

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

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

For the fiscal year ended December 31, 2024

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: 001-42113

Seaport Entertainment Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

199 Water Street, 28th Floor
New York, NY
(Address of Principal Executive Offices)

99-0947924
(I.R.S. Employer
Identification No.)

10038
(Zip Code)

(212) 732-8257
(Registrant's telephone number, including area code)

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

Title of each class
Common Stock, par value \$0.01 per share

Trading symbol
SEG

Name of exchange on which registered
NYSE American LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 the 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



Accelerated filer



Non-accelerated filer



Smaller reporting company



Emerging growth company



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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1 (b). ☐

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

The registrant was not a public company as of June 28, 2024, the last business day of its most recently completed fiscal quarter, and therefore cannot calculate the aggregate market value of its voting and non-voting common equity held by non-affiliates as of such date. The registrant's common stock began trading on the NYSE American LLC on August 1, 2024.

As of March 5, 2025, there were 12,696,599 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2025 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K. The registrant intends to file its Proxy Statement with the Securities and Exchange Commission no later than 120 days after the end of its fiscal year ended December 31, 2024.

TABLE OF CONTENTS

	<u>Page</u>
<u>Part I</u>	5
Item 1. Business	5
Item 1A. Risk Factors	16
Item 1B. Unresolved Staff Comments	47
Item 1C. Cybersecurity	47
Item 2. Properties	48
Item 3. Legal Proceedings	48
Item 4. Mine Safety Disclosure	48
<u>Part II</u>	49
Item 5. Market for Registrant’s Common Equity, Related Stockholders Matters and Issuer Purchases of Equity Securities	49
Item 6. [Reserved]	50
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	50
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	71
Item 8. Financial Statements and Supplementary Data	72
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	115
Item 9A. Controls and Procedures	115
Item 9B. Other Information	115
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	116
<u>Part III</u>	116
Item 10. Directors, Executive Officers and Corporate Governance	116
Item 11. Executive Compensation	116
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	116
Item 13. Certain Relationships and Related Transactions, and Director Independence	116
Item 14. Principal Accounting Fees and Services	116
<u>Part IV</u>	117
Item 15. Exhibits and Financial Statement Schedules	117
Item 16. Form 10-K Summary	117
Exhibit Index	117
Signatures	122

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K (“Annual Report”), including, without limitation, those related to our future operations, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Annual Report are forward-looking statements and may include words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “plan,” “project,” “realize,” “should,” “transform,” “would” or the negative of these terms or other similar expressions and other statements of similar expression. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this Annual Report.

Forward-looking statements include statements related to:

- forecasts of our future economic performance;
- our ability to operate as a stand-alone public company following our separation (the “separation”) from Howard Hughes Holdings Inc. (“HHH”);
- our ability to achieve the intended benefits from our separation from HHH;
- expected capital required for our operations and development opportunities for our properties;
- the impact of technology on our operations and business;
- expected performance of our business;
- expected commencement and completion for property developments;
- estimates of our future liquidity, development opportunities, development spending and management plans; and
- descriptions of assumptions underlying or relating to any of the foregoing.

Some of the risks, uncertainties and other important factors that may affect future results or cause actual results to differ materially from those expressed or implied by forward-looking statements include:

- risks related to our separation from, and relationship with, HHH;
- macroeconomic conditions, such as volatility in the capital markets, inflation, rising interest rates and a prolonged recession or downturn in the national economy, any of which could impact us, our tenants or consumers;
- changes in discretionary consumer spending patterns or consumer tastes or preferences;
- risks associated with our investments in real estate assets and trends in the real estate industry;
- our ability to obtain operating and development capital on favorable terms, or at all, including our ability to obtain or refinance debt capital, particularly considering our business operations require substantial cash;
- the availability of debt and equity capital;
- our ability to renew our leases or re-lease available space;

[Table of Contents](#)

- our ability to compete effectively;
- our ability to successfully identify, acquire, develop and manage properties on terms that are favorable to us;
- the impact of uncertainty around, and disruptions to, our supply chain, including labor shortages and shipping delays;
- risks related to the concentration of our properties in New York City and the Las Vegas area, including fluctuations in the regional and local economies and local real estate conditions;
- extreme weather conditions or climate change, including natural disasters, that may cause property damage or interrupt business;
- the impact of water and electricity shortages on our business;
- the contamination of our properties by hazardous or toxic substances;
- catastrophic events or geopolitical conditions, such as the COVID-19 pandemic and other public health crises, that may disrupt our business;
- actual or threatened terrorist activity and other acts of violence, or the perception of a heightened threat of such events;
- losses that are not insured or that exceed the applicable insurance limits;
- risks related to disruption or failure of information technology networks and related systems—both ours and those operated and managed by third parties—including data breaches and other cybersecurity attacks;
- our ability to attract and retain key personnel;
- our inability to control certain of our properties due to the joint ownership of such property and our inability to successfully attract desirable strategic partners, including joint venture partners;
- the significant concentration of ownership of our common stock by Pershing Square (as defined herein) and Pershing Square’s rights pursuant to the investor rights agreement we entered into with it on October 17, 2024 (the “Investor Rights Agreement”) and our amended and restated certificate of incorporation (the “Certificate of Incorporation”) may influence us; and
- other risks and uncertainties described herein.

Although we presently believe that the plans, expectations and anticipated results expressed in or suggested by the forward-looking statements contained in this Annual Report are reasonable, all forward-looking statements are inherently subjective, uncertain and subject to change, as they involve substantial risks and uncertainties, including those beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature, or assess the potential impact, of each new factor on our business. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements. The forward-looking statements in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update or revise any of our forward-looking statements for events or circumstances that arise after the statement is made, except as otherwise may be required by law.

PART I

ITEM 1. BUSINESS

Overview

Seaport Entertainment Group Inc. (“Seaport Entertainment,” the “Company,” “we,” “our” and “us”) is a Delaware corporation and was incorporated in 2024 in connection with, and anticipation of, Howard Hughes Holdings Inc.’s (“HHH”) spin-off of its entertainment-related assets in New York City and Las Vegas (the “Spin-Off”). The separation of Seaport Entertainment from HHH, which was effected through HHH’s pro rata distribution of 100% of the outstanding shares of common stock of Seaport Entertainment to holders of HHH common stock, was completed on July 31, 2024. Following the completion of the separation, Seaport Entertainment became an independent, publicly traded company. On August 1, 2024, the Company’s common stock began trading on the NYSE American LLC (the “NYSE American”) under the symbol “SEG”.

The information contained in this Annual Report on Form 10-K reflects the historical information of the Seaport Entertainment division of HHH prior to the Spin-Off and the information of Seaport Entertainment Group Inc. following the Spin-Off. See Note 1 in the Notes to the Consolidated and Combined Financial Statements for further information regarding the Spin-Off.

Our Business

Seaport Entertainment was formed to own, operate and develop a unique collection of assets positioned at the intersection of entertainment and real estate. Our objective is to integrate our one-of-a-kind real estate assets with a variety of restaurant, retail and leisure offerings to form vibrant mixed-use destinations where our customers can work, play and socialize in one cohesive setting. To achieve this objective, we are focused on delivering best-in-class experiences for our surrounding residents, customers and tenants across the three operating segments of our business: (1) Landlord Operations; (2) Hospitality; and (3) Sponsorships, Events, and Entertainment. Our assets, which are primarily concentrated in New York City and Las Vegas, include the Seaport in Lower Manhattan (the “Seaport”), a 25% minority interest in Jean-Georges Restaurants (“JG”) as well as other partnerships, the Las Vegas Aviators Triple-A baseball team (the “Aviators”) and the Las Vegas Ballpark and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas (the “Fashion Show Mall Air Rights”). We believe the uniqueness of our assets, the customer-centric focus of our business and the ability to replicate our destinations or business models in other locations collectively present an attractive investment opportunity in thematically similar but differentiated businesses, all of which are positioned to grow over time.

The Seaport is a historic neighborhood in Lower Manhattan on the banks of the East River and within walking distance of the Brooklyn Bridge. With roots dating back to the 1600s and a strategic location in Lower Manhattan, the Seaport attracts millions of visitors every year. The Seaport spans approximately 490,000 square feet, the majority of which is dedicated to entertainment, retail and restaurant uses, and in 2024, the Seaport hosted over 200 public and private events. Among the highlights of the Seaport are: The Rooftop at Pier 17®, a 3,500-person concert venue; the Tin Building, a 54,000-square-foot culinary marketplace leased to an unconsolidated joint venture between us and a subsidiary of JG; the Lawn Club, an immersive indoor/outdoor lawn game entertainment venue and another of our unconsolidated joint ventures; a historic cobblestone retail district; six additional retail and food and beverages concepts; and a 21-unit residential building with approximately 5,500 square feet of ground floor leasable space. In addition, the Company owns 250 Water Street, a one-acre development site directly adjacent to the Seaport, approved for 547,000 zoning square feet of market rate and affordable housing, office, retail and community-oriented gathering space. We are in the process of further transforming the Seaport from a collection of unique assets into a cohesive and vibrant neighborhood that caters to the broad needs of its residents and visitors. By continuing this integration, we believe we can drive further consumer penetration across all our restaurant, retail and event offerings, and make the Seaport our model for potential future mixed-use opportunities.

Jean-Georges Restaurants is a world-renowned hospitality company operated by Michelin-star chef Jean-Georges Vongerichten. JG was formed in 1997 and has grown from 17 locations in 2013 to over 60 high-end restaurant concepts across five continents, 13 countries and 24 markets, including our joint venture tenant, the Tin Building by Jean-Georges,

located in the heart of the Seaport. JG's expertise and versatility allow it to serve the culinary needs of its customers, and with an asset-light platform and highly regarded brand recognition, JG is able to enter new markets and provide customers with a range of culinary options, from high-end restaurants to fast casual concepts to high-quality wholesale products. We believe there is an opportunity for JG's food and beverage offerings to anchor the destinations we are seeking to create and help differentiate our business from the typical asset mix found in traditional real estate development and landlord operations.

The Las Vegas Aviators are a Minor League Baseball ("MiLB") team and the current Triple-A affiliate of the Oakland Athletics (the "Athletics") Major League Baseball ("MLB") team. As one of the highest-grossing MiLB teams, and a critical component of the Summerlin, Nevada community, we believe the Aviators are a particularly attractive aspect of our portfolio. Seaport Entertainment wholly owns the Aviators, which generate cash flows from ticket sales, concessions, merchandise and sponsorships. In addition to the team, Seaport Entertainment owns the Aviators' 10,000-person capacity ballpark, which is located in the heart of Downtown Summerlin. Completed in 2019, the ballpark is one of the newest stadiums in the minor league system and was named the "Triple-A Best of the Ballparks" by Ballpark Digest in 2019, 2021 and 2022. This renowned ballpark regularly has upwards of 6,500 fans per game and was chosen to host the Triple-A National Championship Game for the third consecutive year in 2024. In addition to approximately 75 baseball games each year, the ballpark hosts at least 30 other special events, which provide incremental cash flow primarily during the baseball offseason. These events, which include festive holiday attractions, ballpark tours, movie nights, concerts and more, have also integrated the ballpark into the life and culture of Summerlin. As a result, we believe we are uniquely positioned to serve the entertainment needs of this community as it expands in the coming years.

We also have the right to develop, together with an interest in and to 80% of, the air rights above the Fashion Show mall in Las Vegas, representing a unique opportunity to vertically develop a high-quality, well-located real estate asset, which may potentially include a new casino and hotel. The Fashion Show mall, located just northwest of the Sphere and south of the Wynn West project and the Resorts World Las Vegas, and directly across the street from the Wynn Las Vegas hotel, casino and golf course, is the 25th largest mall in the country, with over 250 retailers and over 30 restaurants spread across approximately two million square feet.

Our Strategy

Seaport Entertainment is one of the few publicly traded companies focused on the intersection of entertainment and real estate. Unlike real estate investment trusts, which have limitations on their ability to invest in non-real estate assets or retain taxable income for future growth, Seaport Entertainment has the flexibility to invest in both real estate as well as entertainment-focused operating assets and potentially grow those investments over time. Seaport Entertainment's business plan is to focus on realizing value for its stockholders primarily through dedicated management of its existing assets, expansion of existing and creation of new partnerships, strategic acquisitions and completion of development projects. The Company's existing portfolio encompasses a wide range of leisure and recreational activities, including live concerts, fine dining, nightlife, professional sports and high-end and experiential retail. The quality of the portfolio is complimented by the desirability of its locations: primarily Lower Manhattan and Las Vegas, where we believe there are substantial barriers to entry. As a result, we believe Seaport Entertainment is well-positioned to capitalize on trends across the travel, tourism and leisure industries and appeal to today's consumer who often values experiences over goods.

Create Unique Entertainment Destinations Within Sought-After Mixed-Use Commercial Hubs. Seaport Entertainment is not limited to a particular type of entertainment asset, and as a result, it seeks to meet the needs of different customers with the flexibility to adapt to changes in consumer trends, which today favor experiences over products. Seaport Entertainment's portfolio of premier, non-commoditized and destination-focused properties caters to a wide range of consumers. We intend to drive this high-quality product offering by focusing on best-in-class experience-based tenants and partnerships, in addition to integrating sought-after events to drive foot traffic throughout our portfolio. By continuing to offer high quality food and beverage and entertainment options across our portfolio, we seek to create unique, cohesive environments that serve the various needs of our customers and offer more than just a single product or experience. By developing destinations that have multiple touchpoints with our visitors, we believe Seaport Entertainment is well-positioned to grow its revenue base over time by driving increased market penetration.

Lease-Up Existing Assets at the Seaport. The portfolio of assets within Landlord Operations at the Seaport was 64% leased and 61% occupied as of December 31, 2024. Subsequent to year-end 2024, the Company entered into a lease with immersive entertainment and experience creator, Meow Wolf, to occupy approximately 74,000 square feet of vacant space in Pier 17. Our dedicated management team is focused on leasing up the Seaport and improving occupancy levels, which we believe will drive foot traffic to the area and improve performance at the Seaport's food and beverage and entertainment assets. As a further example, we are evaluating the use of some of our vacant space that benefits from panoramic views of the Brooklyn skyline and the Brooklyn Bridge for a variety of hospitality and entertainment offerings.

Improve Efficiencies in our Operating Businesses. We believe there are numerous opportunities to drive efficiencies and increase margins in our operating businesses. Through our dedicated management team, which has significant experience operating entertainment-related assets, we are focused on maximizing our revenues and rightsizing costs. On January 1, 2025, as the Company's initial step to internalize food and beverage operations at most of its wholly owned and joint venture-owned restaurants at the Seaport, we hired and onboarded employees of our primary food and beverage operator, Creative Culinary Management Company, LLC ("CCMC"), an indirect wholly owned subsidiary of JG, and entered into a shared services agreement with CCMC. We believe internalizing certain of our food and beverage operations will drive efficiency and enhance scalability across our portfolio.

Expand the JG Partnership. Our JG investment has multiple avenues for core growth that could propel this business, including: the opening of new restaurants and luxury marketplaces; introducing a franchise model for certain Jean-Georges concepts; launching fast-casual and quick service restaurant concepts that allow for significant scale; and leveraging the Jean-Georges brand via private label wholesale product distribution. Additionally, we believe we will be able to work with JG to identify additional operating efficiencies in the Seaport Entertainment and JG portfolios.

Leverage Events and Sponsorships to Create a Flywheel Effect at the Seaport. The Seaport's events, particularly its Rooftop Concert Series, and the Seaport's year-round programs focused on families, fitness, arts, music, and cinema, drive foot traffic to the entire neighborhood, which in turn creates opportunities for our restaurant and retail tenants as well as our sponsorship business. We are focused on creating a flywheel effect, where visitors who are drawn to the Seaport for an event receive targeted benefits from our sponsors and are engaged by our retail and dining options before and after that event. Our in-house marketing team is also leveraging the success of our Concert Series to advertise all of the offerings at the Seaport to a growing social media following. The Rooftop at Pier 17 gained a significant social media presence, with approximately 168,000 followers on Instagram by the end of 2024, the largest following in its peer group of venues with less than 15,000 seats. The success of the Concert Series has also positioned Seaport Entertainment to potentially benefit from additional opportunities in the near term, including: (1) the possibility of entering into a naming rights deal for The Rooftop venue with a sponsor; (2) better terms on our ticketing services that were recently negotiated with a new ticketing provider; and (3) an enclosed winter structure to increase the number of events we can host in any given year, which we expect to begin in the fourth quarter of 2025.

Improve and Increase Special Event Offerings at the Las Vegas Ballpark. The Las Vegas Ballpark is a key feature of Summerlin, Nevada, a thriving community outside of Las Vegas. By improving and increasing the special events offerings at the ballpark, we plan to further integrate the venue into the daily lives of Summerlin's residents. The ballpark currently hosts approximately 75 baseball games per year. While preparing the stadium and field for baseball season does require approximately one month, there is significant room for special events through the rest of the year. We are required to host at least 30 "special events" each year pursuant to our naming rights agreement with the LVCVA. We plan to continue to seek opportunities to improve our existing events and identify more impactful revenue generating events that engage and entertain the community.

Opportunistically Acquire Attractive Entertainment-Related Assets and Utilize Strategic Partnerships. Over time, we intend to evaluate and ultimately acquire additional entertainment-related real estate and operating assets. These assets may include but are not limited to stadiums, sports and gaming attractions, concert and entertainment venues, food halls and other restaurant concepts. In addition to acquisitions, we plan to utilize strategic partnerships to accelerate our long-term growth. To execute on this strategy, we intend to leverage our unique experience at the Seaport, where we already successfully work with an array of top-tier partners in the entertainment space.

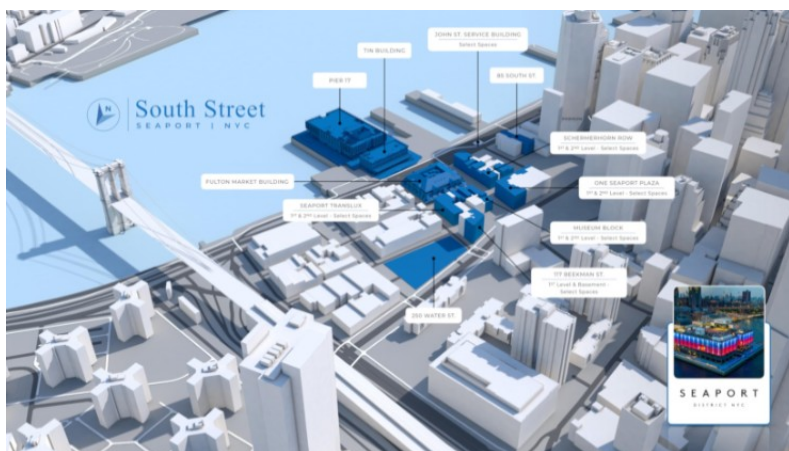
Table of Contents

Develop Owned Land Parcels and the Fashion Show Mall Air Rights. Seaport Entertainment currently has two sizeable development opportunities: 250 Water Street and the Fashion Show Mall Air Rights. Each opportunity, if transacted on, could represent a significant driver of long-term growth.

Our Portfolio

We primarily analyze our portfolio of assets through the lens of our three operating segments: (1) Landlord Operations; (2) Hospitality; and (3) Sponsorships, Events, and Entertainment. In each segment, we believe there are multiple opportunities to drive operational efficiencies and value creation over time.

Landlord Operations. Landlord Operations represent our ownership interests in and operation of physical real estate assets. Currently, all Landlord Operations are located in the Seaport. The Seaport encompasses approximately 490,000 square feet of restaurant, retail, office and entertainment properties, as well as 21 residential units. It is one of the few multi-block neighborhoods in New York City largely under private management by a single owner. Over 13 years, HHH, as its previous owner, invested over \$1 billion in the area, which we believe helped to revitalize the area and positioned it to become one of the premier food and beverage and entertainment destinations in the city. Currently, we own 11 physical real estate assets in the Seaport that comprise 100% of our current Landlord Operations. These assets, reflected on the map below, include:



- **Pier 17** – Pier 17 is an approximately 226,000 square foot mixed-use building containing restaurants, entertainment, office space and an outdoor concert venue. The Rooftop at Pier 17 is a 3,500-person concert venue, which was ranked by Pollstar as the sixth top club worldwide in 2024. In 2024, The Rooftop's Concert Series sold approximately 180,000 tickets over 60 shows, representing 86% of available ticket inventory. We are also planning to launch year-round concerts and events for The Rooftop at Pier 17 in the fourth quarter of 2025, utilizing a seasonal floor-to-ceiling glass enclosure for the winter months. The total enclosed capacity will be approximately 3,000 guests, and each summer, The Rooftop will pivot back to hosting its open-air summer concerts with 3,500 total standing guest capacity. In addition to the concert venue, the building has five restaurants with renowned chefs including Jean-Georges and Andrew Carmellini, and three floors of unique space that can be utilized for retail, office and entertainment purposes.
- **Tin Building** – Across from Pier 17 is the Tin Building, a 54,000-square-foot culinary destination located on the site of the original Fulton Fish Market. The property opened in September 2022 after undergoing an over \$200 million, five-year renovation to reconstruct the building in collaboration with Jean-Georges and is leased to our

[Table of Contents](#)

joint venture with a subsidiary of Jean-Georges. The building has three levels, offering a variety of culinary experiences, including restaurants, bars, grocery markets, retail and private dining.

- **Fulton Market Building** – The Fulton Market Building is a three-story, 115,000-square-foot mixed-use building. It is 100% leased to tenants including IPIC Theaters, which occupies 46,000 square feet and has a lease through 2035. In July 2022, high-end fashion brand Alexander Wang leased the entire third floor for its global fashion headquarters. The Lawn Club, an experiential retail concept focused on “classic lawn games” and superb cocktails, is one of our joint ventures and the most recent tenant, having opened in November 2023.
- **Historic District Retail & Other** – Seaport Entertainment is also the landlord for the following Historic District retail and other locations: Museum Block (1st and 2nd Level - Select Spaces), Schermerhorn Row (1st and 2nd Level - Select Spaces), Seaport Translux (1st and 2nd Level - Select Spaces), 117 Beekman Street (1st Level & Basement - Select Spaces), One Seaport Plaza (1st and 2nd Level - Select Spaces) and the John Street Service Building (Select Spaces), which collectively make up approximately 91,000 square feet.
- **250 Water Street** – 250 Water Street is a full block, one-acre development site that is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space. We believe 250 Water Street is a unique opportunity at the Seaport to redevelop this site into a vibrant mixed-use asset. Current project plans include an estimated 219,000 square feet of programmable/leasable commercial space and 399 multifamily units. We have received all of the necessary approvals for the plans and permits to build the foundation, which we began building in the second quarter of 2022. Final remediation work on the site is complete, and we can commence construction of the new development at our discretion.
- **85 South Street** – 85 South Street is an eight-story residential building with 21 multifamily units and approximately 5,500 square feet of ancillary leasable space.

The following table shows information about our Seaport assets as of December 31, 2024:

Asset	Asset Type	Ownership Type	Owned Rentable Square Feet	Rentable Units	% Occupied	% Leased
Pier 17	Mixed-Use	Owned Improvements	225,615	—	45 %	52 %
Fulton Market Building	Mixed-Use	Owned Improvements	114,999	—	100 %	100 %
Tin Building	Retail	Owned Improvements	53,783	—	100 %	100 %
Schermerhorn Row	Retail	Owned Improvements	28,808	—	78 %	78 %
One Seaport Plaza	Retail	Owned Improvements	24,518	—	10 %	10 %
Museum Block	Retail	Owned Improvements	23,381	—	18 %	18 %
Seaport Translux	Retail	Owned Improvements	9,470	—	0 %	0 %
117 Beekman Street	Retail	Owned Improvements	3,609	—	0 %	0 %
John Street Service Building	Retail	Owned Improvements	225	—	100 %	100 %
85 South Street	Multifamily & Office	Fee Simple	5,522	21	100 % ⁽²⁾	100 % ⁽²⁾
250 Water Street ⁽¹⁾	Development Site	Fee Simple	—	—	0 %	0 %
Total			489,930	21	61 %	64 %

(1) 250 Water Street is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space.

(2) Occupancy and leasing figures for multifamily space. Ground floor office space is vacant as of December 31, 2024.

[Table of Contents](#)

Our Seaport assets primarily sit under a long-term ground lease from the City of New York that provides for an extension option that would extend its expiration from 2071 to 2120. In 2024, we paid \$2.6 million in rent and fees under that ground lease and two smaller ground leases on our Seaport assets. The following table shows information about our ground leases as of December 31, 2024:

Location	Expiration	Extensions	Annual Rent Payments for the Year Ended December 31, 2024 (thousands)	Rent Escalator
Seaport Neighborhood ⁽¹⁾	December 2071	December 2120	\$ 1,905	3% annually
Translux Building	December 2071	December 2120	\$ 158 ⁽²⁾	3% annually
One Seaport Plaza	December 2071	N/A	\$ 525	Adjusted every 15 years provided operating profits have been achieved; subject to caps

Note: Our 85 South Street and 250 Water Street assets are not subject to a ground lease. For the John Street Service Building, there is a separate license agreement with the New York City Department of Parks and Recreation.

- (1) Ground lease for the following properties: Pier 17, the Tin Building, Schermerhorn Row, Museum Block, 117 Beekman Street and the Fulton Market Building.
- (2) Includes partial rent abatement of approximately \$137,000 and \$141,000 for the years ended December 31, 2023 and December 31, 2024, respectively, which is not expected to continue.

Hospitality. Hospitality represents our ownership interests in various food and beverage operating businesses. Currently, we own, either wholly or through partnerships with third parties, and operate, including under license and management agreements, six fine dining and casual dining restaurants, cocktail bars, nightlife and entertainment venues (The Fulton, Mister Dips, Carne Mare, Malibu Farm, Gitano and The Lawn Club), as well as our unconsolidated venture, the Tin Building by Jean-Georges, which offers a variety of culinary experiences, including restaurants, bars, grocery markets, retail and private dining. These businesses are all our tenants and are a part of our Landlord Operations.

Jean-Georges Restaurants was founded by renowned Michelin-star chef Jean-Georges Vongerichten and operates over 60 hospitality offerings across the world. In March 2022, the Company acquired a 25% interest in Jean-Georges Restaurants for \$45 million. The Tin Building by Jean-Georges was the first project completed by the Company and Jean-Georges since the minority stake acquisition, and it now plays an integral part in the Seaport's overall performance. CCMC provides management services for certain retail and food and beverage businesses within the Seaport. On January 1, 2025, as the Company's initial step to internalize food and beverage operations at most of its wholly owned and joint venture-owned restaurants at the Seaport, we hired and onboarded CCMC employees and entered into a shared services agreement with CCMC.

Descriptions of our joint venture agreements as of December 31, 2024 follows:

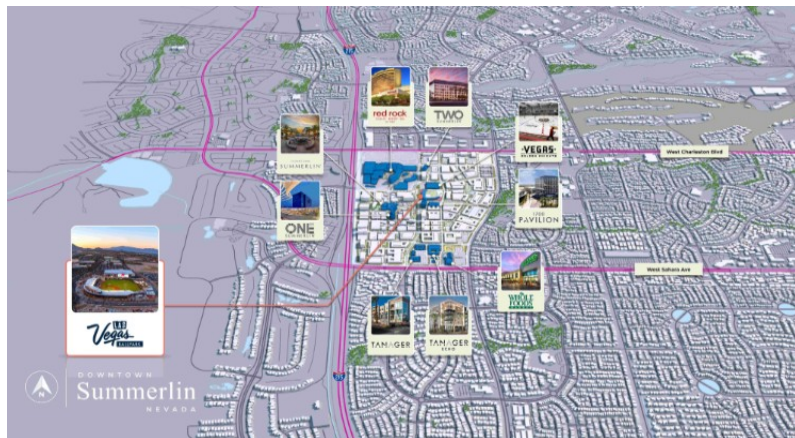
- **JG Restaurants.** In March 2022, we acquired a 25% interest in JG for \$45.0 million. JG currently has over 60 hospitality offerings and a pipeline of new concepts. Under the terms of the current operating agreement, all cash distributions and the recognition of income-producing activities are pro rata based on stated ownership interest. We have various, standard protective rights under the operating agreement, including board designation rights tied to our ownership stake in JG, certain consent rights over actions taken with respect to JG and preemptive rights and a right of first refusal to, in certain cases, acquire a greater interest in JG. Concurrent with our acquisition of the 25% interest, we entered into a warrant agreement with Jean-Georges, pursuant to which we paid \$10.0 million for the option to acquire up to an additional 20% interest in JG, which expires on March 2, 2026. During the year ended December 31, 2024, the Company recognized an impairment of \$10.0 million related to this warrant. See Note 3 – *Impairment* for additional information.

- *Tin Building by Jean-Georges.* In 2015, together with VS-Fulton Seafood Market, LLC (the “Fulton Partner”), we formed Fulton Seafood Market, LLC to operate a 53,783 square foot culinary marketplace in the historic Tin Building. The Fulton Partner is a wholly owned subsidiary of JG. Under the terms of the joint venture agreement, we contribute the cash necessary to fund pre-opening, opening and operating costs of the Tin Building. The Fulton Partner is not required to make any capital contributions. The Tin Building by Jean-Georges culinary marketplace began operations in the third quarter of 2022. We have a 65% final profit-sharing interest in Fulton Seafood Market, LLC. Various provisions in the operating agreement regarding distributions of cash flow based on capital account balances, allocations of profits and losses, and preferred returns may result in our economic interest differing from our final profit-sharing interest. Based on capital contribution and distribution provisions, we currently receive substantially all of the economic interest in the venture. However, as of December 31, 2024, we do not have the power to direct the restaurant-related activities that most significantly impact the venture’s economic performance, nor are we the primary beneficiary, and we account for this investment in accordance with the equity method.
- *The Lawn Club.* In 2021, we formed HHC Lawn Games, LLC with The Lawn Club NYC, LLC (“Endorphin Ventures”) to construct and operate an immersive indoor and outdoor restaurant that includes an extensive area of indoor grass, a stylish clubhouse bar and a wide variety of lawn games. This concept opened in the fourth quarter of 2023. Under the terms of the initial agreement, the Company funded 80% of the cost to construct the restaurant, and Endorphin Ventures contributed the remaining 20%. In October 2023, we executed an amended LLC agreement, in which we will fund 90% of any remaining capital requirements and Endorphin Ventures will contribute 10%. We have a 50% final profit-sharing interest in HHC Lawn Games, LLC, although various provisions in the operating agreement regarding distributions of cash flow based on capital account balances, allocations of profits and losses, and preferred returns may result in our economic interest differing from our final profit-sharing interest. We also entered into a lease agreement with HHC Lawn Games, LLC pursuant to which we agreed to lease approximately 27,000 square feet of the Fulton Market Building to this venture.

Sponsorships, Events, and Entertainment. Our Sponsorships, Events, and Entertainment segment includes the Las Vegas Aviators, the Las Vegas Ballpark, the Fashion Show Mall Air Rights, Seaport events and concerts and all of our sponsorship agreements across both the Seaport and the Las Vegas Ballpark.

- *The Aviators and Las Vegas Ballpark.* The Las Vegas Aviators are an MiLB team and the Triple-A affiliate of the Athletics. The team was acquired by the Summerlin Las Vegas Baseball Club, a subsidiary of HHH at the time, and Play Ball Owners Group in May 2013. In 2017, HHH acquired Play Ball’s 50% ownership stake for \$16.4 million. In addition to the team, included in Seaport Entertainment is the Aviators’ 10,000-person capacity ballpark, which is located in the heart of Downtown Summerlin, approximately nine miles west of the Las Vegas Strip. The Aviators have consistently generated ticket sale revenue in the top quintile for MiLB Triple-A clubs. The Las Vegas Ballpark had a gross carrying value before accumulated depreciation of \$133.2 million as of December 31, 2024. In addition to hosting baseball games, the ballpark holds various special events throughout the year. In 2024, the Aviators and the ballpark generated approximately \$31.4 million in revenue.

The following map shows the location of the Las Vegas Ballpark in relation to certain other Las Vegas landmarks.



- *The Rooftop at Pier 17.* The Rooftop at Pier 17 has evolved into one of the premier concert venues in New York City. The venue has capacity of 3,500 guests and in 2023 and 2024 hosted 63 and 60 concerts, respectively. Located two blocks south of the Brooklyn Bridge, the unique outdoor venue was voted the #1 outdoor music venue in New York City in 2022 by Red Bull and ranked by Pollstar as the sixth top club worldwide in 2024. The venue provides an unmatched outdoor entertainment opportunity for both emerging and established musicians. In addition, given the venue's destination-like location, it has proven to be successful at hosting events year round and drives incremental revenue outside of the Summer Concert Series.

