outcome of these uncertainties.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

These condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission (“SEC”) and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K, (the “Annual Report”), for the year ended December 31, 2024. Certain footnote disclosures which would substantially duplicate those contained in our Annual Report have been condensed or omitted from this quarterly report. In the opinion of management, all adjustments necessary for a fair presentation (which include only normal recurring adjustments) have been included in this quarterly report. Operating results for the three and six months ended June 30, 2025 may not be indicative of the results that may be expected for any other interim period or for the year ending December 31, 2025. Capitalized terms used, but not defined in this quarterly report, have the same meanings as set forth in our Annual Report.

The accompanying condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The condensed consolidated financial statements include the accounts of the Company, the Operating Partnership, each of their consolidated properties, and all other entities in which they have a controlling financial interest. For entities that meet the definition of a variable interest entity (“VIE”), the Company consolidates such entities when the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it possesses both the unilateral power to direct activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Company continually evaluates whether it qualifies as the primary beneficiary and reconsiders its determination of whether an entity is a VIE upon reconsideration events. As of June 30, 2025, the Company consolidates one VIE in which we are considered the primary beneficiary, as the Company has the power to direct the activities of the entity, specifically surrounding the development plan. As of June 30, 2025 and December 31, 2024, the Company has investments in several unconsolidated VIEs and does not consolidate these entities because the Company is not the primary beneficiary. All intercompany accounts and transactions have been eliminated.

To the extent such variable interests are in entities that are not evaluated under the VIE model, the Company evaluates its interests using the voting interest entity model.

As of June 30, 2025, the Company, and its wholly owned subsidiaries, holds a 100% interest in the Operating Partnership and is the sole general partner which gives the Company exclusive and complete responsibility for the day-to-day management, authority to make decisions, and control of the Operating Partnership.

Certain reclassifications have been made to previously reported amounts to conform to the current period’s presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant assumptions and estimates relate to real estate impairment assessments and assessing the recoverability of accounts receivable. These estimates are based on historical experience and other assumptions which management believes are reasonable under the circumstances. Management evaluates its estimates on an ongoing basis and makes revisions to these estimates and related disclosures as experience develops or new information becomes known. Actual results could differ from these estimates.

Segment Reporting

Given the continued decline in size of the portfolio and the continued progression of the Plan of Sale, the Company has concluded that they have one operating segment and one reportable segment as the Company is assessing performance and making operating decisions on an aggregated single segment basis. The Company currently operates in a single reportable segment which includes the ownership, development, redevelopment, management, sale and leasing of real estate properties. The Company’s chief operating decision maker (“CODM”), Adam Metz (the principal executive officer), assesses and measures the operating and financial results on an aggregated basis and does not allocate resources or make decisions distinguishing between individual properties geographies, sizes, or types. All revenue has been generated and all tangible assets are held in the United States.

Real Estate

Real estate assets are recorded at cost, less accumulated depreciation and amortization.

Expenditures for ordinary repairs and maintenance will be expensed as incurred. Significant renovations which improve the property or extend the useful life of the assets are capitalized. To the extent any real estate is undergoing redevelopment activities, all amounts

directly associated with and attributable to the project, including planning, development and construction costs, interest costs, personnel costs of employees directly involved, and other miscellaneous costs incurred during the period of redevelopment, are capitalized and classified as construction in progress. The capitalization period begins when redevelopment activities are underway and ends when the project is substantially complete. Capitalized costs remain in construction in progress until such time as the project is completed and placed in service, the project is abandoned, the asset is classified as held for sale or the asset is sold.

Depreciation of real estate assets, excluding land, is recognized on a straight-line basis over their estimated useful lives which generally range between:

Buildings:	25 – 40 years
Site improvements:	5 – 15 years
Tenant improvements:	shorter of the estimated useful life or non-cancelable term of lease

The Company amortizes identified intangibles that have finite lives over the period they are expected to contribute directly or indirectly to the future cash flows of the property or business acquired, generally the remaining non-cancelable term of a related lease.

The Company, on a periodic basis, assesses whether there are indicators that the value of the real estate assets may be impaired. If an indicator is identified, management will estimate the real estate asset recoverability based on projected operating cash flows (undiscounted and unleveraged), taking into account the anticipated holding period and capitalization rates, to determine if the undiscounted cash flows are less than a real estate asset's carrying value. In estimating the fair value of an asset, various factors are considered, including expected future operating income, trends and leasing prospects, including the effects of demand, competition, and other economic factors, such as discount rates and market comparables. If the carrying value of an asset exceeds the undiscounted cash flows, an analysis is performed to determine the estimated fair value of the real estate asset. Changes in any estimates and/or assumptions, including the anticipated holding period, could have a material impact on the projected operating cash flows. If management determines that the carrying value of a real estate asset is impaired, a loss will be recorded for the excess of its carrying amount over its estimated fair value. The Company recognized an impairment loss of \$18.0 million during the three and six months ended June 30, 2025. The Company recognized impairment losses of \$86.4 million and \$87.5 million during the three and six months ended June 30, 2024, respectively.

Real Estate Dispositions

When the Company disposes of all or a portion of a real estate asset, it recognizes a gain or loss on sale of real estate as the difference between the carrying value and consideration received. Consideration consists of cash proceeds received and in certain circumstances, non-cash consideration when a property is contributed to an investment in unconsolidated entity. Gains and losses from the disposition of real estate are recorded as gain (loss) on sale of real estate on the Company's consolidated statements of operations. Refer to Note 4 for more information on the Company's unconsolidated entity transactions.

The following table summarizes the Company's gain on sale of real estate, net during the three and six months ended June 30, 2025 and 2024 (in millions):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Dispositions to third parties				
Cash proceeds	\$ 23.0	\$ 40.4	\$ 52.6	\$ 87.7
Gain on sale of real estate, net	2.0	2.0	8.9	3.2

Real Estate Held for Sale

When a real estate asset is identified by management as held for sale, the Company ceases depreciation of the asset and estimates its fair value, net of estimated costs to sell. If the estimated fair value, net of estimated costs to sell, of an asset is less than its net carrying value, an adjustment is recorded to reflect the estimated fair value. Properties classified as real estate held for sale generally represent properties that are under contract for sale and are expected to close within a year.

In evaluating whether a property meets the held for sale criteria, the Company makes a determination as to the point in time that it is probable that a sale will be consummated. Given the nature of all real estate sales contracts, it is not unusual for such contracts to allow potential buyers a period of time to evaluate the property prior to formal acceptance of the contract. In addition, certain other matters critical to the final sale, such as financing arrangements, often remain pending even upon contract acceptance. As a result, properties under contract may not close within the expected time period or at all.

As of June 30, 2025, one property was classified as held for sale with assets of \$8.5 million and no liabilities. As of December 31, 2024, no properties were classified as held for sale.

Investments in Unconsolidated Entities

The Company accounts for its investments in Unconsolidated Entities using the equity method of accounting as the Company exercises significant influence but does not have a controlling financial interest. These investments are initially recorded at cost and are subsequently adjusted for cash contributions, cash distributions, and earnings and losses which are recognized in accordance with the terms of the applicable agreement.

On a periodic basis, management assesses whether there are indicators, including the operating performance of the underlying real estate and general market conditions which include macroeconomic conditions, that the value of the Company's investments in unconsolidated entities may be impaired. An investment's value is impaired if management's estimate of the fair value of the Company's investment is less than its carrying value and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying amount of the investment over its estimated fair value.

The Company did not record an other-than-temporary impairment loss for the three months ended June 30, 2025. The Company recorded \$8.5 million in other-than-temporary impairment losses in investments in unconsolidated entities for the six months ended June 30, 2025. The Company recorded no other-than-temporary impairment losses in investments in unconsolidated entities for the three and six months ended June 30, 2024.

Restricted Cash

As of June 30, 2025 and December 31, 2024, restricted cash represents cash collateral for letters of credit and cash held in escrow.

Rental Revenue Recognition and Tenant Receivables

Rental income is comprised of base rent and reimbursements of property operating expenses. The Company commences rental revenue recognition when the lessee takes control of the physical use of the leased asset based on an evaluation of several factors. Base rent is recognized on a straight-line basis over the non-cancelable terms of the related leases. For leases that have fixed and measurable base rent escalations, the difference between such rental income earned and the cash rent due under the provisions of the lease is recorded as straight-line rent receivable and included as a component of tenant and other receivables on the condensed consolidated balance sheets. Reimbursement of property operating expenses arises from tenant leases which provide for the recovery of all or a portion of the operating expenses and real estate taxes of the respective property. This revenue is accrued in the same periods as the expenses are incurred.

The Company periodically reviews its receivables for collectability, taking into consideration changes in factors such as the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates, and economic conditions in the area where the property is located. Tenant receivables, including receivables arising from the straight-lining of rents, are written-off directly when management deems that the collectability of substantially all future lease payments from a specified lease is not probable of collection, at which point, the Company will begin recognizing revenue on a cash basis, based on actual amounts received. Any receivables that are deemed to be uncollectible are recognized as a reduction to rental income in the Company's condensed consolidated statements of operations. If future circumstances change such that the Company believes that it is reasonably certain that the Company will collect all rental income remaining on such leases, the Company will resume accruing rental income and recognize a cumulative catch up for previously written-off receivables. The Company recognized rental income on a cash basis for certain tenants starting in the third quarter of 2024.

In leasing tenant space, the Company may provide funding to the lessee through a tenant allowance. In accounting for a tenant allowance, the Company will determine whether the allowance represents funding for the construction of leasehold improvements and evaluate the ownership of such improvements. If the Company is considered the owner of the improvements for accounting purposes, the Company will capitalize the amount of the tenant allowance and depreciate it over the shorter of the useful life of the improvements or the related lease term. If the tenant allowance represents a payment for a purpose other than funding leasehold improvements, or in the event the Company is not considered the owner of the improvements for accounting purposes, the allowance is considered a lease incentive and is recognized over the lease term as a reduction of rental revenue on a straight-line basis.

Tenant and Other Receivables

Tenant and other receivables includes unpaid amounts billed to tenants, accrued revenues for future billings to tenants for property expenses, and amounts arising from the straight-lining of rent, as discussed above. Tenant and other receivables also includes management fees receivable for services performed for the benefit of certain unconsolidated entities. In the event that the collectability

of a management fee receivable is in doubt, a provision for uncollectible amounts will be established or a direct write-off of the specific receivable will be made.

Management and Other Fee Income

Management and other fee income represents property management, construction, leasing and development fees for services performed for the benefit of certain unconsolidated entities.

Property management fee income is reported at 100% of the revenue earned from such Unconsolidated Properties in management and other fee income on the condensed consolidated statements of operations. The Company's share of management expenses incurred by the unconsolidated entities is reported in equity in loss of unconsolidated entities on the condensed consolidated statements of operations and in other expenses in the combined financial data in Note 4.

Leasing and development fees are initially reported at the portion of revenue earned attributable to outside ownership of the related unconsolidated entities. The Company's share in leasing and development fee income is recognized over the useful life of the associated development project, in the case of development fees, or lease term, in the case of leasing fees, as the associated asset is depreciated over the same term and included in equity in loss of unconsolidated entities on the condensed consolidated statements of operations and in other expenses in the combined financial data in Note 4.

Management determined that property and asset management and construction and development management services each represent a series of stand-ready performance obligations satisfied over time with each day of service being a distinct performance obligation. For property and asset management services, the Company is typically compensated for its services through a monthly management fee earned based on a specified percentage of monthly rental income or rental receipts generated from the property under management. For construction and development services, the Company is typically compensated for planning, administering and monitoring the design and construction of projects within our unconsolidated entities based on a percentage of project costs or a fixed fee. Revenues from such management contracts are recognized over the life of the applicable contract.