The demand for live music at The Rooftop at Pier 17 is evident based on the success of our Concert Series, which premiered in 2018, hosting 24 shows and selling over 63,000 tickets. In 2024, our Concert Series sold out 30 of 60 shows and sold approximately 180,000 tickets, which represented 86% of all available tickets, generating over \$12 million in gross ticket sales. The venue's success is also demonstrated by its social media following, which is one of the largest for any New York City-area arena or concert venue, despite only having a 3,500-guest capacity. We are planning to launch year-round concerts and events for The Rooftop at Pier 17 in the fourth quarter of 2025, utilizing a seasonal floor-to-ceiling glass enclosure for the winter months. The total enclosed capacity will be approximately 3,000 guests, and each summer, The Rooftop will pivot back to hosting its open-air summer concerts with 3,500 total standing guest capacity.

- *The Fashion Show Mall Air Rights.* The Fashion Show mall is the 25th largest mall in the country and one of the largest shopping, dining and entertainment destinations on the Las Vegas Strip. It has a prime Las Vegas Strip location, adjacent to the Wynn and Treasure Island. The mall is owned by Brookfield Properties and features more than 250 retailers and over 30 restaurants spread across approximately two million square feet. Seaport Entertainment has an interest in and to 80% of the air rights above the mall, with Brookfield Properties having an interest in and to the remaining 20% stake. The Fashion Show Mall Air Rights are a contractual right to form a joint venture to hold an 80% managing member interest in a to-be-formed entity that would own the air rights above the Fashion Show mall, as well as the exclusive right to develop such air rights. The Fashion Show Mall Air Rights may potentially be used to develop a new casino and hotel on the Las Vegas Strip. For additional information, see "Risk Factors—Risks Related to Our Business and Our Industry—We are exposed to risks associated with the development, redevelopment or construction of our properties, including the planned

redevelopment at 250 Water Street and intended development in connection with our Fashion Show Mall Air Rights.”



Seasonality

Significant portions of our business are seasonal in nature, and the periods during which our properties experience higher revenues vary from property to property, depending primarily on their location, the customer base served and potential impacts due to weather and the timing of certain holidays. For example, our Seaport business is significantly impacted by seasonality due to weather conditions, New York City tourism and other factors, with the majority of Seaport’s revenue generated between May and September. In Las Vegas, we are significantly impacted by the baseball season, with a significant portion of our Sponsorship, Events, and Entertainment segment revenue generated between April and September. As a result, our total revenues tend to be higher in the second and third quarters, and our quarterly results for any one quarter or in any given fiscal year may not be indicative of results to be expected for any other quarter or year. Additionally, during periods of extreme temperatures (either hot or cold) or precipitation, we have historically experienced, and will likely continue experiencing, significant reductions in consumer traffic.

Competition

The Company operates in a highly competitive environment across its various business segments. Within our Landlord Operations segment, we compete for primarily retail and office tenants. We compete with other property owners whose properties may be perceived to offer a better location or better amenities or whose pricing may be perceived as a better value given the quality, location and terms that the prospective tenant seeks.

In the Hospitality industry, the Company faces competition from a variety of dining establishments, including both high-end restaurants and casual dining options located within the Seaport neighborhood, throughout Manhattan and in the broader New York City area. Competitors range from established fine dining brands and local, independent restaurateurs to innovative new entrants offering unique dining experiences.

Within our Sponsorships, Events, and Entertainment segment, we compete with other entertainment venues, concert spaces and event venues in the New York City area, including those offering similar music, entertainment and public event programming. These venues may offer different capacities, amenities or event types that could attract similar audiences, including large arenas and smaller intimate venues. The Las Vegas Aviators operate in a competitive sports market, with rival teams competing for fan engagement, sponsorships and media attention. Local sports teams and major league affiliates can influence attendance and community support, as well as impact sponsorship and advertising opportunities.

Overall, the Company's competitive position is influenced by factors such as unique locations, brand strength, customer loyalty, and the ability to offer differentiated and exclusive experiences. The Company is committed to maintaining a strong market presence by adapting to evolving customer preferences, ensuring high-quality service, and investing in unique, memorable experiences across all its business segments.

Human Capital

As of December 31, 2024, we had 90 full-time employees supporting our business, and we consider our current relationship with our employees to be good. As of December 31, 2024, none of our employees were represented by unions or covered by collective bargaining agreements.

We believe that our future success largely depends upon our continued ability to attract and retain highly skilled talent. We provide our employees with competitive salaries and bonuses, opportunities for equity ownership, development programs that enable continued learning and growth and a robust employment package that promotes well-being across all aspects of their lives.

We strive to create and maintain an environment where individuals can excel, regardless of background; we believe this ultimately drives top performance, inclusive culture and leadership development. We invest in processes that help to activate equitable access for employee growth, both personally and professionally, and it is our policy to not make employment decisions on the basis of any legally protected characteristic.

Government Regulation and Compliance

We are subject to numerous federal, state and local government laws and regulations, including those relating to: real property; employment practices; building, health and safety; competition, anti-bribery and anti-corruption; the preparation and sale of food and beverages; building and zoning requirements; cybersecurity and data privacy; and general business license and permit requirements. For example, various federal, state and local statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to or affect the real estate industry. Our ability to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond our control, such as changes in federal, state and local policies, rules and regulations and their interpretations and application. Additionally, approval to develop real property sometimes requires political support and generally entails an extensive entitlement process involving multiple and overlapping regulatory jurisdictions and often requires discretionary action by local governments. Real estate projects must generally comply with local land development regulations and may need to comply with state and federal regulations. We incur substantial costs to comply with legal and regulatory requirements.

There is also a variety of legislation being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to construct buildings. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and become more costly to comply with. We may be required to apply for additional approvals or modify our existing approvals because of changes in local circumstances or applicable law. Governmental regulation also affects sales activities, mortgage lending activities and other dealings with consumers. Further, government agencies routinely initiate audits, reviews or investigations of our business practices to ensure compliance with applicable laws and regulations, which can cause us to incur costs or create other disruptions in our business that can be significant. We may experience delays and increased expenses as a result of legal challenges, whether brought by governmental authorities or private parties.

Under various federal, state and local laws and regulations, an owner of real estate is liable for the costs of remediation of certain hazardous substances, including petroleum and certain toxic substances (collectively hazardous substances) on such real estate. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous substances. The costs of remediation of such substances may be substantial, and the presence of such substances, or the failure to remediate such substances, may adversely affect the owner's ability to sell such real estate or to obtain financing using such real estate as collateral. Other federal, state and local laws, ordinances

and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopments, and also govern emissions of and exposure to asbestos fibers in the air. Federal and state laws also regulate the operation and removal of underground storage tanks. In connection with our ownership, operation and management of certain properties, we could be held liable for the costs of remedial action with respect to these regulated substances or tanks or related claims.

Intellectual Property

We own several trademarks, copyrights and other intellectual property rights. Although our intellectual property rights are important to our success, we do not consider any single right to be of material significance to our business.

Available Information

Our corporate headquarters is located at 199 Water Street, 28th Floor, New York, New York, 10038, and our telephone number is (212) 732-8257. Our website address is www.seaportentertainment.com. Information contained on, or that can be accessed through, our website does not constitute part of this Annual Report.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available, without charge, on our investor relations website, ir.seaportentertainment.com, as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission (the “SEC”). The public may read and obtain a copy of any materials the Company files electronically with the SEC at www.sec.gov.

ITEM 1A. RISK FACTORS

The risks and uncertainties described below are those that we deem currently to be material, and do not represent all of the risks that we face. You should carefully consider the following risks and uncertainties, in addition to the other information contained in this Annual Report and the other documents we file with the SEC. Additional risks and uncertainties not presently known to us or that we currently do not consider material may in the future become material and impair our business operations. If any of the following risks actually occur, our business could be materially harmed, our financial condition, results of operations and prospects could be materially and adversely affected, and the value of our securities could decline significantly.

Risk Factors Summary

An investment in shares of our common stock is subject to a number of risks, including risks relating to the separation, the successful implementation of our strategy and the ability to grow our business. The following list of risk factors is not exhaustive. See “Risk Factors” for a more thorough description of these and other risks.

Risks Related to Our Business and Our Industry

- Our portfolio has experienced, and is expected to continue to experience, significant negative operating cash flow for the foreseeable future, along with net losses. We require substantial cash, and, in the event that our management team is unsuccessful in achieving its business plan quickly enough, we may be forced to change our business plan, dispose of assets and/or take other actions, which could materially adversely affect our financial condition and results of operations. Such actions could also affect the tax treatment of the distribution to HHH and its stockholders, which could result in a material indemnification obligation pursuant to the tax matters agreement.
- Our business is dependent on discretionary consumer spending patterns and, as a result, could be materially, adversely impacted by an economic downturn, recession, financial instability, inflation or changes in consumer tastes and preferences.
- Downturn in tenants’ businesses may reduce our revenues and cash flows.
- We may be unable to renew leases, lease vacant space or re-lease space as leases expire.
- The operational results of some of our assets may be volatile, especially the Seaport, which could have an adverse effect on our financial condition and results of operations.
- Significant competition could have an adverse effect on our business.
- The concentration of our properties in New York City and Las Vegas exposes our revenues and the value of our assets to adverse changes in local economic conditions.
- Some of our properties are subject to potential natural or other disasters.
- Climate change, as well as scrutiny of climate change and other environmental or social matters may adversely affect our business.
- Several of our properties and our tenants depend on frequent deliveries of food, alcohol and other supplies, which subjects us to risks of shortages, interruptions and price fluctuations for those goods.
- We are exposed to risks associated with the development, redevelopment or construction of our properties, including the potential redevelopment at 250 Water Street and in connection with our Fashion Show Mall Air Rights.

[Table of Contents](#)

- Our development projects may subject us to certain liabilities.
- Government housing regulations may limit opportunities at 250 Water Street and any future communities in which we invest, and failure to comply with resident qualification requirements may result in financial penalties or loss of benefits.

Risks Related to Our Sports Assets

- Our sports assets face intense and wide-ranging competition, which may have a material negative effect on our business and results of operations.
- Our business is substantially dependent on the continued popularity and/or competitive success of the Aviators, which cannot be assured.

Financial Risks

- We will be unable to develop, redevelop or expand our properties without sufficient capital or financing.
- As of December 31, 2024, we had outstanding indebtedness of approximately \$101.6 million, and in the future we may incur additional indebtedness. This indebtedness and changing interest rates could adversely affect our business, prospects, financial condition or results of operations and prevent us from fulfilling our financial obligations.
- Inflation has adversely affected us and may continue to adversely affect us by increasing costs beyond what we can recover through price increases.

Regulatory, Legal and Environmental Risks

- Development of properties entails a lengthy, uncertain and costly entitlement process.
- Government regulations and legal challenges may delay the start or completion of the development of our properties, increase our expenses or limit our building or other activities.

Risks Related to Our Separation From and Relationship with HHH

- Prior to the Spin-Off, we had no history of operating as a separate, publicly traded company, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.
- We may not achieve some or all of the expected benefits of the separation, and the separation may adversely affect our business.
- If the Spin-Off failed to qualify as a distribution under Section 355 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), HHH stockholders could incur significant adverse tax consequences, and we could be required to indemnify HHH for certain tax consequences that could be material pursuant to indemnification obligations under the tax matters agreement.

Risks Related to our Common Stock

- We cannot be certain that an active trading market for our common stock will be sustained, and the price of our common stock may fluctuate significantly.

Risks Related to Our Business and Our Industry

Our portfolio has experienced, and is expected to continue to experience, significant negative operating cash flow for the foreseeable future, along with net losses. We require substantial cash, and, in the event that our management team is unsuccessful in achieving its business plan quickly enough, we may be forced to change our business plan, dispose of assets and/or take other actions, which could materially adversely affect our financial condition and results of operations. Such actions could also affect the tax treatment of the distribution to HHH and its stockholders, which could result in a material indemnification obligation pursuant to the tax matters agreement.

We have a history of incurring net losses, and we currently expect to experience negative operating cash flow for the foreseeable future. For the years ended December 31, 2024, 2023 and 2022, we incurred net losses of \$153.3 million, \$838.1 million (\$128.6 million excluding an impairment charge of \$672.5 million for our assets and \$37.0 million for unconsolidated ventures) and \$111.3 million, respectively. We had negative operating cash flows of \$52.6 million, \$50.8 million and \$29.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. Historically, our portfolio required support in the form of contributions from HHH to fund our operations and meet our obligations, with net transfers from HHH of \$169.5 million, \$125.3 million and \$239.6 million for the years ended December 31, 2024, 2023 and 2022, respectively. Following our Spin-Off from HHH, we no longer receive funding from HHH.

Additionally, our business model is cash intensive. The campus nature of our Seaport portfolio requires a higher level of overhead because expenses like cleaning and security are not directly correlated to the occupancy in one building. Instead, overhead costs are largely correlated to the activation of the entire district for retail, events, sponsorships and food and beverage operations. In addition, our management's business plan depends significantly on leasing up our existing Seaport assets, which we expect will involve significant capital expenditures. For instance, the portfolio of assets within Landlord Operations at the Seaport was 64% leased and 61% occupied as of December 31, 2024, and we are focused on leasing this space. As of December 31, 2024, approximately 50% of our existing office space was leased and occupied in the Seaport. In January 2025, we entered into a lease agreement with a tenant to occupy approximately 74,000 square feet of space in Pier 17. We are actively seeking to lease the remaining vacant space, which may involve converting space from office to hospitality uses. We are also focused on leasing other available retail space at the Seaport, of which 73% was leased and 68% was occupied as of the same period-end. Such leasing activities will require significant capital expenditures in addition to the substantial capital expenditures necessary for the ongoing operation of our portfolio.

We cannot offer any assurance as to our future financial results, and, as noted above, we currently expect to experience significant negative operating cash flow and net losses for the foreseeable future. While we believe that our existing cash balances and restricted cash balances will provide adequate liquidity to meet all of our current and long-term obligations when due, including our third-party mortgages payable, and adequate liquidity to fund capital expenditures and redevelopment projects, including our working capital and capital expenditure needs for the next twelve months, we cannot provide assurances that we will be able to secure additional funding on terms acceptable to us, or at all, if and when needed. Our inability to achieve positive cash flow from our current operating plans over time or to raise capital to cover anticipated shortfall would have a material adverse effect on our business, financial condition, results of operations and ability to implement our business plan, and could have a material adverse effect on our ability to meet our obligations as they become due, which could force us to change our business plans, dispose of assets and/or take other action in order to continue to operate. In addition, such actions could affect the tax treatment of the distribution to HHH and its stockholders, and if so, we could be required to indemnify HHH for certain tax consequences that could be material pursuant to indemnification obligations under the tax matters agreement. See “—Risks Related to the Separation From and Our Relationship with HHH.”

Our business is dependent on discretionary consumer spending patterns and, as a result, could be materially, adversely impacted by an economic downturn, recession, financial instability, inflation or changes in consumer tastes and preferences.

Our business depends in part on consumers spending discretionary dollars at our assets. Consumer spending has in the past declined, and may in the future decline at any time, for reasons beyond our control, including as a result of economic downturns or recessions, unemployment and consumer income levels, financial market volatility, credit conditions and availability, inflation, rising interest rates, tariffs, increases in theft or other crime, pandemics or other public health concerns and changes in consumer preferences. The risks associated with our businesses and described herein may become more acute in periods of a slowing economy or recession. In addition, instability and weakness in the U.S. and global economies, including due to the effects caused by disruptions to financial markets, high inflation, high interest rates, tariffs, recession, high unemployment, geopolitical events and the negative effects on consumer confidence and consumers' discretionary spending, have in the past negatively affected, and may in the future materially negatively affect, our business and operations. For example, the restaurant and hospitality industries are highly dependent on consumer confidence and discretionary spending. Economic, political or social conditions or events that adversely impact consumers' ability or willingness to dine out could, in turn, adversely impact our revenues related to JG and the Seaport. If such conditions or events were to persist for an extended period of time or worsen, our overall business and results of operations may be adversely affected.

Downturn in tenants' businesses may reduce our revenues and cash flows.

A tenant may experience a downturn in its business, due to a variety of factors including rising inflation or interest rates or supply chain issues, including those potentially caused from global trade uncertainty or tariffs, which may weaken its financial condition and result in its failure to make timely rental payments or result in defaults under our leases. The rate of defaults may increase from historical levels due to tenants' businesses being negatively impacted by higher interest rates. In the event of default by a tenant, we may experience delays in enforcing our rights as the landlord and may incur substantial costs in protecting our investment.

We may be unable to renew leases, lease vacant space or re-lease space as leases expire.

We cannot provide any assurance that existing leases will be renewed, that we will be able to lease vacant space or re-lease space as leases expire or that our rental rates will be equal to or above the current rental rates previously negotiated by HHH. Subsequent to year-end 2024, we entered into a lease with a new tenant to occupy approximately 74,000 square feet of space in Pier 17, comprised of existing vacant space as well as space currently occupied by one tenant whose lease is set to expire in December 2025 and who represented approximately 11% of our total 2024 revenues. The assets within Landlord Operations at the Seaport were 64% leased as of December 31, 2024, and we are focused on improving occupancy levels at these assets; however, no assurance can be given that we will be successful in leasing this space. If the average rental rates for our properties decrease, existing tenants do not renew their leases, vacant space is not leased or available space is not re-leased as leases expire, our financial condition, results of operations, cash flows, the quoted trading price of our securities and our ability to satisfy our debt service obligations at the affected properties could be adversely affected.

The operational results of some of our assets may be volatile, especially the Seaport, which could have an adverse effect on our financial condition and results of operations.

The Seaport's operational results have been and may in the future be volatile. The volatility is largely the result of: (i) seasonality; (ii) potential sponsorship revenue; (iii) potential event revenue; (iv) demand for rentable space; and (v) business operating risks from various start-up businesses. We own, either wholly or through joint ventures, and in some instances operate, several start-up businesses in the Seaport. As a result, the revenues and expenses of these businesses directly impact the net operating income of the Seaport, which could have an adverse effect on our financial condition and results of operations.

For example, seasonality has a significant impact on our Seaport business due to weather conditions, New York City tourism and other factors, with the majority of Seaport's revenue generated between May and October. Similarly, in Las Vegas, we are significantly impacted by the baseball season, with a significant portion of our Sponsorship, Events, and Entertainment segment revenue generated between April and September. As a result, our total revenues tend to be higher in the second and third quarters, and our quarterly results for any one quarter or in any given fiscal year may not be indicative of results to be expected for any other quarter or year. Additionally, during periods of extreme temperatures (either hot or cold) or precipitation, we may experience significant reductions in consumer traffic, which could adversely affect our assets and our business as a whole.

Additionally, our investment in JG and the related development of the Tin Building are both relatively new, and uncertainty around those investments could also contribute to volatile results.

Significant competition could have an adverse effect on our business.

The nature and extent of the competition we face depend on the type of property. Because our existing portfolio consists of entertainment-related assets, these properties compete for consumers and their discretionary dollars with other forms of entertainment, leisure and recreational activities. This competition is particularly intense in Manhattan and in the Las Vegas area, where all of our assets are located. The success of our business depends in part on our ability to anticipate and respond quickly to changing consumer tastes, preferences and purchasing habits. Many of the entities operating competing businesses are larger and have greater financial resources, have been in business longer, or have greater name recognition, and as a result may be able to invest greater resources than we can in attracting consumers to our properties. Certain of our assets will depend on our ability to attract concerts and other events to our venues, and in turn the ability of performers to attract strong attendance.

JG, in which we own a 25% stake, competes in the restaurant industry with national, regional and locally-owned or operated restaurants, an industry characterized by the continual introduction of new concepts and subject to rapidly changing consumer preferences, tastes, trends and eating and purchasing habits. A substantial number of restaurants compete with JG for customers, consumer dollars, restaurant locations and qualified management and other restaurant staff.

Numerous residential and commercial developers, some with greater financial and other resources, compete with us in seeking resources for development and prospective purchasers and tenants. Competition from other real estate developers may adversely affect our ability to attract and retain experienced real estate development personnel or obtain construction materials and labor. These competitive conditions can adversely affect our results of operations and financial condition.

Additionally, there are numerous shopping facilities that compete with our operating retail properties in attracting retailers to lease space. In addition, retailers at these properties face continued competition from other retailers, including internet retailers. Competition of this type could adversely affect our results of operations and financial condition. In addition, we compete with other major real estate investors and developers, many of whom have lower costs of, and superior access, to capital for attractive investment and development opportunities.

The concentration of our properties in New York City and Las Vegas exposes our revenues and the value of our assets to adverse changes in local economic conditions.

The properties we own are located in the same or a limited number of geographic regions, largely Manhattan and the Las Vegas area. Our current and future operations at the properties in these areas are generally subject to significant fluctuations caused by various factors that are beyond our control such as the regional and local economies, which may be negatively impacted by material relocation by residents, industry slowdowns, increased unemployment, lack of availability of consumer credit, levels of consumer debt, adverse weather conditions, natural disasters, climate change and other factors, as well as the local real estate conditions, such as an oversupply of, or a reduction in demand for, retail space or retail goods and the availability and creditworthiness of current and prospective tenants.

In addition, some of our properties are subject to various other factors specific to those geographic areas. For example, tourism is a major component of the local economies in lower Manhattan and in the Las Vegas area, so our properties in those areas are susceptible to factors that affect travel and tourism related to these areas, including cost and availability of air services and the impact of any events that disrupt air travel to and from these regions. Moreover, these properties may be affected by risks such as acts of terrorism and natural disasters, including major wildfires, floods, droughts and heat waves, as well as severe or inclement weather, which could also decrease tourism activity.

Given that the majority of our revenue comes from the Seaport in New York City, we are also particularly vulnerable to adverse events (including acts of terrorism, threats to public safety, natural disasters, epidemics, pandemics, weather conditions, labor market disruptions and government actions) and economic conditions in New York City and the surrounding areas. For example, the Seaport's operations and operating results were materially impacted by the COVID-19 pandemic and New York state and city laws and regulations regarding lockdowns and capacity restrictions. Declines or disruptions in certain industries—for example, the financial services or media sectors—may also have a significant adverse effect on the New York City economy or real estate market, which could disproportionately impact on our business.

Further, our assets in the Las Vegas area are to some degree dependent on the gaming industry, which could be adversely affected by changes in consumer trends and preferences and other factors over which we have no control. The gaming industry is characterized by an increasingly high degree of competition among a large number of participants, including land-based casinos, video lottery, sweepstakes and poker machines, many of which are located outside of Las Vegas. Such increased competition could have a negative impact on the local Las Vegas economy and result in an adverse effect on our assets in the Las Vegas area. The success of our assets in the Las Vegas area may also be negatively impacted by changes in temperature due to climate change, increased stress on water supplies caused by climate change and population growth and other factors over which we have no control.

If any or all of the factors discussed above were to occur and result in a decrease in the revenue derived from assets in any of these geographic regions, it would likely have a material adverse effect on our business, financial condition and results of operations.

Some of our properties are subject to potential natural or other disasters.

Our properties are located in areas which are subject to natural or other disasters, including hurricanes, floods, wildfires, heat waves and droughts. We cannot predict the extent of damage that may result from such adverse weather events, which depend on a variety of factors beyond our control. Whether such events are caused or exacerbated by global climate changes or other factors, our properties in Manhattan, a coastal region, could be affected by increases in sea levels, the frequency or severity of hurricanes and tropical storms, or environmental disasters, and our properties in the Las Vegas area could be negatively impacted by changes in temperature or increased stress on water supplies. Additionally, adverse weather events can cause widespread property damage and significantly depress the local economies in which we operate and have an adverse impact on our business, financial condition and operations.

Climate change, as well as scrutiny of climate change and other environmental or social matters may adversely affect our business.

As a result of climate change, we may experience extreme weather and changes in precipitation and temperature, all of which may result in physical damage or a decrease in demand for our properties located in the areas affected by these conditions. Should the impact of climate change be material in nature or occur for lengthy periods of time, our financial condition and results of operations would be adversely affected. In addition, many state and local governments are adopting or considering adopting regulations requiring that property owners and developers include in their development or redevelopment plans resiliency measures to address climate-change or other environmental or social risks. We may be required to incur substantial costs if such regulations apply to any of our properties. There is also increasing scrutiny of climate, human capital and other sustainability matters from various investors, consumers and other stakeholders, and our actual or perceived sustainability performance and disclosures may impact these stakeholders' interest in our company or our real estate. Moreover, various policymakers, including the State of New York, have adopted or are considering adopting laws requiring disclosure of certain climate-related information, which may require additional costs for us to

comply. However stakeholder, including regulator, expectations are not uniform and, at times, conflict. Any failure to successfully navigate stakeholder expectations, including compliance with laws or interpretations of such requirements, may result in reputational harm, loss of customers or employees, investor or regulatory engagement, or other adverse business impacts. Our tenants and suppliers may be subject to similar risks, which may indirectly impact us as well.

Water and electricity shortages could have an adverse effect on our business, financial condition and results of operations.

Drought conditions and increased temperature—particularly in Las Vegas—could cause our assets to experience water and electricity shortages. The lack or reduced availability of electricity or water may make it more difficult or expensive for us to operate our businesses and obtain approvals for new developments and could limit, impair or delay our ability to develop or sell, or increase the cost of developing, our assets in the relevant areas.

If we are unable to make strategic acquisitions and develop and maintain strategic partnerships, our growth may be adversely affected, and we may not realize the expected benefit from acquisitions and partnerships.

As part of our long-term business strategy, we intend to opportunistically seek out acquisitions and utilize strategic partnerships. There are no assurances, however, that attractive acquisition or strategic partnership opportunities will arise, or if they do, that they will be consummated, or that any needed additional financing for such opportunities will be available on satisfactory terms when required. We cannot provide assurances that acquired assets will be successfully integrated into our operations or that they will perform in accordance with our expectations, nor can we provide assurances that strategic partnerships will be successful or that our relationships with our partners will continue to be mutually beneficial. If attractive acquisitions cannot be identified and successfully consummated, or if strategic partnerships cannot be established or successfully maintained, it could negatively impact our business, financial condition and results of operations.

We are party to numerous joint venture arrangements with strategic partners, and our business strategy may include seeking to enter into new joint venture arrangements, as well as expanding relationships with our existing strategic partners. Our strategic partners may have interests that are different from ours. Furthermore, we rely on certain of our joint venture partners to provide management services at certain of our restaurants and operations, and if we were no longer able to rely on such partnerships for those services, we would be required to find an alternative; we can provide no assurances as to our success in finding a new management partner or providing such services internally.

We currently have entered and may intend to enter into additional joint venture partnerships, such as with respect to (a) our 25% interest in JG and (b) the Fashion Show Mall Air Rights. Our joint venture partners may bring local market knowledge and relationships, development experience, industry expertise, financial resources, financing capabilities, brand recognition and credibility or other competitive advantages. In the future, we may not have sufficient resources, experience and/or skills to locate desirable partners, including in the event that we determine to expand our operations outside of our current locations in New York and Las Vegas. We also may not be able to identify and attract partners who want to conduct business in the locations where our properties are located or may be located in the future, and who have the assets, reputation or other characteristics that would enhance our growth strategies.

While we generally participate in making decisions for our jointly owned properties and assets, we might not always have the same objectives as the partner in relation to a particular asset, and we might not be able to formally resolve any issues that arise. In addition, actions by a partner may subject property owned by the joint venture to liabilities greater than those contemplated by the joint venture agreements, be contrary to our instructions or requests or result in adverse consequences. In many instances we do not exercise control over decisions made with respect to our joint ventures or their assets, and decisions may be made that are detrimental to our interests. Furthermore, we have made, and expect to continue to seek to make, investments in unconsolidated ventures that we do not control and account for under the equity method. We rely on the information, including financial information, prepared by these ventures to monitor our investments and prepare our financial statements. Errors in the financial statements or other information provided to us could lead to errors in our financial statements.

The bankruptcy or, to a lesser extent, financial distress of any of our joint venture partners could materially and adversely affect the relevant property or properties. If this occurred, we would be precluded from taking some actions affecting the estate of the other investor without prior court approval which would, in most cases, entail prior notice to other parties and a hearing. At a minimum, the requirement to obtain court approval may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a property has incurred recourse obligations, the discharge in bankruptcy of one of the other partners might result in our ultimate liability for a greater portion of those obligations than would otherwise be required.

Several of our properties and our tenants depend on frequent deliveries of food, alcohol and other supplies, which subjects us to risks of shortages, interruptions and price fluctuations for those goods.

The ability of several of our properties, including JG, and some of our tenants to maintain consistent quality service depends in part on their ability to acquire fresh, quality products from reliable sources. If there were any major shortages, interruptions or significant price fluctuations for certain fresh, quality products or if suppliers were unable to perform adequately or fail to distribute products or supplies to our properties or the properties of our tenants, or terminate or refuse to renew any contract with them, this could adversely affect our business and results of operations.

In addition, certain of our tenants purchase beer, wine and spirits from distributors who own the exclusive rights to sell such alcoholic beverage products in the geographic areas in which we are located. The continued ability to purchase certain brands of alcoholic beverages depends upon maintaining relationships with those distributors, of which there can be no assurance. If any of our or our tenants' alcohol beverage distributors cease to supply them, they may be forced to offer brands of alcoholic beverage which have less consumer appeal, which could adversely affect our business and results of operations.

We are exposed to risks associated with the development, redevelopment or construction of our properties, including the potential redevelopment at 250 Water Street and in connection with our Fashion Show Mall Air Rights.

Two of our current assets are in pre- or early-development stages. Seaport includes 250 Water Street, a one-acre development site approved for 547,000 zoning square feet of market rate and affordable housing, office, retail and community gathering space. Building of the foundation at 250 Water Street commenced in the second quarter of 2022. In the final quarter of 2023, the State of New York Department of Environmental Conservation issued a certificate of completion for the site stating that site clean-up had been completed to a level consistent with planned site uses. Site development will need to include certain environmental measures, including to mitigate vapor intrusion and address noise attenuation. For additional details, see “—Regulatory, Legal and Environmental Risks—We may be subject to potential costs to comply with environmental laws.” Another of our assets is the Fashion Show Mall Air Rights, which is a contractual right to form a joint venture to hold an 80% managing member interest in a to-be-formed entity that would own the air rights above the Fashion Show mall in Las Vegas, as well as the exclusive right to develop such air rights. Various local, state and federal statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to and/or affect the real estate development industry. Completion of development activities at 250 Water Street and initiation of development activities in connection with Fashion Show Mall Air Rights are complex processes and subject to numerous factors and contingencies, including market conditions, financing and additional approvals. We are currently evaluating all strategic alternatives before proceeding further with any development activities. There can be no guarantee of when or if either of these potential developments will be completed or, if they are completed, reach subsequent stabilization or achieve profitability.

Our development, redevelopment and construction activities, including at 250 Water Street and in connection with our Fashion Show Mall Air Rights, expose us to risks such as:

- inability to obtain construction financing for the development or redevelopment of properties;
- inability to obtain or renew permits or approvals, and the continued effectiveness of permits already granted or approvals already obtained;

[Table of Contents](#)

- increased construction costs for a project that exceeded our original estimates due to increases in materials, labor or other costs, which could make completion of the project less profitable because market rents may not increase sufficiently to compensate for the increased construction costs;
- supply chain issues and increased difficulty for workforce recruitment which may lead to construction delays and increased project development costs;
- costs and delays associated with compliance with legal and regulatory requirements;
- claims for construction defects after a property has been developed;
- poor performance or nonperformance by any of our joint venture partners or other third parties on whom we rely;
- health and safety incidents and site accidents;
- compliance with environmental laws and land use controls;
- easement restrictions which may impact our development costs and timing;
- compliance with building codes and other local regulations;
- delays and increased expenses as a result of legal challenges, whether brought by governmental authorities, our competitors, local residents or private parties;
- changes to tax rules, regulations and/or incentives; and
- the inability to secure tenants necessary to support commercial projects.

For example, we were subject to various lawsuits challenging the development approvals we obtained for our 250 Water Street development project, which have since reached resolution. Although, the lawsuits did not, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations, we cannot guarantee that the outcome of any future litigation related to 250 Water Street, or any of our other development, redevelopment and construction activities, will not result in substantial costs or delays, divert our management's attention and resources or otherwise harm our business. For additional information, see Note 8 – *Commitments and Contingencies* to the Consolidated and Combined Financial Statements included in this Annual Report.

In connection with any pursuit of development of the Fashion Show Mall Air Rights, we may encounter additional risks in addition to the foregoing risks. These additional risks may include, among others: the inability to reach agreement with our counterparty on the contractual terms of the proposed joint venture that would formalize the ownership structure of the air rights; unwillingness of the owner of the Fashion Show mall to comply with the terms of existing contractual agreements and/or cooperate with such development; the inability to develop such rights based upon then-existing conditions relating to the structure of the existing Fashion Show mall, rights or potential rights (whether known or unknown) of tenants or other parties in possession of any portion of the Fashion Show mall or otherwise, which may require negotiation and further costs; costs and delays associated with the required cooperation between the parties, which may contribute to potential development being considered economically infeasible; and costs and delays associated with, or the inability to successfully obtain, the legal subdivision of the development rights from the fee ownership interest in the real property.