Conversely, leasing services are considered to be performance obligations, satisfied as of a point in time. The Company's leasing fee is typically paid upon the occurrence of certain contractual event(s) that may be contingent and the pattern of revenue recognition may differ from the timing of payment. For these services, the obligations are typically satisfied at lease execution and tenant opening date, and revenue is recognized in accordance with the related agreement at the point in time when the obligation has been satisfied.

Share-Based Compensation

The Company generally recognizes equity awards to employees as compensation expense and includes such expense within general and administrative expenses in the condensed consolidated statements of operations. Compensation expense for equity awards is based on the grant date fair value of the awards. Compensation expense is recognized ratably over the vesting period for awards with time-based vesting and awards with market-based vesting conditions (e.g., total shareholder return). For awards with performance-based vesting determined by Company operating criteria, the Company recognizes compensation expense at the date the achievement of performance criteria is deemed probable for the amount which would have been recognized ratably from the date of the grant through the date the achievement of performance criteria is deemed probable, and then ratably from the date the achievement of performance criteria is deemed probable through the remainder of the vesting period. The Company utilized a third-party valuation firm to measure the grant date fair value of restricted stock unit awards with market-based criteria using the Monte Carlo model. All market-based awards expired on March 15, 2024. All time-based awards expired on March 15, 2025. Forfeitures were recorded on an actual basis.

Concentration of Credit Risk

Concentrations of credit risk arise when a number of operators, tenants, or obligors related to the Company's investments are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. Management believes the Company's portfolio is reasonably diversified and does not contain any significant concentrations of credit risk. As of June 30, 2025, the Company has two tenants that comprise 13.6% and 10.0%, respectively, of annualized base rent, with no other tenants exceeding 10.0% of annualized base rent. The Company's portfolio of eight Consolidated Properties and five Unconsolidated Properties was diversified by location across six states. For the six months ended June 30, 2025, of the eight consolidated properties, approximately 54.0% of our total rental income was concentrated in Florida.

Earnings per Share

The Company has three classes of common stock. The rights, including the liquidation and dividend rights, of the holders of the Company's Class A common shares and Class C non-voting common shares are identical, except with respect to voting. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis. The net earnings (loss)

per share amounts are the same for Class A and Class C common shares because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation. Since August 29, 2018, all outstanding Class C common shares had been exchanged for Class A common shares and there are currently no Class C common shares outstanding.

Class B non-economic common shares are excluded from earnings per share computations as they do not have economic rights. As of December 31, 2020, all outstanding Class B common shares had been surrendered and there are currently no Class B common shares outstanding.

All outstanding non-vested shares that contain non-forfeitable rights to dividends are considered participating securities and are included in computing earnings per share pursuant to the two-class method which specifies that all outstanding non-vested share-based payment awards that contain non-forfeitable rights to distributions are considered participating securities and should be included in the computation of earnings per share.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures that requires public companies to annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). ASU 2023-09 will be effective for the fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact on its consolidated financial statements.

In January 2025, the FASB issued ASU 2025-01, "Clarifying the Effective Date" as an update to ASU 2024-03, "Disaggregation of Income Statement Expenses" (ASU 2024-03). ASU 2024-03 requires enhanced disclosures regarding income statement expenses, including disaggregation of significant categories such as depreciation and amortization of real estate assets, property operating expenses and employee compensation, within relevant expense captions presented in the income statement. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 31, 2027. The Company is currently evaluating the impact on its financial statement disclosures.

Note 3 – Lease Intangible Assets and Liabilities

The following tables summarize the Company's lease intangible assets (acquired in-place leases and above-market leases) and liabilities (acquired below-market leases, which is included in accounts payable, accrued expenses and other liabilities) on the consolidated balance sheets, net of accumulated amortization, as of June 30, 2025 and December 31, 2024 (in thousands):

June 30, 2025			
<u>Lease Intangible Assets</u>	<u>Gross Asset</u>	<u>Accumulated Amortization</u>	<u>Balance</u>
In-place leases, net	\$ 2,858	\$ (1,934)	\$ 924
Above-market leases, net	534	(534)	-
Total	<u>\$ 3,392</u>	<u>\$ (2,468)</u>	<u>\$ 924</u>
<u>Lease Intangible Liabilities</u>	<u>Gross Liability</u>	<u>Accumulated Amortization</u>	<u>Balance</u>
Below-market leases, net	\$ (1,865)	\$ 826	\$ (1,039)
Total	<u>\$ (1,865)</u>	<u>\$ 826</u>	<u>\$ (1,039)</u>
December 31, 2024			
<u>Lease Intangible Assets</u>	<u>Gross Asset</u>	<u>Accumulated Amortization</u>	<u>Balance</u>
In-place leases, net	\$ 2,858	\$ (1,838)	\$ 1,020
Above-market leases, net	\$ 534	\$ (507)	\$ 27
Total	<u>\$ 3,392</u>	<u>\$ (2,345)</u>	<u>\$ 1,047</u>
<u>Lease Intangible Liabilities</u>	<u>Gross Liability</u>	<u>Accumulated Amortization</u>	<u>Balance</u>
Below-market leases, net	\$ (1,865)	\$ 785	\$ (1,080)
Total	<u>\$ (1,865)</u>	<u>\$ 785</u>	<u>\$ (1,080)</u>

Amortization of acquired below-market leases, net of acquired above-market leases, resulted in additional rental income of \$7.3 thousand and \$12.2 thousand for the three months ended June 30, 2025 and 2024, respectively and \$14.6 thousand and \$25.7 thousand for the six months ended June 30, 2025 and 2024, respectively. Amortization of an acquired below-market ground lease resulted in additional property expense of \$50.7 thousand for the three months ended June 30, 2025 and 2024, respectively and \$101.4 thousand for the six months ended June 30, 2025 and 2024, respectively. Amortization of acquired in-place leases resulted in additional depreciation and amortization expense of \$48.3 thousand and \$8.4 thousand for the three months ended June 30, 2025 and 2024 and \$96.7 thousand and \$27.6 thousand for the six months ended June 30, 2025 and 2024, respectively. Future amortization of these lease intangibles is set forth below (in thousands):

	(Above) / below market leases, net	Below market ground lease	In-place leases
Remainder of 2025	\$ 42	\$ 101	\$ 47
2026	83	203	92
2027	83	203	92
2028	82	203	92
2029	82	203	92
2030	83	203	92
Thereafter	584	8,621	417

Note 4 – Investments in Unconsolidated Entities

The Company conducts a portion of its property rental activities through investments in unconsolidated entities. The Company's partners in these unconsolidated entities are unrelated real estate entities or commercial enterprises. The Company and its partners in these unconsolidated entities make initial and/or ongoing capital contributions to these unconsolidated entities. The obligations to make capital contributions are governed by each unconsolidated entity's respective operating agreement and related governing documents.

During the three months ended June 30, 2025, the Company sold its remaining interest in the SPS Portfolio Holdings II LLC joint venture to an affiliate of its joint venture partner and recognized a loss of \$1.4 million on the sale. As of June 30, 2025, the Company had investments in five unconsolidated entities as follows:

Unconsolidated Entities	Entity Partner(s)	Share % Ownership	# of Properties	Total GLA
GS Portfolio Holdings (2017) LLC ("GGP II JV")	Brookfield Properties Retail (formerly GGP Inc.)	50.0%	1	93,500
Mark 302 JV LLC ("Mark 302 JV")	An investment fund managed by Invesco Real Estate	50.0%	1	51,500
SI UTC LLC ("UTC JV")	A separate account advised by Invesco Real Estate	50.0%	1	106,200
Tech Ridge JV Holding LLC ("Tech Ridge JV")	An affiliate of RD Management	50.0%	1	—
Landmark Land Holdings, LLC ("Landmark JV")	The Howard Hughes Corporation and Foulger-Pratt	31.3%	1	—
			<u>5</u>	<u>251,200</u>

In certain circumstances, when the Company has contributed properties to unconsolidated entities in exchange for equity interests in those unconsolidated entities, the transaction price attributed to the property at the closing (the "Contribution Value") is subject to revaluation as defined in the respective unconsolidated entity agreements, which may result in an adjustment to the gain or loss recognized. If the Contribution Value is subject to revaluation, the Company initially recognizes the gain or loss at the value that is the expected amount within the range of possible outcomes and will re-evaluate the expected amount on a quarterly basis through the final determination date.

Upon revaluation, the primary inputs in determining the Contribution Value will be updated for actual results and may result in a cash settlement or capital account adjustment between the unconsolidated entity partners, as well as an adjustment to the initial gain or loss.

Each reporting period, the Company re-analyzes the primary inputs that determine the Contribution Value and the gain or loss for those unconsolidated entities subject to a revaluation. As of June 30, 2025, the Company has one remaining instance where the Contribution

Value is subject to a revaluation under certain conditions. The Company did not recognize any gains or loss on revaluation during the six months ended June 30, 2025 and 2024.

Summarized Financial Information for Unconsolidated Entities

The following tables present summarized financial data for UTC JV (in thousands):

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
ASSETS		
Investment in real estate		
Land	\$ 27,992	\$ 27,992
Buildings and improvements	149,396	149,628
Accumulated depreciation	(14,669)	(11,943)
	<u>162,719</u>	<u>165,677</u>
Construction in progress	3,302	3,013
Net investment in real estate	166,021	168,690
Cash and cash equivalents	2,152	2,839
Tenant and other receivables, net	11,501	11,408
Other assets, net	10,590	11,131
Total assets	<u>\$ 190,264</u>	<u>\$ 194,068</u>
LIABILITIES AND MEMBERS' INTERESTS		
Accounts payable, accrued expenses and other liabilities	4,038	6,335
Total liabilities	<u>4,038</u>	<u>6,335</u>
Members' Interest		
Total members' interest	186,226	187,733
Total liabilities and members' interest	<u>\$ 190,264</u>	<u>\$ 194,068</u>
Carrying value of Company's investments in equity investments	\$ 97,760	\$ 98,587

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total revenue	\$ 5,052	\$ 4,478	\$ 9,834	\$ 9,049
Property operating expenses	(641)	(1,561)	(1,289)	(2,346)
Depreciation and amortization	(1,692)	(1,565)	(3,257)	(3,040)
Operating income	2,719	1,352	5,288	3,663
Other expenses	(134)	(202)	(293)	(345)
Net income	<u>\$ 2,585</u>	<u>\$ 1,150</u>	<u>\$ 4,995</u>	<u>\$ 3,318</u>
Equity in income of unconsolidated entities ⁽¹⁾	<u>\$ 1,328</u>	<u>\$ 612</u>	<u>\$ 2,606</u>	<u>\$ 1,734</u>

(1) Equity in income (loss) of unconsolidated entities on the condensed consolidated statements of operations includes basis difference adjustments.

Summarized Financial Information for Unconsolidated Entities

The following tables present combined condensed financial data for all of the Company's Unconsolidated Entities, excluding UTC JV (in thousands):

	June 30, 2025	December 31, 2024
ASSETS		
Investment in real estate		
Land	\$ 82,214	\$ 88,153
Buildings and improvements	40,902	74,644
Accumulated depreciation	(9,561)	(30,854)
	113,555	131,943
Construction in progress	68,122	64,212
Net investment in real estate	181,677	196,155
Cash and cash equivalents	10,027	18,164
Tenant and other receivables, net	287	35
Other assets, net	17,088	17,921
Total assets	\$ 209,079	\$ 232,275
LIABILITIES AND MEMBERS' INTERESTS		
Liabilities		
Accounts payable, accrued expenses and other liabilities	15,481	12,194
Total liabilities	15,481	12,194
Members' Interest		
Total members' interest	193,598	220,081
Total liabilities and members' interest	\$ 209,079	\$ 232,275
Carrying value of Company's investments in equity investments	\$ 68,177	\$ 91,112

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total revenue	\$ 695	\$ 695	\$ 984	\$ 894
Property operating expenses	(1,053)	(1,573)	(1,889)	(2,496)
Depreciation and amortization	(754)	(1,337)	(1,696)	(2,095)
Operating loss	(1,112)	(2,215)	(2,601)	(3,697)
Other expenses	22	(125)	157	(107)
Gains (losses) and (impairments)	-	3	-	3
Net loss	\$ (1,090)	\$ (2,337)	\$ (2,444)	\$ (3,801)
Equity in loss of unconsolidated entities ⁽¹⁾	\$ (572)	\$ (1,178)	\$ (9,778)	\$ (1,921)

(1) Equity in income (loss) of unconsolidated entities on the condensed consolidated statements of operations includes basis difference adjustments.

The Company shares in the profits and losses of these unconsolidated entities generally in accordance with the Company's respective equity interests. In some instances, the Company may recognize profits and losses related to investment in an unconsolidated entity that differ from the Company's equity interest in the unconsolidated entity. This may arise from impairments that the Company recognizes related to its investment that differ from the impairments the unconsolidated entity recognizes with respect to its assets, differences between the Company's basis in assets it has transferred to the unconsolidated entity and the unconsolidated entity's basis in those assets or other items. The Company utilizes appraisals and third-party prepared fair value estimates as well as negotiated offers to sell the investments for the impairment analysis. The Company did not record an other-than-temporary loss for the three months ended June 30, 2025. The Company recorded \$8.5 million in other-than-temporary impairment losses in investments in unconsolidated entities for the six months ended June 30, 2025. The Company did not record any other-than-temporary impairment losses for the three and six months ended June 30, 2024.

As of June 30, 2025, the Company has put rights for one asset in one of its joint ventures, however since this property is vacant, the 50% occupancy threshold to exercise this put right has not been met.

The Company's partners assess impairment on its underlying assets pursuant to ASC 360, *Property, Plant and Equipment*, and did not record any impairments on unconsolidated properties for the three and six months ended June 30, 2025 and 2024.

Unconsolidated Entity Management and Related Fees

The Company acts as the operating partner and day-to-day manager for the Mark 302 JV, the UTC JV, and Tech Ridge JV. The Company is entitled to receive certain fees for providing management, leasing, and construction supervision services to certain of its unconsolidated entities. Refer to Note 2 for the Company's accounting policies. The Company recorded \$0.1 million and \$50.0 thousand from these services for the three months ended June 30, 2025 and 2024, respectively, and \$0.2 million and \$98.0 thousand from these services for the six months ended June 30, 2025 and 2024, respectively.

Note 5 – Leases

Lessor Disclosures

Future minimum rental receipts, excluding variable payments, tenant reimbursements of expenses and rents related to tenants in default, under non-cancelable operating leases executed as of June 30, 2025 is approximately as follows (in thousands):

	<u>June 30, 2025</u>	
Remainder of 2025	\$	7,262
2026		16,249
2027		16,449
2028		13,966
2029		12,903
2030		12,756
Thereafter		50,978
Total	\$	<u>130,563</u>

The components of lease revenues for the three and six months ended June 30, 2025 and 2024 were as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2025	2024	2025	2024
Fixed rental income	\$ 2,848	\$ 3,971	\$ 6,098	\$ 8,808
Variable rental income	1,636	361	3,095	1,303
Total rental income	<u>\$ 4,484</u>	<u>\$ 4,332</u>	<u>\$ 9,193</u>	<u>\$ 10,111</u>

Lessee Disclosures

The Company has one ground lease and one corporate office lease which are classified as operating leases. As of June 30, 2025, and December 31, 2024, the outstanding amount of right of use, ("ROU") assets were \$10.5 million and \$11.5 million, respectively, which is included in prepaid expenses, deferred expenses and other assets, net on the condensed consolidated balance sheets. As of June 30, 2025, and December 31, 2024, the outstanding lease liabilities were \$0.7 million and \$1.2 million, respectively, which is included in accounts payable, accrued expenses and other liabilities on the consolidated balance sheets.

The Company recorded rent expense related to leased corporate office space of \$0.5 million and \$0.5 million for the three months ended June 30, 2025 and 2024, respectively and \$0.9 million and \$0.7 million for the six months ended June 30, 2025 and 2024, respectively. Such rent expense is classified within general and administrative expenses on the condensed consolidated statements of operations.

On May 1, 2024, the Company exercised its early termination right provision of the corporate office lease. This reduced the lease term by 37 months, amending the initial lease end date from August 30, 2028 to July 31, 2025. In connection with electing its termination right, the Company paid a \$1.6 million termination fee on May 1, 2024. The termination fee was recorded as an adjustment to the right-of-use asset.

In addition, the Company recorded ground rent expense of approximately \$11.2 thousand and \$11.2 thousand for the three months ended June 30, 2025 and 2024, respectively and \$22.5 thousand and \$22.5 thousand for the six months ended June 30, 2025 and 2024. Such ground rent expense is classified within property operating expenses on the condensed consolidated statements of operations. The ground lease requires the Company to make fixed annual rental payments and expires in 2073 assuming all extension options are exercised.

As of June 30, 2025, the Company expects to make cash payments on operating leases of \$0.1 million remaining in 2025, \$45.0 thousand in 2026, \$45.0 thousand in 2027, \$45.0 thousand in 2028, \$45.0 thousand in 2029, \$45.0 thousand in 2030 and \$1.9 million for the periods thereafter. The present value discount is (\$0.6) million.

Subsequent to June 30, 2025, the Company entered into a one year extension for a portion of its office space at a cost of \$19.0 thousand per month. The Company is electing a short term lease exemption permissible under ASC 842 as the lease has no option to additionally extend and there are no costs associated with the end of the lease.

The following table sets forth information related to the measurement of our lease liabilities as of June 30, 2025:

	June 30, 2025
Weighted-average remaining lease term (in years)	39.1
Weighted-average discount rate	7.57%
Cash paid for operating leases (in thousands)	\$ 595

Note 6 – Debt

Term Loan Facility

On July 31, 2018, the Operating Partnership, as borrower, and the Company, as guarantor, entered into a Senior Secured Term Loan Agreement (the “Term Loan Agreement”) providing for a \$2.0 billion term loan facility (the “Term Loan Facility”) with Berkshire Hathaway Life Insurance Company of Nebraska (“Berkshire Hathaway”) as lender and Berkshire Hathaway as administrative agent. The Term Loan Facility provided for an initial funding of \$1.6 billion at closing (the “Initial Funding”) and includes a \$400 million incremental funding facility (the “Incremental Funding Facility”) subject to certain conditions described below. On February 2, 2023, the Company made a \$230 million voluntary prepayment, reducing the unpaid principal balance to \$800 million, and the debt maturity was extended for two years to July 31, 2025. At June 30, 2025, the unpaid principal balance was \$200.0 million.

Funded amounts under the Term Loan Facility bear interest at an annual rate of 7.0% and unfunded amounts under the Incremental Funding Facility are subject to an annual fee of 1.0% until drawn. The Company prepays the annual fee and amortizes the expense to interest expense on the condensed consolidated statements of operations.

The Company’s ability to access the Incremental Funding Facility is subject to (i) the Company achieving rental income from non-Sears Holdings tenants, on an annualized basis (after giving effect to SNO Leases expected to commence rent payment within 12 months) for the fiscal quarter ending prior to the date of incurrence of the Incremental Funding Facility, of not less than \$200 million, (ii) the Company’s good faith projection that rental income from non-Sears Holdings tenants (after giving effect to SNO Leases expected to commence rent payment within 12 months) for the succeeding four consecutive fiscal quarters (beginning with the fiscal quarter during which the incremental facility is accessed) will be not less than \$200 million, and (iii) the repayment by the Operating Partnership of any deferred interest permitted under the amendment to the Term Loan Agreement as further described below. As of June 30, 2025, the Company has not yet achieved the requirements to access the Incremental Funding Facility.

The Term Loan Facility is guaranteed by the Company and, subject to certain exceptions, is required to be guaranteed by all existing and future subsidiaries of the Operating Partnership. The Term Loan Facility is secured on a first lien basis by a pledge of the capital stock of the direct subsidiaries of the Operating Partnership and the guarantors, including its joint venture interests, except as prohibited by the organizational documents of such entities or any joint venture agreements applicable to such entities, and contains a requirement to provide mortgages and other customary collateral upon the breach of certain financial metrics described below, the occurrence and continuation of an event of default and certain other conditions set forth in the Term Loan Agreement. During 2019, mortgages were recorded on a majority of the Company’s portfolio and during the year ended December 31, 2021, mortgages were recorded on the remaining unmortgaged properties in all but two locations.

The Term Loan Facility includes certain financial metrics to govern springing collateral requirements and certain covenant exceptions set forth in the Term Loan Agreement, including: (i) a total fixed charge coverage ratio of not less than 1.20 to 1.00 for each fiscal quarter; (ii) an unencumbered fixed charge coverage ratio of not less than 1.30 to 1.00 for each fiscal quarter; (iii) a total leverage ratio of not more than 65%; (iv) an unencumbered ratio of not more than 60%; and (v) a minimum net worth of at least \$1.2 billion. Any failure to satisfy any of these financial metrics limits the Company’s ability to dispose of assets via sale or joint venture and triggers the springing mortgage and collateral requirements but will not result in an event of default. The Term Loan Facility also includes certain limitations relating to, among other activities, the Company’s ability to: sell assets or merge, consolidate or transfer all or substantially all of its assets; incur additional debt; incur certain liens; enter into, terminate or modify certain material leases and/or the material

agreements for the Company's properties; make certain investments (including limitations on joint ventures) and other restricted payments; pay distributions on or repurchase the Company's capital stock; and enter into certain transactions with affiliates.

The Term Loan Facility contains customary events of default, including (subject to certain materiality thresholds and grace periods) payment default, material inaccuracy of representations or warranties, and bankruptcy or insolvency proceedings. If there is an event of default, the lenders may declare all or any portion of the outstanding indebtedness to be immediately due and payable, exercise any rights they might have under any of the Term Loan Facility documents, and require the Company to pay a default interest rate on overdue amounts equal to 2.0% in excess of the then applicable interest rate.

As of June 30, 2025, the Company was not in compliance with certain of the financial metrics described above. As a result, the Company was previously required to receive the consent of Berkshire Hathaway to dispose of assets via sale or contribution to another entity and as of June 16, 2022, Berkshire Hathaway had provided such consent for all such transactions submitted for approval. The Third Term Loan Amendment (defined below), executed on June 16, 2022, eliminates this requirement. The Company believes it is in compliance with all other terms and conditions of the Term Loan Agreement.

On May 5, 2020, the Operating Partnership and Berkshire Hathaway entered into an amendment (the "Term Loan Amendment") to the Term Loan Agreement by and among the Operating Partnership and Berkshire Hathaway as initial lender and administrative agent that permits the deferral of payment of interest under the Term Loan Agreement if, as of the first day of each applicable month, (x) the amount of unrestricted and unencumbered (other than liens created under the Term Loan Agreement) cash on hand of the Operating Partnership and its subsidiaries, minus (y) the aggregate amount of anticipated necessary expenditures for such period (such sum, "Available Cash") is equal to or less than \$30.0 million. In such instances, for each interest period, the Operating Partnership is obligated to make payments of interest in an amount equal to the difference between (i) Available Cash and (ii) \$20.0 million (provided that such payment shall not exceed the amount of current interest otherwise due under the Term Loan Agreement). Any deferred interest shall accrue interest at 2.0% in excess of the then applicable interest rate and shall be due and payable on the Term Loan maturity date; provided, that the Operating Partnership is required to pay any deferred interest from Available Cash in excess of \$30.0 million (unless otherwise agreed to by the administrative agent under the Term Loan Agreement in its sole discretion). In addition, repayment of any outstanding deferred interest is a condition to any borrowings under the \$400.0 million incremental funding facility under the Term Loan Agreement. The Company has paid all interest due under the Term Loan Agreement and has not deferred any interest as permitted under the Term Loan Amendment.