If any of the aforementioned risks were to occur during the development, redevelopment or construction of our properties, including at 250 Water Street and in connection with our Fashion Show Mall Air Rights, it could have a substantial negative impact on the project's success and result in a material adverse effect on our financial condition or results of operations.

Our development projects may subject us to certain liabilities.

We may hire and supervise third-party contractors to provide construction, engineering and various other services for wholly-owned development projects or development projects undertaken by real estate ventures in which we hold an equity interest. Certain of these contracts are structured such that we are the principal rather than the agent. As a result, we may assume liabilities in the course of the project and be subjected to, or become liable for, claims for construction defects, negligent performance of work or other similar actions by third parties we have engaged.

Adverse outcomes of disputes or litigation could negatively impact our business, results of operations and financial condition, particularly if we have not limited the extent of the damages to which we may be liable, or if our liabilities exceed the amounts of the insurance that we carry. Moreover, our tenants may seek to hold us accountable for the actions of contractors because of our role even if we have technically disclaimed liability as a legal matter, in which case we may determine it necessary to participate in a financial settlement for purposes of preserving the tenant or customer relationship or to protect our corporate brand. Acting as a principal may also mean that we pay a contractor before we have been reimbursed by our tenants or have received the entire purchase price of a condominium unit from the purchaser. This exposes us to additional risks of collection in the event of a bankruptcy, insolvency or a default by a tenant, contractor or vendor. The reverse can occur as well, where a contractor we have paid files for bankruptcy protection or commits fraud with the funds before completing a project which we have funded in part or in full.

Government housing regulations may limit opportunities at 250 Water Street and any future communities in which we invest, and failure to comply with resident qualification requirements may result in financial penalties or loss of benefits.

Our 250 Water Street development site is approved for affordable housing and other benefits from governmental programs intended to provide housing to individuals with low or moderate incomes. These programs, which are typically administered by the United States Department of Housing and Urban Development (“HUD”) or state housing finance agencies, typically provide mortgage insurance, favorable financing terms, tax credits or rental assistance payments to property owners. As a condition of the receipt of assistance under these programs, 250 Water Street and any future qualifying properties we may develop must comply with various requirements, which typically limit rents to pre-approved amounts and impose restrictions on resident incomes. Failure to comply with these requirements and restrictions may result in financial penalties or loss of benefits. In addition, we will typically need to obtain the approval of HUD in order to acquire or dispose of a significant interest in or manage a HUD-assisted property. We may not always receive such approval.

Cybersecurity risks and incidents, such as a breach of the Company's privacy or information security systems, or those of our vendors or other third parties, could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our tenants and business partners and personally identifiable information of our employees on our networks. The collection and use of personally identifiable information are governed by federal and state laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase our operating costs and adversely impact our ability to market our properties and services.

Additionally, we rely on our information technology systems to be able to monitor and control our operations, adjust to changing market conditions and implement strategic initiatives. We own and manage some of these systems but also rely on third parties for a range of products and services. Any disruptions in or the failure of our own systems, or those managed and operated by third parties, to operate as expected could adversely affect our ability to access and use certain applications and could, depending on the nature and magnitude of the problem, adversely affect our operating results by limiting our ability to effectively monitor and control our operations, adjust to changing market conditions and implement strategic initiatives. The security measures that we and our vendors put in place cannot provide absolute security, and the information technology infrastructure we and our vendors use may be vulnerable to criminal cyber-attacks or data security incidents.

Any such incident could compromise our networks or our vendors' networks (or the networks or systems of third parties that facilitate our business activities or our vendors' business activities), and the information we or our vendors store could be accessed, misused, publicly disclosed, corrupted, lost or stolen, resulting in fraud, including wire fraud related to our assets, or other harm. Moreover, if a data security incident or breach affects our systems or our vendors' systems, whether through a breach of our systems or a breach of the systems of third parties, or results in the unauthorized release of personally identifiable information, our reputation and brand could be materially damaged and we may be exposed to a risk of loss or litigation and possible liability, including, without limitation, loss related to the fact that agreements with our vendors, or our vendors' financial condition, may not allow us to recover all costs related to a cyber-breach for which they alone are responsible or for which we are jointly responsible, which could result in a material adverse effect on our business, results of operations and financial condition.

Like many companies, we and our third-party vendors have been impacted by security incidents in the past and will likely experience security incidents of varying degrees. While we do not believe these incidents have had a material impact to date, privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. Further, there has been a surge in widespread cyber-attacks during and since the COVID-19 pandemic, and the use of remote work environments and virtual platforms may increase our risk of cyber-attack or data security breaches. In light of the increased risks, we have dedicated substantial additional resources of expense, labor and time to strengthening the security of our computer systems. In the future, we may expend additional resources to continue to enhance our information security measures and/or to investigate and attempt to remediate any information security vulnerabilities. Despite these steps, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls and procedures, will be fully implemented, complied with or effective in protecting our systems and information, and that we will not suffer a significant data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on our systems or that any such incident will be discovered in a timely manner. Any failure in or breach of our information security systems, those of third-party service providers or a breach of other third-party systems that ultimately impacts our operational or information security systems as a result of cyber-attacks or information security breaches could result in a wide range of potentially serious harm to our business and results of operations.

Additionally, cyber-attacks perpetrated against our tenants, including unauthorized access to customers' credit card data and other confidential information, could diminish consumer confidence and spending at our tenants, or negatively impact consumer perception of shopping at, dining at and otherwise utilizing our properties, all of which could materially and adversely affect our business, financial condition and results of operations.

Global economic and political instability and conflicts, such as the conflict between Russia and Ukraine or in the Middle East, could adversely affect our business, financial condition or results of operations.

Our business could be adversely affected by unstable economic and political conditions within the U.S. and foreign jurisdictions and geopolitical conflicts, such as the conflicts between Russia and Ukraine, and in the Middle East. While we do not have any customer or direct supplier relationships in these regions, the current military conflict, and related sanctions, as well as export controls or actions that may be initiated by nations (e.g., potential cyberattacks, disruption of energy flows, etc.) and other potential uncertainties could adversely affect our supply chain by causing shortages or increases in costs for materials necessary for construction and/or increases to the price of gasoline and other fuels. In addition, such events could cause higher interest rates, inflation or general economic uncertainty, which could negatively impact our business partners, employees or customers, or otherwise adversely impact our business.

Some of our directors are involved in other businesses including real estate activities and public and/or private investments and, therefore, may have competing or conflicting interests with us.

Certain of our directors have and may in the future have interests in other real estate business activities and may have control or influence over these activities or may serve as investment advisors to, or directors or officers of other businesses. These interests and activities, and any duties to third parties arising from such interests and activities, could divert the attention of such directors from our operations. Additionally, certain of our directors are engaged in investment and other activities in which they may learn of real estate and other related opportunities in their non-director capacities. Our Code

of Business Conduct and Ethics expressly provides, as permitted by Section 122(17) of the Delaware General Corporation Law (the “DGCL”), that our non-employee directors are not obligated to limit their interests or activities in their non-director capacities or to notify us of any opportunities that may arise in connection therewith, even if the opportunities are complementary to our businesses, provided that such opportunities are not in direct competition with our businesses. Accordingly, we have no expectation that we will be able to learn of or participate in such opportunities. If any potential business opportunity is expressly presented to a director exclusively in his or her director capacity, the director will not be permitted to pursue the opportunity, directly or indirectly through a controlled affiliate in which the director has an ownership interest, without the approval of the independent members of our board of directors.

Pershing Square is our largest stockholder and may exert influence over us that may be adverse to our best interests and those of our other stockholders.

As of December 31, 2024, Pershing Square Capital Management, L.P. (“Pershing Square”), through investment funds advised by it, beneficially owned approximately 39.5% of our outstanding common stock based on their Schedule 13D/A filed on October 22, 2024. Accordingly, Pershing Square has the ability to influence our policies and operations, including the appointment of management, future issuances of our common stock or other securities, the payment of dividends, if any, on our common stock, the incurrence or modification of debt by us, amendments to our Certificate of Incorporation and amended and restated bylaws (the “Bylaws”) and the entering into of extraordinary transactions, and its interests may not in all cases be aligned with other stockholders’ interests.

In the future, Pershing Square could acquire additional shares of our common stock. If Pershing Square’s ownership of our common stock increases to more than 50%, we would be considered a “controlled company” under the corporate governance rules of NYSE American, which would allow us to opt out of certain NYSE American corporate governance requirements, including the requirements that: (1) a majority of the board of directors consist of independent directors; (2) the compensation of our officers be determined or recommended to the board of directors by a majority of its independent directors or by a compensation committee that is composed entirely of independent directors; and (3) director nominees be selected or recommended by a majority of the independent directors or by a nominating committee composed solely of independent directors. In addition, Pershing Square would be able to control virtually all matters requiring stockholder approval, including the election of our directors.

Pursuant to the Investor Rights Agreement, as long as Pershing Square owns at least 10% of the total outstanding shares of our common stock, Pershing Square will be entitled to nominate at least one director to our board of directors and, if we increase the size of the board to larger than five directors, as many nominees as represent at least 20% of the total number of directors then on the board. These board nomination rights are also contained in our Certificate of Incorporation. Additionally, we have granted a waiver of the applicability of the provisions of Section 203 of the DGCL such that Pershing Square, which owned approximately 39.5% of the outstanding shares of our common stock as of December 31, 2024, may increase its position in our common stock without being subject to Section 203’s restrictions on business combinations. See “—Risks Related to Our Common Stock—Anti-takeover provisions in our Certificate of Incorporation, our Bylaws, Delaware law, the Investor Rights Agreement and certain other agreements may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.”

This concentration of ownership, and the potential for further concentration of ownership, of our outstanding common stock held by Pershing Square, as well as its rights under the Investor Rights Agreement and the Certificate of Incorporation, will potentially make some transactions more difficult or impossible without its support. The interests of Pershing Square, or any of its respective affiliates could conflict with or differ from the interests of our other stockholders. For example, the concentration of ownership held by Pershing Square could allow it to influence our policies and strategy and could delay, defer or prevent a change of control or impede a merger, takeover or other business combination that may otherwise be favorable to us and our other stockholders. Pershing Square or an affiliate thereof may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. This control may also adversely affect the market price of our common stock.

Our business is subject to risks associated with our investments in real estate assets and with trends in the real estate industry.

Our economic performance and the value of our real estate assets are subject to the risk that our properties may not in the future generate revenues sufficient to meet our operating expenses or other obligations, which has been the case with our portfolio in recent years. A future deficiency of this nature would adversely impact our financial condition, results of operations, cash flows, the quoted trading price of our securities and our ability to satisfy our debt service obligations.

Because real estate is illiquid, we may not be able to sell properties when in our best interest.

Real estate investments generally cannot be sold quickly. The capitalization rates at which properties may be sold could be higher than historic rates, thereby reducing our potential proceeds from the sale. Consequently, we may not be able to alter our portfolio promptly in response to changes in economic or other conditions. All of these factors reduce our ability to respond to changes in the performance of our investments and could adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic disrupted our business and a resurgence of the pandemic, or another pandemic, epidemic or health crisis, could have a material adverse effect on our business, financial performance and condition, operating results and cash flows.

Beginning in 2020, the COVID-19 pandemic disrupted our business, as well as the businesses of our tenants, and a resurgence of COVID-19, or any other future pandemic, epidemic or similar health crisis, could have a material adverse effect on our business, financial condition, results of operations, or cash flows.

The COVID-19 pandemic negatively impacted our business in 2020 across all of our operations. Landlord Operations were negatively impacted by delayed leasing of vacant space as well as rental abatements from existing tenants. Additionally, certain of our tenants were forced to permanently close. Our Sponsorship, Events, and Entertainment and Hospitality segments were significantly impacted by measures put in place by New York City that were intended to control the spread of disease, including mandated closures and restrictions upon opening, and the timing of the peak of the pandemic resulted in the full cancellation of our Summer Concert Series in 2020. Our sponsorship business was also negatively impacted by disruptions to our hospitality and events businesses, as sponsors were unable to fulfill their contractual obligations. As a result, many agreements were negotiated and extended during this time.

Our sports operations were also materially impacted by the COVID-19 pandemic and actions taken in response by governmental authorities and MLB. The success of our baseball operations relies heavily on ticket sales and attendance figures. Attendance further impacts our concession and merchandise revenue and indirectly influences the number of events hosted at the Las Vegas Ballpark, as well as sponsor growth and engagement. MLB first postponed and eventually cancelled the minor league baseball season as a result of the COVID-19 pandemic, and, as a result, our business operations related to the Aviators were suspended. Our related special events and sponsorships were also negatively impacted. Our sports operations continued to be impacted by government-mandated assembly restrictions during fiscal year 2021 and temporary declines in attendance related to COVID-19 during certain months of fiscal year 2022.

Our and our tenants' businesses have been, and could in the future be, materially and adversely affected by the risks, or the public perception of the risks, related to pandemics or other health emergencies, like the COVID-19 pandemic, and the government's reaction thereto, especially if there is a negative impact on customers' willingness or ability to frequent such businesses. Our business is also particularly sensitive to discretionary business and consumer spending. A pandemic such as COVID-19, or the fear of another pandemic or other public health emergency, has in the past, and could in the future, impede economic activity in impacted regions or globally over the long-term, leading to a decline in discretionary spending on entertainment and leisure activities, including declines in domestic and international tourism, which would result in long-term effects on our business. To the extent a pandemic, epidemic or other similar health crisis adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risks Factors" section and elsewhere in this Annual Report.

Risks Related to Our Sports Assets

Our sports assets face intense and wide-ranging competition, which may have a material negative effect on our business and results of operations.

The success of a sports business, like baseball-related assets, is dependent upon the performance and/or popularity of its franchise. The Aviators compete, in varying respects and degrees, with other live sporting events, and with sporting events delivered over television networks, radio, the internet and online services, streaming devices and applications and other alternative sources. For example, the Aviators compete for attendance and advertising with a wide range of alternatives available in the Las Vegas metropolitan area. During some or all of the baseball season, the Aviators face competition, in varying respects and degrees, from professional football (including the NFL's Las Vegas Raiders), professional hockey (including the NHL's Las Vegas Golden Knights), professional soccer (including the USL's Las Vegas Lights), collegiate sporting events such as UNLV athletic teams and other NCAA competitions, women's professional basketball (including the WNBA Las Vegas Aces), other sporting events held in the Las Vegas metropolitan area, and other leisure-time activities and entertainment options in Las Vegas (including concerts, music festivals and other live performances).

As a result of the large number of options available, we face strong competition for the Las Vegas metropolitan area sports fan base. We must compete with these other sports teams and sporting events, in varying respects and degrees, including on the basis of the quality of the teams we field, its success in the leagues in which it competes, our ability to provide an entertaining environment at our games, prices we charge for tickets and the viewing availability of our team's games on multiple media alternatives. Given the nature of sports, there can be no assurance that we will be able to compete effectively, including with companies that may have greater resources than us, and as a consequence, our business and results of operations may be materially negatively affected.

Additionally, on November 16, 2023, the thirty owners of MLB teams unanimously voted to approve the move by the Athletics to Las Vegas in 2028. In April 2024, the Athletics announced that they had signed a lease to play the 2025 through 2027 seasons in Sacramento before their planned move to Las Vegas beginning in the 2028 season. There can be no assurance that the Athletics will move to Las Vegas at all or that we will achieve any potential benefits of such a move. A major league baseball team located in Las Vegas or Summerlin could also compete with the Aviators for their existing fans. As a result, the Athletics' move could even result in a material negative impact on the Aviators if this competition results in a decline in Aviators attendance.

The success of our business is dependent on our ability to attract attendance to the Aviators' home games. Our business also competes with other leisure-time activities and entertainment options in the Las Vegas metropolitan area, such as television, motion pictures, concerts, music festivals and other live performances, restaurants and nightlife venues, casinos, the internet, social media and social networking platforms and online and mobile services, including sites for online content distribution, video on demand and other alternative sources of entertainment.

Our business is substantially dependent on the continued popularity and/or competitive success of the Aviators, which cannot be assured.

Our financial results depend in part on the Aviators remaining popular with their fan base, and, in varying degrees, on the team achieving on-field success, which can generate fan enthusiasm that results in sustained ticket, premium seating, suite, sponsorship, food and beverage and merchandise sales during the season. In addition, success in the regular season may qualify the Aviators for participation in post-season playoffs, which provides us with additional revenue by increasing the number of games played by the Aviators and, more importantly, by generating increased excitement and interest in the Aviators, which can help drive a number of our revenue streams, including by improving attendance and sponsorships, in subsequent seasons. In addition, league, team and/or player actions or inactions, including protests, may impact the popularity of the Aviators or the league in which it plays. There can be no assurance that the Aviators will maintain continued popularity or compete in post-season play in the future.

Baseball decisions made by the parent club, especially those concerning player selection and salaries, may have a material negative effect on our business and results of operations.

Creating and maintaining the Aviators' popularity and/or on-field competitiveness is relevant to the success of our business. The Aviators are an affiliate of the Athletics and get their players designated to them by the Athletics (as the parent club) from among the various players under contract with the parent club. Accordingly, efforts to improve our revenues and earnings from operations from period-to-period may be secondary to actions that the parent club's management believes will generate long-term growth and asset value creation. The competitive position of the Aviators depends primarily on the Athletics' ability to obtain, develop and retain talented players, coaches and team executives, for whom it competes with other MLB team and over which the Aviators have no control. The Athletics' efforts in this regard may include, among other things, trading for highly compensated players, signing draft picks, free agents or current players to new contracts, engaging in salary arbitration or contract renegotiation with existing players, terminating and waiving players and replacing coaches and team executives, and any of these actions can impact the competitive strength of the Aviators.

There can be no assurance that the Aviators (or their parent club) will be able to retain players upon expiration of their contracts or sign and develop talented players to replace those who are called up to the parent club, leave for other teams, retire or are injured, traded or released. Additionally, there can be no assurance that any actions taken by the Athletics will successfully generate and increase long-term growth and asset value creation for the Aviators.

The actions of MLB Professional Development Leagues ("MLB PDL") may have a material negative effect on our business and results of operations.

The governing body of minor league baseball, MLB Professional Development Leagues, has certain rights under certain circumstances to take actions that they deem to be in the best interests of the league, which may not necessarily be consistent with maximizing our results of operations. Decisions by MLB PDL could have a material negative effect on our business and results of operations. For example:

- The Aviators' affiliation with the Athletics is dependent on maintaining a license from MLB PDL. The current license with MLB PDL expires after the 2030 minor league baseball season, and there is no guarantee that MLB PDL will offer the Aviators an opportunity to renew that license.
- MLB PDL may assert control over certain matters, under certain circumstances, that may affect our revenues such as ticket tax, advertising inventory, and the licensing of (and royalty rates paid for) the rights to produce and sell merchandise bearing the logos and/or other intellectual property of the Aviators and the league.
- MLB PDL imposes certain rules that define, under certain circumstances, the territories in which the Aviators operate. MLB and MLB PDL have also asserted control over other important decisions, such as the length and format of, and the number of games in, the playing season, preseason and playoff schedules, admission of new members, franchise relocations, labor relations with the players associations, etc. Changes to these matters could have a material negative effect on our business and results of operations.
- MLB PDL imposes certain restrictions on the ability of owners to undertake certain types of transactions in respect of teams, including a change in ownership. In certain instances, these restrictions could impair our ability to proceed with a transaction that is in the best interest of the Company and its stockholders if we were unable to obtain any required league approvals in a timely manner or at all.
- MLB PDL has imposed a number of rules, regulations, guidelines, bulletins, directives, policies and agreements upon its teams. Changes to these provisions may apply to the Aviators and its personnel, and/or the Company as a whole, regardless of whether we agree or disagree with such changes, have voted against such changes or have challenged them through other means. It is possible that any such changes could materially negatively affect our business and results of operations to the extent they are ultimately determined to bind the Aviators. MLB PDL asserts significant authority to take certain actions under certain circumstances. Decisions by MLB PDL, including on the matters described above, may materially negatively affect our business and results of operations.

MLB PDL's governing documents and our agreements with MLB PDL purport to limit the manner in which we may challenge decisions and actions.

Injuries to, and illness of, players on our sports team could hinder our success.

To the degree that our financial results are dependent on the Aviators' popularity and/or on-field success, the likelihood of achieving such popularity or competitive success may be substantially impacted by serious and/or untimely injuries to or illness of key players. Even if we take health and safety precautions and comply with government protocols, our players may nevertheless contract serious illness, such as COVID-19 and, as a result, the Aviators' ability to participate in games may be substantially impacted.

Financial Risks

We will be unable to develop, redevelop or expand our properties without sufficient capital or financing.

Our business objectives include potential development, redevelopment and expansion opportunities, including potential significant future development activity at our 250 Water Street property and in connection with the Fashion Show Mall Air Rights. We will not be able to pursue these initiatives if we cannot obtain sufficient capital or financing, which may include debt capital from lenders or the capital markets (which may be secured or unsecured), additional equity capital, cash from asset sales or government incentives, such as tax increment financing. We may be unable to obtain financing, or obtain financing on economically attractive terms, due to numerous factors, including our financial condition, results of operations or market volatility and uncertainty. Similarly, we may be unable to obtain mortgage lender and property partner approvals that may be required for any such development, redevelopment or expansion opportunity. We may abandon development, redevelopment or expansion activities already underway if we are unable to secure additional attractively priced capital to finance the completion of such activities. This may result in charge-offs of costs previously capitalized. In addition, if development, redevelopment, expansion or reinvestment projects are unsuccessful, our investments in such projects may not be recoverable, in full or in part, from future operations or sales resulting in impairment charges.

As of December 31, 2024, we had outstanding indebtedness of approximately \$102.4 million, and in the future we may incur additional indebtedness. This indebtedness and changing interest rates could adversely affect our business, prospects, financial condition or results of operations and prevent us from fulfilling our financial obligations.

As of December 31, 2024, we had outstanding indebtedness of approximately \$102.4 million. This indebtedness, and any future indebtedness could have the following consequences:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, debt service requirements, execution of our business strategy or finance other general corporate requirements;
- requiring us to make non-strategic divestitures, particularly when the availability of financing in the capital markets is limited;
- requiring a substantial portion of our cash flow to be allocated to debt service payments instead of other business purposes, thereby reducing the amount of cash flow available for working capital, capital expenditures, acquisitions, dividends and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions, including decreases in the market value of pledged assets as well as increases in interest rates, particularly with respect to any variable rate indebtedness;
- limiting our ability to capitalize on business opportunities, reinvest in and develop properties and to react to competitive pressures and adverse changes in government regulations;

[Table of Contents](#)

- placing us at a disadvantage compared to other less leveraged competitors;
- limiting our ability, or increasing the costs, to refinance our indebtedness;
- restricting our ability to operate our business due to certain restrictions in the debt agreements; and
- resulting in an event of default if we fail to satisfy our obligations under our indebtedness, which default could result in all or part of our indebtedness becoming immediately due and payable and, in the case of any secured debt, could permit the lenders to foreclose on our assets securing such debt.

In 2023, our subsidiary 250 Seaport District, LLC (“250 Water Street Borrower,” then a subsidiary of HHH), the fee owner of 250 Water Street, entered into a term loan agreement (the “Existing 250 Water Street Term Loan”) with Mizuho Capital Markets (“MCM”), as agent, and certain lenders. In connection with the separation, we caused 250 Water Street Borrower to enter into certain agreements (collectively, the “Refinanced 250 Water Street Term Loan”) with MCM pursuant to which we refinanced the Existing 250 Water Street Term Loan to reduce our outstanding indebtedness and provide us with greater financial flexibility. In connection with the Refinanced 250 Water Street Term Loan, we entered into a total return swap with MCM to provide credit support for the 250 Water Street Borrower’s obligations under the Refinanced 250 Water Street Term Loan (the “250 Water Street TRS”). The Refinanced 250 Water Street Term Loan bears interest at a variable rate. During periods of rising interest rates, such as have been experienced in the recent past, interest expense on our variable rate debt will increase unless we effectively hedge our interest rate exposure. Such increases could be significant, particularly if we incur substantially more variable rate debt, and could materially and adversely affect our financial condition, results of operations, cash flows and ability to service our debt, invest in our business or access additional capital. For additional information about our debt agreements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources.”

The agreements governing our existing indebtedness contain restrictions that may limit our ability to operate our business.

In addition to our Refinanced 250 Water Street Term Loan and our 250 Water Street TRS, we are also party to a mortgage with respect to the ballpark. In 2018, in order to finance the Las Vegas Ballpark, Clark County Las Vegas Stadium, LLC (“CCLVS”), then a subsidiary of HHH, entered into a note purchase agreement pursuant to which it issued a 4.92% senior secured note to Wells Fargo Trust Company, National Association, as trustee, in the principal amount of \$51.2 million (the “Las Vegas Note Purchase Agreement”). The Las Vegas Note Purchase Agreement is secured by a deed of trust (the “Las Vegas Ballpark Deed of Trust”) and, among other things, a lien on the Las Vegas Ballpark (pursuant to the Las Vegas Ballpark Deed of Trust) and certain of CCLVS’s interests in agreements related to the Las Vegas Ballpark.

Our Refinanced 250 Water Street Term Loan, our Las Vegas Ballpark Deed of Trust and our 250 Water Street TRS contain certain restrictions that may limit our ability to operate our business as well as representations and covenants customary for agreements of these types, including financial covenants related to maintenance of loan-to-value ratios with respect to the collateral. These agreements also contain customary events of default and termination events. These restrictions limit our ability, or the ability of certain of our subsidiaries, to, among other things:

- incur indebtedness or issue equity;
- create certain liens;
- pay dividends on, redeem or repurchase capital stock or make other restricted payments;
- make investments;
- consolidate, merge or transfer all, or substantially all, of our assets;
- sell-transfer, exchange, assign, pledge or otherwise dispose of equity;

[Table of Contents](#)

- enter into or amend lease or other agreements or transactions without consent;
- enter into transactions with our affiliates; and
- create, organize or establish subsidiaries.

Additionally, our debt agreements also contain various restrictive covenants, including minimum net worth requirements, minimum liquidity requirements, maximum leverage ratios, limitations on our ability to form subsidiaries and limitations on our ability to amend our governing documents. The restrictions under the debt agreements could limit our ability to finance our future operations or capital needs, make acquisitions or pursue available business opportunities.

We may be required to take action to reduce our debt or act in a manner inconsistent with our business objectives and strategies to meet such ratios and satisfy such covenants. Events beyond our control, such as changes in economic and business conditions, may affect our ability to do so. We may not be able to meet the ratios or satisfy the covenants in our debt agreements, and we cannot provide any assurance that our lenders will waive any failure to do so. A breach of any of the covenants in, or our inability to maintain the required financial ratios under, our debt agreements would likely result in a default under such debt agreements, which may accelerate the principal and interest payments of the debt and, if such debt is secured, result in the foreclosure on certain of our assets that secure such debt. Any such defaults could materially impair our financial condition and liquidity. In addition, if the lenders under any of our debt agreements or other obligations accelerate the maturity of those obligations, we cannot assure that we will have sufficient assets to satisfy our obligations under such obligations.

Inflation has adversely affected us and may continue to adversely affect us by increasing costs beyond what we can recover through price increases.

The U.S. economy has experienced elevated inflation recently. Inflation can adversely affect us by increasing, among other things, the cost of land, and materials and labor, which we have experienced in fiscal year 2024 due to elevated inflation rates. Although we believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects price increases may have in the future. In recent years we have been experiencing increases in the prices of labor and materials above the general inflation rate, especially in New York City with respect to labor costs. Our inability to offset increasing costs due to inflation through price increases to customers could have a material adverse effect on our results of operations, financial conditions and cash flows.

Some potential losses are not insured.

We carry comprehensive liability, fire, flood, earthquake, terrorism, cyber, extended coverage and rental loss insurance on all of our properties. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are some types of losses, including lease and other contract claims, which generally are not insured. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital invested in a property, as well as the anticipated future revenue from the property. If this happens, we might remain obligated for any mortgage debt or other financial obligations related to the property.

We are subject to risks associated with hedging arrangements.

We may enter into interest rate swap agreements and other interest rate hedging contracts, including caps and cash settled forward starting swaps, to mitigate or reduce our exposure to interest rate volatility or to satisfy lender requirements. These agreements expose us to additional risks, including a risk that counterparties of these hedging and swap agreements will not perform. There also could be significant costs and cash requirements involved to fulfill our obligations under a hedging agreement. In addition, our hedging activities may not have the desired beneficial impact on interest rate exposure and have a negative impact on our business, financial condition and results of operations.

Regulatory, Legal and Environmental Risks

Development of properties entails a lengthy, uncertain and costly entitlement process.

Approval to develop real property sometimes requires political support and generally entails an extensive entitlement process involving multiple and overlapping regulatory jurisdictions and often requires discretionary action by local governments. Real estate projects must generally comply with local land development regulations, as well as any applicable state and federal regulations. We incur substantial costs to comply with legal and regulatory requirements. An increase in legal and regulatory requirements may cause us to incur substantial additional costs, or in some cases cause us to determine that the property is not feasible for development. In addition, our competitors and local residents may challenge our efforts to obtain entitlements and permits for the development of properties. The process to comply with these regulations is usually lengthy and costly, may not result in the approvals we seek and can be expected to materially affect our development activities. Our potential development at 250 Water Street received approvals to potentially develop 547,000 zoning square feet of market rate and affordable housing, office, retail and community-oriented gathering space; however, any actual development of this project will require, among other things, final resolution of any challenges to existing approvals and related ancillary approvals.

Similarly, any future exercise our right to develop, together with an interest in and to 80% of, the air rights above the Fashion Show mall would require, among other things, numerous approvals, and would likely involve an extensive process with substantial costs, and no assurance can be given that we would be successful in obtaining the necessary approvals to develop such rights.

Government regulations and legal challenges may delay the start or completion of the development of our properties, increase our expenses or limit our building or other activities.

Various local, state and federal statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to and/or affect the real estate development industry. In addition, our ability to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond our control, such as changes in federal, state and local policies, rules and regulations and their interpretations and application.

Municipalities may restrict or place moratoriums on the availability of utilities, such as water and sewer taps. If municipalities in which we operate take such actions, it could have an adverse effect on our business by causing delays, increasing our costs or limiting our ability to operate in those municipalities. These measures may reduce our ability to build and sell real estate development projects in the affected markets, including with respect to land we may already own, and create additional costs and administration requirements, which in turn may harm our future results of operations.

Governmental regulation affects numerous aspects of our business and industry, including construction, sales and lending activities and other dealings with consumers and tenants. Further, government agencies routinely initiate audits, reviews or investigations of our business practices to ensure compliance with applicable laws and regulations, which can cause us to incur costs or create other disruptions in our business that can be significant. Further, we may experience delays and increased expenses as a result of legal challenges to our proposed communities, whether brought by governmental authorities or private parties.

We may be subject to increased compliance costs to comply with new and contemplated government regulations relating to energy standards and climate change.

A variety of legislation is being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. For example, New York City has adopted Local Law 97, which requires individual, or certain groups of, buildings over a certain size to meet new energy efficiency and greenhouse gas emissions limits as of 2024, with stricter limits coming into effect in 2030. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to construct buildings. Such environmental laws may affect, for example, how we manage storm water runoff, wastewater discharges and dust; how we develop or operate on properties on or affecting resources such as wetlands, endangered species, cultural resources, or areas subject to preservation laws; and how we address contamination. As climate change concerns continue to grow among certain constituencies, legislation and regulations of this nature may continue and may make compliance more costly. In addition, it is possible that some form of expanded energy or water efficiency legislation may be passed by certain bodies, which may, despite being phased in over time, significantly increase our costs of building properties. We may be required to apply for additional approvals or modify our existing approvals because of changes in local circumstances or applicable law.

Energy-and water-related initiatives affect a wide variety of companies throughout the U.S. and the world. Because our potential future development activities could be heavily dependent on significant amounts of raw materials, such as lumber, steel and concrete, energy-related initiatives could have an indirect adverse impact on our operations to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade and similar energy-related taxes and regulations. Noncompliance with environmental laws could result in fines and penalties, obligations to remediate, permit revocations and other sanctions.

We may be subject to potential costs to comply with environmental laws.