Additionally, the Term Loan Amendment provides that the administrative agent and the lenders express their continued support for asset dispositions, subject to the administrative agent's right to approve the terms of individual transactions due to the occurrence of a Financial Metric Trigger Event, as such term is defined under the Term Loan Agreement.

On November 24, 2021, the Operating Partnership, the Company and Berkshire Hathaway entered into an amendment (the "Second Term Loan Amendment") to the Term Loan Agreement by and among the Operating Partnership, the Company and Berkshire Hathaway to which the Operating Partnership, the Company and Berkshire Hathaway mutually agreed that (i) the "make whole" provision in the Senior Secured Term Loan Agreement shall not be applicable to prepayments of principal; and (ii) the Senior Secured Term Loan Agreement, as amended for (i) above, may at the Operating Partnership's election be extended for two years from July 31, 2023 to July 31, 2025 (the "Maturity Date") if its principal has been reduced to \$800 million by July 31, 2023. The outstanding principal balance was reduced to \$800 million on February 2, 2023, and the Maturity Date has been extended to July 31, 2025. In all other respects, the Senior Secured Term Loan Agreement remains unchanged.

On June 16, 2022, the Operating Partnership, the Company and Berkshire Hathaway entered into an amendment (the "Third Term Loan Amendment") to the Term Loan Agreement by and among the Operating Partnership, the Company and Berkshire Hathaway to which the Operating Partnership, the Company and Berkshire Hathaway mutually agreed that notwithstanding anything to the contrary in the asset sale covenant, the parent, borrower, and their respective subsidiaries will be permitted without the consent of the administrative agent to sell, transfer, or otherwise dispose of properties (including but not limited to properties or equity interests of any subsidiary) to unaffiliated third parties for no less than fair market value, provided that the borrower deposits all net proceeds received into a controlled account and the use of such net proceeds will be subject to the terms and conditions of the Term Loan Agreement, including but not limited to the restricted payments and investments/loans covenants.

On November 20, 2024, the Operating Partnership, the Company and Berkshire Hathaway entered into an amendment (the "Fourth Term Loan Amendment") to the Term Loan Agreement by and among the Operating Partnership, the Company and Berkshire Hathaway pursuant to which the Operating Partnership, the Company and Berkshire Hathaway mutually agreed that the Term Loan Agreement may, at the Operating Partnership's election, be extended for one year from the Maturity Date to July 31, 2026 if the Operating Partnership pays a 2% extension fee on the then outstanding principal balance as of the Maturity Date. On July 28, 2025, the Company exercised its extension option and on July 30, 2025, the Company paid a 2% extension fee equal to \$4.0 million extending the maturity date to July 31, 2026. The Company also paid an incremental facility fee of \$4.0 million. All other terms under the Term Loan Agreement

shall remain unchanged during the extension period including the interest rate and the incremental facility fee in accordance with the Term Loan Agreement.

As of June 30, 2025, the Company has paid down \$1.4 billion towards the Term Loan Facility's unpaid principal balance. The aggregate principal amount outstanding under the Term Loan Facility as of June 30, 2025 was \$200.0 million.

Note 7 – Income Taxes

The Company had previously elected to be taxed as a REIT as defined under Section 856(a) of the Code for federal income tax purposes upon formation and through December 31, 2021. On March 31, 2022, the Company announced that its Board of Trustees unanimously approved a plan to terminate the Company's REIT status and become a taxable C Corporation, effective for the year ended December 31, 2022. As a result, the Company is no longer required to operate under REIT rules, including the requirement to distribute at least 90% of REIT taxable income to its stockholders, which provides the Company with greater flexibility to use its free cash flow. Effective January 1, 2022, the Company is subject to federal, state and local income taxes on its taxable income at applicable tax rates and is no longer entitled to a tax deduction for dividends paid. The Company operated as a REIT since inception and through the 2021 tax year, and existing REIT requirements and limitations, including those established by the Company's organizational documents, remained in place until December 31, 2021.

As a result of the Company's revocation of its REIT status in fiscal year 2022, the Company incurred a one-time, non-cash deferred tax benefit of approximately \$161.3 million during the three months ended March 31, 2022. As a result of ongoing operations and sales activity, the Company recognized a deferred tax benefit of \$6.6 million and \$25.1 million for the three months ended June 30, 2025 and 2024, respectively and \$11.3 million and \$29.9 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, the Company has recorded a full valuation allowance of \$239.2 million against the deferred tax asset ("DTA") pursuant to ASC 740, as discussed in more detail below. While the Company has recorded a full valuation allowance against its DTAs due to the uncertainty that it will be able to utilize them, if the Company is able to sell assets at prices above its tax basis, the DTAs will be utilized to offset any taxes due on those gains to the extent of the DTAs.

The Company's effective tax rate of 0% differs from the U.S. statutory rate of 21% in 2025 primarily due to the placement of a valuation allowance on its deferred tax assets.

The significant components of the Company's deferred tax assets of \$239.2 million as of June 30, 2025 consist of book to tax basis differences, net operating losses, and carryover net operating losses. As discussed below, the Company has recorded a full valuation allowance on the deferred tax assets as of June 30, 2025 and December 31, 2024, respectively.

Valuation allowances are recorded related to deferred tax assets based on the "more likely than not" criteria. ASC 740 states that deferred tax assets shall be reduced by a valuation allowance if there is insufficient objectively verifiable evidence to support that it is more likely than not that they will be realized. This evaluation requires significant judgment which should be weighted commensurate with the extent to which the evidence can be objectively verified. Additionally, under ASC 740, forming a conclusion that a valuation allowance is not needed is difficult when there is negative evidence such as cumulative losses in recent years. Given the Company's history of cumulative losses combined with the fact that the Company's utilization of deferred tax assets is highly dependent on the outcome of the review of a broad range of strategic alternatives announced by its Board of Trustees and the uncertainty in timing and volume of future property sales, we have deemed that their realization, at this time, cannot be objectively verified. The Company has therefore recorded a full valuation allowance against the Company's deferred tax assets as of June 30, 2025. The Company will evaluate this position each quarter as verifiable positive evidence becomes available, such as the execution of asset sales, to support the future utilization of the deferred tax assets.

Note 8 – Fair Value Measurements

ASC 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value. The objective of fair value is to determine the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the “exit price”). ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels:

Level 1 - quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities

Level 2 - observable prices based on inputs not quoted in active markets, but corroborated by market data

Level 3 - unobservable inputs used when little or no market data is available

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company also considers counterparty credit risk in its assessment of fair value.

Assets Measured at Fair Value on a Nonrecurring Basis

The following tables present the Company's assets measured at fair value on a non-recurring basis as of June 30, 2025 and December 31, 2024 (in thousands), aggregated by the level in the fair value hierarchy within which those measurements fall:

Description	Balance June 30, 2025	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Impaired real estate assets	\$ 127,493	\$ 127,493	\$ -	\$ -
Other-than-temporary impaired investments in unconsolidated entities	\$ 31,075	\$ -	\$ -	\$ 31,075

Description	Balance December 31, 2024	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Impaired real estate assets	\$ 139,462	\$ -	\$ -	\$ 139,462

In accordance with ASC 360-10, *Property, Plant and Equipment*, the Company reviews the carrying value of its real estate assets at each reporting period. The Company recorded impairment losses of \$18.0 million and \$86.4 million for the three months ended June 30, 2025 and 2024, respectively and \$18.0 million and \$87.5 million for the six months ended June 30, 2025 and 2024, respectively on real estate assets which is included in impairment on real estate assets within the consolidated statements of operations. We continue to evaluate our portfolio, including our development plans and holding periods, which may result in additional impairments in future periods on our consolidated properties.

In accordance with ASC 323, *Equity Method and Joint Ventures*, the Company reviews the carrying value of its investments in unconsolidated entities at each reporting period. The Company did not record any other-than-temporary losses for the three months ended June 30, 2025. The Company recorded \$8.5 million in other-than-temporary impairment losses in investments in unconsolidated entities for the six months ended June 30, 2025. The Company did not record any other-than-temporary impairment losses for the three and six months ended June 30, 2024.

For the six months ended June 30, 2025, the Company estimated fair value based upon the agreed-upon contract sales price. The Company considers fair values based upon the agreed-upon contract sales price to be classified within Level 1 of the fair value hierarchy. For the year ended December 31, 2024, the Company estimated fair value of certain assets based on a discounted cash flow analysis using a discount rate of 11.0% and residual capitalization rate of 6.75%. As significant inputs to the model are unobservable, the Company has determined that the fair values of these properties are classified within Level 3 of the fair value reporting hierarchy.

Financial Assets and Liabilities not Measured at Fair Value

Financial assets and liabilities that are not measured at fair value on the condensed consolidated balance sheets include cash equivalents and the Term Loan Facility. The fair value of the Term Loan Facility is classified as Level 2. Cash equivalents and restricted cash are carried at cost, which approximates fair value. The fair value of debt obligations is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings. As of June 30, 2025 and December 31, 2024, the estimated fair values of the Company's debt obligations were \$198.8 million and \$235.7 million, respectively, which approximated the carrying value at such dates as the current risk-adjusted rate approximates the stated rates on the Company's debt obligations.

Note 9 – Commitments and Contingencies

Insurance

The Company maintains general liability insurance and all-risk property and rental value, with sub-limits for certain perils such as floods and earthquakes on each of the Company's properties. The Company also maintains coverage for terrorism acts as defined by Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2027.

Insurance premiums are charged directly to each of the properties. The Company will be responsible for deductibles and losses in excess of insurance coverage, which could be material. The Company continues to monitor the state of the insurance market and the scope and costs of coverage for acts of terrorism. However, the Company cannot anticipate what coverage will be available on commercially reasonable terms in the future.

Environmental Matters

Under various federal, state and local laws, ordinances and regulations, the Company may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances. As a result, the Company may be liable for certain costs including removal, remediation, government fines and injuries to persons and property.

Litigation and Other Matters

In accordance with accounting standards regarding loss contingencies, the Company accrues an undiscounted liability for those contingencies where the incurrence of a loss is probable and the amount can be reasonably estimated, and the Company discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued or discloses the fact that such a range of loss cannot be estimated. The Company does not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated, or when the liability is believed to be only reasonably possible or remote.

On July 1, 2024, a purported shareholder of the Company filed a class action lawsuit in the U.S. District Court for the Southern District of New York, captioned Zhengxu He, Trustee of the He & Fang 2005 Revocable Living Trust v. Seritage Growth Properties, Case No. 1:24-CV-05007, alleging that the Company, the Company's Chief Executive Officer, and the Company's Chief Financial Officer violated the federal securities laws (the "Securities Action"). The complaint seeks to bring a class action on behalf of all persons and entities that purchased or otherwise acquired Company securities between July 7, 2022 and May 10, 2024. The complaint alleges that the defendants violated federal securities laws by issuing false, misleading, and/or omissive disclosures concerning the Company's alleged lack of effective internal controls regarding the identification and review of impairment indicators for investments in real estate and the Company's value and projected gross proceeds of certain real estate assets. The complaint seeks compensatory damages in an unspecified amount to be proven at trial, an award of reasonable costs and expenses to the plaintiff and class counsel, and such other and further relief as the court may deem just and proper. On or around January 15, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the District of Maryland, captioned Paul Sidhu v. Seritage Growth Properties, Case No. 1:25-cv-00152 (the "Sidhu Derivative Action"). On or around January 20, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the District of Maryland, captioned James Wallen v. Seritage Growth Properties, Case No. 1:25-cv-00190 (the "Wallen Derivative Action"). On or around May 8, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the Southern District of New York, captioned Derrick Cheroti v. Seritage Growth Properties, Case No. 1:25-vc-00152 (the "Cheroti Derivative Action" and, together with the Sidhu Derivative Action and the Wallen Derivative Action, the "Derivative Actions"). The Derivative Actions allege the same or similar claimed acts and omissions underlying the Securities Action, assert breach of fiduciary duty and other claims against the Company's Chief Executive Officer, the Company's Chief Financial Officer, and current and former members of the Company's Board of Trustees, and name the Company as a nominal defendant. The complaint in each of the Derivative Actions seeks compensatory damages in an unspecified amount to be proven at trial, an order directing the Company and the individual defendants to reform and improve the Company's corporate governance and internal procedures, restitution from the individual defendants, an award of costs and expenses to the plaintiff and reasonable attorneys' and experts' fees, costs, and expenses, and such other and further relief as the court may deem just and proper. The complaint in the Cheroti Derivative Action also seeks an award of punitive damages, an order directing the individual defendants to account for all damages caused by them and all profits and special benefits and unjust enrichment obtained, and the imposition of a constructive trust. On February 13, 2025, the parties to the Sidhu Derivative Action and the Wallen Derivative Action filed a stipulation and proposed order seeking to consolidate the Sidhu Derivative Action and the Wallen Derivative Action and appoint lead counsel. The Company intends to vigorously defend itself against the allegations in these lawsuits.

In addition to the litigation described above, the Company is subject, from time to time, to various legal proceedings and claims that arise in the ordinary course of business and due to the current environment. While the resolution of such matters cannot be predicted with certainty, management believes, based on currently available information, that the final outcome of such matters will not have a material effect on the consolidated financial position, results of operations, cash flows or liquidity of the Company.

Note 10 – Related Party Disclosure

Edward S. Lampert

Edward S. Lampert is the Chairman and Chief Executive Officer of ESL, which owns Holdco, and was Chairman of Sears Holdings. Mr. Lampert was also the Chairman of Seritage prior to his retirement effective March 1, 2022.

On July 6, 2022, Mr. Lampert converted all of his remaining Operating Partnership Units (“OP Units”) to Class A common shares. As a result, he no longer holds a direct interest in the Operating Partnership and he owns approximately 23.9% of the outstanding Class A shares as of June 30, 2025.

Winthrop Capital Advisors

On December 29, 2021, the Company entered into a Services Agreement with Winthrop Capital Advisors LLC to provide additional staffing to the Company. On January 7, 2022, the Company announced that John Garilli, an employee of Winthrop, has been appointed interim chief financial officer on a full-time basis, effective January 14, 2022. The Company pays Winthrop a monthly fee of \$0.1 million and reimbursement for certain employee expenses. The Company paid Winthrop \$0.7 million and \$0.8 million during the three months ended June 30, 2025 and 2024, respectively. The Company paid Winthrop \$1.7 million and \$1.6 million during the six months ended June 30, 2025 and 2024, respectively.

Unconsolidated Entities

Certain unconsolidated entities have engaged the Company to provide management, leasing, construction supervision and development services at the properties owned by the unconsolidated entities. Refer to Note 2 for the Company’s significant accounting policies.

At June 30, 2025 and December 31, 2024 there was \$1.7 million and \$3.2 million, respectively, in receivables from unconsolidated entities for reimbursable costs and is included in tenant and other receivables on the consolidated balance sheets. In addition, during the three months ended June 30, 2025, the Company advanced \$1.7 million to one of its unconsolidated entities pursuant to its joint venture agreement and is included in tenant and other receivables, net. At June 30, 2025 and December 31, 2024, there was \$40.0 thousand and \$0.1 million, respectively, in payables to unconsolidated entities and is included in accounts payable, accrued expenses and other liabilities on the consolidated balance sheets.

At June 30, 2025, the Company has a put right on one property held by one unconsolidated entity, which may require the Company’s partner to buy out the Company’s investment in such property. As of June 30, 2025, the threshold to exercise this put right had not been met. During the three and six months ended June 30, 2025 and 2024, the Company did not exercise any put rights.

Note 11 – Shareholders’ Equity

Class A Common Shares

As of June 30, 2025, 56,324,607 Class A common shares were issued and outstanding. Class A shares have a par value of \$0.01 per share.

Class B Non-Economic Common Shares

As of June 30, 2025, there were no Class B non-economic common shares issued or outstanding.

Series A Preferred Shares

In December 2017, the Company issued 2,800,000 7.00% Series A Cumulative Redeemable Preferred Shares (the “Series A Preferred Shares”) in a public offering at \$25.00 per share. The Company received net proceeds from the offering of approximately \$66.4 million, after deducting payment of the underwriting discount and offering expenses.

On and after December 14, 2022, the Company may redeem any or all of the Series A Preferred Shares at \$25.00 per share plus any accrued and unpaid dividends. The Series A Preferred Shares have no stated maturity, are not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless the Company redeems or otherwise repurchases them or they are converted.

Dividends and Distributions

The Company's Board of Trustees has not declared dividends on the Company's Class A common shares during 2025 or 2024. The last dividend on the Company's Class A and C common shares that the Board of Trustees declared was on February 25, 2019, which was paid on April 11, 2019 to shareholders of record on March 29, 2019.

Our Board of Trustees will determine future distributions following the pay down of the Term Loan Facility.

The Company's Board of Trustees also declared the following dividends on preferred shares during 2025 and 2024:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Series A Preferred Share</u>
2025			
July 23	September 30	October 15	\$ 0.43750
May 8	June 30	July 15	0.43750
February 26	March 31	April 15	0.43750
2024			
October 28	December 31	January 15, 2025	\$ 0.43750
July 31	September 30	October 15	0.43750
May 2	June 28	July 15	0.43750
February 29	March 29	April 15	0.43750

Note 12 – Earnings per Share

The table below provides a reconciliation of net loss and the number of common shares used in the computations of "basic" earnings per share ("EPS"), which utilizes the weighted-average number of common shares outstanding without regard to dilutive potential common shares, and "diluted" EPS, which includes all such shares. At June 30, 2024, potentially dilutive securities consisted of shares of non-vested restricted stock. There were no shares of unvested restricted stock at June 30, 2025.

All outstanding non-vested shares that contain non-forfeitable rights to dividends are considered participating securities and are included in computing EPS pursuant to the two-class method which specifies that all outstanding non-vested share-based payment awards that contain non-forfeitable rights to distributions are considered participating securities and should be included in the computation of EPS.

(in thousands except per share amounts)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Numerator - Basic and Diluted				
Net loss	\$ (28,506)	\$ (101,227)	\$ (50,708)	\$ (120,212)
Preferred dividends	(1,225)	(1,225)	(2,450)	(2,450)
Net loss attributable to common shareholders - Basic and Diluted	<u>\$ (29,731)</u>	<u>\$ (102,452)</u>	<u>\$ (53,158)</u>	<u>\$ (122,662)</u>
Denominator - Basic and Diluted				
Weighted-average Class A common shares outstanding	<u>56,324</u>	<u>56,268</u>	<u>56,304</u>	<u>56,242</u>
Weighted-average Class A common shares outstanding - Basic	<u>56,324</u>	<u>56,268</u>	<u>56,304</u>	<u>56,242</u>
Weighted-average Class A common shares outstanding - Diluted	<u>56,324</u>	<u>56,268</u>	<u>56,304</u>	<u>56,242</u>
Loss per share attributable to Class A common shareholders - Basic	\$ (0.53)	\$ (1.82)	\$ (0.94)	\$ (2.18)
Loss per share attributable to Class A common shareholders - Diluted	\$ (0.53)	\$ (1.82)	\$ (0.94)	\$ (2.18)

No adjustments were made to the numerator for the three and six months ended June 30, 2025 and 2024, respectively, because the Company generated a net loss. During periods of net loss, undistributed losses are not allocated to the participating securities as they are not required to absorb losses.

No adjustments were made to the denominator for the three and six months ended June 30, 2024, respectively, because the inclusion of outstanding non-vested restricted shares would have had an anti-dilutive effect. No adjustments were made to the denominator for the three and six months ended June 30, 2025 as there were no outstanding non-vested restricted shares.

There were no non-vested restricted share outstanding at June 30, 2025. At December 31, 2024, there were 87,899 shares of non-vested restricted shares outstanding.

Note 13 – Share-Based Compensation

On July 7, 2015, the Company adopted the Seritage Growth Properties 2015 Share Plan (the “Plan”). The number of shares of common stock reserved for issuance under the Plan is 3,250,000. The Plan provides for grants of restricted shares, share units, other share-based awards, options, and share appreciation rights, each as defined in the Plan (collectively, the “Awards”). Directors, officers, other employees, and consultants of the Company and its subsidiaries and affiliates are eligible for Awards.

Restricted Shares and Share Units

Pursuant to the Plan, the Company has periodically made grants of restricted shares or share units. The vesting terms of these grants are specific to the individual grant and vary in that a portion of the restricted shares and share units vest in equal annual amounts over the subsequent three years (time-based vesting) and a portion of the restricted shares and share units vest on the third, and in some instances, the fourth anniversary of the grants subject to the achievement of certain performance criteria (performance-based and market-based vesting).

In general, participating employees are required to remain employed for vesting to occur (subject to certain limited exceptions). Restricted shares and share units that do not vest are forfeited. Dividends on restricted shares and share units with time-based vesting are paid to holders of such shares and share units and are not returnable, even if the underlying shares or share units do not ultimately vest. Dividends on restricted shares and share units with performance-based vesting are accrued when declared and paid to holders of such shares on the third, and in some instances, the fourth anniversary of the initial grant subject to the vesting of the underlying shares. See Note 2 for valuation information related to the grants of the awards that are subject to market-based vesting conditions.

The following table summarizes restricted share activity for the grant periods for the six months ended June 30, 2025:

	Six Months Ended June 30, 2025	
	Shares	Weighted-Average Grant Date Fair Value
Unvested restricted shares at beginning of period	87,899	\$ 11.31
Restricted shares vested	(87,899)	11.31
Unvested restricted shares at end of period	-	\$ -

The Company did not recognize any shared base compensation for the three months ended June 30, 2025. The Company recognized \$0.3 million in share-based compensation expense related to the restricted shares for the three months ended June 30, 2024, and \$0.2 million and \$0.9 million for the six months ended June 30, 2025 and 2024, respectively. Compensation expenses related to the restricted shares are included in general and administrative expenses on the Company’s condensed consolidated statements of operations.

As of June 30, 2025, there were no outstanding restricted shares. As of June 30, 2024, there were approximately \$0.8 million of total unrecognized compensation costs related to the outstanding restricted shares which were expected to be recognized over a weighted-average period of approximately 0.7 years.

Note 14 – Segment Reporting

The Company currently operates in a single reportable segment which includes the ownership, development, redevelopment, management, sale and leasing of real estate properties. Substantially all of our revenues are derived from contractual rents and tenant expense reimbursements as outlined within lease agreements. The Company’s CODM, who is our chief executive officer, assesses and measures the operating and financial results on an aggregated basis and does not allocate resources or make decisions distinguishing between individual properties, geographies, sizes, or types. All revenue has been generated and all tangible assets are held in the United States.

The Company's CODM regularly reviews the operating results of the Company to determine how to best allocate resources. The Company's measure of segment profitability is consolidated net loss. The CODM uses consolidated net loss when deciding whether to market a property for sale, make an investment in a property to improve its marketability, or reduce general and administrative expenses. Consolidated net loss is also used to monitor budgeted versus actual results. The measure of segment assets is reported on the consolidated balance sheets as Total assets.

The table below reconciles total segment revenues to consolidated net loss and includes the significant segment expenses regularly provided to and reviewed by the CODM as part of their decision making process (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total revenue	\$ 4,653	\$ 4,216	\$ 9,252	\$ 9,989
Real estate taxes	(692)	(1,238)	(1,645)	(2,631)
Common area maintenance	(1,459)	(2,193)	(3,118)	(3,890)
Property insurance	(1,454)	(1,276)	(2,387)	(3,077)
Personnel expenses ⁽¹⁾	(3,641)	(4,005)	(16,404)	(9,831)
Interest expense	(5,139)	(6,282)	(10,369)	(13,293)
Other segment items ⁽²⁾	(20,659)	(88,975)	(26,112)	(95,994)
Net loss	<u>\$ (28,391)</u>	<u>\$ (99,753)</u>	<u>\$ (50,783)</u>	<u>\$ (118,727)</u>

(1) Personnel expenses include expenses related to employee base compensation, bonuses, cash payments in lieu of equity, share based compensation and third-party consulting fees.