Future development and redevelopment opportunities may require additional capital and other expenditures to comply with laws and regulations relating to the protection of the environment. Under various federal, state or local laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property and may be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by the parties in connection with the contamination. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of the hazardous or toxic substances, or the legality of disposal or classification of the material at the time. The presence of contamination or the failure to remediate contamination may adversely affect the owner's ability to sell or lease real estate or to borrow using the real estate as collateral, and may expose us to tort or common law liability to neighbors, employees, site visitors, or others. It may also prevent new construction or changes in land use prior to remediation, such as sites in New York City that have been placed under an "E" designation. For instance, there is known contamination at the 250 Water Street site. In 2023, the State of New York Department of Environmental Conservation (the "DEC") issued a certificate of completion for the site, which provides certain liability protections relating to residual hazardous substances at the site. The site is subject to an environmental easement and a site management plan (the "SMP") prepared under the oversight of the DEC, which impose certain requirements and restrictions with respect to the property, including, among other things: a requirement that any disturbance of the subsurface be conducted in accordance with the SMP, a prohibition against use of groundwater without treatment, a requirement to conduct periodic groundwater monitoring and a requirement to evaluate the potential for vapor intrusion and implement mitigation measures. Noncompliance with these requirements could result in an obligation to conduct further remediation, revocation of the certificate of completion or revocation of tax credits received in connection with site remediation. The 250 Water Street site is also subject to an "E" designation, which imposes certain requirements on development of the property, including, among other things, a requirement to have in place an approved Remedial Action Work Plan and a Construction Health and Safety Plan prior to issuance of a construction permit involving subsurface disturbance, a requirement to locate heating and hot water system stacks at least 335 feet above grade and a requirement to comply with noise attenuation standards. Other federal, state and local laws, ordinances and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopments, and also govern emissions of and exposure to asbestos fibers in the air. Federal and state laws

also regulate the operation and removal of underground storage tanks. In connection with our ownership, operation and management of certain properties, we could be held liable for the costs of remedial action with respect to these regulated substances or tanks or related claims.

We cannot predict with any certainty the magnitude of any expenditures relating to the environmental compliance or the long-range effect, if any, on our operations. Compliance with such laws has not had a material adverse effect on our operating results or competitive position in the past but could have such an effect on our operating results and competitive position in the future.

Tax increases, changes in tax rules and challenges by tax authorities to our tax positions may adversely affect our financial results.

As a company conducting business with physical operations in the United States, we are exposed, both directly and indirectly, to the effects of changes in U.S., state and local tax rules. Taxes for financial reporting purposes and cash tax liabilities in the future may be adversely affected by changes in such tax rules. The taxing rules of the various jurisdictions in which we operate or do business often are complex and subject to varying interpretations. Tax authorities may challenge tax positions that we take or historically have taken and may assess taxes where we have not made tax filings or may audit the tax filings we have made and assess additional taxes. Some of these assessments may be substantial, and also may involve the imposition of penalties and interest.

In addition, governments could change their existing tax laws, impose new taxes on us or increase the rates at which we are taxed in the future. The payment of substantial additional taxes, penalties or interest resulting from tax assessments, or the imposition of any new taxes, could materially and adversely impact our results of operations and financial condition.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

Our ability to utilize our net operating loss and credit carryovers depends on generating future federal and state taxable income. Consequently, certain net operating loss and tax credit carryforwards presented in our financial statements may not ultimately be utilized. Additionally, under Sections 382 and 383 of the Code, if a corporation undergoes an “ownership change,” the corporation’s ability to utilize its pre-change net operating losses and other pre-change tax attributes to offset its future post-change taxable income and taxes may be limited. In general, an “ownership change” occurs if there is a cumulative change in ownership by “5% shareholders” that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws.

Compliance with the Americans with Disabilities Act may be a significant cost for us.

The Americans with Disabilities Act of 1990, as amended (the “ADA”), requires that all public accommodations and commercial facilities, including office buildings, meet certain federal requirements related to access and use by disabled persons. Other federal, state and local laws may require modifications to or restrict further renovations of our properties with respect to such accesses. Noncompliance with the ADA or similar or related laws or regulations could result in the U.S. government imposing fines or private litigants being awarded damages against us. Such costs may adversely affect our business, financial condition and results of operations.

Risks Related to Our Separation From and Our Relationship with HHH

Prior to the Spin-Off, we had no history of operating as a separate, publicly traded company, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about us prior to August 1, 2024 in this Annual Report refers to our business as operated by and integrated with HHH. Our historical financial information included in this Annual Report is derived from the consolidated financial statements and accounting records of HHH. Accordingly, the historical financial information included in this Annual Report does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- prior to the separation, our business was operated by HHH as part of its broader corporate organization, rather than as a separate, publicly traded company. HHH or one of its affiliates performed various corporate functions for us such as legal, treasury, accounting, internal audit, human resources and finance. Our historical financial results reflect allocations of corporate expenses from HHH for such functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. Following the separation, our costs related to such functions previously performed by HHH may therefore increase;
- prior to the separation, our business was integrated with the other businesses of HHH. Historically, we shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we entered into transition agreements with HHH, these arrangements may not fully capture the benefits that we enjoyed as a result of being integrated with HHH and may result in us paying higher charges than in the past for these services. This could have an adverse effect on our results of operations and financial condition;
- generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, were historically satisfied as part of the corporate-wide cash management policies of HHH. We expect that from time to time we will seek to obtain financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and
- the cost of capital for our business may be higher than HHH's cost of capital prior to the separation.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from HHH. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited Consolidated and Combined Financial Statements and notes thereto included in this Annual Report.

As a separate, publicly traded company, we may not enjoy the same benefits that we did as a part of HHH.

There is a risk that, by separating from HHH, we became more susceptible to market fluctuations and other adverse events than we would have been if we had remained a part of the current HHH organizational structure. As part of HHH, we were able to enjoy certain benefits from HHH’s operating diversity, purchasing power and opportunities to pursue integrated strategies with HHH’s other businesses. As a separate, publicly traded company, we do not have similar diversity or integration opportunities and may not have similar purchasing power or access to capital markets.

Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.

Except as otherwise described herein, all of our outstanding shares of common stock are freely tradable without restriction, other than those shares held by our affiliates. In connection with the Spin-Off, we filed a registration statement on Form S-8 registering under the Securities Act of 1933, as amended (the “Securities Act”) our common stock reserved for issuance under our equity incentive plan. If equity securities granted under such plan are sold or it is perceived that they will be sold in the public market, the trading price of our common stock could decline substantially. Actual or potential

sales of our common stock made pursuant to registration rights could similarly cause the trading price of our common stock to drop significantly. Any of the foregoing also could impede our ability to raise future capital.

As of December 31, 2024, Pershing Square owns approximately 39.5% of our outstanding common stock. Pursuant to the Investor Rights Agreement, upon Pershing Square's request we will use our commercially reasonable efforts to effect a registration under applicable federal and state securities laws for shares of our common stock held by Pershing Square. Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without the need for compliance with Rule 144 under the Securities Act. Any disposition by Pershing Square, or any of our substantial stockholders, of our common stock in the public market, or the perception that such dispositions could occur, could adversely affect prevailing market prices of our common stock.

In addition, our Certificate of Incorporation provides that we may issue up to 480,000,000 shares of common stock and 20,000,000 shares of preferred stock, \$0.01 par value per share. Future issuances of shares of our common stock or securities convertible or exchangeable into common stock may dilute the ownership interest of our common stockholders. Because our decision to issue additional equity or convertible or exchangeable securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. In addition, we are not required to offer any such securities to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future issuances, which may dilute the existing stockholders' interests in us.

Our suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them.

Some of our suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them, or may require us to provide additional credit support, such as letters of credit or other financial guarantees. Any failure of parties to be satisfied with our financial stability could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Potential indemnification obligations to HHH pursuant to the Separation Agreement (as defined herein) could materially and adversely affect our business, financial condition, results of operations and cash flows.

In connection with the Spin-Off, we entered into a separation agreement with HHH (the "Separation Agreement"). The Separation Agreement, among other things, provides for indemnification obligations (for uncapped amounts) designed to make us financially responsible for all liabilities that HHH may incur relating to our business activities (as currently and historically conducted), whether incurred prior to or after the separation. If we are required to indemnify HHH under the circumstances set forth in the Separation Agreement, we may be subject to substantial liabilities.

In connection with our separation from HHH, HHH agreed to indemnify us for certain liabilities. However, there can be no assurance that such indemnity will be sufficient to insure us against the full amount of such liabilities, or that HHH's ability to satisfy its indemnification obligations will not be impaired in the future.

Pursuant to the Separation Agreement and certain other agreements with HHH, HHH has agreed to indemnify us for certain liabilities. However, third parties could also seek to hold us responsible for any of the liabilities that HHH has agreed to retain, and there can be no assurance that the indemnity from HHH will be sufficient to protect us against the full amount of such liabilities, or that HHH will be able to fully satisfy its indemnification obligations. In addition, HHH's insurance will not necessarily be available to us for liabilities associated with occurrences of indemnified liabilities prior to the separation, and in any event HHH's insurers may deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the separation.

Moreover, even if we ultimately succeed in recovering from HHH or such insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows.

Certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interests in HHH.

Our board of directors currently consists of a majority of directors who are independent, and our executive officers are prior employees of HHH. As of December 31, 2024, one of our directors owns equity interests in HHH. Such ownership, or any future ownership, of common stock of HHH by our executive officers or directors could create, or appear to create, potential conflicts of interest if we and HHH face decisions that could have implications for both HHH and us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and HHH regarding the terms of the agreements governing the Spin-Off and our separation from and relationship with HHH following the Spin-Off. Potential conflicts of interest may also arise out of any commercial arrangements that we or HHH may enter into in the future.

HHH may compete with us.

HHH is not restricted from competing with us. If HHH in the future decides to engage in the type of business we conduct, it may have a competitive advantage over us, which may cause our business, financial condition and results of operations to be materially adversely affected.

We may not achieve some or all of the expected benefits of the separation, and the separation may adversely affect our business.

We may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all, for a variety of reasons, including, among others:

- as part of HHH prior to the separation, we were able to enjoy certain benefits from HHH's operating diversity, purchasing power and opportunities to pursue integrated strategies with HHH's other businesses. As a separate, publicly traded company, we do not have similar diversity or integration opportunities and may not have similar purchasing power or access to capital markets. We may also incur costs for certain functions previously performed by HHH, such as accounting, tax, legal, human resources and other general administrative functions that are higher than the amounts reflected in our historical financial statements, which could impact our cash flows profitability;
- certain costs and liabilities that were less significant to HHH prior to the separation are more significant for us as a separate company after the separation;
- following the separation, our business is less diversified than HHH's businesses prior to the separation; we have and will continue to incur costs in connection with our transition to being a separate, publicly traded company that may include accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring or reassigning our personnel and costs to separate information systems; and
- following the separation, we are more susceptible to market fluctuations and other adverse events than if we were still a part of HHH.

If we fail to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, our business, operating results and financial condition could be adversely affected.

We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with HHH.

The agreements we entered into with HHH in connection with the separation, including the Separation Agreement, transition services agreement, employee matters agreement, tax matters agreement and other commercial agreements, were prepared in the context of our separation from HHH while we were still a wholly-owned subsidiary of HHH. Accordingly, during the period in which the terms of those agreements were prepared, we did not have a separate or independent board of directors or a management team that was separate from or independent of HHH. As a result, the terms of those

agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Arm's-length negotiations between HHH and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party.

We or HHH may fail to perform under the various agreements we executed as part of the separation or we may fail to have necessary systems and services in place when certain of the agreements expire.

The Separation Agreement and other agreements we entered into with HHH in connection with the separation determine the allocation of assets and liabilities between the companies following the separation and include indemnifications related to liabilities and obligations. The transition services agreement provides for the performance of certain services by HHH for our benefit for a period of time after the separation. We will rely on HHH to satisfy its performance obligations under these agreements. If HHH is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services once certain transaction agreements expire, we may not be able to operate our business effectively. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services that HHH currently provides to us. However, we may not be successful in implementing these systems and services or in transitioning data from HHH's systems to us.

We are also establishing or expanding our own tax, internal audit, investor relations, corporate governance and public company compliance and other corporate functions. We expect to incur one-time costs to replicate, or outsource from other providers, these corporate functions to replace the corporate services that HHH historically provided us prior to the separation. Any failure or significant downtime in our own financial, administrative or other support systems or in the HHH financial, administrative or other support systems during the transitional period during which HHH provides us with support could negatively impact our results of operations or prevent us from paying our suppliers and employees, executing business combinations and foreign currency transactions or performing administrative or other services on a timely basis, which could negatively affect our results of operations.

In particular, our day-to-day business operations rely on information technology systems. A significant portion of the communications among our personnel, customers and suppliers take place on information technology platforms. We expect the transfer of information technology systems from HHH to us to be complex, time consuming and costly. There is also a risk of data loss in the process of transferring information technology. As a result of our reliance on information technology systems, the cost of such information technology integration and transfer and any such loss of key data could have an adverse effect on our business, financial condition and results of operations.

Following the Spin-Off, we are dependent on HHH to provide us with certain transition services, which may be insufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services after our transition services agreement with HHH expires.

Prior to the Spin-Off, HHH provided significant corporate and shared services related to corporate functions such as property management, executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, facilities and risk management. Following the separation, HHH is continuing to provide some of these services on a transitional basis for a fee. While these services are being provided to us by HHH, we are dependent on HHH for services that are critical to our operation as a separate, publicly traded company, and our operational flexibility to modify or implement changes with respect to such services and the amounts we pay for them is limited. After the expiration of the transition services agreement, we may not be able to replace these services or enter into appropriate third-party agreements on terms and conditions, including cost and quality of service, comparable to those that we receive from HHH under the transition services agreement.

Although we intend to replace portions of the services currently provided by HHH, we may encounter difficulties replacing certain services or be unable to negotiate pricing or other terms as favorable as those we currently have in effect.

If the Spin-Off failed to qualify as a distribution under Section 355 of the Code, HHH stockholders could incur significant adverse tax consequences, and we could be required to indemnify HHH for certain tax consequences that could be material pursuant to indemnification obligations under the tax matters agreement.

In connection with the Spin-Off, HHH received an opinion of Latham & Watkins LLP, tax counsel to HHH, regarding the qualification of the distribution as a distribution under Section 355 of the Code. There is no administrative or judicial authority that directly addresses facts that are substantially similar to those of the Spin-Off, and the opinion of tax counsel is therefore not free from doubt. Moreover, the opinion of tax counsel was based on, among other things, certain factual assumptions, representations and undertakings from HHH and us, including those regarding the past and future conduct of the companies' respective businesses and other matters. If any of these factual assumptions, representations, or undertakings is incorrect or not satisfied, HHH may not be able to rely on the opinion, and HHH and its stockholders could incur significant adverse U.S. federal income tax consequences. In addition, the opinion of tax counsel is not binding on the IRS or the courts, and, notwithstanding the opinion of tax counsel, the IRS could determine that the Spin-Off did not so qualify or that the Spin-Off should be taxable for other reasons, including as a result of a significant change in stock or asset ownership after the distribution.

If the Spin-Off is ultimately determined not to have qualified as a distribution under Section 355 of the Code, the distribution could be treated as a taxable disposition of common shares of Seaport Entertainment by HHH and as a taxable distribution to HHH stockholders for U.S. federal income tax purposes. In such case, HHH stockholders that are subject to U.S. federal income tax could incur significant adverse U.S. federal income tax consequences.

Under the tax matters agreement that we have entered into with HHH, we are generally required to indemnify HHH against taxes incurred by HHH that arise as a result of certain acts or omissions by us, inaccuracies, misrepresentations or misstatements relating to us or events involving our stock or assets that prevent the distribution from qualifying as a distribution under Section 355 of the Code, except that we will generally not bear any such taxes resulting from corporate-level taxable gain to HHH under Section 355(e) of the Code. If we are required to pay any liabilities under the circumstances set forth in the tax matters agreement, the amounts may be significant.

To comply with the tax matters agreement, we might not be able to engage in certain transactions.

Under the tax matters agreement that we entered into with HHH, we are required to comply with the representations and undertakings made to legal counsel in connection with the tax opinion HHH received regarding the intended tax treatment of the Spin-Off and certain related transactions. The tax matters agreement also restricts our ability to take or fail to take any action if such action or failure to act could adversely affect the intended tax treatment, except that we are generally not prohibited from entering into equity transactions that result in corporate-level taxable gain to HHH under Section 355(e) of the Code. In particular, except in specific circumstances, in the two years following the distribution, we will be restricted from, among other things, (i) ceasing to actively conduct certain elements of our business, and (ii) selling, transferring or otherwise disposing of, 30% or more of the gross assets of certain of our businesses. These restrictions may limit for a period of time our ability to pursue certain transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our business.

Risks Related to Our Common Stock

We cannot be certain that an active trading market for our common stock will be sustained, and the price of our common stock may fluctuate significantly.

Prior to the Spin-Off, there was no public market for our common stock. We cannot guarantee that an active trading market will be sustained for our common stock. If an active trading market is not sustained, you may have difficulty selling your Company common stock at an attractive price, or at all. The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control and/or unrelated to our operating performance, including:

- our quarterly or annual earnings, or those of other companies in our industry;

- the failure of securities analysts to cover our common stock;
- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- publication of research reports about our industry;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- changes to the regulatory and legal environment in which we operate;
- changes in interest or inflation rates;
- overall market fluctuations and domestic and worldwide economic conditions; and
- other factors described in this “Risk Factors” section and elsewhere in this Annual Report.

In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company’s securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management’s attention and resources.

We are an emerging growth company and the information we provide stockholders may be different from information provided by other public companies.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year in which our total annual gross revenues first meet or exceed \$1.235 billion (as adjusted for inflation);
- the date on which we have, during the prior three-year period, issued more than \$1.0 billion in non-convertible debt;
- the last day of the fiscal year in which we (i) have an aggregate worldwide market value of common stock held by non-affiliates of \$700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (ii) have been a reporting company under the Exchange Act for at least one year (and filed at least one annual report under the Exchange Act); or
- the last day of the fiscal year following the fifth anniversary of the date of our separation from HHH.

For as long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to:

- not being required to comply with the auditor attestation requirements of the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act;

[Table of Contents](#)

- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirement of holding a non-binding advisory vote on executive compensation and stockholder approval on golden parachute compensation not previously approved.

We may choose to take advantage of some or all of these reduced burdens. For example, we expect to take advantage of the reduced disclosure obligations regarding executive compensation in our proxy statements. For as long as we take advantage of the reduced reporting obligations, the information we provide stockholders may be different from information provided by other public companies. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in our stock price.

In addition, we have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this Annual Report, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. In addition, beginning with our second annual report on Form 10-K, we expect we will be required to furnish annual management assessments of the effectiveness of our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include a report by our independent registered public accounting firm addressing these assessments pursuant to Section 404 of the Sarbanes-Oxley Act. These reporting and other obligations may place significant demands on management, and administrative and operational resources, including accounting systems and resources.

The process of designing, implementing and testing the internal control over financial reporting required to comply with this obligation is time consuming, costly and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the applicable requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or, when applicable, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

We do not expect to pay any dividends for the foreseeable future.

You should not rely on our common stock to provide dividend income. We do not anticipate that we will pay any dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our existing operations. In addition, any future credit facility or debt securities may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock.

Your percentage ownership in us may be diluted in the future.

In the future, your percentage ownership in us may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we will be granting to our directors, officers and employees. It is anticipated that our Compensation Committee will grant additional equity awards to our employees and directors from time to time under our employee benefits plans. These additional awards will have a dilutive effect on our earnings per share of common stock, which could adversely affect the market price of our common stock.

In addition, our Certificate of Incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred shares having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as the Board generally may determine. The terms of one or more classes or series of preferred shares could dilute the voting power or reduce the value of our common stock. For example, we could grant the holders of preferred shares the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences that we could assign to holders of preferred shares could affect the residual value of the common stock.

Anti-takeover provisions in our Certificate of Incorporation, our Bylaws, Delaware law, the Investor Rights Agreement and certain other agreements may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

Our Certificate of Incorporation, our Bylaws, the Investor Rights Agreement and Delaware law, among other things, contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. For example, our Certificate of Incorporation and Bylaws contain the following limitations:

- the inability of our stockholders to act by written consent;
- restrictions on the ability of stockholders to call a special meeting without 20% or more of the voting power of the issued and outstanding shares entitled to vote generally in the election of our directors;
- requirements stockholders must comply with for nominating individuals for election as directors or for proposing business to be considered at stockholder meetings;
- the right of our board of directors to issue preferred stock without stockholder approval;
- a requirement that, to the fullest extent permitted by law, certain proceedings against or involving us or our directors or officers be brought exclusively in the Court of Chancery in the State of Delaware;
- that certain provisions may be amended only by the affirmative vote of at least 66 2/3% of the shares of common stock entitled to vote generally in the election of directors; and
- the limitations described in “—MLB rules require that any person or group seeking to acquire a controlling interest in us or the Aviators must receive the prior approval of MLB. Such limitations and approval requirements may restrict any change of control or business combination opportunities in which our stockholders might receive a premium for shares of our common stock.”

On October 17, 2024, we entered into the Investor Rights Agreement with Pershing Square, pursuant to which Pershing Square is entitled to designate at least one individual as a nominee for election to our board of directors as long as it owns at least 10% of the total outstanding shares of our common stock. If we increase the size of the board to larger than five directors, the Investor Rights Agreement entitles Pershing Square to nominate individuals representing at least 20% of the total number of our directors, which could allow Pershing Square to exercise additional influence over certain

of our corporate and governance matters. The board designation and related rights are also contained in our Certificate of Incorporation.

In addition, we are a Delaware corporation, and Section 203 of the DGCL applies to us. In general, Section 203 prevents an interested stockholder from engaging in certain business combinations with us for three years following the time that person becomes an interested stockholder subject to certain exceptions. The statute generally defines an interested stockholder as any person that is the owner of 15% or more of the outstanding voting stock or is our affiliate or associate and was the owner of 15% or more of outstanding voting stock at any time within the three-year period immediately before the date of determination.

We have granted a waiver of the applicability of the provisions of Section 203 of the DGCL such that Pershing Square, which as of December 31, 2024 owned approximately 39.5% of the outstanding shares of our common stock, may increase its position in our common stock without being subject to Section 203's restrictions on business combinations. As such, Pershing Square, through its ability to accumulate more common stock than would otherwise be permitted under Section 203, has the ability to become a large holder group that would be able to affect matters requiring approval by Company stockholders, including the election of directors and approval of mergers or other business combination transactions.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. There also may be dilution of our common stock from the exercise of any future outstanding warrants, which may materially adversely affect the market price and negatively impact a holder's investment.

MLB rules require that any person or group seeking to acquire a controlling interest in us or the Aviators must receive the prior approval of MLB. Such limitations and approval requirements may restrict any change of control or business combination opportunities in which our stockholders might receive a premium for shares of our common stock.

To comply with the policies of MLB, our Certificate of Incorporation provides that, as long as we have an ownership interest in the professional baseball club currently known as the Aviators, and subject to certain exceptions, no person may acquire shares of our common stock if, after such acquisition, that person would (i) own at least 50% of the outstanding shares of our common stock or at least 50% of the total voting power of our then-outstanding securities entitled to vote generally in the election of directors or (ii) have the ability to appoint at least a majority of the members of our board, unless, in each case, such person is approved by MLB or qualifies as an exempt person (which includes Pershing Square or any person approved by MLB as the "control person" of the Aviators). In the event that a person attempts to acquire shares of our common stock in violation of these restrictions, the applicable excess shares would automatically be transferred to a trust and held for the benefit of the excess share transferor, and such excess shares may be sold for cash, on the open market, in privately negotiated transactions or otherwise. No assurance can be given that the trust will be able to sell the shares at a price that is equal to or greater than the price paid by the person who attempted to acquire the shares. In addition, such person's right to receive the net proceeds of the sale, as well as any dividends or other distributions to which such person would otherwise be entitled, will be subject to their compliance with the applicable mechanics included in the Certificate of Incorporation.

In addition to the influence Pershing Square could exercise in respect of its voting power (see "—Pershing Square is our largest stockholder and may exert influence over us that may be adverse to our best interests and those of our other stockholders"), the share ownership limitations and required MLB approvals could have an anti-takeover effect, potentially discouraging third parties from making proposals for certain acquisitions of our common stock or a change of control transaction. In addition, if MLB does not provide approval of a specific transaction, these provisions could prevent a transaction in which holders of our common stock might receive a premium for their shares over the then-prevailing market price or which our board of directors or stockholders might believe to be otherwise in the best interest of us and our stockholders.

General Risks

Loss of key personnel could adversely affect our business and operations.

We depend on the efforts of key executive personnel. The loss of the services of any key executive personnel could adversely affect our business and operations. While we believe we have proper succession planning and are confident we could attract and train new personnel, if necessary, this could impose additional costs and hinder our business strategy.

Actual or threatened terrorist activity and other acts of violence or civil unrest, or the perception of a heightened threat of such risks, could adversely affect our financial condition and results of operations.

Future actual or threatened terrorist attacks or other acts of violence or civil unrest in the areas in which we conduct our business, or the perception of a heightened threat of such risks, may result in reduced economic activity, which could harm the demand for goods and services offered by tenants, revenue from our properties and the success of our entertainment offerings. Such a resulting decrease in consumer demand could also make it difficult to renew or re-lease properties at lease rates equal to or above historical rates. Terrorist activities or other acts of violence or civil unrest, or the perception of a heightened threat of such risks, also could directly affect the value of our properties and events—particularly because they are open to the public. Any such incidents could cause material physical or reputational damage to our properties and business or destruction or loss, and the availability of insurance for such incidents, or of insurance generally, might be lower or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the extent that our tenants are affected by real or perceived physical safety concerns stemming from such incidents, their businesses similarly could be adversely affected, including their ability to continue to meet their obligations under their existing leases. Such incidents, or the fear of such incidents, could decrease consumer demand for our assets and offerings, decrease or delay the occupancy of new or redeveloped properties and limit our access to capital or increase our cost of capital.

Weakness or instability in the general economy, our markets or our results of operations could result in future asset impairments, which would increase our reported loss or reduce our reported earnings and net worth.

Economic conditions remain fragile in some markets and the possibility remains that the domestic or global economies, or certain industry sectors that are key to our revenue, may deteriorate. If certain aspects of our operations are adversely affected by challenging economic and financial conditions, we may be required to record future impairments, which would negatively impact our results of operations.

We are, and may in the future be, subject to legal proceedings or investigations, the resolution of which could negatively affect our business, financial condition or results of operations.

Our business exposes us to significant potential risk from lawsuits, investigations and other legal proceedings. We are, and may in the future be, subject to a variety of proceedings, including, among others, litigation regarding our properties and offerings and ordinary course employment litigation. For example, we have been and may again in the future be subject to various lawsuits challenging the development approvals we obtained for our 250 Water Street development project. Although the lawsuits did not, individually or in the aggregate, had a material adverse effect on our business, financial condition or results of operations, we cannot guarantee that the outcome of any future litigation related to 250 Water Street, or the outcome of any other litigation, will not result in substantial costs or delays, divert our management's attention and resources or otherwise harm our business. For additional information, see Note 8 – *Commitments and Contingencies* to the Consolidated and Combined Financial Statements included in this Annual Report.

In litigation, plaintiffs may seek various remedies, including declaratory or injunctive relief; compensatory or punitive damages; restitution, disgorgement, civil penalties, abatement, attorneys' fees, costs or other relief. Settlement demands may seek significant monetary and other remedies, or otherwise be on terms that we do not consider reasonable under the circumstances. In some instances, even if we have complied with applicable laws, regulations and terms of contracts, an adverse judgment or outcome may occur based on other applicable laws or principles of common law, including negligence and strict liability, and result in significant liability and reputational damage for us. We may also be subject to claims in addition to those described above by similar groups of plaintiffs in the future relating to our current or former properties

or activities. In addition, awards against and settlements by our competitors or publicity associated with our current litigation could incentivize parties to bring additional claims against us.

Any claim brought against us, regardless of its merits, could be costly to defend and could result in an increase of our insurance premiums and exhaust our available insurance coverage. The financial impact of litigation is difficult to assess or quantify. Some claims brought against us might not be covered by our insurance policies or might exhaust our available insurance coverage for such occurrences. To the extent our insurance coverage is inadequate and we are not successful in identifying or purchasing additional coverage for such claims, we would have to pay the amount of any settlement or judgment that is in excess of policy limits. Claims against us that result in entry of a judgment or that we settle that are not covered or not sufficiently covered by insurance policies could have a material adverse impact on our business, financial condition and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We regularly assess risks from cybersecurity threats, monitor our information systems for potential vulnerabilities and test those systems pursuant to our cybersecurity policies and procedures, which are integrated into the Company's overall risk management framework. To protect our information systems from cybersecurity threats, we use various security tools that help us identify, escalate, investigate, resolve, and recover from security incidents in a timely manner. We also conduct annual risk-based penetration testing and provide cybersecurity training for applicable employees. Where appropriate, we engage external advisors and consultants to assist with various aspects of our cybersecurity program and processes.

We rely on our systems and networks to support our business activities. As some of these networks and systems are managed by third parties, our cybersecurity program also includes evaluation and monitoring of cybersecurity risks associated with our use of third-party service providers. Based on their risk profiles, we contractually require certain third parties with access to our information systems or data to maintain cybersecurity programs and to report actual or suspected security incidents to us. Additionally, we monitor and identify cybersecurity risks posed by third-party vendors based on their criticality and risk profile, who provide software and/or hardware to the Company or otherwise have access to our Company systems and have a cyber review process that is part of vendor onboarding.

Additionally, the management team of the Company has developed a cyber incident response plan to deploy in the event of a cyber incident. This plan is reviewed at least annually and tested from time to time through tabletop exercises involving management and other key personnel, and may also include participation from the Board and outside experts. As part of regular business continuity planning, department heads are required to consider key technology systems used by their respective teams and the impact to the Company and other stakeholders in the event that such systems become compromised or unavailable.

To date, we have not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that have materially affected or that we believe are reasonably likely to materially affect the Company, including our business strategy, results of operations or financial condition. Refer to the risk factor captioned "Cybersecurity risks and incidents, such as a breach of the Company's privacy or information security systems, or those of our vendors or other third parties, could compromise our information and expose us to liability, which would cause our business and reputation to suffer." in Part I, ITEM 1A. "Risk Factors" for additional description of cybersecurity risks and potential related impacts on the Company.

Governance

Our Board of Directors oversees our risk management process, including with respect to cybersecurity risks, directly and through its committees. The Audit Committee of the Board oversees our risk management program, which focuses on the most significant risks we face in the short-, intermediate-, and long-term timeframe. Audit Committee meetings include discussions of specific risk areas throughout the year, including, among others, those relating to cybersecurity, and reports on our enterprise risk profile. Our SVP of Technology, who reports directly to the Chief Financial Officer and has over 25 years of experience managing information technology and cybersecurity matters, is primarily responsible for leading the assessment and management of cybersecurity risks and reports periodically to the Audit Committee on cybersecurity strategy and risks. Our SVP of Technology stays informed about and monitors the prevention, detection, mitigation and remediation of security incidents through various channels, including but not limited to briefings from the operational team members, threat intelligence sources, and alerts from security tools deployed in our IT environment.

ITEM 2. PROPERTIES

Properties

Our corporate headquarters are located at 199 Water St. 28th Floor New York, New York 10038, where we occupy 36,985 square feet of office space under a lease that expires on May 31, 2026. We also maintain offices in Las Vegas, Nevada. We believe our present facilities are sufficient to support our operations.

The Seaport, located on the East River in Lower Manhattan, encompasses several city blocks (inclusive of Historic Area/Uplands, Pier 17, Tin Building and the 250 Water Street development) and totals approximately 490,000 square feet of innovative culinary, entertainment and cultural experiences. 250 Water Street is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space.

The following tables summarize certain metrics of the Landlord Operations properties in the Seaport as of December 31, 2024:

Landlord Operations	Rentable Square Feet	Leased Square Feet	% Leased
Entertainment, Retail, Restaurant, Office and Other	489,930	314,644	64 %

Landlord Operations	Rentable Units	Leased Units	% Leased
Multi-family	21	21	100 %

Within our Sponsorships, Events, and Entertainment segment, Seaport Entertainment owns the Las Vegas Ballpark, a 10,000-person capacity stadium located in downtown Summerlin, Nevada, outside of Las Vegas.

ITEM 3. LEGAL PROCEEDINGS

We are currently and from time to time involved in legal proceedings that arise in the ordinary course of our business. Management periodically assesses our liabilities and contingencies in connection with these matters based upon the latest information available. The results of any current or future litigation cannot be predicted with certainty; however, as of December 31, 2024, we believe there were no pending lawsuits or claims against us that, individually or in the aggregate, could have a material adverse effect on our business, results of operations or financial condition. For more information, see Note 8 – *Commitments and Contingencies* to the Consolidated and Combined Financial Statements included in this Annual Report.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF SECURITIES

Market Information

Following the separation, our common stock began trading on the NYSE American under the ticker symbol "SEG." Prior to that date, there was no public trading market for our common stock.

Holders

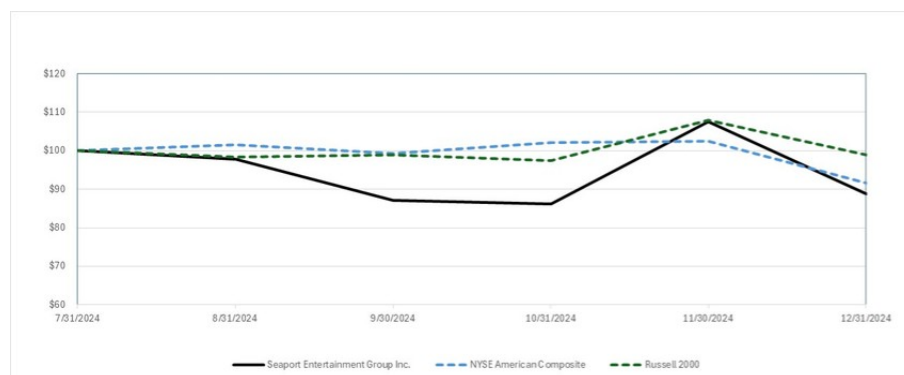
As of March 7, 2025, there were 562 stockholders of record of our common stock. This number does not include beneficial owners whose shares are held by nominees in street name.