(2) Other segment items include expenses included in the measure of segment loss that are not considered significant. Items that are not considered significant include the following: property utilities, audit and tax fees, office expenses, trustee fees, information and technology costs, legal fees, corporate insurance and other miscellaneous expenses. Other segment items also include the following: depreciation and amortization, gain on sale of real estate, loss on sale of interests in unconsolidated entities, impairment of real estate assets and equity in income (loss) of unconsolidated entities, interest and other income, net and provision for income taxes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements contained herein constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "projects," "would," "may," "will," "continue to," "pro forma" or the opposite of these words and phrases or other similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters in this Quarterly Report on Form 10-Q. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. For further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q. The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included in Part 1 of this Quarterly Report.

Overview

Prior to our adoption of the Plan of Sale, we were principally engaged in the ownership, development, redevelopment, management, sale and leasing of diversified retail and mixed-use properties throughout the United States. As of June 30, 2025, our portfolio consisted of interests in 13 properties comprised of approximately 1.3 million square feet of gross leasable area ("GLA") or build-to-suit leased area and 198 acres of land. The portfolio encompasses eight consolidated properties consisting of approximately 0.8 million square feet of GLA and 113 acres and five unconsolidated entities consisting of approximately 0.5 million square feet of GLA and 85 acres.

Review of Strategic Alternatives

On March 1, 2022, the Company announced that its Board of Trustees has commenced a process to review a broad range of strategic alternatives to enhance shareholder value. The Board of Trustees created a special committee of the Board of Trustees (the "Special Committee") to oversee the process. The Special Committee retained Barclays as its financial advisor from March 2022 to August 2023 to assist with the strategic review. The Company sought a shareholder vote to approve a proposed plan of sale of our assets and dissolution (the "Plan of Sale") that would allow our board to sell all of our assets, distribute the net proceeds to shareholders and dissolve the Company.

The 2022 Annual Meeting of Shareholders occurred on October 24, 2022, at which time the Plan of Sale was approved by the shareholders, following our filing of a final proxy statement with the SEC on September 14, 2022. See Note 1 – Organization of the Notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information about the Plan of Sale. The strategic review process remains ongoing as the Company executes the Plan of Sale, and the Company remains open minded to pursuing value maximizing alternatives, including a potential sale of the Company. There can be no assurance that the review process will result in any transaction or that the Company will be successful in fully executing on the Plan of Sale. The Board of Trustees is currently overseeing the Plan of Sale.

Impairment of Real Estate Assets and Investments in Unconsolidated Entities

In July 2025, we accepted an offer to sell an asset below book value resulting in the recognition of an impairment loss of \$18.0 million for the three months ended June 30, 2025, which is included in impairment of real estate assets within the consolidated statements of operations. We recognized \$8.5 million in other-than-temporary impairment losses on our investments in unconsolidated entities during the six months ended June 30, 2025, which is included in equity in income (loss) of unconsolidated entities within the consolidated statements of operations. We continue to evaluate our portfolio, including our development plans, hold periods and, if applicable, offers received, which may result in additional impairments in future periods on our consolidated properties and investments in unconsolidated entities.

REIT Qualification

On March 31, 2022, the Company announced that its Board of Trustees, with the recommendation of the Special Committee, approved a plan to terminate the Company's REIT status and become a taxable C Corporation effective January 1, 2022. As a result, the Company is no longer required to operate under REIT rules, including the requirement to distribute at least 90% of REIT taxable income to its

shareholders, which provides the Company with greater flexibility to use its free cash flow. Effective January 1, 2022, the Company is subject to federal and state income taxes on its taxable income at applicable tax rates and is no longer entitled to a tax deduction for dividends paid. The Company operated as a REIT for the 2021 tax year and prior tax years, and existing REIT requirements and limitations, including those established by the Company's organizational documents, remained in place through December 31, 2021. Refer to Note 7 – Income Taxes of the Notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Market Update

The Company continues to face challenging market conditions such as elevated interest rates and the availability of debt and equity capital and continues to assess other potential macroeconomic impacts including supply chain issues and international conflicts associated with tariffs as well as potential labor issues. These conditions could apply downward pricing pressures on our remaining assets. In making decisions regarding whether and when to transact on each of the Company's remaining assets, the Company considers various factors including, but not limited to, the breadth of the buyer universe, macroeconomic conditions, the availability and cost of financing, as well as corporate, operating and other capital expenses required to carry the asset. If these challenging market conditions persist, then we expect that they will continue to adversely impact the Plan of Sale proceeds from our assets and the amounts and timing of distributions to shareholders.

Business Strategies

The Company's primary objective is to create value for its shareholders through the monetization of the Company's assets through the Plan of Sale, which can be suspended by the Board of Trustees. We look to enhance sale value through leasing our built footprint, densification of our sites, achievement of entitlements and modification of agreements that govern our properties. We continue to position all remaining assets for sale.

Results of Operations

We derive substantially all of our revenue from rents received from tenants under existing leases at each of our properties. This revenue generally includes fixed base rents and recoveries of expenses that we have incurred and that we pass through to the individual tenants, in each case as provided in the respective leases.

Our primary cash expenses consist of our property operating expenses, general and administrative expenses, interest expense, and construction and development related costs. Property operating expenses include: real estate taxes, repairs and maintenance, management fees, insurance, ground lease costs and utilities; general and administrative expenses include payroll, office expenses, professional fees, and other administrative expenses; and interest expense on our term loan facility. In addition, we incur substantial non-cash charges for depreciation of our properties and amortization of intangible assets and liabilities.

Comparison of the Three Months Ended June 30, 2025 to the Three Months Ended June 30, 2024

The following table presents selected data on comparative results from the Company's condensed consolidated statements of operations for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024 (in thousands):

	Three Months Ended June 30,		\$ Change
	2025	2024	
Revenue			
Rental income	\$ 4,526	\$ 4,166	\$ 360
Expenses			
Property operating	(3,237)	(4,160)	923
Real estate taxes	(692)	(1,238)	546
Depreciation and amortization	(2,040)	(1,212)	(828)
General and administrative	(6,172)	(6,874)	702
Gain on sale of real estate, net	1,967	2,034	(67)
Loss on sale of interests in unconsolidated entities	(1,417)	—	(1,417)
Impairment of real estate assets	(18,000)	(86,388)	68,388
Equity in income (loss) of unconsolidated entities	756	(566)	1,322
Interest and other income (expense), net	930	717	213
Interest expense	(5,139)	(6,282)	1,143

Rental Income

Rental income increased \$0.4 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily due to an increase in rental income from the Aventura, FL property. The increase was partially offset by property sales of two income producing properties throughout 2024 and one income producing property in the first quarter of 2025.

Property Operating Expenses

The decrease of \$0.9 million in property operating expense for the three months ended June 30, 2025 was primarily due to a decrease in common area maintenance expense of \$0.7 million.

Real Estate Taxes

Real estate taxes decreased by \$0.2 million related to sold properties and by \$0.3 million related to prior year's tax refunds.

Depreciation and Amortization Expenses

The increase of \$0.8 million in depreciation and amortization expenses for the three months ended June 30, 2025 was primarily due to a \$1.2 million increase in depreciation related to Aventura tenant improvements partially offset by a \$0.6 million decrease in depreciation related to properties sold.

General and Administrative Expenses

General and administrative expenses consist of personnel costs, including share-based compensation, professional fees, office expenses and overhead expenses.

The decrease of \$0.7 million for the three months ended June 30, 2025 reflects an overall decrease in costs including share based compensation, consulting expense and personnel costs.

Gain on Sale of Real Estate

During the three months ended June 30, 2025, the Company sold one property for \$23.0 million and recorded a gain totaling \$2.0 million which is included in gain on sale of real estate, net within the condensed consolidated statements of operations.

During the three months ended June 30, 2024, the Company sold four properties for aggregate consideration of \$40.4 million and recorded a net gain totaling \$2.0 million, which is included in gain on sale of real estate, net within the condensed consolidated statements of operations.

Loss on Sale of Interests in Unconsolidated Entities

During the three months ended June 30, 2025, the Company sold its remaining interest in the SPS Portfolio Holdings II LLC joint venture to an affiliate of its joint venture partner and recognized a loss of \$1.4 million on the sale.

Impairment of Real Estate Assets

During the three months ended June 30, 2025, the Company recognized an \$18.0 million impairment of real estate assets as a result of the Company agreeing to sell one property at an amount below book value.

During the three months ended June 30, 2024, the Company recognized a \$0.6 million impairment of real estate assets as a result of the Company entering a contract at a gross selling price below book value on one property and an \$85.8 million impairment of real estate assets on the Company's development property in Aventura, FL due to negotiations for rent relief with existing tenants that began during the second quarter of 2024 which triggered the need for an impairment analysis pursuant to ASC 360, *Property, Plant and Equipment*. The Company determined the fair value of this property by applying a discount to projected cash flows over the estimated hold period.

Equity in Income (Loss) of Unconsolidated Entities

The increase in equity in income for the three months ended June 30, 2025 was driven by an increase in income \$0.7 million from the Company's investment in the UTC JV and a decrease of losses of \$0.6 million related to the Company's other investments.

Interest Expense

The decrease of \$1.1 million in interest expense for the three months ended June 30, 2025 was driven by partial Term Loan Facility pay downs during the second half 2024.

Comparison of the Six Months Ended June 30, 2025 to the Six Months Ended June 30, 2024

The following table presents selected data on comparative results from the Company's condensed consolidated statements of operations for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024 (in thousands):

	Six Months Ended June 30,		\$ Change
	2025	2024	
Revenue			
Rental income	\$ 8,983	\$ 9,891	\$ (908)
Expenses			
Property operating	(6,145)	(7,833)	1,688
Real estate taxes	(1,645)	(2,631)	986
Depreciation and amortization	(4,115)	(6,483)	2,368
General and administrative	(21,865)	(16,066)	(5,799)
Gain on sale of real estate, net	8,903	3,173	5,730
Loss on sale of interests in unconsolidated entities	(1,417)	—	(1,417)
Impairment of real estate assets	(18,000)	(87,536)	69,536
Equity in loss of unconsolidated entities	(7,172)	(187)	(6,985)
Interest and other income (expense), net	1,790	2,140	(350)
Interest expense	(10,369)	(13,293)	2,924

Rental Income

Rental income decreased \$0.9 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The decrease is primarily driven by the sales of four income producing properties. The decrease is offset by an increase of rental income from the Aventura, FL property as well as a decrease in bad debt expense.

Property Operating Expenses

The decrease of \$1.7 million in property operating expense for the six months ended June 30, 2025 was primarily due to a decrease in common area expenses of \$0.8 million and a decrease in insurance of \$0.7 million primarily as a result of sold properties.

Real Estate Taxes

Real estate taxes decreased by \$0.8 million related to sold properties and by \$0.1 million related to prior year's tax refunds.

Depreciation and Amortization Expenses

The decrease of \$2.4 million in depreciation and amortization expenses for the six months ended June 30, 2025 was primarily due to property sales and was partially offset by an increase in depreciation related to Aventura tenant improvements.

General and Administrative Expenses

General and administrative expenses consist of personnel costs, including share-based compensation, professional fees, office expenses and overhead expenses.

The increase for the six months ended June 30, 2025 was primarily due to the recognition of severance expense of \$6.5 million. The increase was partially offset by a decrease in overall costs including accounting fees and consulting expense.

Gain on Sale of Real Estate

During the six months ended June 30, 2025, the Company sold two properties for \$52.6 million and recorded a gain totaling \$8.9 million which is included in gain on sale of real estate, net within the condensed consolidated statements of operations.

During the six months ended June 30, 2024, the Company sold nine properties for aggregate consideration of \$87.7 million and recorded a gain totaling \$3.2 million which is included in gain on sale of real estate, net within the condensed consolidated statements of operations.

Loss on Sale of Interests in Unconsolidated Entities

During the six months ended June 30, 2025, the Company sold its remaining interest in the SPS Portfolio Holdings II LLC joint venture to an affiliate of its joint venture partner and recognized a loss of \$1.4 million on the sale.

Impairment of Real Estate Assets

During the six months ended June 30, 2025, the Company recognized an \$18.0 million impairment of real estate assets as a result of the Company agreeing to sell one property at an amount below book value.

During the six months ended June 30, 2024, the Company recognized a \$1.7 million impairment of real estate assets as a result of the Company accepting offers below book value on three properties and an \$85.8 million impairment of real estate assets on the Company's development property in Aventura, FL due to negotiations for rent relief with existing tenants that began during the second quarter of 2024.

Equity in Income (Loss) of Unconsolidated Entities

The increase in loss for the six months ended June 30, 2025 is driven by the recognition of \$8.5 million of other-than-temporary impairment losses which was partially offset by an increase in income of \$0.9 million from the Company's investment in the UTC JV and a decrease of losses of \$0.6 million related the Company's other investments.

Interest and Other Income

For the six months ended June 30, 2025, interest and other income decreased by \$0.4 million primarily due to lower interest rates.

Interest Expense

The decrease of \$2.9 million in interest expense for the six months ended June 30, 2025 was driven by partial Term Loan Facility pay downs during 2024.

Liquidity and Capital Resources

Our primary uses of cash include the payment of property operating and other expenses, including general and administrative expenses and debt service (collectively, "Obligations"), and certain development expenditures. Property rental income, which is the Company's primary source of operating cash flow, did not fully fund Obligations incurred during the six months ended June 30, 2025 and the Company recorded net operating cash outflows of \$21.2 million. Additionally, the Company generated net investing cash inflows of \$46.1 million during the six months ended June 30, 2025, which were driven by asset sales and partially offset by development expenditures.

Obligations are projected to continue to exceed property rental income and we expect to fund such Obligations and any development expenditures with cash on hand and a combination of capital sources including, but not limited to, sales of Consolidated Properties, sales of interests in Unconsolidated Properties and potential financing transactions, subject to any approvals that may be required under the Term Loan Agreement. Below is our sales activity since we began our capital recycling program:

- Sales of Consolidated Properties. We began our capital recycling program in July 2017 and have been monetizing assets since. In March of 2022, we elected to terminate our REIT status effective January 1, 2022 in order to remove any restrictions around asset sales. On October 24, 2022, we received shareholder approval of the Plan of Sale.
 - o We sold 90 Consolidated Properties, and additional outparcels at certain properties, and generated approximately \$986.8 million of gross proceeds from the beginning of our capital recycling program in July 2017 through the date our REIT status terminated on December 31, 2021;
 - o We sold 40 Consolidated Properties, and additional outparcels at certain properties, and generated approximately \$438.1 million of gross proceeds from December 31, 2021, the date we terminated our REIT status, through the approval of the Plan of Sale on October 24, 2022;
 - o From the approval of the Plan of Sale on October 24, 2022 through June 30, 2025, we sold 91 Consolidated Properties, and additional outparcels at certain properties, and generated approximately \$1.1 billion of gross proceeds.

- Sales of interests in Unconsolidated Properties. Certain of our unconsolidated entity agreements also include rights that allow us to sell our interests in select Unconsolidated Properties to our partners at fair market value;
 - o We sold our interests in 15 Unconsolidated Properties and generated approximately \$278.1 million of gross proceeds from the beginning of our capital recycling program in July 2017 through the date our REIT status terminated on December 31, 2021;
 - o We sold our interests in 8 Unconsolidated Properties and generated approximately \$84.8 million of gross proceeds since we terminated our REIT status on December 31, 2021, through the approval of the Plan of Sale on October 24, 2022;
 - o From the approval of the Plan of Sale on October 24, 2022 through June 30, 2025, we sold our interests in 12 Unconsolidated Properties and generated approximately \$159.6 million of gross proceeds.
- Unconsolidated Properties. As of June 30, 2025, we had contributed interests in 12 properties to unconsolidated entities, which generated approximately \$242.4 million of gross proceeds since July 2017. In addition to generating liquidity upon closing, these entities also reduce our development expenditures by the amount of our partners' interests in the unconsolidated entities.

As of August 14, 2025, we had three assets under contract for sale for total anticipated proceeds of \$109.8 million. One asset is a development asset and is subject to a pursuit of a master plan amendment and customary due diligence. All are subject to closing conditions.

As previously disclosed, on May 5, 2020, the Operating Partnership and Berkshire Hathaway entered into an amendment (the "Term Loan Amendment") to the Term Loan Agreement by and among the Operating Partnership and Berkshire Hathaway as initial lender and administrative agent that permits the deferral of payment of interest under the Term Loan Agreement if, as of the first day of each applicable month, (x) the amount of unrestricted and unencumbered (other than liens created under the Term Loan Agreement) cash on hand of the Operating Partnership and its subsidiaries, minus (y) the aggregate amount of anticipated necessary expenditures for such period (such sum, "Available Cash") is equal to or less than \$30.0 million. In such instances, for each interest period, the Operating Partnership is obligated to make payments of interest in an amount equal to the difference between (i) Available Cash and (ii) \$20.0 million (provided that such payment shall not exceed the amount of current interest otherwise due under the Term Loan Agreement). Any deferred interest shall accrue interest at 2.0% in excess of the then applicable interest rate and shall be due and payable on July 31, 2023; provided, that the Operating Partnership is required to pay any deferred interest from Available Cash in excess of \$30.0 million (unless otherwise agreed to by the administrative agent under the Term Loan Agreement in its sole discretion). In addition, repayment of any outstanding deferred interest is a condition to any borrowings under the \$400.0 million incremental funding facility under the Term Loan Agreement (the "Incremental Funding Facility").

Additionally, the Term Loan Amendment provides that the administrative agent and the lenders express their continued support for asset dispositions, subject to the administrative agent's right to approve the terms of individual transactions due to the occurrence of a Financial Metric Trigger Event, as such term is defined under the Term Loan Agreement. The Third Term Loan Amendment (as defined in Note 6 – Debt of the Notes to the condensed consolidated financial statements included in Part I, Item I of this Quarterly Report on Form 10-Q) executed on June 16, 2022 provided exceptions to this right.

Our Term Loan Facility includes a \$400.0 million Incremental Funding Facility, access to which is subject to rental income from non-Sears Holdings tenants of at least \$200.0 million, on an annualized basis and after giving effect to SNO leases expected to commence rent payment within 12 months, which we have not yet achieved, as disclosed in Note 6. There is no assurance of the Company's ability to access the Incremental Funding Facility.

During the six months ended June 30, 2025, we repaid \$40.0 million against the principal of the Term Loan Facility. Our outstanding balance as of June 30, 2025, is \$200.0 million.

On July 28, 2025, the Company exercised its extension option and on July 30, 2025, the Company paid a 2% extension fee equal to \$4.0 million extending the maturity date to July 31, 2026. The Company also paid the incremental facility fee of \$4.0 million. All other terms under the Term Loan Agreement shall remain unchanged during the extension period including the interest rate and the incremental facility fee in accordance with the Term Loan Agreement.

See Note 1 – Organization of the Notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of liquidity and going concern.

Cash Flows for the Six Months Ended June 30, 2025 Compared to the Six Months Ended June 30, 2024

The following table summarizes the Company's cash flow activities for the six months ended June 30, 2025 and 2024, respectively (in thousands):

	Six Months Ended June 30,		\$ Change
	2025	2024	
Net cash used in operating activities	\$ (21,234)	\$ (24,152)	\$ 2,918
Net cash provided by investing activities	46,087	57,362	(11,275)
Net cash used in financing activities	(42,432)	(82,395)	39,963

Cash Flows from Operating Activities

Our primary uses of cash include the payment of property operating and other expenses, including general and administrative expenses. Rental revenues are not sufficient to cover these expenses.

Cash Flows from Investing Activities

Significant components of net cash provided by investing activities include:

- In 2025, \$51.6 million of net proceeds from the sale of real estate, \$8.1 million of net proceeds from the sale of interests in unconsolidated entities and \$4.9 of distributions from unconsolidated entities offset by development of real estate of (\$18.0) million; and
- In 2024, \$83.0 million of net proceeds from the sale of real estate, offset by development of real estate of (\$22.4) million and investments in unconsolidated entities of (\$3.2) million.

Cash Flows from Financing Activities

Significant components of net cash used in financing activities include:

- In 2025, (\$40.0) million cash repayment of Term Loan Facility principal and cash payments of preferred dividends of (\$2.5) million; and
- In 2024, (\$80.0) million cash repayment of Term Loan Facility principal and cash payments of preferred dividends of (\$2.5) million.

Dividends and Distributions

The Company's Board of Trustees did not declare dividends on the Company's Class A common shares during the six months ended June 30, 2025 and 2024, respectively. The last dividend on the Company's Class A and C common shares that the Board of Trustees declared was on February 25, 2019, which was paid on April 11, 2019 to shareholders of record on March 29, 2019.

The Company's Board of Trustees also declared the following dividends on the Company's Series A Preferred Shares during 2025 and 2024:

Declaration Date	Record Date	Payment Date	Series A Preferred Share
2025			
July 23	September 30	October 15	\$ 0.43750
May 8	June 30	July 15	0.43750
February 26	March 31	April 15	0.43750
2024			
October 28	December 31	January 15, 2025	\$ 0.43750
July 31	September 30	October 15	0.43750
May 2	June 28	July 15	0.43750
February 29	March 29	April 15	0.43750

Our Board of Trustees will continue to assess the Company's investment opportunities and its expectations of taxable income in its determination of future distributions.

Off-Balance Sheet Arrangements

The Company accounts for its investments in entities that it does not have a controlling interest in or is not the primary beneficiary using the equity method of accounting and those investments are reflected on the condensed consolidated balance sheets of the Company as investments in unconsolidated entities. As of June 30, 2025 and December 31, 2024, we did not have any off balance sheet financing arrangements.

Contractual Obligations

There have been no significant changes in the contractual obligations disclosed in our Form 10-K for the year ended December 31, 2024.

Capital Expenditures

During the three and six months ended June 30, 2025, the Company invested \$4.6 million and \$17.9 million, respectively, in our consolidated properties. The Company also invested \$0.4 million in our unconsolidated joint ventures during the three and six months ended June 30, 2025.

During the three and six months ended June 30, 2024, the Company invested \$9.9 million and \$22.4 million, respectively, in our consolidated properties and an additional \$0.3 million and \$3.2 million, respectively, in our unconsolidated joint ventures.

Litigation and Other Matters

In accordance with accounting standards regarding loss contingencies, we accrue an undiscounted liability for those contingencies where the incurrence of a loss is probable and the amount can be reasonably estimated, and we disclose the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued or disclose the fact that such a range of loss cannot be estimated. We do not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated, or when the liability is believed to be only reasonably possible or remote. In such cases, we disclose the nature of the material contingency, and an estimate of the possible loss, range of loss, or disclose the fact that an estimate cannot be made.