Dividends

We did not declare or pay any dividends in 2024 and do not currently anticipate declaring or paying any dividends on our common stock in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including our future earnings, capital requirements, restrictions under debt agreements, financial condition, future prospects and other factors the board of directors may deem relevant.

Stockholder Return Performance Graph

The following graph is a comparison of the cumulative total stockholder return on our common stock, the NYSE American Composite Index and the Russell 2000 Index. The graph assumes that \$100 was invested on August 1, 2024, which was the first day our common stock began trading on the NYSE American, and dividends were reinvested subsequent to the initial investment. The comparisons in the graph below are based on historical data and are not indicative of, nor intended to forecast, future performance of our common stock. There can be no assurance that the performance of our common stock will continue in line with the same or similar trends depicted in the graph below.



The graph is not deemed incorporated by reference into any filing made under the Securities Act or the Exchange Act regardless of any general statement regarding incorporation by reference in any such filing, and is not otherwise deemed filed under the Securities Act or the Exchange Act.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On October 17, 2024, we completed our previously announced rights offering, in which we distributed to holders of our common stock transferable subscription rights to purchase up to an aggregate of 7,000,000 shares of common stock at a subscription price of \$25.00 per whole share. As a result of the rights offering, we issued 7,000,000 shares of common stock for gross proceeds of \$175.0 million. The offering was made pursuant to a registration statement on Form S-1 (File No. 333-279690), as amended (the “Registration Statement”), which registered up to \$175.0 million in subscription rights and the shares of common stock that were issued pursuant to the exercise of such rights. The Registration Statement was declared effective by the SEC on September 18, 2024.

The rights offering generated net proceeds to us of approximately \$166.8 million after deducting approximately \$8.2 million in offering expenses. No payments for such expenses were made directly or indirectly to (i) any of our officers or directors or their associates, (ii) any persons owning 10% or more of any class of our equity securities or (iii) any of our affiliates.

There has been no material change in the use of proceeds from the rights offering as described in the final prospectus that forms a part of the Registration Statement, which was filed with the SEC on September 23, 2024. We continue to intend to use the proceeds for general operating, working capital and other corporate purposes. As of December 31, 2024, we have used approximately \$1.1 million of the proceeds for working capital.

Issuer Repurchases of Equity Securities

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) to “Seaport Entertainment Group,” “SEG,” the “Company,” “we,” “us,” or “our” shall mean the assets, liabilities, and operating activities related to the Seaport Entertainment division of Howard Hughes Holdings Inc. (“HHH”) that was transferred to Seaport Entertainment Group Inc. on July 31, 2024 in connection with SEG’s separation from HHH (the “Separation”), as well as the assets, liabilities, and operating activities of Seaport Entertainment Group Inc. The following discussion should be read in conjunction with our Consolidated and Combined Financial Statements as of December 31, 2024 and 2023, and for the years ended December 31, 2024, 2023 and 2022 (“Consolidated and Combined Financial Statements”) and the related notes filed as part of this annual report on Form 10-K (“Annual Report”). This discussion contains forward-looking statements that involve risks, uncertainties, assumptions, and other factors, including those described in the section entitled “Risk Factors” and in this Annual Report. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of these factors. You are cautioned not to place undue reliance on this information which speaks only as of the date of this Annual Report. We are not obligated to update this information, whether as a result of new information, future events or otherwise, except as may be required by law.

All references to numbered Notes are specific to Notes to our Consolidated and Combined Financial Statements included in this Annual Report. Capitalized terms used, but not defined, in this MD&A have the same meanings as in such Notes.

Changes for monetary amounts between periods presented are calculated based on the amounts in thousands of dollars stated in our combined financial statements, and then rounded to the nearest million. Therefore, certain changes may not recalculate based on the amounts rounded to the nearest million.

Overview

General Overview

The Company was formed to own, operate, and develop a unique collection of assets positioned at the intersection of entertainment and real estate. Our existing portfolio encompasses a wide range of leisure and recreational activities, including live concerts, fine dining, nightlife, professional sports, and high-end and experiential retail. We primarily analyze our portfolio of assets through the lens of our three operating segments: (1) Landlord Operations, (2) Hospitality, and (3) Sponsorships, Events, and Entertainment, and are focused on realizing value for stockholders primarily through dedicated management of existing assets, expansion of partnerships, strategic acquisitions, and completion of development and redevelopment projects.

Landlord Operations. Landlord Operations represents our ownership interests in and operation of physical real estate assets located in the Seaport, a historic neighborhood in Lower Manhattan on the banks of the East River and within walking distance of the Brooklyn Bridge. Landlord Operations assets include:

- Pier 17, a mixed-use building containing restaurants, entertainment, office space, and The Rooftop at Pier 17, an outdoor concert venue;
- the Tin Building, a mixed-use building containing a culinary destination featuring a variety of experiences including restaurants, bars, grocery markets, retail, and private dining;
- the Fulton Market Building, a mixed-use building containing office and retail spaces, including a movie theater and an experiential retail concept focused on “classic lawn games” and cocktails;
- the Historic District retail and other locations which include the Museum Block, Schermerhorn Row, and more;
- 250 Water Street, a full block development site approved for zoning of affordable and market-rate housing, office, retail, and community-oriented gathering space; and
- 85 South Street, an eight-story residential building.

Our assets included in the Landlord Operations segment primarily sit under a long-term ground lease from the City of New York with an amendment that was executed giving the Company extension options for an additional 49 years from its current expiration in 2071 until 2120. We are focused on continuing to fill vacancies in our Landlord Operations portfolio and believe this to be an opportunity to drive incremental segment growth.

Hospitality. Hospitality represents our ownership interests in various food and beverage operating businesses. We own, either wholly or through partnerships with third parties, and operate, including license and management agreements, fine dining and casual dining restaurants, cocktail bars, nightlife and entertainment venues (The Fulton, Mister Dips, Carne Mare, Malibu Farm, and Gitano), as well as our unconsolidated ventures, the Lawn Club and the Tin Building by Jean-Georges, which offers a variety of culinary experiences, including restaurants, bars, grocery markets, retail, and private dining. These businesses are all our tenants and are part of our Landlord Operations. We also have a 25% interest in Jean-Georges Restaurants. Creative Culinary Management Company (“CCMC”), a wholly owned subsidiary of Jean-Georges Restaurants and a related party of the Company, provides management services for certain retail and food and beverage businesses in the Seaport. On January 1, 2025, as the Company’s initial step to internalize food and beverage operations at most of its wholly owned and joint venture-owned restaurants at the Seaport, we hired and onboarded employees of CCMC and entered into a shared services agreement with CCMC. For additional details regarding the shared services agreement, See Note 15 – *Subsequent Events* in the Notes to the Consolidated and Combined Financial Statements included in this Annual Report. We aim to capitalize on opportunities in the food and beverage space to leverage growing consumer appetite for unique restaurant experiences as a catalyst to further expand the Company’s culinary footprint. Our Hospitality-related period-over-period comparisons do not adjust for operational revisions to our asset strategies from

period to period, such as closing restaurant concepts or redirecting operations to use space for private events and/or concerts.

Sponsorships, Events, and Entertainment. Sponsorships, Events, and Entertainment includes the Las Vegas Aviators Triple-A Minor League Baseball team (the “Aviators”) and the Las Vegas Ballpark, our interest in and to the Fashion Show Mall Air Rights, events at The Rooftop at Pier 17, and all of our sponsorship agreements across both the Las Vegas Ballpark and the Seaport. The Aviators are a Triple-A affiliate of the Oakland Athletics and play at the Las Vegas Ballpark, a 10,000-person capacity ballpark located in Downtown Summerlin. The Rooftop at Pier 17, as mentioned in Landlord Operations above, is a premier outdoor concert venue that hosts a popular Summer Concert Series featuring emerging and established musicians alike. Commencing in Q4 2025, we plan to launch year-round concerts and events for The Rooftop at Pier 17 utilizing a seasonal floor-to-ceiling glass enclosure for the winter months. We see The Rooftop at Pier 17 as an opportunity to continue to drive events and entertainment growth as the demand for live music is strong and accelerating.

Separation from HHH

On July 31, 2024, HHH completed its spin-off of SEG through the pro rata distribution of all the outstanding shares of common stock of SEG to HHH’s stockholders as of the close of business on the record date of July 29, 2024 (the “Separation”).

In connection with the Separation, on July 31, 2024, the Company entered into a separation and distribution agreement and various other agreements with HHH, including a transition services agreement, an employee matters agreement, a tax matters agreement, and a revolving credit agreement. Additionally, HHH contributed capital of \$23.4 million to the Company prior to the Separation to support the operating, investing, and financing activities of the Company. For additional discussion of the Separation, see Note 1 – *Summary of Significant Accounting Policies* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report.

Basis of Presentation

Prior to the Separation, we operated as part of HHH and not as a standalone company. The accompanying Consolidated and Combined Financial Statements as of December 31, 2024 and for the year ended December 31, 2024 have been prepared on a standalone basis derived from the combined financial statements and accounting records of SEG from August 1, 2024 to December 31, 2024 and from the combined financial statements and accounting records of HHH for January 1, 2024 to July 31, 2024. The accompanying Combined Balance Sheet as of December 31, 2023 and Combined Statements of Operations for the years ended December 31, 2023 and 2022 have been prepared on a standalone basis derived from the combined financial statements and accounting records of HHH. These statements reflect the consolidated and combined historical results of operations, financial position, and cash flows of Seaport Entertainment Group in accordance with accounting principles generally accepted in the United States of America (“GAAP”). These statements may not include all expenses that would have been incurred had the Company existed as a separate, stand-alone entity during the periods presented.

These Combined Financial Statements include the attribution of certain assets and liabilities that had been held at HHH but which are specifically identifiable or attributable to the business that was transferred to the Company in connection with the Separation.

For an additional discussion on the basis of presentation of these statements, see Note 1 – *Summary of Significant Accounting Policies* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report.

Key Factors Affecting Our Business

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this Annual Report titled “Risk Factors.”

Management Strategies and Operational Changes

As mentioned elsewhere in this Annual Report, we historically operated as part of HHH and not as a standalone company. Therefore, our historical results prior to the Separation are reflective of the management strategies and operations of the Company based on the direction and strategies of HHH. Additionally, our historical results reflect the allocation of expenses from HHH associated with certain services prior to the Separation, including (1) certain support functions that were provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. As a separate public company, our ongoing costs related to such support functions may differ from, and may potentially exceed, the amounts that have been allocated to us in these financial statements. Following the Separation, HHH continues to provide some of these services on a transitional basis in exchange for agreed-upon fees. In addition to one-time costs to design and establish our corporate functions, we will also incur incremental costs associated with being a stand-alone public company, including additional labor costs, such as salaries, benefits, and potential bonuses and/or stock based compensation awards for staff additions to establish certain corporate functions historically supported by HHH and not covered by the transition services agreement, and corporate governance costs, including board of director compensation and expenses, audit and other professional services fees, annual report and proxy statement costs, SEC filing fees, transfer agent fees, consulting and legal fees and stock exchange listing fees. Following the Separation, our future results and cost structure may differ based on new strategies and operational changes implemented by our management team, which may include changes to our chosen organizational structure, whether functions are outsourced or performed by the Company employees, and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Tin Building and our Investment in the Tin Building by Jean-Georges

The Company owns 100% of the Tin Building which was completed and placed in service in our Landlord Operations segment during the third quarter of 2022. The Company leases 100% of the rentable space in the Tin Building to the Tin Building by Jean-Georges joint venture, a Hospitality segment business in which the Company has an equity ownership interest and reports its ownership interest in accordance with the equity method. Based on capital contribution and distribution provisions for the Tin Building by Jean-Georges joint venture, the Company currently recognizes all of the economic interest in the venture. The Company recognizes lease payments from the Tin Building by Jean-Georges in Rental revenue within the Landlord Operations segment and recognizes its share of the income or losses from the joint venture in Equity in losses from unconsolidated ventures in the Hospitality segment. As the Company currently recognizes 100% of operating income or losses from the Tin Building by Jean-Georges, the Tin Building lease has no net impact to the total Company net loss. However, Landlord Operations Adjusted EBITDA and NOI, as defined below, includes only rental revenue related to the Tin Building lease payments, and does not include the rent expense in Equity in losses from unconsolidated ventures.

The Tin Building by Jean-Georges is managed by CCMC, a related party that is owned by Jean-Georges Restaurants. The Tin Building by Jean-Georges had a soft opening in August 2022 and a grand opening celebration in late September 2022, with an expanded focus on experiences including in-person dining, retail shopping and delivery. Operating hours were initially constrained due to labor shortages and the venture incurred elevated operating losses during the early months of operations; however, during the fourth quarter of 2022, despite continued labor shortages, operating hours were extended to seven days a week. In 2023, the Tin Building by Jean-Georges was open seven days per week, with strong foot traffic and sales. However, operating losses at the Tin Building by Jean-Georges joint venture remained elevated, as the venture continues to refine its operating model, and the Seaport experienced poor weather conditions throughout 2023 and into the first quarter of 2024. Performance at the Tin Building improved for the remainder of 2024, primarily due to reductions in operating and labor costs. As the Company currently funds any operating shortfall and recognizes all of the economic interest in the venture, the future success of the Tin Building by Jean-George may have a significant impact on our results of operations.

Seasonality

Our operations are highly seasonal and are significantly impacted by weather conditions. Concerts at our outdoor venue and Aviators baseball games primarily occur from May through October, and we typically see increased customer

traffic at our restaurants during the summer months when the weather is generally warmer and more favorable, which contributes to higher revenue during these periods. However, weather-related disruptions, such as floods and heavy rains, can negatively impact our summer operations. For instance, outdoor concerts may have to be cancelled or rescheduled due to inclement weather, which can result in lost revenue. Similarly, floods can lead to temporary closures of our restaurants and can disrupt our supply chain, leading to potential revenue losses and increased costs.

During the fall and winter months, our operations tend to slow down due to the colder weather which results in fewer outdoor events, less foot traffic at our restaurants, and the end of the Aviator's baseball season. This seasonality pattern results in lower revenues during these periods. Moreover, severe winter weather conditions, such as snowstorms and freezing temperatures, can further deter customers from visiting our restaurants, further impacting our revenues and cash flow. Our seasonality also results in fluctuations in cash and cash equivalents, accounts receivable, deferred expenses, and accounts payable and other liabilities at different times during the year.

Lease Renewals and Occupancy

As of December 31, 2024 and December 31, 2023, the weighted average remaining term of our retail, office, and other properties leases where we are the lessor was approximately seven years, excluding renewal options. The stability of the rental revenue generated by our properties depends principally on our tenants' ability to pay rent and our ability to collect rents, renew expiring leases, re-lease space upon the expiration or other termination of leases, lease currently vacant properties, and maintain or increase rental rates at our leased properties. To the extent our properties become vacant, we would forego rental income while remaining responsible for the payment of property taxes and maintaining the property until it is re-leased, which could negatively impact our operating results. As of December 31, 2024, our real estate assets at the Seaport were 64% leased. This includes one lease at Pier 17 that is set to expire in December 2025 and represents 11% of our total 2024 rental revenues. Subsequent to year-end 2024, the Company entered into a lease with immersive entertainment and experience creator, Meow Wolf, to occupy approximately 74,000 square feet of vacant space in Pier 17, inclusive of the space occupied by the expiring lease referenced above. Refer to Note 15 – *Subsequent Events*, in the Notes to Consolidated and Combined Financial Statements included in this Annual Report for additional information. Further, we continue to monitor our lease renewals and occupancy rates.

Inflationary Pressures

Financial results across all our segments may be impacted by inflation. In Landlord Operations, certain of our leases contain rent escalators that increase rent at a fixed amount and may not be sufficient during periods of high inflation. For properties leased to third-party tenants, the impact of inflation on our property and operating expenses is limited as substantially all our leases are net leases, and property-level expenses are generally reimbursed by our tenants. Inflation and increased costs may also have an adverse impact on our tenants and their creditworthiness if the increase in property-level expenses is greater than their increase in revenues. For unleased properties and properties occupied by our restaurants, we are more exposed to inflationary pressures on property and operating expenses. For our Hospitality and Sponsorships, Events, and Entertainment segments, inflationary pressure has a direct impact on our profitability due to increases in our costs, as well as potential reductions in customers that could negatively impact revenue.

Significant Items Impacting Comparability

Impairment. The Company reviews its long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company also periodically evaluates its investments in unconsolidated ventures for recoverability and valuation declines that are other than temporary. During the third quarter of 2023, the Company recorded a \$672.5 million impairment charge related to Seaport properties in the Landlord Operations segment and a \$37.0 million impairment charge related to its investments in unconsolidated ventures in the Hospitality segment. The Company recognized the impairments due to decreases in estimated future cash flows resulting from significant uncertainty of future performance as stabilization and profitability are taking longer than expected, pressure on the current cost structure, decreased demand for office space, as well as an increase in the capitalization rate and a decrease in restaurant multiples used to evaluate future cash flows. The Company used a discounted cash flow analysis to determine the fair value. During the year ended December 31, 2024, the Company

[Table of Contents](#)

recorded a \$10.0 million impairment charge related to its investments in unconsolidated ventures in the Hospitality segment for a write-off of warrants in Jean-George Restaurants.

Separation Costs. The Company incurred pre-tax charges related to the planned separation from HHH, primarily related to legal and consulting costs, of \$23.8 million and \$4.5 million for the years ended December 31, 2024 and 2023, respectively. No costs related to the separation were incurred or recorded in the Combined Statement of Operations for the year ended December 31, 2022.

Shared Service Costs. Prior to the Separation, HHH provided the Company certain services, including (1) certain support functions that were provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. The Company's Consolidated and Combined Financial Statements reflect an allocation of these costs. When specific identification or a direct attribution of costs based on time incurred for the Company's benefit is not practicable, a proportional cost method is used, primarily based on revenue, headcount, payroll costs or other applicable measures. The Company recorded expenses associated with shared services that are not directly attributable to the Company of \$12.8 million, \$13.9 million and \$10.0 million for the years ended December 30, 2024, 2023 and 2022, respectively. In connection with the Separation, the Company entered into a transition services agreement with HHH that provides for the performance of certain services by HHH for our benefit for a period of time after the Separation. The Company recorded expenses associated with this transition services agreement with HHH of \$0.3 million for the year ended December 31, 2024. No costs related to the transition services agreement were incurred or recorded for the years ended December 31, 2023 and 2022.

Results of Operations

Comparison of the Years Ended December 31, 2024 and 2023

The following table sets forth our operating results:

	Years Ended December 31,		Change	
	2024	2023	\$	%
<i>in thousands except percentages</i>				
REVENUES				
Sponsorships, events, and entertainment revenue	\$ 56,153	\$ 60,623	\$ (4,470)	(7)%
Hospitality revenue	29,528	32,951	(3,423)	(10)%
Rental revenue	25,363	22,096	3,267	15%
Other revenue	92	8	84	NM ¹
Total revenue	111,136	115,678	(4,542)	(4)%
EXPENSES				
Sponsorships, events, and entertainment costs	43,757	47,466	(3,709)	(8)%
Hospitality costs	31,002	31,432	(430)	(1)%
Operating costs	44,429	41,219	3,210	8%
Provision for (recovery of) doubtful accounts	2,363	459	1,904	415%
General and administrative	63,269	30,536	32,733	107%
Depreciation and amortization	34,785	48,432	(13,647)	(28)%
Other	—	81	(81)	(100)%
Total expenses	219,605	199,625	19,980	10%
OTHER				
Provision for impairment	—	(672,492)	672,492	(100)%
Other income, net	6,729	33	6,696	NM ¹
Total other	6,729	(672,459)	679,188	(101)%
Operating loss	(101,740)	(756,406)	654,666	(87)%
Interest expense, net	(6,751)	(3,166)	(3,585)	113%
Equity in losses from unconsolidated ventures	(42,571)	(80,633)	38,062	(47)%
Loss on early extinguishment of debt	(1,563)	(47)	(1,516)	NM ¹
Loss before income taxes	(152,625)	(840,252)	687,627	(82)%
Income tax (benefit) expense	—	(2,187)	2,187	(100)%
Net loss	(152,625)	(838,065)	685,440	(82)%
Preferred distributions to noncontrolling interest in subsidiary	(587)	—	(587)	100%
Net loss attributable to common stockholders	\$ (153,212)	\$ (838,065)	\$ 684,853	(82)%

(1) Not Meaningful

[Table of Contents](#)

Net loss attributable to common stockholders decreased \$684.9 million, or 82%, to \$153.2 million for the year ended December 31, 2024, compared to \$838.1 million in the prior-year period, primarily due to a \$672.5 million in impairment charges in the third quarter of 2023, a \$47.6 million decrease in equity in losses from unconsolidated ventures, and a \$13.6 million decrease in depreciation and amortization, partially offset by a \$32.9 million increase in general and administrative costs.

Items Included in Segment Adjusted EBITDA

See Segment Operating Results for discussion of significant variances for revenues and expenses included in Adjusted EBITDA.

Items Excluded from Segment Adjusted EBITDA

The following includes information on the significant variances in expenses and other items not directly related to segment activities.

General and Administrative. General and administrative costs increased \$32.7 million, or 107%, to \$63.3 million for the year ended December 31, 2024, compared to \$30.5 million in the prior-year period. This change was primarily due to a \$19.3 million increase in separation costs, a \$15.8 million increase in personnel and overhead expenses, and a \$0.3 million increase in costs related to various transition services provided by HHH. These increases were partially offset by a \$1.1 million decrease in shared service costs allocated from HHH based on various allocation methodologies and a \$1.6 million decrease in expenses related to the development of the Company's e-commerce platform in the prior-year period that did not occur in the current period.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased \$13.6 million, or 28%, to \$34.8 million for the year ended December 31, 2024, compared to \$48.4 million in the prior-year period. This change was primarily due to a decrease in depreciation expense following the impairment recognized on the Company's buildings and equipment in the third quarter of 2023.

Interest Expense, Net. Interest expense, net, increased \$3.6 million, or 113%, to \$6.8 million for the year ended December 31, 2024, compared to \$3.2 million in the prior-year period. This change is primarily due to a \$7.9 million decrease in amounts capitalized to development assets, partially offset by a \$2.5 million increase in interest expense on secured mortgages payable and a \$1.9 million increase in interest income.

Equity in Losses from Unconsolidated Ventures. Equity in losses from unconsolidated ventures decreased \$38.1 million, or 47%, to \$42.6 million for the year ended December 31, 2024, compared to \$80.6 million in the prior-year period. This change was primarily due to a \$10.0 million impairment recognized in the year ended December 31, 2024 related to Jean-Georges Restaurants and a \$37.0 million impairment recognized in the year ended December 31, 2023 against the carrying value of the Company's investments in unconsolidated ventures, which included \$30.8 million related to Jean-Georges Restaurants, \$5.0 million related to Ssām Bar, and \$1.2 million related to the Tin Building by Jean-Georges. Excluding the impact of the impairments, equity losses decreased \$11.1 million, primarily related to a \$7.7 million decrease for the Tin Building by Jean-Georges, a \$1.2 million decrease in losses for Ssām Bar, which closed in the third quarter of 2023, and a \$1.8 million decrease in losses at The Lawn Club.

Income Tax (Benefit) Expense. The following table summarizes information related to our income taxes:

	Year Ended December 31,		Change	
	2024	2023	\$	%
thousands except percentages				
Income tax (benefit) expense	\$ —	\$ (2,187)	\$ 2,187	(100)%
Loss before income taxes	\$ (152,625)	\$ (840,252)	\$ 687,627	(82)%
Effective income tax rate	0.0% %	0.3 %	N/A	(0.0)%

[Table of Contents](#)

The Company's effective tax rate was 0.0% for the year ended December 31, 2024, compared to 0.3% for the year ended December 31, 2023. The decrease was primarily due to the recording of a valuation allowance on the U.S. consolidated federal and state deferred tax asset balance.

Segment Operating Results

Landlord Operations

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Landlord Operations:

<i>Landlord Operations Adjusted EBITDA</i> <i>in thousands except percentages</i>	Years Ended December 31,		Change	
	2024	2023	\$	%
Rental revenue	\$ 25,363	\$ 22,096	\$ 3,267	15%
Other revenue	92	8	84	NM ¹
Total revenues	25,455	22,104	3,351	15%
Operating costs	(34,254)	(31,543)	(2,711)	9%
Provision for doubtful accounts	(26)	(80)	54	(68)%
Total operating expenses	(34,280)	(31,623)	(2,657)	8%
Other income, net	2,065	8	2,057	NM ¹
Total expenses	(32,215)	(31,615)	(600)	2%
Adjusted EBITDA	\$ (6,760)	\$ (9,511)	\$ 2,751	(29)%

⁽¹⁾ Not Meaningful

Landlord Operations Adjusted EBITDA loss decreased \$2.8 million compared to the prior-year period primarily due to the following:

Rental Revenue.

Rental revenue increased \$3.3 million, or 15%, to \$25.4 million for the year ended December 31, 2024, compared to \$22.1 million in the prior-year period. This change was primarily driven by a \$5.2 million increase in rental revenue at the Fulton Market Building due to the commencement of the Alexander Wang lease at the end of 2023 and a \$0.4 million increase at the Tin Building. This increase was partially offset by a \$1.7 million decrease at Schermerhorn Row and a \$0.6 million decrease at Pier 17 mainly due to decreased occupancy and percent rents.

Operating Costs.

Operating costs increased \$2.7 million, or 9%, to \$34.3 million for the year ended December 31, 2024, compared to \$31.5 million in the prior year period. This change was primarily due to a \$1.2 million increase in professional services fees and a \$1.4 million increase in utilities, maintenance and cleaning costs.

Other Income, Net.

Other income, net increased \$2.1 million to \$2.1 million for the year ended December 31, 2024, compared to an immaterial amount in the prior year period. This Other income primarily represents a \$2.0 million legal settlement in the year ended December 31, 2024.

Non-GAAP Measure

Landlord Operations Net Operating Income

In addition to the required presentations using GAAP, we use certain non-GAAP performance measures, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations, and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change.

Landlord Operations Net Operating Income (“Landlord Operations NOI”) is a non-GAAP supplemental measure that we believe is useful in measuring the period-over-period performance of our Landlord Operations segment. As Landlord Operations NOI reflects the revenues and expenses directly associated with owning and operating real estate properties, variances between years in Landlord Operations NOI typically result from changes in rental rates, occupancy, tenant mix, and operating expenses. We define Landlord Operations NOI as operating revenues (rental income, tenant recoveries, and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing, and other property expenses). Landlord Operations NOI excludes straight-line rents and amortization of tenant incentives, net; interest expense, net; ground rent amortization; other income (loss); expenses for concepts that did not proceed to completion; depreciation and amortization; development-related marketing costs; gain on sale or disposal of real estate and other assets, net; provision for impairment and equity in earnings (losses) from unconsolidated ventures.

Although we believe that Landlord Operations NOI provides useful information to investors about the performance of our Landlord Operations segment, due to the exclusions noted above, Landlord Operations NOI should only be used as an additional measure of the financial performance of such assets and not as an alternative to GAAP net income.

Reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI:

<i>Landlord Operations NOI</i> <i>in thousands except percentages</i>	Years Ended December 31,		Change	
	2024	2023	\$	%
Landlord Operations Adjusted EBITDA	\$ (6,760)	\$ (9,511)	\$ 2,751	(29)%
Adjustments:				
Impact of straight-line rent	2,876	2,453	423	17%
Other	(14)	74	(88)	(119)%
Landlord Operations NOI	\$ (3,898)	\$ (6,984)	\$ 3,086	(44)%

Landlord Operations NOI losses decreased \$3.1 million compared to the prior-year period, primarily due to the increase in rental revenue and other income, net, partially offset by the increase in operating costs as mentioned above.

Hospitality

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Hospitality:

<i>Hospitality Adjusted EBITDA</i> <i>in thousands except percentages</i>	Years Ended December 31,		Change	
	2024	2023	\$	%
Hospitality revenue	\$ 29,528	\$ 32,951	\$ (3,423)	(10)%
Total revenues	29,528	32,951	(3,423)	(10)%
Hospitality costs	(31,002)	(31,432)	430	(1)%
Operating costs	(3,824)	(4,224)	400	(9)%
Provision for doubtful accounts	(140)	(42)	(98)	233%
Total operating expenses	(34,966)	(35,698)	732	(2)%
Other income, net	4,496	31	4,465	NM ⁽¹⁾
Total expenses	(30,470)	(35,667)	5,197	(15)%
Adjusted EBITDA	<u>\$ (942)</u>	<u>\$ (2,716)</u>	<u>\$ 1,774</u>	<u>(65)%</u>

(1) Not Meaningful

Hospitality Adjusted EBITDA loss decreased \$1.8 million compared to the prior-year period primarily due to the following:

Hospitality Revenue.

Hospitality revenue decreased \$3.4 million, or 10%, to \$29.5 million for the year ended December 31, 2024, compared to \$33.0 million in the prior-year period. This change was primarily due to a \$1.6 million decrease related to reduced restaurant performance, primarily at The Fulton, Carne Mare, and Malibu Farms, and a \$1.8 million decrease related to small popups and short-term activations in the Cobble & Co and Garden Bar spaces in 2023, with no similar activity in 2024. The reduced restaurant performance was primarily related to poor weather conditions in the first quarter of 2024.

Hospitality Costs.

Hospitality costs decreased \$0.4 million, or 1%, to \$31.0 million for the year ended December 31, 2024, compared to \$31.4 million in the prior-year period, primarily due to decreases in variable costs such as food and beverage costs and labor costs.

Other Income, Net.

Other income, net, was \$4.5 million for the year ended December 31, 2024, compared to an immaterial amount in the prior-year period. This Other income primarily represents reimbursements from CCMC received in 2024 relating to prior period operating expenses.

Sponsorships, Events, and Entertainment

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Sponsorships, Events, and Entertainment:

<i>Sponsorships, Events, and Entertainment Adjusted EBITDA</i> <i>in thousands except percentages</i>	Years Ended December 31,		Change	
	2024	2023	\$	%
Sponsorships, events, and entertainment revenue	\$ 56,153	\$ 60,623	\$ (4,470)	(7)%
Total revenues	56,153	60,623	(4,470)	(7)%
Sponsorships, events, and entertainment costs	(43,757)	(47,466)	3,709	(8)%
Operating costs	(6,351)	(5,452)	(899)	16%
Provision for doubtful accounts	(2,197)	(337)	(1,860)	NM ¹
Total operating expenses	(52,305)	(53,255)	950	(2)%
Other income, net	168	(6)	174	NM ¹
Total expenses	(52,137)	(53,261)	1,124	(2)%
Adjusted EBITDA	\$ 4,016	\$ 7,362	\$ (3,346)	(45)%

(1) Not Meaningful

Sponsorships, Events, and Entertainment Adjusted EBITDA decreased \$3.3 million compared to the prior-year period primarily due to the following:

Sponsorships, Events, and Entertainment Revenue.

Sponsorships, events, and entertainment revenue decreased \$4.5 million, or 7%, to \$56.2 million for the year ended December 31, 2024, compared to \$60.6 million in the prior-year period. This change was primarily due to a \$2.2 million decrease in concession sales and ticket sales at the Las Vegas Ballpark, primarily related to reduced attendance compared to 2023, a \$2.2 million decrease in revenue related to a Winterland Skating concept at the Seaport in 2023 that was not repeated in 2024, and a \$1.1 million decrease in concert series revenue at the Seaport. These decreases were partially offset by a \$0.5 million increase in sponsorship revenue at the Seaport due to the execution of four new sponsorship agreements in the first half of 2024, a \$0.3 million increase in private event revenue at the Seaport, and a \$0.2 million increase in special event revenue at the Las Vegas Ballpark.

Sponsorships, Events, and Entertainment Costs.

Sponsorships, events, and entertainment costs decreased \$3.7 million, or 8%, to \$43.8 million for the year ended December 31, 2024, compared to \$47.5 million in the prior-year period. This change was primarily due to a \$2.5 million decrease in breakdown and removal costs associated with the seasonal Winterland Skating concept at the Seaport in 2023, a \$2.5 million decrease in costs associated with the Las Vegas Ballpark, primarily due to lower cost of sales and labor costs as expected with lower attendance and lower concessions revenue. These decreases were partially offset by a \$1.0 million increase in costs associated with the concert series at the Seaport and a \$0.4 million increase in costs associated with special events at the Las Vegas Ballpark primarily due to increased variable costs associated with higher special event revenue in the current period.

Operating Costs.

Operating costs increased \$0.9 million, or 16%, to \$6.4 million for the year ended December 31, 2024, compared to \$5.5 million in the prior-year period. This change was primarily due to a \$0.3 million increase in insurance expense and a \$0.5 million increase in charitable donations.

Provision for Doubtful Accounts.

Provision for doubtful accounts increased \$1.9 million to \$2.2 million for the year ended December 31, 2024, compared to \$0.3 million in the prior-year period, primarily due to a \$0.8 million reserve associated with the Winterland

[Table of Contents](#)

Skating concept at the Seaport in 2023, a \$0.6 million reserve associated with special events at the Las Vegas Ballpark, and a \$0.4 million reserve associated with operations at the Las Vegas Ballpark.

Other Income, Net.

Other income, net, increased to \$0.2 million for the year ended December 31, 2024, compared to an immaterial amount in the prior-year period, primarily due to other income associated with rooftop concessions at the Seaport during the year ended December 31, 2024.

Comparison of the Years Ended December 31, 2023 and 2022

The following table sets forth our operating results:

	Year Ended December 31,		Change	
	2023	2022	\$	%
<i>thousands except percentages</i>				
REVENUES				
Sponsorships, events, and entertainment revenue	\$ 60,623	\$ 55,724	\$ 4,899	9 %
Hospitality revenue	32,951	42,565	(9,614)	(23)%
Rental revenue	22,096	19,810	2,286	12 %
Other revenue	8	947	(939)	(99)%
Total revenue	115,678	119,046	(3,368)	(3)%
EXPENSES				
Sponsorships, events, and entertainment costs	47,466	38,764	8,702	22 %
Hospitality costs	31,432	38,037	(6,605)	(17)%
Operating costs	41,219	44,048	(2,829)	(6)%
Provision for doubtful accounts	459	1,412	(953)	(67)%
General and administrative	30,536	16,977	13,559	80 %
Depreciation and amortization	48,432	47,356	1,076	2 %
Other	81	58	23	40 %
Total expenses	199,625	186,652	12,973	7 %
OTHER				
Provision for impairment	(672,492)	—	(672,492)	NM ¹
Other income, net	33	935	(902)	(96)%
Total other	(672,459)	935	(673,394)	NM¹
Operating loss	(756,406)	(66,671)	(689,735)	NM¹
Interest expense, net	(3,166)	(4,013)	847	21 %
Equity in losses from unconsolidated ventures	(80,633)	(37,124)	(43,509)	(117)%
Loss on extinguishment of debt	(47)	—	(47)	NM ¹
Loss before income taxes	(840,252)	(107,808)	(732,444)	(679)%
Income tax (benefit) expense	(2,187)	3,469	(5,656)	(163)%
Net loss	\$ (838,065)	\$ (111,277)	\$ (726,788)	(653)%

(1) Not Meaningful

Net loss increased \$726.8 million, or 653%, to \$838.1 million for the year ended December 31, 2023, compared to \$111.3 million in the prior-year period, primarily due to the \$672.5 million increase in impairment charges, the \$43.5 million increase in equity losses from unconsolidated ventures, and the \$13.6 million increase in general and administrative costs.

Items Included in Segment Adjusted EBITDA

See Segment Operating Results for discussion of significant variances for revenues and expenses included in Adjusted EBITDA.

Items Excluded from Segment Adjusted EBITDA

The following includes information on the significant variances in expenses and other items not directly related to segment activities.

General and Administrative. General and administrative costs increased \$13.6 million, or 80%, to \$30.5 million for the year ended December 31, 2023, compared to \$17.0 million in the prior-year period. This change was primarily due to a \$4.5 million increase in separation costs, a \$3.6 million increase in shared service costs allocated from HHH based on various allocation methodologies, a \$3.3 million increase in personnel and overhead expenses, a \$1.6 million increase in expenses related to the development of the Company's e-commerce platform, and a \$0.6 million increase in rent expense related to the corporate office lease.

Depreciation and Amortization Expense. Depreciation and amortization expense increased \$1.1 million, or 2%, to \$48.4 million for the year ended December 31, 2023, compared to \$47.4 million in the prior-year period. This change was primarily due to an increase of \$1.7 million related to our Landlord Operations properties as a result of an increase in depreciation for the Tin Building, which was completed and placed in service in the third quarter of 2022, partially offset by a decrease in depreciation expense following the impairment recognized on the Company's buildings and equipment in the third quarter of 2023.

Provision for Impairment. Provision for impairment for the year ended December 31, 2023, includes a \$672.5 million impairment charge related to long-lived assets located at the Seaport. No impairment was recorded for the year ended December 31, 2022. Refer to the Significant Items Impacting Comparability section above for additional detail.

Interest Expense, Net. Interest expense, net decreased \$0.8 million, or 21%, to \$3.2 million for the year ended December 31, 2023, compared to \$4.0 million in the prior-year period. This change is primarily due to, a \$4.5 million increase in amounts capitalized to development assets and a \$0.2 million increase in interest income, offset by a \$3.9 million increase in interest expense on secured mortgages payable.

Equity in Losses from Unconsolidated Ventures. Equity losses from unconsolidated ventures increased \$43.5 million, or 117%, to \$80.6 million for the year ended December 31, 2023, compared to \$37.1 million in the prior-year period. This change was primarily due to a \$37.0 million impairment recognized in 2023 against the carrying value of the Company's investments in unconsolidated ventures, which included \$30.8 million related to Jean-Georges Restaurants, \$5.0 million related to Ssäm Bar, and \$1.2 million related to the Tin Building by Jean-Georges. Excluding the impact of the impairment, equity losses increased \$6.5 million, primarily related to a \$4.7 million increase for the Tin Building by Jean-Georges, which opened in the third quarter of 2022, and a \$1.3 million increase related to the Lawn Club, which opened in the fourth quarter of 2023.

Income Tax (Benefit) Expense. The following table summarizes information related to our income taxes:

	Year Ended December 31,		Change	
	2023	2022	\$	%
thousands except percentages				
Income tax (benefit) expense	\$ (2,187)	\$ 3,469	\$ (5,656)	(163)%
Loss before income taxes	\$ (840,252)	\$ (107,808)	\$ (732,444)	(679)%
Effective income tax rate	0.3 %	(3.2)%	N/A	3.5 %

The Company's effective tax rate was 0.3% for the year ended December 31, 2023, compared to (3.2%) for the year ended December 31, 2022. The increase was primarily due to the recording of a valuation allowance on the US consolidated federal and state deferred tax asset balance.

Segment Operating Results

Landlord Operations

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Landlord Operations:

<i>Landlord Operations</i> Adjusted EBITDA <i>thousands except percentages</i>	Year Ended December 31,		Change	
	2023	2022	\$	%
Rental revenue	\$ 22,096	\$ 19,810	\$ 2,286	12 %
Other revenue	8	932	(924)	(99)%
Total revenues	22,104	20,742	1,362	7 %
Operating costs	(31,543)	(34,087)	2,544	7 %
Provision for doubtful accounts	(80)	(1,090)	1,010	93 %
Total operating expenses	(31,623)	(35,177)	3,554	10 %
Other income, net	8	457	(449)	(98)%
Total expenses	(31,615)	(34,720)	3,105	9 %
Adjusted EBITDA	\$ (9,511)	\$ (13,978)	\$ 4,467	32 %

Landlord Operations Adjusted EBITDA loss decreased \$4.5 million compared to the prior-year period primarily due to the following:

Rental Revenue. Rental revenue increased \$2.3 million, or 12%, to \$22.1 million for the year ended December 31, 2023, compared to \$19.8 million in the prior-year period. This change was primarily driven by a \$6.6 million increase in rental revenue due to the completion of the Tin Building and the commencement of the lease to the Tin Building by Jean-Georges joint venture in the third quarter of 2022, partially offset by a \$2.9 million decrease in rental revenue at the Fulton Market Building primarily due to the reversal of a tenant reserve in 2022, with no similar activity in 2023.

Other Revenue. Other revenue decreased \$0.9 million, or 99%, to \$8 thousand for the year ended December 31, 2023, compared to \$0.9 million in the prior-year period. This change was primarily due to the recognition of parking revenue at 250 Water Street in the first half of 2022, with no similar activity in 2023, as parking operations were suspended upon the commencement of voluntary site remediation work in the second quarter of 2022.

Operating Costs. Operating costs decreased \$2.5 million, or 7%, to \$31.5 million for the year ended December 31, 2023, compared to \$34.1 million in the prior year period. This change was primarily due to a \$2.3 million decrease related to the write off of costs for concepts that did not proceed to completion in 2022, without similar activity in 2023, and a decrease of \$1.4 million in utilities costs, partially offset by a \$1.0 million increase in insurance expense.

Provision for Doubtful Accounts. Provision for doubtful accounts decreased \$1.0 million, or 93%, to \$0.1 million for the year ended December 31, 2023, compared to \$1.1 million in the prior-year period, primarily due to the recognition of a tenant reserve at Fulton Market Building in 2022, with no similar activity in 2023.

Other Income, Net. Other income, net, decreased \$0.5 million, or 98%, to \$8 thousand for the year ended December 31, 2023, compared to \$0.5 million in the prior-year period, primarily due to the receipt of insurance reimbursements in 2022, with no similar activity in 2023.

[Table of Contents](#)

Non-GAAP Measure

Landlord Operations Net Operating Income

Refer to the Non-GAAP Measure discussion above for additional information and disclosure on the usefulness, relevance, limitations, and calculation of Landlord Operations Net Operating Income. A reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI is presented in the table below.

A reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI:

<i>Landlord Operations NOI</i> <i>thousands except percentages</i>	<u>Year Ended December 31,</u>		<u>Change</u>	
	<u>2023</u>	<u>2022</u>	<u>\$</u>	<u>%</u>
Landlord Operations Adjusted EBITDA	\$ (9,511)	\$ (13,978)	\$ 4,467	32 %
Adjustments:				
Impact of straight-line rent	2,453	961	1,492	155 %
Other	74	2,405	(2,331)	(97)%
Landlord Operations NOI	\$ (6,984)	\$ (10,612)	\$ 3,628	34 %

Landlord Operations NOI losses decreased \$3.6 million compared to the prior-year period, primarily due to increased rental revenue related to the opening of the Tin Building in the third quarter of 2022 and a decrease in provision for doubtful accounts related to the recognition of a tenant reserve at the Fulton Market Building in 2022, with no similar activity in 2023.

Hospitality

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Hospitality:

<i>Hospitality Adjusted EBITDA</i> <i>thousands except percentages</i>	<u>Year Ended December 31,</u>		<u>Change</u>	
	<u>2023</u>	<u>2022</u>	<u>\$</u>	<u>%</u>
Hospitality revenue	\$ 32,951	\$ 42,565	\$ (9,614)	(23)%
Other revenue	—	15	(15)	(100)%
Total revenues	32,951	42,580	(9,629)	(23)%
Hospitality costs	(31,432)	(38,037)	6,605	17 %
Operating costs	(4,224)	(4,893)	669	14 %
Provision for doubtful accounts	(42)	(165)	123	75 %
Total operating expenses	(35,698)	(43,095)	7,397	17 %
Other income, net	31	19	12	63 %
Total expenses	(35,667)	(43,076)	7,409	17 %
Adjusted EBITDA	\$ (2,716)	\$ (496)	\$ (2,220)	(448)%

Hospitality Adjusted EBITDA loss increased \$2.2 million compared to the prior-year period primarily due to the following:

Hospitality Revenue. Hospitality revenue decreased \$9.6 million, or 23%, to \$33.0 million for the year ended December 31, 2023, compared to \$42.6 million in the prior-year period. Hospitality revenue decreased \$3.3 million due to the closure of the Cobble & Co. concept at Museum Block in the fourth quarter of 2022, with only small popups and short-term activations utilizing the space during 2023. Hospitality revenue also decreased \$3.6 million due to concept changes and reduced 2023 activity on The Rooftop at Pier 17. In 2022, The Rooftop hosted the APEfest event, various private event buyouts, and activated the R17 concept, compared to fewer private events and lower usage of the R17 concept in 2023. Revenue related to our other restaurant concepts, primarily Malibu Farms, The Fulton, Carne Mare, and Pearl

[Table of Contents](#)

Alley, decreased \$2.6 million due to poor weather conditions, and fewer restaurant buyouts and private events throughout 2023. The impact of poor weather is evidenced by a 63% increase in total rainfall during the peak visitation months of May through September and an 80% increase in total rainfall during the peak days of Friday through Sunday. The business also experienced a partial closure of outdoor operations in June 2023 due to air quality impacts associated with Canadian wildfires that affected large portions of the Mid-Atlantic and Northeast.

Hospitality Costs. Hospitality costs decreased \$6.6 million, or 17%, to \$31.4 million for the year ended December 31, 2023, compared to \$38.0 million in the prior-year period, primarily due to decreases in variable costs such as food and beverage costs and labor costs, which are generally in line with the decrease in Hospitality revenue.

Operating Costs. Operating costs decreased \$0.7 million, or 14%, to \$4.2 million for the year ended December 31, 2023, compared to \$4.9 million in the prior-year period, primarily due to a decrease in state business taxes.

Sponsorships, Events, and Entertainment

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Sponsorships, Events, and Entertainment:

<i>Sponsorships, Events, and Entertainment Adjusted EBITDA</i> <i>thousands except percentages</i>	Year Ended December 31,		Change	
	2023	2022	\$	%
Sponsorships, events, and entertainment revenue	\$ 60,623	\$ 55,724	\$ 4,899	9 %
Total revenues	60,623	55,724	4,899	9 %
Sponsorships, events, and entertainment costs	(47,466)	(38,764)	(8,702)	(22)%
Operating costs	(5,452)	(5,068)	(384)	(8)%
Provision for doubtful accounts	(337)	(157)	(180)	(115)%
Total operating expenses	(53,255)	(43,989)	(9,266)	(21)%
Other income, net	(6)	459	(465)	(101)%
Total expenses	(53,261)	(43,530)	(9,731)	(22)%
Adjusted EBITDA	\$ 7,362	\$ 12,194	\$ (4,832)	(40)%

Sponsorships, Events, and Entertainment Adjusted EBITDA income decreased \$4.8 million compared to the prior-year period primarily due to the following:

Sponsorships, Events, and Entertainment Revenue. Sponsorships, events, and entertainment revenue increased \$4.9 million, or 9%, to \$60.6 million for the year ended December 31, 2023, compared to \$55.7 million in the prior-year period. This change was primarily due to a \$1.3 million increase in Aviators baseball and special event ticket sales, a \$1.4 million increase in concession sales at the Las Vegas Ballpark, a \$0.8 million increase in Seaport concert ticket sales, a \$0.4 million increase in sponsorship revenue at the Seaport, and a \$1.4 million increase in event revenue, primarily related to the Winterland Skating concept offered on the Pier 17 rooftop during the fourth quarter of 2023, that was not offered in 2022. These increases were partially offset by a \$0.5 million decrease in concerts and event concessions revenue at the Seaport.

Sponsorships, Events, and Entertainment Costs. Sponsorships, events, and entertainment costs increased \$8.7 million, or 22%, to \$47.5 million for the year ended December 31, 2023, compared to \$38.8 million in the prior year period. This change was primarily due to a \$5.0 million increase in costs associated with the Aviators baseball season and special events at the Aviators ballpark, primarily due to increases in labor costs, concessions costs, and other various event related costs, a portion of which is associated with hosting the Major League Baseball Big League Weekend in 2023, with no similar event in 2022. In addition, there was an increase of \$2.8 million at the Seaport related to the Winterland Skating concept offered in 2023, and an increase of \$0.6 million related to the Seaport concert series, primarily due to increases in production costs.

Operating Costs. Operating costs increased \$0.4 million, or 8%, to \$5.5 million for the year ended December 31, 2023, compared to \$5.1 million in the prior year period. This change was primarily due to a \$0.5 million increase in real

estate and sales and use tax, a \$0.3 million increase in advertising cost, and a \$0.2 million increase in consulting and professional service fees, partially offset by a \$0.5 million decrease in insurance expense.

Other Income, Net. Other income, net, decreased \$0.5 million, to a loss of \$6 thousand for the year ended December 31, 2023, compared to income of \$0.5 million in the prior-year period, primarily due to the receipt of insurance reimbursements in 2022, with no similar activity in 2023.

Liquidity and Capital Resources

Prior to the Separation, we operated as a division within HHH's consolidated structure, which uses a centralized approach to cash management and financing of our operations. This arrangement is not reflective of the manner in which we would have financed our operations had we been an independent, publicly traded company during the entirety of the periods presented. The cash and cash equivalents held by HHH at the corporate level are not specifically identifiable to us and, therefore, have not been reflected in our Consolidated and Combined Financial Statements. As of December 31, 2024 and December 31, 2023, our cash and cash equivalents were \$165.7 million and \$1.8 million, respectively. As of December 31, 2024 and December 31, 2023, our restricted cash was \$2.2 million and \$42.0 million, respectively. Restricted cash is segregated in escrow accounts related to payment of principal and interest on the Company's outstanding mortgages payable. In August 2024, following the final resolution of the 250 Water Street litigation, the escrow amount of \$40 million related to 250 Water Street was released to the City of New York. See Note 8 – *Commitments and Contingencies* in the Notes to Consolidated and Combined Financial Statements, included in this Annual Report for additional information on the 250 Water Street litigation.

HHH's third-party long-term debt and the related interest expense have not been allocated to us for any of the periods presented as we were not the legal obligor nor were we a guarantor of such debt. As of December 31, 2024 and December 31, 2023, we had third-party mortgages payable of \$102.4 million and \$158.0 million, respectively, related to our 250 Water Street development, a variable-rate mortgage which requires monthly installments of only interest, and the Las Vegas Ballpark, a fixed-rate mortgage which requires semi-annual installments of principal and interest. See Note 6 – *Mortgages Payable, Net* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report for additional information. As of December 31, 2024 and December 31, 2023, the Company's secured mortgage loans did not have any undrawn lender commitment available to be drawn for property development. In connection with the Separation, on July 31, 2024, the variable rate mortgage related to 250 Water Street was refinanced, with HHH paying down \$53.7 million of the outstanding principal balance and SEG refinancing the remaining \$61.3 million at an interest rate of SOFR plus a margin of 4.5% and with a scheduled maturity date of July 1, 2029. On January 1, 2025, the mortgage loan on 250 Water Street was amended, increasing the stated margin rate from 5.0% to 7.0%. See Note 15 – *Subsequent Events* in the Notes to Consolidated and Combined Financial Statements, included in this Annual Report for additional information on the 250 Water Street mortgage loan amendment.

Following the Separation, our capital structure and sources of liquidity have changed from our historical capital structure because HHH is no longer financing our operations, investments in joint ventures, and development and redevelopment projects. Our development and redevelopment opportunities are capital intensive and will require significant additional funding, if and when pursued. Our ability to fund our operating needs and development and redevelopment projects will depend on our future ability to continue to manage cash flow from operating activities, and on our ability to obtain debt or equity financing on acceptable terms. In addition, we typically must provide completion guarantees to lenders in connection with their financing for our development and redevelopment projects. Additionally, on July 31, 2024, a subsidiary of HHH that became our subsidiary in connection with the Separation, issued 10,000 shares of 14.000% Series A preferred stock, par value \$0.01 per share, with an aggregate liquidation preference of \$10.0 million. Management believes that our existing cash balances and restricted cash balances, along with access to capital markets, taken as a whole, provide (i) adequate liquidity to meet all of our current and long-term obligations when due, including our third-party mortgages payable, and (ii) adequate liquidity to fund capital expenditures and development and redevelopment projects. However, our access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including (1) our credit ratings, including the lowering of any of our credit ratings, or absence of a credit rating, (2) the liquidity of the overall capital markets, and (3) the current state of the economy and, accordingly, there can be no assurances that we will be able to obtain additional debt or equity financing on acceptable terms in the future, or at all, which could have a negative impact on our liquidity and capital resources. The cash flows

[Table of Contents](#)

presented in our Consolidated and Combined Statement of Cash Flows may not be indicative of the cash flows we would have recognized had we operated as a standalone publicly traded company for the periods presented.

Prior to the Separation, HHH contributed additional cash to the Company in order to fund its operations until a permanent capital structure was finalized. However, we do not expect HHH to have an ongoing long-term relationship with the Company and HHH will not have any ongoing financial commitments to the Company.

On October 17, 2024, we completed our previously announced rights offering, in which we distributed to holders of our common stock transferable subscription rights to purchase up to an aggregate of 7,000,000 shares of common stock at a subscription price of \$25.00 per whole share. As a result of the rights offering, we issued 7,000,000 shares of common stock for gross proceeds of \$175.0 million. The rights offering generated net proceeds to us of approximately \$166.8 million after deducting approximately \$8.2 million in offering expenses.

Cash Flows

The following table sets forth a summary of our cash flows:

<i>thousands</i>	Years Ended December 31,		
	2024	2023	2022
Cash used in operating activities	\$ (52,700)	\$ (50,780)	\$ (29,551)
Cash used in investing activities	(102,881)	(108,302)	(198,032)
Cash provided by financing activities	279,581	136,214	237,412

Operating Activities

Cash used in operating activities increased \$1.9 million to \$52.7 million in the year ended December 31, 2024, compared to \$50.8 million in the prior-year period. The increase in cash used in operating activities was primarily due to increased costs incurred in the year ended December 31, 2024 related to the Separation from HHH, with no similar activity in the prior-year period, offset by decreases in cash used in operating activities at our segments.

Cash used in operating activities increased \$21.2 million to \$50.8 million in 2023, compared to \$29.6 million in the prior-year period. The increase in cash used in operating activities was primarily due to a \$13.8 million security deposit payment related to the refinancing of the mortgage payable for 250 Water Street in 2023, and an increase in cash used in operating activities at our segments.

While we have historically used cash in operating activities, we expect that the additional liquidity provided by the Rights Offering will provide sufficient capital to fund operations until such time that we may generate cash from operating activities.

Investing Activities

Cash used in investing activities decreased \$5.4 million to \$102.9 million in the year ended December 31, 2024, compared to \$108.3 million in the prior-year period. The decrease in cash used in investing activities was primarily related to decreases in investments in operating property improvements, property development, and funding of operating costs related to the Tin Building by Jean-Georges, partially offset by restricted cash released from escrow related to the 250 Water Street development in the year ended December 31, 2024.

Cash used in investing activities was \$108.3 million in 2023, compared to \$198.0 million in 2022. The decrease was primarily related to a decrease in property development costs related to 250 Water Street, and decreased funding of operating costs related to the Tin Building by Jean-Georges joint venture.

Financing Activities

Cash provided by financing activities increased \$143.4 million to \$279.6 million in the year ended December 31, 2024, compared to \$136.2 million in the prior-year period, primarily due to the proceeds received from the Rights Offering in the year ended December 31, 2024 and an increase in the net transfers provided by HHH prior to the Separation to fund the operating and investing activities explained above.

Cash provided by financing activities was \$136.2 million in 2023, compared to \$237.4 million in 2022. The decrease in cash provided by financing activities was primarily due to a decrease in the net transfers provided by HHH prior to the Separation, partially offset by the impact of the cash provided by the refinancing of mortgage payable related to 250 Water Street during fiscal year 2023. The decrease in net transfers provided by HHH in 2023 was primarily due to the decrease in funds needed to carry out the operating and investing activities explained above.

Contractual Obligations

We have material contractual obligations that arise in the normal course of business. Contractual obligations entered into prior to the Separation may not be representative of our future contractual obligations profile as an independent, publicly traded company. Our pre-Separation contractual obligations do not reflect changes that we expect to experience in the future as a result of the Separation, such as contractual arrangements that we may enter into in the future that were historically entered into by the HHH for shared services.

We have outstanding mortgages payable related to the 250 Water Street development and Las Vegas Ballpark, which are collateralized by certain of the Company's real estate assets. A summary of our mortgages payable as of December 31, 2024, and December 31, 2023 can be found in Note 6 – *Mortgages Payable, Net* in the Notes to Consolidated and Combined Financial Statements, included in this Annual Report.

We lease land or buildings at certain properties from third parties. Rental payments are expensed as incurred and have been, to the extent applicable, straight-lined over the term of the lease. Contractual rental expense was \$6.6 million, \$6.7 million and \$6.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. The amortization of straight-line rents included in the contractual rent amount was \$2.0 million, \$2.5 million and \$2.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. A summary of our lease obligations as of December 31, 2024 and 2023, can be found in Note 11 – *Leases* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make informed judgments, assumptions and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates.

We believe that of our significant accounting policies, which are described in Note 1 – *Summary of Significant Accounting Policies* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report, the accounting policies below involves a greater degree of judgment and complexity. Accordingly, we believe these are the most critical to understand and evaluate fully our financial condition and results of operations.

Impairments

Methodology

We review our long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Although the carrying amount may exceed the estimated fair value of certain properties, a real estate asset is only considered to be impaired when its carrying amount is not expected

to be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated fair value is expensed to operations and the carrying amount of the asset is reduced. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset.

Judgments and Uncertainties

An impairment loss is recognized if the carrying amount of an asset is not recoverable and exceeds its fair value. The cash flow estimates used both for determining recoverability and estimating fair value are inherently judgmental and reflect current and projected trends in rental, occupancy, pricing, development costs, sales pace and capitalization rates, selling costs, and estimated holding periods for the applicable assets. As such, the evaluation of anticipated cash flows is highly subjective and is based in part on assumptions that could differ materially from actual results in future periods. Unfavorable changes in any of the primary assumptions could result in a reduction of anticipated future cash flows and could indicate property impairment. Uncertainties related to the primary assumptions could affect the timing of an impairment. While we believe our assumptions are reasonable, changes in these assumptions may have a material impact on our financial results.

Variable Interest Entities

Methodology

Our Consolidated and Combined Financial Statements include all of our accounts, including our majority owned and controlled subsidiaries and VIEs for which we are the primary beneficiary. The Company was not the primary beneficiary of any VIEs during the years ended December 31, 2024, 2023 and 2022, and, therefore, the Company does not consolidate any VIEs in which it holds a variable interest.

Judgments and Uncertainties

The Company determines whether it is the primary beneficiary of a VIE upon initial involvement with a VIE and reassesses whether it is the primary beneficiary of a VIE on an ongoing basis. The determination of whether an entity is a VIE and whether the Company is the primary beneficiary of a VIE is based upon facts and circumstances for the VIE and requires significant judgments such as whether the entity is a VIE, whether the Company's interest in a VIE is a variable interest, the determination of the activities that most significantly impact the economic performance of the entity, whether the Company controls those activities, and whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

As of December 31, 2024, the Company had a variable interest in Tin Building by Jean-Georges and as of December 31, 2023, the Company had a variable interest in Tin Building by Jean-Georges and Ssām Bar. The Ssām Bar restaurant closed during the third quarter of 2023, and the venture was liquidated in May 2024. The Company determined that it was not the primary beneficiary of the VIEs as of December 31, 2024 and 2023, as the Company did not have the power to direct the activities of the VIEs that most significantly impact the VIE's economic performance. Therefore, the Company accounted for its investment in the VIEs in accordance with the equity method. As of January 1, 2025, in conjunction with the internalization of food and beverage operations, the Company, through employing the management team personnel and directing the operating activities that most significantly impact the economic performance of the Tin Building by Jean-George, became the primary beneficiary. Refer to Note 15 – *Subsequent Events* for additional detail.

Investments in Unconsolidated Ventures

Methodology

The Company's investments in unconsolidated ventures are accounted for under the equity method to the extent that, based on contractual rights associated with the investments, the Company can exert significant influence over a venture's operations. Under the equity method, the Company's investment in the venture is recorded at cost and is subsequently

[Table of Contents](#)

adjusted to recognize the Company's allocable share of the earnings or losses of the venture. Dividends and distributions received by the business are recognized as a reduction in the carrying amount of the investment.

The Company evaluates its equity method investments for significance in accordance with Regulation S-X, Rule 3-09 and Regulation S-X, Rule 4-08(g) and presents separate annual financial statements or summarized financial information, respectively, as required by those rules. The Company is required to file audited financial statements of the Fulton Seafood Market, LLC for the years ended December 31, 2024 and December 31, 2022. The Company's investment in the Fulton Seafood Market, LLC does not meet the threshold necessary for disclosure of audited financial statements in 2023, however for comparability, audited financial statements of Fulton Seafood Market, LLC for the years ended December 31, 2024, 2023 and 2022 are attached as exhibits to this Annual Report.

For investments in ventures where the Company has virtually no influence over operations and the investments do not have a readily determinable fair value, the business has elected the measurement alternative to carry the securities at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the issuer.

Judgments and Uncertainties

Generally, joint venture operating agreements provide that assets, liabilities, funding obligations, profits and losses, and cash flows are shared in accordance with ownership percentages. For certain equity method investments, various provisions in the joint venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated ownership or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities. For these investments, the Company recognizes income or loss based on the joint venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing percentage.

Capitalization of Development Costs

Methodology

Development costs, which primarily include direct costs related to placing the asset in service associated with specific development properties, are capitalized as part of the property being developed. Construction and improvement costs incurred in connection with the development of new properties, or the redevelopment of existing properties are capitalized before they are placed into service. Costs include planning, engineering, design, direct material, labor and subcontract costs. Real estate taxes, utilities, direct legal and professional fees related to the sale of a specific unit, interest, insurance costs and certain employee costs incurred during construction periods are also capitalized. Capitalization commences when the development activities begin and cease when a project is completed, put on hold or at the date that the Company decides not to move forward with a project. Capitalized costs related to a project where the Company has determined not to move forward are expensed if they are not deemed recoverable. Capitalized interest costs are based on qualified expenditures and interest rates in place during the construction period. Demolition costs associated with redevelopments are expensed as incurred unless the demolition was included in the Company's development plans and imminent as of the acquisition date of an asset. Once the assets are placed into service, they are depreciated in accordance with the Company's policy. In the event that management no longer has the ability or intent to complete a development, the costs previously capitalized are evaluated for impairment.

Judgments and Uncertainties

The capitalization of development costs requires judgment, and can directly and materially impact our results of operations because, for example, (i) if we don't capitalize costs that should be capitalized, then our operating expenses would be overstated during the development period, and the subsequent depreciation of the developed real estate would be understated, or (ii) if we capitalize costs that should not be capitalized, then our operating expenses would be understated during the development period, and the subsequent depreciation of the real estate would be overstated. For the years ended December 31, 2024 and 2023, we capitalized development costs of \$50.4 million and \$47.4 million, respectively.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to interest rate risk with respect to our variable-rate mortgage payable as increases in interest rates would cause our payments to increase. With respect to our fixed-rate mortgage payable, increases in interest rates could make it more difficult to refinance such debt when it becomes due.

Based on our variable rate debt balance, interest expense would have increased by approximately \$0.9 million for the year ended December 31, 2024 if short-term interest rates had been 1% higher. We manage our exposure to interest rate risk on variable-rate debt by regularly monitoring market conditions and adjusting our financing strategy as needed. While no derivative instruments are currently employed to hedge against interest rate fluctuations, we may consider future strategies, such as refinancing or utilizing fixed-rate debt, to mitigate potential volatility in interest expenses. As of December 31, 2024, the weighted average interest rate on the \$41.1 million of fixed-rate indebtedness outstanding was 4.92% per annum, with principal paydowns at various dates through December 15, 2038.

For additional information concerning our debt and management's estimation process to arrive at a fair value of our debt as required by GAAP, please refer to the Liquidity and Capital Resources section above and Note 6 – *Mortgages Payable, Net* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

	Page
Index to Consolidated and Combined Financial Statements and Financial Statement Schedule	
<i>Consolidated and Combined Financial Statements</i>	
Report of Independent Registered Public Accounting Firm (PCAOB ID: 185)	73
Consolidated and Combined Balance Sheets as of December 31, 2024 and 2023	74
Consolidated and Combined Statements of Operations for the years ended December 31, 2024, 2023 and 2022	75
Consolidated and Combined Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022	76
Consolidated and Combined Statements of Equity for the years ended December 31, 2024, 2023 and 2022	77
Notes to the Consolidated and Combined Financial Statements	78
Schedule III – Real Estate and Accumulated Depreciation	113

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Seaport Entertainment Group Inc.:

Opinion on the Combined Financial Statements

We have audited the accompanying consolidated and combined balance sheets of Seaport Entertainment Group Inc. and subsidiaries (collectively, the Company) as of December 31, 2024 and 2023, the related consolidated and combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes and financial Schedule III (collectively, the consolidated and combined financial statements). In our opinion, the consolidated and combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Carve-out Basis of Accounting

As discussed in Note 1, the consolidated and combined balance sheet as of December 31, 2023 and the consolidated and combined statement of operations for the period from January 1, 2024 to July 31, 2024 and for the years ended December 31, 2023 and 2022, are presented as if the Company had been carved out of Howard Hughes Holdings Inc. (HHH) to reflect attribution of certain assets and liabilities that had been held at HHH which are specifically identifiable or attributable to the Company as well as allocations deemed reasonable by management to present the results of operations, financial position and cash flows of the Company on a standalone basis and may not reflect the results of operations, financial position and cash flows had the Company operated as a standalone company during the period presented. Our Opinion is not modified with respect to this matter.