On July 1, 2024, a purported shareholder of the Company filed a class action lawsuit in the U.S. District Court for the Southern District of New York, captioned Zhengxu He, Trustee of the He & Fang 2005 Revocable Living Trust v. Seritage Growth Properties, Case No. 1:24:CV:05007, alleging that the Company, the Company's Chief Executive Officer, and the Company's Chief Financial Officer violated the federal securities laws. The complaint seeks to bring a class action on behalf of all persons and entities that purchased or otherwise acquired Company securities between July 7, 2022 and May 10, 2024. The complaint alleges that the defendants violated federal securities laws by issuing false, misleading, and/or omissive disclosures concerning the Company's alleged lack of effective internal controls regarding the identification and review of impairment indicators for investments in real estate and the Company's value and projected gross proceeds of certain real estate assets. The complaint seeks compensatory damages in an unspecified amount to be proven at trial, an award of reasonable costs and expenses to the plaintiff and class counsel, and such other and further relief as the court may deem just and proper. On or around January 15, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the District of Maryland, captioned Paul Sidhu v. Seritage Growth Properties, Case No. 1:25-cv-00152. On or around January 20, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the District of Maryland, captioned James Wallen v. Seritage Growth Properties, Case No. 1:25-cv-00190. On or around May 8, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the Southern District of New York, captioned Derrick Cheroti v. Seritage Growth Properties, Case No. 1:25-vc-00152. The Derivative Actions allege the same or similar claimed acts and omissions underlying the Securities Action, assert breach of fiduciary duty and other claims against the Company's Chief Executive Officer, the Company's Chief Financial Officer, and current and former members of the Company's Board of Trustees, and name the Company as a nominal defendant. The complaint in each of the Derivative Actions seeks compensatory damages in an unspecified amount to be proven at trial, an order directing the Company and the individual defendants to reform and improve the Company's corporate governance and internal procedures, restitution from the individual defendants, an award of costs and expenses to the plaintiff and reasonable attorneys' and experts' fees, costs, and expenses, and such other and further relief as the court may deem just and proper. The complaint in the Cheroti Derivative Action also seeks an award of punitive damages, an order directing the individual defendants to account for all damages caused by them and all profits and special benefits and unjust enrichment obtained, and the imposition of a constructive trust. On February 13, 2025, the parties to the Sidhu Derivative Action and the Wallen Derivative Action filed a stipulation and proposed order seeking to consolidate the Sidhu Derivative Action and the Wallen Derivative Action and appoint lead counsel. The Company intends to vigorously defend itself against the allegations in these lawsuits.

We are subject, from time to time, to various legal proceedings and claims that arise in the ordinary course of business and due to the current environment. While the resolution of such matters cannot be predicted with certainty, management believes, based on currently available information, the final outcome of such ordinary course legal proceedings and claims will not have a material effect on the

condensed consolidated financial position, results of operations or liquidity of the Company.

See Note 9 – Commitments and Contingencies Litigation and Other Matters of the Notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of the Litigation and related matters.

Critical Accounting Policies

A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2024 in Management's Discussion and Analysis of Financial Condition and Results of Operations. For the six months ended June 30, 2025, there were no material changes to these policies.

Non-GAAP Supplemental Financial Measures and Definitions

The Company makes reference to NOI-cash basis and NOI-cash basis at share which are financial measures that include adjustments to GAAP.

Net Operating Income (Loss)-cash basis ("NOI"-cash basis) and Net Operating Income (Loss)-cash basis at share ("NOI-cash basis at share")

NOI - cash basis is defined as income from property operations less property operating expenses, adjusted for variable items such as termination fee income, as well as non-cash items such as straight-line rent and amortization of lease intangibles. Other real estate companies may use different methodologies for calculating NOI-cash basis, and accordingly the Company's depiction of NOI-cash basis may not be comparable to other real estate companies. The Company believes NOI-cash basis provides useful information regarding Seritage, its financial condition, and results of operations because it reflects only those income and expense items that are incurred at the property level.

The Company also uses NOI-cash basis at share, which includes its proportional share of Unconsolidated Properties. The Company does not control any of the joint ventures constituting such properties and NOI-cash basis at share does not reflect our legal claim with respect to the economic activity of such joint ventures. We have included this adjustment because the Company believes this form of presentation offers insights into the financial performance and condition of the Company as a whole given our ownership of Unconsolidated Properties that are accounted for under GAAP using the equity method. The operating agreements of the Unconsolidated Properties generally allow each investor to receive cash distributions to the extent there is available cash from operations. The amount of cash each investor receives is based upon specific provisions of each operating agreement and varies depending on certain factors including the amount of capital contributed by each investor and whether any investors are entitled to preferential distributions.

The Company also considers NOI-cash basis and NOI-cash basis at share to be a helpful supplemental measure of its operating performance because it excludes from NOI variable items such as termination fee income, as well as non-cash items such as straight-line rent and amortization of lease intangibles.

Due to the adjustments noted, NOI-cash basis and NOI-cash basis at share should only be used as an alternative measure of the Company's financial performance.

Reconciliation of Non-GAAP Financial Measures to GAAP Financial Measures

Neither NOI-cash basis nor NOI-cash basis at share are measures that (i) represent cash flow from operations as defined by GAAP; (ii) are indicative of cash available to fund all cash flow needs, including the ability to make distributions; (iii) are alternatives to cash flow as a measure of liquidity; or (iv) should be considered alternatives to net income (which is determined in accordance with GAAP) for purposes of evaluating the Company's operating performance. Reconciliations of these measures to the respective GAAP measures we deem most comparable are presented below on a comparative basis for all periods.

The following table reconciles NOI-cash basis and NOI-cash basis at share to GAAP net loss for the three and six months ended June 30, 2025 and 2024 (in thousands):

NOI-cash basis and NOI-cash basis at share	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (28,506)	\$ (101,227)	\$ (50,708)	\$ (120,212)
Management and other fee income	(127)	(50)	(269)	(98)
Depreciation and amortization	2,040	1,212	4,115	6,483
General and administrative expenses	6,172	6,874	21,865	16,066
Equity in (income) loss of unconsolidated entities	(756)	566	7,172	187
Loss on sale of interests in unconsolidated entities	1,417	-	1,417	-
Gain on sale of real estate, net	(1,967)	(2,034)	(8,903)	(3,173)
Impairment of real estate assets	18,000	86,388	18,000	87,536
Interest and other income (expense), net	(930)	(717)	(1,790)	(2,140)
Interest expense	5,139	6,282	10,369	13,293
(Benefit) provision for income taxes	115	1,474	(75)	1,485
Straight-line rent	(34)	179	225	246
Above/below market rental expense	44	38	87	76
NOI-cash basis	\$ 607	\$ (1,015)	\$ 1,505	\$ (251)
Unconsolidated entities⁽¹⁾				
Net operating income of unconsolidated entities ⁽²⁾	2,026	1,020	3,820	2,551
Straight-line rent	(42)	(133)	(137)	(321)
Above/below market rental expense	(9)	(9)	(18)	(18)
NOI-cash basis at share	\$ 2,582	\$ (137)	\$ 5,170	\$ 1,961

(1) Activity represents the Company's proportionate share of unconsolidated entity activity.

(2) Net operating income of unconsolidated properties excludes depreciation and amortization, gains, losses and impairments and management and administrative costs.

Item 3. **Quantitative and Qualitative Disclosures About Market Risk**

There were no material changes in the Quantitative and Qualitative Disclosures about Market Risk set forth in our 2024 Annual Report on Form 10-K.

Item 4. **Controls and Procedures**

Evaluation of Disclosure Controls and Procedures

An evaluation was performed by our management under the supervision and with the participation of our principal executive officer ("PEO") and principal financial officer ("PFO") of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of June 30, 2025. Based on the evaluation, our PEO and PFO have concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Controls over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this Item is incorporated by reference to Note 9 of the condensed consolidated financial statements included herein.

On July 1, 2024, a purported shareholder of the Company filed a class action lawsuit in the U.S. District Court for the Southern District of New York, captioned Zhengxu He, Trustee of the He & Fang 2005 Revocable Living Trust v. Seritage Growth Properties, Case No. 1:24:CV:05007, alleging that the Company, the Company's Chief Executive Officer, and the Company's Chief Financial Officer violated the federal securities laws. The complaint seeks to bring a class action on behalf of all persons and entities that purchased or otherwise acquired Company securities between July 7, 2022 and May 10, 2024. The complaint alleges that the defendants violated federal securities laws by issuing false, misleading, and/or omissive disclosures concerning the Company's alleged lack of effective internal controls regarding the identification and review of impairment indicators for investments in real estate and the Company's value and projected gross proceeds of certain real estate assets. The complaint seeks compensatory damages in an unspecified amount to be proven at trial, an award of reasonable costs and expenses to the plaintiff and class counsel, and such other and further relief as the court may deem just and proper. On or around January 15, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the District of Maryland, captioned Paul Sidhu v. Seritage Growth Properties, Case No. 1:25-cv-00152. On or around January 20, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the District of Maryland, captioned James Wallen v. Seritage Growth Properties, Case No. 1:25-cv-00190. On or around May 8, 2025, another purported shareholder of the Company filed a derivative lawsuit in the U.S. District Court for the Southern District of New York, captioned Derrick Cheroti v. Seritage Growth Properties, Case No. 1:25-vc-00152. The Derivative Actions allege the same or similar claimed acts and omissions underlying the Securities Action, assert breach of fiduciary duty and other claims against the Company's Chief Executive Officer, the Company's Chief Financial Officer, and current and former members of the Company's Board of Trustees, and name the Company as a nominal defendant. The complaint in each of the Derivative Actions seeks compensatory damages in an unspecified amount to be proven at trial, an order directing the Company and the individual defendants to reform and improve the Company's corporate governance and internal procedures, restitution from the individual defendants, an award of costs and expenses to the plaintiff and reasonable attorneys' and experts' fees, costs, and expenses, and such other and further relief as the court may deem just and proper. The complaint in the Cheroti Derivative Action also seeks an award of punitive damages, an order directing the individual defendants to account for all damages caused by them and all profits and special benefits and unjust enrichment obtained, and the imposition of a constructive trust. On February 13, 2025, the parties to the Sidhu Derivative Action and the Wallen Derivative Action filed a stipulation and proposed order seeking to consolidate the Sidhu Derivative Action and the Wallen Derivative Action and appoint lead counsel. The Company intends to vigorously defend itself against the allegations in these lawsuits.

Item 1A. Risk Factors

Please refer to Item 1A—Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024 for a description of certain material risks and uncertainties to which our business, financial condition and results of operations are subject. There have been no material changes to the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

- a) None.
- b) None.
- c) During the three and six months ended June 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>	<u>SEC Document Reference</u>
10.1	Letter Agreement, dated April 10, 2025, by and among Adam Metz, Seritage Growth Properties, L.P. and Seritage Growth Properties	Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q, filed on May 15, 2025.
10.2	Employment Agreement by and among Adam Metz, Seritage Growth Properties, L.P. and Seritage Growth Properties, dated June 30, 2025	Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed on July 1, 2025
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.
31.2	Certification of the Interim Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350	Furnished herewith.
32.2	Certification of the Interim Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350	Furnished herewith.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	Filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SERITAGE GROWTH PROPERTIES

Dated: August 14, 2025

/s/ Adam Metz

By: Adam Metz
President and Chief Executive Officer
(Principal Executive Officer)

Dated: August 14, 2025

/s/ John Garilli

By: John Garilli
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION

I, Adam Metz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seritage Growth Properties;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Adam Metz

Adam Metz
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 14, 2025

CERTIFICATION

I, John Garilli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seritage Growth Properties;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John Garilli

John Garilli
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 14, 2025

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Seritage Growth Properties, a Maryland real estate investment trust (the "Company"), on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, Adam Metz, President and Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adam Metz

Adam Metz
President and Chief Executive Officer
(Principal Executive Officer)
August 14, 2025

A signed original of this written statement required by Section 906 has been provided to Seritage Growth Properties and will be retained by Seritage Growth Properties and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Seritage Growth Properties, a Maryland real estate investment trust (the "Company"), on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), I, John Garilli, Interim Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Garilli

John Garilli
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)
August 14, 2025

A signed original of this written statement required by Section 906 has been provided to Seritage Growth Properties and will be retained by Seritage Growth Properties and furnished to the Securities and Exchange Commission or its staff upon request.