Basis for Opinion

These consolidated and combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated and combined statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated and combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated and combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated and combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2022.

Dallas, Texas
March 10, 2024

SEAPORT ENTERTAINMENT GROUP INC.

Consolidated and Combined Balance Sheets

<i>in thousands except par value amounts</i>	December 31, 2024	December 31, 2023
ASSETS		
Buildings and equipment	\$ 522,667	\$ 528,299
Less: accumulated depreciation	(215,484)	(203,208)
Land	9,497	9,497
Developments	146,461	102,874
Net investment in real estate	463,141	437,462
Investments in unconsolidated ventures	28,326	37,459
Cash and cash equivalents	165,667	1,834
Restricted cash	2,178	42,011
Accounts receivable, net	5,246	13,672
Deferred expenses, net	4,515	4,379
Operating lease right-of-use assets, net	38,682	40,884
Other assets, net	35,801	39,112
Total assets	\$ 743,556	\$ 616,813
LIABILITIES		
Mortgages payable, net	\$ 101,593	\$ 155,628
Operating lease obligations	47,470	48,153
Accounts payable and other liabilities	23,111	28,139
Total liabilities	172,174	231,920
Commitments and Contingencies (see Note 8)	—	—
EQUITY		
Preferred stock, \$0.01 par value, 20,000 shares authorized, none issued or outstanding	—	—
Common stock, \$0.01 par value, 480,000 shares authorized, 12,708 issued and outstanding in 2024 and none issued or outstanding in 2023	127	—
Additional paid in capital	613,015	—
Accumulated deficit	(51,660)	—
Net parent investment	—	384,893
Stockholders' equity	561,482	384,893
Noncontrolling interest in subsidiary	9,900	—
Total equity	571,382	384,893
Total liabilities and equity	\$ 743,556	\$ 616,813

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

SEAPORT ENTERTAINMENT GROUP INC.

Consolidated and Combined Statements of Operations

	Years ended December 31,		
	2024	2023	2022
<i>in thousands, except per share data</i>			
REVENUES			
Sponsorships, events, and entertainment revenue	\$ 56,153	\$ 60,623	\$ 55,724
Hospitality revenue	29,528	32,951	42,565
Rental revenue	25,363	22,096	19,810
Other revenue	92	8	947
Total revenues	111,136	115,678	119,046
EXPENSES			
Sponsorships, events, and entertainment costs	43,757	47,466	38,764
Hospitality costs	31,002	31,432	38,037
Operating costs	44,429	41,219	44,048
Provision for (recovery of) doubtful accounts	2,363	459	1,412
General and administrative	63,269	30,536	16,977
Depreciation and amortization	34,785	48,432	47,356
Other	—	81	58
Total expenses	219,605	199,625	186,652
OTHER			
Provision for impairment	—	(672,492)	—
Other income (loss), net	6,729	33	935
Total other	6,729	(672,459)	935
Operating income (loss)	(101,740)	(756,406)	(66,671)
Interest income (expense)	(6,751)	(3,166)	(4,013)
Equity in losses from unconsolidated ventures	(42,571)	(80,633)	(37,124)
Loss on extinguishment of debt	(1,563)	(47)	—
Income (loss) before income taxes	(152,625)	(840,252)	(107,808)
Income tax expense (benefit)	—	(2,187)	3,469
Net loss	(152,625)	(838,065)	(111,277)
Preferred distributions to noncontrolling interest in subsidiary	(587)	—	—
Net loss attributable to common stockholders	\$ (153,212)	\$ (838,065)	\$ (111,277)
Total weighted average shares			
Basic	9,108	5,522	5,522
Diluted	9,108	5,522	5,522
Earnings (loss) per share attributable to common stockholders			
Basic	\$ (16.82)	\$ (151.77)	\$ (20.15)
Diluted	\$ (16.82)	\$ (151.77)	\$ (20.15)

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

SEAPORT ENTERTAINMENT GROUP INC.
Consolidated and Combined Statements of Cash Flows

<i>in thousands</i>	Years ended December 31,		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (152,625)	\$ (838,065)	\$ (111,277)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation	31,245	45,030	43,985
Amortization	3,540	3,402	3,371
Amortization of deferred financing costs	475	463	500
Straight-line rent amortization	(503)	(216)	(871)
Stock compensation expense	3,338	1,495	869
Deferred income taxes	—	(2,187)	3,469
Other	—	1,178	1,820
Loss on extinguishment of debt	1,563	47	—
Impairment charges	—	672,492	—
Equity in losses from unconsolidated ventures, net of distributions and impairment charges	42,768	81,364	37,124
Provision for (recovery of) doubtful accounts	3,824	328	(2,268)
Net Changes:			
Accounts receivable	5,203	(5,285)	671
Other assets, net	157	(12,254)	1,575
Deferred expenses, net	(521)	(175)	(2,329)
Accounts payable and other liabilities	8,836	1,603	(6,190)
Cash used in operating activities	(52,700)	(50,780)	(29,551)
CASH FLOWS FROM INVESTING ACTIVITIES			
Operating property improvements	(6,725)	(18,747)	(12,206)
Property development and redevelopment	(62,520)	(44,047)	(85,714)
Investments in unconsolidated ventures	(34,120)	(45,527)	(100,112)
Distributions from unconsolidated ventures	484	19	—
Cash used in investing activities	(102,881)	(108,302)	(198,032)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from mortgages payable	—	115,000	—
Deferred financing costs	(472)	(2,251)	(295)
Principal payments on mortgages payable	(55,603)	(101,812)	(1,910)
Preferred distributions to noncontrolling interest in subsidiary	(587)	—	—
Proceeds from the Rights Offering	166,789	—	—
Net transfers from parent	169,454	125,277	239,617
Cash provided by financing activities	279,581	136,214	237,412
Net change in cash, cash equivalents and restricted cash	124,000	(22,868)	9,829
Cash, cash equivalents and restricted cash at beginning of period	43,845	66,713	56,884
Cash, cash equivalents and restricted cash at end of period	167,845	43,845	66,713
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	165,667	1,834	16,448
Restricted cash	2,178	42,011	50,265
Cash, cash equivalents and restricted cash at end of period	\$ 167,845	\$ 43,845	\$ 66,713
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest paid	\$ 12,807	\$ 11,227	\$ 7,456
Interest capitalized	3,628	8,537	4,028
NON-CASH TRANSACTIONS			
Accrued property improvements, developments, and redevelopments	\$ (12,345)	\$ 3,344	\$ (12,408)
Capitalized stock compensation	441	1,277	3,005

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

SEAPORT ENTERTAINMENT GROUP INC.

Consolidated and Combined Statements of Equity

<i>in thousands</i>	Common stock		Net parent investment	Additional paid in capital	Accumulated deficit	Stockholders' equity	Noncontrolling interest	Total equity
	Shares	Amount						
Balance, December 31, 2021	—	—	\$ 966,977	—	—	\$ 966,977	—	\$ 966,977
Net income (loss)	—	—	(111,277)	—	—	(111,277)	—	(111,277)
Net transfers from parent	—	—	240,486	—	—	240,486	—	240,486
Balance, December 31, 2022	—	—	\$ 1,096,186	—	—	\$ 1,096,186	—	\$ 1,096,186
Net income (loss)	—	—	(838,065)	—	—	(838,065)	—	(838,065)
Net transfers from parent	—	—	126,772	—	—	126,772	—	126,772
Balance, December 31, 2023	—	—	\$ 384,893	—	—	\$ 384,893	—	\$ 384,893
Net income (loss)	—	—	(101,552)	—	(51,660)	(153,212)	587	(152,625)
Net transfers from parent	—	—	169,704	—	—	169,704	—	169,704
Issuance of noncontrolling interests	—	—	(9,900)	—	—	(9,900)	9,900	—
Reclassification of net parent investment to common stock and additional paid in capital	5,522	55	(443,145)	443,090	—	—	—	—
Proceeds from the Rights Offering	7,000	70	—	166,719	—	166,789	—	166,789
Preferred distributions to noncontrolling interest in subsidiary	—	—	—	—	—	—	(587)	(587)
Stock compensation	186	2	—	3,206	—	3,208	—	3,208
Balance, December 31, 2024	12,708	\$ 127	\$ —	\$ 613,015	\$ (51,660)	\$ 561,482	\$ 9,900	\$ 571,382

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

SEAPORT ENTERTAINMENT GROUP INC.

Notes to Consolidated and Combined Financial Statements
(Dollars in thousands, unless otherwise stated)

1. Summary of Significant Accounting Policies

Description of the Company

On July 31, 2024, the previously announced separation (the “Separation”) of Seaport Entertainment Group Inc. (“SEG” or the “Company”) from Howard Hughes Holdings Inc. (“HHH”) was completed. The Separation was achieved through HHH’s pro rata distribution of 100% of the then-outstanding shares of SEG common stock to HHH’s stockholders (the “Separation”). Under the terms of the Separation, each stockholder who held HHH common stock as of the close of business on July 29, 2024, the record date for the distribution, received one share of SEG common stock for every nine shares of HHH common stock held as of the close of business on such date. SEG common stock began trading on the NYSE American stock exchange on August 1, 2024, under the symbol “SEG”.

Prior to the Separation, the Company’s portfolio consisted of the Seaport Entertainment division of Howard Hughes (the “Seaport Entertainment division”), which included HHH’s entertainment-related real estate assets and operations, which are primarily in New York and Las Vegas, including the Seaport neighborhood in Lower Manhattan (the “Seaport”), 250 Water Street, a one-acre development site directly adjacent to the Seaport, a 25% ownership stake in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A Minor League Baseball team (the “Aviators”) and the Las Vegas Ballpark, and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas.

In connection with the Separation, on July 31, 2024, the Company entered into a separation and distribution agreement with HHH. On this date, the Company also entered into various other agreements that provide a framework for the Company’s relationship with HHH after the Separation, including a transition services agreement, an employee matters agreement, and a tax matters agreement. These agreements provide for the allocation between the Company and HHH of the assets, employees, services, liabilities, and obligations (including their respective investments, property and employee benefits and tax-related assets and liabilities) of HHH and its subsidiaries attributable to periods prior to, at and after the Separation and govern certain relationships between the Company and HHH after the Separation. Additionally, HHH contributed cash of \$23.4 million to the Company prior to the Separation to support the operating, investing, and financing activities of the Company.

Also in connection with the Separation, on July 31, 2024, the Company entered into a revolving credit agreement (the “Revolving Credit Agreement”) with HHH, as lender. The Revolving Credit Agreement provided for a revolving commitment of \$5.0 million, with an interest rate of 10.0% and a term of 1 year, which could have been extended for an additional 6 months at the discretion of HHH. In the fourth quarter of 2024, this Revolving Credit Agreement was terminated. The Company did not have any outstanding borrowings under this agreement.

Further in connection with certain restructuring transactions to effectuate the Separation, on July 31, 2024, a subsidiary of HHH that became the Company’s subsidiary in connection with the Separation issued 10,000 shares of 14.000% Series A preferred stock, par value \$0.01 per share, with an aggregate liquidation preference of \$10.0 million (the “Series A Preferred Stock”). The Series A Preferred Stock ranks senior to the Company’s interest in its subsidiary with respect to dividend rights and rights upon liquidation, dissolution and other considerations. The Series A Preferred Stock has no maturity date and will remain outstanding unless redeemed. The Series A Preferred Stock is not redeemable by the Company prior to July 11, 2029 except under limited circumstances intended to preserve certain tax benefits for HHH.

On September 23, 2024, the Company commenced a rights offering (the “Rights Offering”), in the form of a pro rata distribution at no charge to holders of SEG common stock of transferable subscription rights to purchase up to an aggregate of 7.0 million shares of its common stock at a cash subscription price of \$25.00 per whole share. On October 17, 2024, the Company completed the Rights Offering and issued an aggregate 7.0 million shares of common stock at the subscription

price of \$25.00 per whole share for total gross proceeds of \$175.0 million. Overall, the Rights Offering was over-subscribed, with total demand of 14.1 million shares.

Principles of Consolidation and Combination and Basis of Presentation

The accompanying Consolidated and Combined Financial Statements represent the assets, liabilities, and operations of Seaport Entertainment Group Inc. as well as the assets, liabilities and operations related to the Seaport Entertainment division of Howard Hughes prior to the Separation that were transferred to Seaport Entertainment Group Inc. on July 31, 2024 in connection with the Separation. The results of Seaport Entertainment Group Inc. are referred to throughout these Consolidated and Combined Financial Statements as “Seaport Entertainment Group,” “SEG,” “the Company,” “we,” “us” or “our”.

The accompanying Consolidated and Combined Financial Statements as of and for the year ended December 31, 2024 have been prepared on a standalone basis derived from the consolidated financial statements and accounting records of SEG from August 1, 2024 to December 31, 2024 and from the combined financial statements and accounting records of HHH for January 1, 2024 to July 31, 2024. The accompanying Consolidated and Combined Balance Sheets as of December 31, 2023 and Consolidated and Combined Statements of Operations for the years ended December 31, 2023 and 2022 have been prepared on a standalone basis derived from the combined financial statements and accounting records of HHH. These statements reflect the consolidated and combined historical results of operations, financial position, and cash flows of Seaport Entertainment Group in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Consolidated and Combined Balance Sheet as of December 31, 2023 and the Consolidated and Combined Statements of Operations for the period from January 1, 2024 to July 31, 2024 and for the years ended December 31, 2023 and 2022, are presented as if Seaport Entertainment Group had been carved out of HHH. These Consolidated and Combined Financial Statements include the attribution of certain assets and liabilities that have been held at HHH which are specifically identifiable or attributable to the Company. The assets and liabilities in the carve-out financial statements have been presented on a historical cost basis.

All significant intercompany transactions within the Company have been eliminated. All transactions between the Company and HHH are considered to be effectively settled in the Consolidated and Combined Financial Statements at the time the transaction is recorded, other than transactions described in Note 14 – *Related-Party Transactions* that have historically been settled in cash. The total net effect of the settlement of these intercompany transactions is reflected in the Consolidated and Combined Statements of Cash Flows as a financing activity and in the Consolidated Balance Sheet as of December 31, 2024 as an adjustment to additional paid-in capital and in the Consolidated and Combined Balance Sheet as of December 31, 2023 as net parent investment.

These Consolidated and Combined Financial Statements include expense allocations for: (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to property management, development, executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, facilities, and risk management; and (2) employee benefits and compensation, including stock-based compensation. These expenses have been allocated to the Company on the basis of direct time spent on Company projects where identifiable, with the remainder allocated on a basis of revenue, headcount, payroll costs, or other applicable measures. For an additional discussion and quantification of expense allocations, see Note 14 – *Related-Party Transactions*.

Management believes the assumptions underlying these Consolidated and Combined Financial Statements, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by the Company during the periods presented. Nevertheless, the Consolidated and Combined Financial Statements may not reflect the results of operations, financial position and cash flows had the Company been a standalone company during the periods presented. Actual costs that the Company may have incurred had it been a standalone company would depend on several factors, including the chosen organization structure, whether functions were outsourced or performed by its employees and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

[Table of Contents](#)

Debt obligations and related financing costs of HHH have not been included in the Consolidated and Combined Financial Statements of the Company, because the Company's business was not a party to the obligations between HHH and the debt holders. Further, the Company did not guarantee any of HHH's debt obligations.

Prior to the Separation, the income tax provision in the Consolidated and Combined Statements of Operations has been calculated as if the Company was operating on a standalone basis and filed separate tax returns in the jurisdictions in which it operates. Therefore, cash tax payments and items of current and deferred taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the carve-out. Following the Separation, the Company will file its own return and the income tax provision reflects the Company's tax balances that are realizable.

HHH maintains stock-based compensation plans at a corporate level. The Company's employees participated in such plans prior to the Separation and the portion of the cost of those plans related to the Company's employees is included in the Combined Statements of Operations from January 1, 2024 to July 31, 2024 and for the years ended December 31, 2023 and 2022. However, the Combined Balance Sheet as of December 31, 2023 does not include any equity issued related to stock-based compensation plans. Prior to the Separation, the Company established the Seaport Entertainment Group Inc. 2024 Equity Incentive Plan, and subsequent to July 31, 2024, the Company issued stock-based awards pursuant to such plan – see Note 12 – *Equity*.

The equity balance in these Consolidated and Combined Financial Statements as of December 31, 2023 represents the excess of total assets over total liabilities, including intercompany balances between the Company and HHH (net parent investment).

Variable Interest Entities

The Company has interests in various legal entities that represent a variable interest entity. A VIE is an entity: (a) that has total equity at risk that is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other entities; (b) where the group of equity holders does not have the power to direct the activities of the entity that most significantly impact the entity's economic performance, or the obligation to absorb the entity's expected losses or the right to receive the entity's expected residual return, or both (i.e., lack the characteristics of a controlling financial interest); or (c) where the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

The Company determines if a legal entity is a VIE by performing a qualitative analysis that requires certain subjective decisions, taking into consideration the design of the entity, the variability that the entity was designed to create and pass along to its interest holders, the rights of the parties and the purpose of the arrangement. Upon the occurrence of certain reconsideration events, the Company reassesses its initial determination as to whether the entity is a VIE.

The Company also performs a qualitative assessment of each VIE to determine if it is the primary beneficiary. The Company is the primary beneficiary and would consolidate the VIE if it has a controlling financial interest where it has both (a) the power to direct the economically significant activities of the entity and (b) the obligation to absorb losses of, or the right to receive benefits from, the entity that could potentially be significant to the VIE. This assessment requires certain subjective decisions, taking into consideration the contractual agreements that define the ownership structure, the design of the entity, distribution of profits and losses, risks, responsibilities, indebtedness, voting rights and board representation of the respective parties. Management's assessment of whether the Company is the primary beneficiary of a VIE is continuously performed.

Upon initial consolidation of a VIE, the Company records the assets, liabilities and noncontrolling interests at fair value and recognizes a gain or loss for the difference between (i) the fair value of the consideration paid, the fair value of noncontrolling interests and the reported amount of any previously held interests and (ii) the net amount of the fair value of the assets and liabilities.

If the Company determines it is no longer the primary beneficiary of a VIE, it will deconsolidate the entity and measure the initial cost basis for any retained interests that are recorded upon the deconsolidation at fair value. The Company will recognize a gain or loss for the difference between the fair value and the previous carrying amount of its investment in the VIE.

The Company was not the primary beneficiary of any VIE's during 2024, 2023 and 2022 and, therefore, the Company does not consolidate any VIE's in which it holds a variable interest.

Investments in Unconsolidated Ventures

The Company's investments in unconsolidated ventures are accounted for under the equity method to the extent that, based on contractual rights associated with the investments, the Company can exert significant influence over a venture's operations. Under the equity method, the Company's investment in the venture is recorded at cost and is subsequently adjusted to recognize the Company's allocable share of the earnings or losses of the venture. Dividends and distributions received by the Company are recognized as a reduction in the carrying amount of the investment. Generally, joint venture operating agreements provide that assets, liabilities, funding obligations, profits and losses, and cash flows are shared in accordance with ownership percentages. For certain equity method investments, various provisions in the joint venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated ownership or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities. For these investments, the Company recognizes income or loss based on the joint venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing percentage.

The Company periodically assesses the appropriateness of the carrying amount of its equity method investments, as events or changes in circumstance may indicate that a decrease in value has occurred which is other-than-temporary. In addition to the property-specific impairment analysis performed on the underlying assets of the investment, the Company also considers the ownership, distribution preferences, limitations and rights to sell and repurchase its ownership interests. If a decrease in value of an investment is deemed to be other-than-temporary, the investment is reduced to its estimated fair value and an impairment-related loss is recognized in the Consolidated and Combined Statements of Operations as a component of Equity in earnings (losses) from investments in unconsolidated ventures.

For investments in ventures where the Company has virtually no influence over operations and the investments do not have a readily determinable fair value, the Company has elected the measurement alternative to carry the securities at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the issuer. Equity securities not accounted for under the equity method, or where the measurement alternative has not been elected, are required to be reported at fair value with unrealized gains and losses reported in the Consolidated and Combined Statements of Operations as Net unrealized gains (losses) on instruments measured at fair value through earnings.

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, 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 estimates and assumptions include, but are not limited to, capitalization of development costs, provision for income taxes, future cash flows used in impairment analysis and fair value used in impairment calculations, recoverable amounts of receivables and deferred tax assets, initial valuations of tangible and intangible assets acquired and the related useful lives of assets upon which depreciation and amortization is based. Estimates and assumptions have also been made with respect to future revenues and costs. Actual results could differ from these and other estimates.

Segments

Segment information is prepared on the same basis that management reviews information for operational decision-making purposes. Management evaluates the performance of each of the Company's real estate assets and investments individually and aggregates such properties and investments into segments based on their economic characteristics and types of revenue streams. The Company operates in three business segments: (i) Landlord Operations, (ii) Hospitality, and (iii) Sponsorships, Events, and Entertainment.

Net Investment in Real Estate

Buildings and Equipment and Land

Real estate assets are stated at cost less any provisions for impairments and depreciation as applicable. Expenditures for significant improvements to the Company's assets are capitalized. Tenant improvements relating to the Company's real estate assets are capitalized and depreciated over the shorter of their economic lives or the lease term. Maintenance and repair costs are charged to expense when incurred.

Depreciation

The Company periodically reviews the estimated useful lives of Building and Equipment. Depreciation or amortization expense is computed using the straight-line method based upon the following estimated useful lives:

Asset Type	Years	Balance Sheet Location
Buildings and improvements	7 - 40	Buildings and Equipment
Equipment and fixtures	5 - 20	Buildings and Equipment
Computer hardware and software, and vehicles	3 - 5	Buildings and Equipment
Tenant improvements	Related lease term	Buildings and Equipment
Leasing costs	Related lease term	Other assets, net

From time to time, the Company may reassess the development strategies for certain buildings and improvements which results in changes to the Company's estimate of their remaining useful lives. The Company did not recognize additional depreciation expense of significance for the years ended December 31, 2024, 2023, and 2022.

Developments

Development costs, which primarily include direct costs related to placing the asset in service associated with specific development properties, are capitalized as part of the property being developed. Construction and improvement costs incurred in connection with the development of new properties, or the redevelopment of existing properties are capitalized before they are placed into service. Costs include planning, engineering, design, direct material, labor and subcontract costs. Real estate taxes, utilities, direct legal and professional fees related to the sale of a specific unit, interest, insurance costs and certain employee costs incurred during construction periods are also capitalized. Capitalization commences when the development activities begin and cease when a project is completed, put on hold or at the date that the Company

[Table of Contents](#)

decides not to move forward with a project. Capitalized costs related to a project where the Company has determined not to move forward are expensed if they are deemed not recoverable. Capitalized interest costs are based on qualified expenditures and interest rates in place during the construction period. Demolition costs associated with redevelopments are expensed as incurred unless the demolition was included in the Company's development plans and imminent as of the acquisition date of an asset. Once an asset is placed into service, it is depreciated in accordance with the Company's policy. In the event that management no longer has the ability or intent to complete a development, the costs previously capitalized are evaluated for impairment.

Developments consist of the following categories as of December 31:

<i>thousands</i>	2024	2023
Land and improvements	\$ 51,718	\$ 51,718
Development costs	94,743	51,156
Total Developments	\$ 146,461	\$ 102,874

Acquisitions of Properties

The Company accounts for the acquisition of real estate properties in accordance with Accounting Standards Codification (ASC) 805 *Business Combinations* (ASC 805). This methodology requires that assets acquired, and liabilities assumed be recorded at their fair values on the date of acquisition for business combinations and at relative fair values for asset acquisitions. Acquisition costs related to the acquisition of a business are expensed as incurred. Costs directly related to asset acquisitions are considered additions to the purchase price and increase the cost basis of such assets.

The fair value of tangible assets of an acquired property (which includes land, buildings and improvements) is determined by valuing the property as if it were vacant, and the as-if-vacant value is then allocated to land, buildings and improvements based on management's determination of the fair value of these assets. The as-if-vacant values are derived from several sources which incorporate significant unobservable inputs that are classified as Level 3 inputs in the fair value hierarchy and primarily include a discounted cash flow analysis using discount and capitalization rates based on recent comparable market transactions, where available.

The fair value of acquired intangible assets consisting of in-place, above-market and below-market leases is recorded based on a variety of considerations, some of which incorporate significant unobservable inputs that are classified as Level 3 inputs in the fair value hierarchy. In-place lease considerations include, but are not necessarily limited to: (1) the value associated with avoiding the cost of originating the acquired in-place leases (i.e., the market cost to execute a lease, including leasing commissions and tenant improvements); (2) the value associated with lost revenue related to tenant reimbursable operating costs incurred during the assumed lease-up period (i.e., real estate taxes, insurance and certain other operating expenses); and (3) the value associated with lost rental revenue from existing leases during the assumed lease-up period. Above-market and below-market leases are valued at the present value, using a discount rate that reflects the risks associated with the leases acquired, of the difference between (1) the contractual amounts to be paid pursuant to the in-place lease; and (2) management's estimate of current market lease rates, measured over the remaining non-cancelable lease term, including any below-market renewal option periods.

Impairment

The Company reviews its long-lived assets (including those held by its unconsolidated ventures) for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount of an asset is not recoverable and exceeds its fair value. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future economic conditions, such as occupancy, rental rates, capital requirements and sales values that could differ materially from actual results in future periods. If impairment indicators exist and it is expected that undiscounted cash flows generated by the asset are less than its carrying amount, an impairment provision is recorded to write down the carrying amount of the asset to its fair value.

Impairment indicators include, but are not limited to, significant changes in projected completion dates, stabilization dates, operating revenues or cash flows, development costs, ongoing low occupancy, and market factors.

The cash flow estimates used both for determining recoverability and estimating fair value are inherently judgmental and reflect current and projected trends in rental, occupancy, pricing, development costs, sales pace and capitalization rates, and estimated holding periods for the applicable assets. Although the estimated fair value of certain assets may be exceeded by the carrying amount, a real estate asset is only considered to be impaired when its carrying amount is not expected to be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated fair value is expensed to operations. In addition, the impairment provision is allocated proportionately to adjust the carrying amount of the asset. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset. Assets that have been impaired will in the future have lower depreciation and cost of sale expenses. The impairment will have no impact on cash flow.

Fair Value Measurements

For assets and liabilities accounted for or disclosed at fair value, the Company utilizes the fair value hierarchy established by the accounting guidance for fair value measurements and disclosures to categorize the inputs to valuation techniques used to measure fair value into three levels. The three levels of inputs are as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with maturities at date of purchase of three months or less and deposits with major banks throughout the United States. Such deposits are in excess of FDIC limits and are placed with high-quality institutions in order to minimize the concentration of counterparty credit risk.

Restricted Cash

Restricted cash reflects amounts segregated in escrow accounts in the name of the Company, primarily related to the payment of principal and interest on the Company's outstanding mortgages payable. In August 2024, following the final resolution of the 250 Water Street litigation, the escrow amount of \$40.0 million related to 250 Water Street was released to the City of New York. See Note 8 – *Commitments and Contingencies* for additional information on the 250 Water Street litigation.

Accounts Receivable, net

Accounts receivable includes tenant receivables, straight-line rent receivables, and other receivables. On a quarterly basis, management reviews tenant receivables and straight-line rent assets for collectability. As required under ASC 842 *Leases* (ASC 842), this analysis includes a review of past due accounts and considers factors such as the credit quality of tenants, current economic conditions, and changes in customer payment trends. When full collection of a lease receivable or future lease payment is not probable, a reserve for the receivable balance is charged against rental revenue and future rental revenue is recognized on a cash basis. The Company also records reserves for estimated losses under ASC 450 *Contingencies* (ASC 450) if the estimated losses are probable and can be reasonably estimated.

Other receivables are primarily related to short-term trade receivables. The Company is exposed to credit losses through the sale of goods and services to customers. As required under ASC 326 *Financial Instruments – Credit Losses* (ASC 326), the Company assesses its exposure to credit loss related to these receivables on a quarterly basis based on historical collection experience and future expectations by portfolio. As of December 31, 2024 and 2023, there were no material past due receivables and there have been no material write-offs or recoveries of amounts previously written-off.

[Table of Contents](#)

The following table represents the components of Accounts receivable, net of amounts considered uncollectible, in the accompanying Consolidated and Combined Balance Sheets as of:

<i>in thousands</i>	December 31, 2024	December 31, 2023
Tenant receivables	\$ 285	\$ 875
Straight-line rent receivables	2,780	3,353
Other receivables	2,181	9,444
Accounts receivable, net ^(a)	\$ 5,246	\$ 13,672

(a) As of December 31, 2024, and December 31, 2023, the total reserve balance was \$2.6 million and \$1.4 million, respectively.

The following table summarizes the impacts of the collectability reserves in the accompanying Consolidated and Combined Statements of Operations:

<i>in thousands</i>	Year ended December 31,		
	2024	2023	2022
Statements of Operations Location			
Rental revenue	\$ 1,461	\$ 288	\$ (3,305)
Provision for (recovery of) doubtful accounts	2,363	459	1,412
Total (income) expense impact	\$ 3,824	\$ 747	\$ (1,893)

As of December 31, 2024, no customer accounted for greater than 10% of the Company's accounts receivable.

As of December 31, 2023, two customers had an accounts receivable balance of \$2.1 million and \$1.7 million, which represented approximately 15.1% and 12.2% of the Company's accounts receivable balance, respectively. Additionally, one related party had an accounts receivable balance of \$3.1 million, which represented approximately 22.8% of the Company's accounts receivable. See Note 14 – *Related-Party Transactions* for additional information.

Other Assets, net

The major components of Other assets, net include various intangibles, security deposits, prepaid expenses, and food and beverage and merchandise inventory related to the Company's properties.

The Company's intangibles include the player development license agreement with Major League Baseball ("MLB") and other intangibles relating to the Aviators. The Company amortizes finite-lived intangible assets less any residual value, if applicable, on a straight-line basis over the term of the related lease or the estimated useful life of the asset. Refer to Note 5 – *Intangibles* for additional information.

Security and other deposits primarily includes a \$10.7 million collateral deposit associated with the 250 Water Street mortgage refinancing.

Food and beverage and merchandise inventory is stated at lower of cost or market with cost being determined on a first-in, first-out basis for food and beverage inventory and average cost for merchandise inventory.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for years in which the temporary differences are expected to reverse. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards.

The Company periodically assesses the realizability of its deferred tax assets. If the Company concludes that it is more likely than not that some of the deferred tax assets will not be realized, the tax asset is reduced by a valuation allowance. The Company considers many factors when assessing the likelihood of future realization of deferred tax assets, including expectations of future taxable income, carryforward periods available to the Company for tax reporting purposes, various income tax strategies and other relevant factors. In addition, interest and penalties related to uncertain tax positions, if necessary, are recognized in income tax expense.

Deferred Expenses, net

Deferred expenses consist principally of leasing costs. Deferred leasing costs are amortized using the straight-line method over the related lease term. Deferred expenses are shown net of accumulated amortization of \$1.1 million and \$0.8 million as of December 31, 2024 and 2023, respectively.

Marketing and Advertising

The Company incurs various marketing and advertising costs as part of development, branding, leasing or sales initiatives. These costs include special events, broadcasts, direct mail, and online digital and social media programs, and they are expensed as incurred. For the years ended December 31, 2024, 2023, and 2022, marketing and advertising expenses were \$5.7 million, \$6.2 million, and \$5.1 million, respectively.

Deferred Offering Costs

Deferred offering costs represent amounts paid for legal, accounting, consulting and other offering expenses in conjunction with the proposed or actual offering of securities and are recorded as a reduction against the gross proceeds of the offering. Deferred offering costs are included as part of other assets in the Consolidated and Combined Balance Sheets and netted against additional paid-in capital upon closing of the offering.

Stock-Based Compensation

Prior to the Separation on July 31, 2024, certain employees of the Company participated in HHH's stock-based compensation plans. Stock-based compensation expense was attributed to the Company based on the awards and terms previously granted to those employees and was recorded in the Consolidated and Combined Statements of Operations. Subsequent to the Separation, the Company issued stock options, restricted stock and restricted stock units. Stock-based compensation expense is measured based on the grant date fair value of those awards and is recognized on a straight-line basis over the period during which an employee is required to provide service in exchange for the award, except for shares of stock granted to non-employee directors which, unless otherwise provided under the applicable award agreement, are fully vested, and are expensed at the grant date. Stock-based compensation expense is based on awards outstanding, and forfeitures are recognized as they occur. Stock-based compensation expense is included as part of expenses in the accompanying Consolidated and Combined Statements of Operations.

Earnings (Loss) per Share

For the periods ending after the date of Separation, basic earnings per share ("EPS") attributable to the Company's common stockholders is based upon net income (loss) attributable to the Company's common stockholders divided by the weighted-average number of shares of common stock outstanding during the period. Diluted EPS reflects the effect of the assumed vesting of restricted stock, restricted stock units and the exercise of stock options only in the periods in which such effect would have been dilutive. For the periods when a net loss is reported, the computation of diluted EPS equals the basic EPS calculation since common stock equivalents would be antidilutive due to losses from continuing operations.

Revenue Recognition and Related Matters

Sponsorships, Events, and Entertainment Revenue

Sponsorships, events, and entertainment revenue related to contracts with customers is generally comprised of baseball-related ticket sales, concert-related ticket sales, events-related service revenue, concession sales, and advertising and sponsorships revenue. Baseball season ticket sales are recognized over time as games take place. Single baseball and concert tickets are recognized at a point in time. The baseball and concert related payments are made in advance or on the day of the event. Events-related service revenue is recognized at the time the customer receives the benefit of the service, with a portion of related payments made in advance, as per the agreements, and the remainder of the payment made on the day of the event. For concession sales, the transaction price is the net amount collected from the customer at the time of service and revenue is recognized at a point in time when the food or beverage is provided to the customer. In all other cases, the transaction prices are fixed, stipulated in the ticket, and representative in each case of a single performance obligation.

Baseball-related and other advertising and sponsorship agreements allow third parties to display their advertising and products at the Company's venues for a certain amount of time and relate to a single performance obligation. The agreements generally cover a baseball season or other contractual period of time, and the related revenue is generally recognized on a straight-line basis over time, as time elapses, unless a specific performance obligation exists within the sponsorship contract where point-in-time delivery occurs and recognition at a specific performance or delivery date is more appropriate. Consideration terms for these services are fixed in each respective agreement and paid in accordance with individual contractual terms.

Sponsorships, events, and entertainment revenue is disclosed net of any refunds, which are settled and recorded at the time of an event cancellation. The Company does not accrue or estimate any obligations related to refunds.

Hospitality Revenue

Hospitality revenue is generated by the Seaport restaurants. The transaction price is the net amount collected from the customer and is recognized as revenue at a point in time when the food or beverage is provided to the customer. These transactions are ordinarily settled with cash or credit card over a short period of time.

Rental Revenue

Rental revenue is associated with the Company's Landlord Operations assets and is comprised of minimum rent, percentage rent in lieu of fixed minimum rent, tenant recoveries, and overage rent.

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases when collectability is reasonably assured and the tenant has taken possession of, or controls, the physical use of the leased asset. Percentage rent in lieu of fixed minimum rent is recognized as sales are reported from tenants. Minimum rent revenues also include amortization related to above and below-market tenant leases on acquired properties. Rent payments for landlord assets are due on the first day of each month during the lease term.

Recoveries from tenants are stipulated in the leases, are generally computed based upon a formula related to real estate taxes, insurance, and other real estate operating expenses, and are generally recognized as revenues in the period the related costs are incurred.

Overage rent is recognized on an accrual basis once tenant sales exceed contractual thresholds contained in the lease and is calculated by multiplying the tenant sales in excess of the minimum amount by a percentage defined in the lease.

If the lease provides for tenant improvements, the Company determines whether the tenant improvements are owned by the tenant or by the Company. When the Company is the owner of the tenant improvements, rental revenue begins when the improvements are substantially complete. When the tenant is the owner of the tenant improvements, any tenant

allowance funded by the Company is treated as a lease incentive and amortized as an adjustment to rental revenue over the lease term.

Other Revenue

Other revenue is comprised of parking revenue and other miscellaneous revenue. Other revenue is recognized at a point in time, at the time of sale when payment is received, and the customer receives the good or service. In all cases, the transaction prices are fixed, stipulated in the contract or product, and representative in each case of a single performance obligation.

Accounting Pronouncements Adopted During the Current Year

In November 2023, the Financial Accounting Standards Board (the “FASB”) issued ASU No. 2023-07, “Segment Reporting: Improvement to Reportable Segment Disclosures”. This ASU aims to improve segment disclosures through enhanced disclosures about significant segment expenses. The standard requires disclosure of significant expense categories and amounts for such expenses, including those segment expenses that are regularly provided to the chief operating decision maker (“CODM”), easily computable from information that is regularly provided, or significant expenses that are expressed in a form other than actual amounts. It does not change the definition of a segment, the method for determining segments, the criteria for aggregating operating segments into reportable segments, or the current specifically enumerated segment expenses that are required to be disclosed. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We have adopted this standard for our fiscal year 2024 annual financial statements and have applied this standard retrospectively for all prior periods presented in the Company’s Consolidated and Combined Financial Statements. See Note 13 – *Segments* for additional information

Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures, a final standard on improvements to income tax disclosures which applies to all entities subject to income taxes. The standard requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The amendments in this ASU are effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the guidance and its impact on the Company’s Consolidated and Combined Financial Statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” The standard requires that public business entities disclose additional information about specific expense categories in the notes to financial statements for interim and annual reporting periods. The amendments in this ASU will become effective for fiscal year 2027 annual financial statements and interim financial statements thereafter and may be applied prospectively to periods after the adoption date or retrospectively for all prior periods presented in the financial statements, with early adoption permitted. The Company will plan to adopt the standard when it becomes effective beginning with the fiscal year 2027 annual financial statements, and is currently evaluating the impact this guidance will have on the disclosures included in the Notes to the Consolidated and Combined Financial Statements.

2. Investments in Unconsolidated Ventures

In the normal course of business, the Company enters into partnerships and ventures with an emphasis on investments associated with businesses that operate at the Company's real estate assets and other hospitality and entertainment-related investments. The Company does not consolidate the investments in the periods presented below as it does not have a controlling financial interest in these ventures. As such, the Company primarily reports its interests in accordance with the equity method. Additionally, the Company evaluates its equity method investments for significance in accordance with Regulation S-X, Rule 3-09 and Regulation S-X, Rule 4-08(g) and presents separate annual financial statements or summarized financial information, respectively, as required by those rules.

Investments in unconsolidated ventures consist of the following:

	Ownership Interest ^(a)		Carrying Value		Share of Earnings (Losses)/ Dividends		
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	Year Ended December 31,		
					2024	2023	2022
<i>in thousands except percentages</i>							
Equity Method Investments							
The Lawn Club ^(b)	50 %	50 %	\$ 6,103	\$ 1,266	\$ 542	\$ (1,287)	\$ —
Ssām Bar ^{(b) (c) (d) (f)}	— %	50 %	—	—	181	(5,981)	(783)
Tin Building by Jean-Georges ^{(b) (d) (f)}	65 %	65 %	7,746	11,658	(33,362)	(42,698)	(36,813)
Jean-Georges Restaurants ^(f)	25 %	25 %	14,477	14,535	(9,932)	(30,667)	472
			28,326	27,459	(42,571)	(80,633)	(37,124)
Other equity investments ^(e)			—	10,000	—	—	—
Investments in unconsolidated ventures			\$ 28,326	\$ 37,459	\$ (42,571)	\$ (80,633)	\$ (37,124)

- (a) Ownership interests presented reflect the Company's stated ownership interest or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities.
- (b) For these equity method investments, various provisions in the venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated interest or final profit-sharing interest. For these investments, the Company recognizes income or loss based on the venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing interest.
- (c) The Ssām Bar joint venture was liquidated in May 2024. Refer to discussion below for additional details.
- (d) Classified as a VIE; however, the Company is not the primary beneficiary and accounts for its investment in accordance with the equity method. Refer to discussion below for additional information.
- (e) Other equity investments represent investments not accounted for under the equity method. The Company elected the measurement alternative as this investment does not have readily determinable fair value. Refer to discussion below for additional detail.
- (f) These investments were impaired as part of the Seaport impairment recognized in 2023. Refer to specific investment discussion below and Note 3 – *Impairment* for additional information.

The Lawn Club

In 2021, the Company formed HHC Lawn Games, LLC with The Lawn Club NYC, LLC ("Endorphin Ventures"), to construct and operate an immersive indoor and outdoor restaurant that includes an extensive area of indoor grass, a stylish clubhouse bar, and a wide variety of lawn games. This concept opened in the fourth quarter of 2023. Under the terms of the initial agreement, the Company funded 80% of the cost to construct the restaurant, and Endorphin Ventures contributed the remaining 20%. In October 2023, the members executed an amended LLC agreement, in which the Company will fund

90% of any remaining capital requirements, and Endorphin Ventures will contribute 10%. The Company recognizes its share of income or loss based on the joint venture distribution priorities, which could fluctuate over time. Upon the return of each member's contributed capital and a preferred return to the Company, distributions and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest. The Company also entered into a lease agreement with HHC Lawn Games, LLC pursuant to which the Company agreed to lease approximately 27,000 square feet of the Fulton Market Building to this venture.

Ssäm Bar

In 2016, the Company formed Pier 17 Restaurant C101, LLC ("Ssäm Bar") with MomoPier, LLC ("Momofuku") to construct and operate a restaurant and bar at Pier 17 in the Seaport, which opened in 2019. The Company recognized its share of income or loss based on the joint venture's distribution priorities, which could fluctuate over time. The Ssäm Bar restaurant closed during the third quarter of 2023, and the venture was liquidated in May 2024. The Company received a liquidating distribution of its share of the venture's remaining assets during the third quarter of 2024. Additionally, the Company recognized an impairment of \$5.0 million related to this investment in the year ended December 31, 2023. See Note 3 – *Impairment* for additional information.

Tin Building by Jean-Georges

In 2015, the Company, together with VS-Fulton Seafood Market, LLC ("Fulton Partner"), formed Fulton Seafood Market, LLC ("Tin Building by Jean-Georges") to operate a 53,783 square foot culinary marketplace in the historic Tin Building. The Fulton Partner is a wholly owned subsidiary of Jean-Georges Restaurants. The Company purchased a 25% interest in Jean-George Restaurants in March 2022 as discussed below.

The Company owns 100% of the Tin Building and leased 100% of the space to the Tin Building by Jean-Georges joint venture. Throughout this information statement, references to the Tin Building relate to the Company's 100% owned landlord operations and references to the Tin Building by Jean-Georges refer to the hospitality business in which the Company has an equity ownership interest. The Company, as landlord, funded 100% of the development and construction of the Tin Building. Under the terms of the Tin Building by Jean-Georges LLC agreement, the Company contributes the cash necessary to fund pre-opening, opening and operating costs of the Tin Building by Jean-Georges. The Fulton Partner is not required to make any capital contributions. The Tin Building was completed and placed in service during the third quarter of 2022 and the Tin Building by Jean-Georges culinary marketplace began operations in the third quarter of 2022. Based on capital contribution and distribution provisions for the Tin Building by Jean-Georges, the Company currently receives substantially all of the economic interest in the venture. Upon return of the Company's contributed capital and a preferred return to the Company, distribution and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest.

As of December 31, 2024 and 2023, the Tin Building by Jean-Georges is classified as a VIE because the equity holders, as a group, lack the characteristics of a controlling financial interest. As of January 1, 2025, in conjunction with the internalization of food and beverage operations, the Company, through employing the management team personnel and directing the operating activities that most significantly impact the VIE's economic performance, became the primary beneficiary of the VIE. Refer to Note 15 – *Subsequent Events* for additional information. As the Company is unable to quantify the maximum amount of additional capital contributions that may be funded in the future associated with this investment, the Company's maximum exposure to loss is currently equal to the \$7.7 million carrying value of the investment as of December 31, 2024. The Company funded capital contributions of \$29.4 million, \$48.1 million and \$43.1 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The Company recognized an impairment of \$1.2 million related to this investment in the year ended December 31, 2023. See Note 3 – *Impairment* for additional information.

The Company is required to file audited financial statements of the Fulton Seafood Market, LLC for the years ended December 31, 2024 and 2022. The Company's investment in the Fulton Seafood Market, LLC does not meet the threshold necessary for disclosure of audited financial statements in 2023, however for comparability, audited financial statements

of Fulton Seafood Market, LLC for the years ended December 31, 2024, 2023, and 2022 are attached as exhibits to this Annual Report.

Jean-Georges Restaurants

In March 2022, the Company acquired a 25% interest in JG Restaurant HoldCo LLC (“Jean-Georges Restaurants”) for \$45.0 million from JG TopCo LLC (“Jean-Georges”). Jean-Georges Restaurants currently has over 60 hospitality offerings and a pipeline of new concepts. The Company accounts for its ownership interest in accordance with the equity method and recorded its initial investment at cost, inclusive of legal fees and transaction costs. Under the terms of the current operating agreement, all cash distributions and the recognition of income-producing activities will be pro rata based on stated ownership interest. The Company recognized an impairment of \$30.8 million related to this investment in the year ended December 31, 2023. See Note 3 – *Impairment* for additional information.

Concurrent with the Company’s acquisition of the 25% interest in Jean-Georges Restaurants, the Company entered into a warrant agreement with Jean-Georges. The Company paid \$10.0 million for the option to acquire up to an additional 20% interest in Jean-Georges Restaurants at a fixed exercise price per share subject to certain anti-dilution provisions. Should the warrant agreement be exercised by the Company, the \$10.0 million will be credited against the aggregate exercise price of the warrants. Per the warrant agreement, the \$10.0 million is to be used for working capital of Jean-Georges Restaurants. The Company elected the measurement alternative for this purchase option as the equity security does not have a readily determinable fair value. As such, the investment is measured at cost, less any identified impairment charges. The warrant became exercisable on March 2, 2022, subject to automatic exercise in the event of dissolution or liquidation and will expire on March 2, 2026. During the year ended December 31, 2024, the Company recognized an impairment of \$10.0 million related to this warrant. See Note 3 – *Impairment* for additional information.

Creative Culinary Management Company, LLC (“CCMC”), a wholly owned subsidiary of Jean-Georges Restaurants, provides management services for certain retail and food and beverage businesses that the Company owns, either wholly or through partnerships with third parties. Pursuant to the various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and restaurant as well as the day-to-day operations and accounting for the food and beverage operations.

On January 1, 2025, as the Company’s initial step to internalize food and beverage operations at most of its wholly owned and joint venture-owned restaurants at the Seaport, we hired and onboarded employees of CCMC, and entered into a shared services agreement with CCMC. For additional details regarding the shared services agreement, See Note 15 – *Subsequent Events*.

Summarized Financial Information The following tables provide combined summarized financial statements information for the Company’s unconsolidated ventures. Financial statements information is included for each investment for all periods in which the Company’s ownership interest was accounted for as an equity method investment.

<i>in thousands</i>	December 31, 2024	December 31, 2023
Balance Sheet		
Total Assets	\$ 155,523	\$ 174,283
Total Liabilities	125,623	142,539
Total Equity	29,900	31,744
Non-Controlling Interest	\$ (1,105)	\$ (697)

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Income Statement			
Revenues	\$ 123,257	\$ 118,674	\$ 81,275
Operating Loss	(3,961)	(39,196)	(24,754)
Net Income (loss)	(31,252)	(43,798)	(36,350)
Net loss attributable to the Controlling Interest	\$ (30,844)	\$ (43,264)	\$ (36,261)

3. Impairment

The Company reviews its long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment or disposal of long-lived assets in accordance with ASC 360 *Property, Plant, and Equipment* (ASC 360) requires that if impairment indicators exist and expected undiscounted cash flows generated by the asset over an anticipated holding period are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of the asset to its fair value. The impairment analysis does not consider the timing of future cash flows and whether the asset is expected to earn an above- or below-market rate of return.

The Company evaluates each investment in an unconsolidated venture discussed in Note 2 – *Investments in Unconsolidated Ventures* periodically for recoverability and valuation declines that are other-than-temporary. If the decrease in value of an investment is deemed to be other-than-temporary, the investment is reduced to its estimated fair value.

During the year ended December 31, 2023, the Company recorded a \$709.5 million impairment charge related to Seaport properties in the Landlord Operations segment and investments in the Hospitality segment. The Company recognized the impairment due to decreases in estimated future cash flows due to significant uncertainty of future performance as stabilization and profitability are taking longer than expected, pressure on the current cost structure, decreased demand for office space, as well as an increase in the capitalization rate and a decrease in restaurant multiples used to evaluate future cash flows. The Company used a discounted cash flow analysis to determine fair value, with capitalization rates ranging from 5.5% to 6.75%, discount rates ranging from 8.5% to 13.3%, and restaurant multiples ranging from 8.3 to 11.8.

During the year ended December 31, 2024, the Company recorded a \$10.0 million impairment charge related to the warrant agreement with Jean-Georges to acquire up to an additional 20% interest in Jean-Georges Restaurants at a fixed exercise price per share. The Company recognized the impairment as a result of the Company's planned internalization of hospitality operations currently managed by CCMC, the resulting decrease in estimated near term cash flows to the parent company Jean-George Restaurants, and the near term expiration of the warrants. See Note 15 – *Subsequent Events* for additional information on the shared services agreement and planned internalization of hospitality operations.

The assumptions and estimates included in the Company's impairment analysis require significant judgment about future events, market conditions, and financial performance. Actual results may differ from these assumptions. There can be no assurance that these estimates and assumptions will prove to be an accurate prediction of the future.

[Table of Contents](#)

The following table summarizes the pre-tax impacts of the impairments mentioned above to the Consolidated and Combined Statements of Operations for the year ended December 31, 2024 and Combined Statements of Operations for the year ended December 31, 2023. There were no impairments recorded in the year ended December 31, 2022.

<i>in thousands</i>	Statements of Operations Line Item	2024	2023
Building and equipment	Provision for impairment	\$ —	\$ 445,818
Land	Provision for impairment	—	11,734
Developments	Provision for impairment	—	214,940
Net investments in real estate		—	672,492
Investments in unconsolidated ventures ^(a)	Equity in losses from unconsolidated ventures	10,000	37,001
Total impairment		\$ 10,000	\$ 709,493

(a) As of December 31, 2024, impairment charges relate to the warrants which were issued of Jean-Georges Restaurants. As of December 2023, impairment charges relate to the Company's investments in Jean-Georges Restaurants, Ssām Bar, and Tin Building by Jean-Georges unconsolidated ventures. See Note 2 – *Investments in Unconsolidated Ventures* for additional information.

4. Other Assets and Liabilities

Other Assets, net

The following table summarizes the significant components of Other assets, net:

<i>in thousands</i>	December 31, 2024	December 31, 2023
Intangibles	\$ 17,379	\$ 20,534
Security and other deposits	11,116	14,190
Food and beverage and merchandise inventory	1,875	2,718
Prepaid expenses	4,862	1,524
Other	569	146
Other assets, net	\$ 35,801	\$ 39,112

Accounts Payable and Other Liabilities

The following table summarizes the significant components of Accounts payable and other liabilities:

<i>in thousands</i>	December 31, 2024	December 31, 2023
Deferred income	\$ 3,946	\$ 4,030
Accounts payable and accrued expenses	10,998	4,285
Construction payables	73	12,477
Accrued payroll and other employee liabilities	5,961	4,885
Accrued interest	84	1,000
Tenant and other deposits	682	554
Other	1,367	908
Accounts payable and other liabilities	\$ 23,111	\$ 28,139

5. Intangibles

The following table summarizes the Company's intangible assets and liabilities:

	As of December 31, 2024			As of December 31, 2023		
	Gross Asset (Liability)	Accumulated (Amortization)/ Accretion	Net Carrying Amount	Gross Asset (Liability)	Accumulated (Amortization)/ Accretion	Net Carrying Amount
<i>in thousands</i>						
Intangible Assets:						
License agreement with MLB ^(a)	\$ 24,872	\$ (9,949)	\$ 14,923	\$ 24,872	\$ (7,354)	\$ 17,518
Other definite lived intangibles ^(b)	6,844	(4,388)	2,456	6,844	(3,828)	3,016
Tenant leases:						
Below-market	(3,679)	3,679	—	(3,679)	3,403	(276)
Total amortizing intangibles	\$ 28,037	\$ (10,658)	\$ 17,379	\$ 28,037	\$ (7,779)	\$ 20,258

^(a) Represents 10-year player development agreement between the Aviators and MLB.

^(b) Includes a franchise relationship and food and beverage contract associated with the Aviators

The tenant below-market lease intangible liabilities resulted from real estate acquisitions. The below-market tenant leases are included in Accounts payable and other liabilities and are amortized over the remaining non-cancelable terms of the respective leases. See Note 4 – *Other Assets and Liabilities* for additional information regarding Other assets, net and Accounts payable and other liabilities. The Company has no indefinite lived intangible assets.

Net amortization and accretion expense for these intangible assets and liabilities was \$2.9 million, \$2.8 million, and \$2.8 million in 2024, 2023, and 2022, respectively.

Future net amortization and accretion expense is estimated for each of the five succeeding years as shown below:

<i>in thousands</i>	2025	2026	2027	2028	2029
Net amortization and accretion expense	\$ 3,155	\$ 3,155	\$ 2,895	\$ 2,844	\$ 2,844

6. Mortgages Payable, Net

Mortgages payable, net are summarized as follows:

<i>in thousands</i>	December 31, 2024	December 31, 2023
Fixed-rate debt		
Secured mortgages payable	\$ 41,087	\$ 42,990
Variable-rate debt		
Secured mortgages payable	61,300	115,000
Unamortized deferred financing costs	(794)	(2,362)
Mortgages payable, net	\$ 101,593	\$ 155,628

As of December 31, 2024, land, buildings and equipment, developments, and other collateral with an aggregate net book value of \$240.0 million have been pledged as collateral for the Company's debt obligations. Secured mortgages payable are without recourse to the Company at December 31, 2024.

Secured Mortgages Payable

The Company's outstanding mortgages are collateralized by certain of the Company's real estate assets. The Company's fixed-rate debt obligation requires semi-annual installments of principal and interest, and the Company's

[Table of Contents](#)

variable-rate debt requires monthly installments of only interest. As of December 31, 2024, the Company's secured mortgage loans did not have any undrawn lender commitment available to be drawn for property development.

The following table summarizes the Company's secured mortgages payable:

<i>in thousands</i>	December 31, 2024			December 31, 2023		
	Principal	Interest Rate	Maturity Date	Principal	Interest Rate	Maturity Date
Fixed rate ^(a)	\$ 41,087	4.92 %	December 15, 2038	\$ 42,990	4.92 %	December 15, 2038
Variable rate ^{(b) (c)}	61,300	9.49 %	July 1, 2029	115,000	9.21 %	September 1, 2026
Secured mortgages payable	\$ 102,387			\$ 157,990		

- (a) The Company has one fixed-rate debt obligation as of December 31, 2024, and December 31, 2023. The interest rate presented is based upon the coupon rate of the debt.
- (b) The Company has one variable-rate debt obligation as of December 31, 2024, and December 31, 2023. The interest rate presented is based on the applicable reference interest rate as of December 31, 2024, and December 31, 2023.
- (c) The Company has a total return swap with the lender in connection with its variable-rate debt. At December 31, 2024, the assumed rate of the indebtedness associated with our variable-rate debt obligation is based on SOFR + 4.5%, which is the combination of the interest rates on two instruments: (i) the variable-rate debt obligation, pursuant to which the Company is obligated to pay the lender an amount equal to SOFR + 5.0%, and (ii) the total return swap, pursuant to which the Company is entitled to receive 0.5% from the lender. The cash flows from this total return swap does not vary based on any underlying and there is no net settlement, as such, it is not considered to meet the criteria of ASC 815 "Derivatives and Hedging" and determined to not be a derivative.

During the year ended December 31, 2024, the Company's mortgage activity included a repayment of \$1.9 million of our fixed rate debt. In connection with and prior to the Separation, on July 31, 2024, the variable rate mortgage related to 250 Water Street was refinanced, with HHH paying down \$53.7 million of the outstanding principal balance and SEG refinancing the remaining \$61.3 million at an interest rate of SOFR plus a margin of 4.5% and scheduled maturity date of July 1, 2029.

During 2023, the Company's mortgage activity included refinancings of \$100 million, additional draws of \$15 million, and repayments of \$1.8 million.

On January 1, 2025, the mortgage loan on 250 Water Street was amended to increase the margin from 5% to 7%. The Company is entitled to receive this 2% increase from the lender by way of the total return swap, resulting in no change in cash flows to the Company. See Note 15 – *Subsequent Events* for additional information.

Scheduled Maturities

The following table summarizes the contractual obligations relating to the Company's mortgages payable as of December 31, 2024:

<i>thousands</i>	Mortgages payable principal payments
2025	\$ 1,997
2026	2,097
2027	2,201
2028	2,311
2029	63,726
Thereafter	30,055
Total principal payments	102,387
Unamortized deferred financing costs	(794)
Mortgages payable, net	\$ 101,593

7. Fair Value

ASC 820 *Fair Value Measurement* (ASC 820), emphasizes that fair value is a market-based measurement that should be determined using assumptions market participants would use in pricing an asset or liability. The standard establishes a hierarchical disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets or liabilities at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the asset or liability. Assets or liabilities with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

[Table of Contents](#)

The following table presents the fair value measurement hierarchy levels required under ASC 820 for the estimated fair values of the Company's financial instruments that are not measured at fair value on a recurring basis:

		December 31, 2024		December 31, 2023	
<i>in thousands</i>	Fair Value Hierarchy	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets:					
Cash and Restricted cash	Level 1	\$ 167,845	\$ 167,845	\$ 43,845	\$ 43,845
Accounts receivable, net ^(a)	Level 3	5,246	5,246	13,672	13,672
Liabilities:					
Fixed-rate debt ^(b)	Level 2	41,087	40,032	42,990	38,906
Variable-rate debt ^(b)	Level 2	\$ 61,300	\$ 61,300	115,000	115,000

(a) Accounts receivable, net is shown net of an allowance of \$2.6 million at December 31, 2024 and \$1.4 million at December 31, 2023, respectively. Refer to Note 1 – *Summary of Significant Accounting Policies* for additional information on the allowance.

(b) Excludes related unamortized financing costs.

The carrying amounts of Cash and Restricted cash and Accounts receivable, net approximate fair value because of the short-term maturity of these instruments.

The fair value of fixed-rate debt in the table above was estimated based on a discounted future cash payment model, which includes risk premiums and risk-free rates derived from the SOFR or U.S. Treasury obligation interest rates as of December 31, 2024. Refer to Note 6 – *Mortgages Payable, Net* for additional information. The discount rates reflect the Company's judgment as to what the approximate current lending rates for loans or groups of loans with similar maturities and credit quality would be if credit markets were operating efficiently and assuming that the debt is outstanding through maturity.

The carrying amount for the Company's variable-rate debt approximates fair value given that the interest rate is variable and adjusts with current market rates for instruments with similar risks and maturities.

The below table includes non-financial assets that were measured at fair value on a non-recurring basis resulting in the properties and investments being impaired:

thousands	Total Fair Value Measurement ^(a)	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2023				
Net investment in real estate	\$ 321,180	\$ —	\$ —	\$ 321,180
Investments in unconsolidated ventures	\$ 40,225	\$ —	\$ —	\$ 40,225

(a) The fair value was measured as of the impairment date in the third quarter of 2023 using a discounted cash flow analysis to determine fair value, with capitalization rates ranging from 5.5% to 6.75%, discount rates ranging from 8.5% to 13.3%, and restaurant multiples ranging from 8.3 to 11.8. Refer to Note 3 – *Impairment* for additional information.

8. Commitments and Contingencies

Litigation

In the normal course of business, from time to time, the Company is involved in legal proceedings relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from

normal course of business legal actions are not expected to have a material effect on the Company's consolidated and combined financial position, results of operations, or liquidity.

250 Water Street

In 2021, the Company received the necessary approvals for its 250 Water Street development project, which includes a mixed-use development with affordable and market-rate apartments, community-oriented spaces, and office space. In May 2021, the Company received approval from the New York City Landmarks Preservation Commission ("LPC") on its proposed design for the 250 Water Street site. The Company received final approvals in December 2021 through the New York City Uniform Land Use Review Procedure known as ULURP, which allowed the necessary transfer of development rights to the parking lot site. The Company began initial foundation and voluntary site remediation work in the second quarter of 2022 and completed remediation work in December 2023.

The Company has prevailed in various lawsuits filed in 2021 and 2022 challenging the development approvals in order to prevent construction of this project.

A separate lawsuit was filed in July 2022 again challenging the Landmarks Preservation Commission approval. In January 2023, a Court ruled in favor of the petitioners vacating the Certificate of Appropriateness ("COA") issued by the LPC. The Company immediately appealed this decision to the New York State Supreme Court's Appellate Division and on June 6, 2023, an Appellate Division panel of five judges unanimously reversed the lower Court's decision, reinstating the COA. Subsequently, on June 29, 2023, petitioners filed a motion requesting reargument or, in the alternative, permission to appeal the decision of the Appellate Division to the New York State Court of Appeals. On August 31, 2023, the Appellate Division denied petitioners' motion in full. Subsequently, petitioners filed a motion in the Court of Appeals for permission to appeal to that court. On May 21, 2024, the Court of Appeals denied this motion. The petitioners have no options for further appeal and the judgment is final.

Operating Leases

The Company leases land or buildings at certain properties from third parties, which are recorded in Operating lease right-of-use assets, net, and Operating lease obligations on the Consolidated and Combined Balance Sheets. See Note 11 – *Leases* for additional information. Contractual rental expense was \$6.6 million, \$6.7 million and \$6.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. The amortization of straight-line rents included in the contractual rent amount was \$2.0 million, \$2.5 million and \$2.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

9. Income Taxes

Deferred income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities using enacted tax rates currently in effect. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards.

The following summarizes Income tax (benefit) expense for the years ended December 31:

<i>in thousands</i>	2024	2023	2022
Current	\$ —	\$ —	\$ —
Deferred	—	(2,187)	3,469
Total	<u>\$ —</u>	<u>\$ (2,187)</u>	<u>\$ 3,469</u>

[Table of Contents](#)

Reconciliation of the Income tax (benefit) expense if computed at the U.S. federal statutory income tax rate to the Company's reported Income tax (benefit) expense for the years ended December 31 is as follows:

in thousands

	2024	2023	2022
Loss before income taxes	\$ (152,625)	\$ (840,252)	\$ (107,808)
U.S. federal statutory tax rate	21 %	21 %	21 %
Tax (benefit) expense computed at the U.S. federal statutory rate	(32,051)	(176,453)	(22,640)
State income tax (benefit) expense, net of federal income tax	(5,257)	(75,917)	(10,254)
Unbenefited losses	20,159	35,791	36,270
Valuation allowance	(187,982)	213,127	—
Tax basis adjustment from spin off	206,525	-	—
Tax (Benefit) expense from other changes in rates, prior period adjustments and other permanent difference	(1,394)	1,265	93
Income tax (benefit) expense	\$ (0)	\$ (2,187)	\$ 3,469
Effective income tax rate	0.0 %	0.3 %	(3.2)%

The Company generated operating losses in the years presented. The income tax benefit recognized related to this loss was zero for the years ended December 31, 2024, 2023, and 2022, after an assessment of the available positive and negative evidence. Before August 1, 2024 operating results of the Company have historically been included in the consolidated federal and combined state income tax returns of HHH and the resulting tax attributes have been fully utilized by HHH and are no longer available to the Company for future use. As a result, any net operating loss attributes and related valuation allowances are deemed to have been distributed to HHH through net parent investment. Future income tax provisions may be impacted by future changes in the realizability of the hypothetical net operating loss deferred tax asset. The difference between the (benefit) expense at the statutory rate and the income tax provision related to these operating losses is reflected in the table above as "Unbenefited losses".

Starting on August 1, 2024 the Company will file its own separate return and the Company has considered realizability of deferred tax assets on a standalone basis. At December 31, 2024, the Company has \$29.7 million of net operating loss carryforwards for federal income tax purposes, which are available to offset future taxable income, if any, over an indefinite period. In addition, the Company has \$22.6 million of net operating loss carryforwards for New York and New York City income tax purposes, which expire starting in 2045.

Furthermore, it was necessary to assess the positive and negative evidence of the realizability of the US federal and consolidated state net deferred tax asset balance for the years ended December 31, 2024 and 2023. After such an assessment, it was determined a valuation allowance was required. The difference between the expense (benefit) at the statutory rate and the income tax provision is primarily related to state taxes, the unbenefited federal and state losses, and the valuation allowance recorded against the Company's deferred tax assets.

[Table of Contents](#)

The following summarizes tax effects of temporary differences and carryforwards included in the net deferred tax liabilities as of December 31:

<i>in thousands</i>	2024	2023
Deferred tax assets:		
Accounts receivable	\$ 447	\$ 408
Accrued expenses	2,634	1,041
Operating lease liabilities	14,348	14,547
Deferred income	645	537
Depreciation, impairments and asset disposals	11,581	210,168
Net operating losses	8,969	-
Total deferred tax assets	38,624	226,701
Valuation allowance	(25,145)	(213,127)
Total net deferred tax assets	<u>\$ 13,479</u>	<u>\$ 13,574</u>
Deferred tax liabilities:		
Prepaid other	(947)	(286)
Operating lease right of use assets	(12,532)	(13,288)
Total deferred tax liabilities	<u>\$ (13,479)</u>	<u>\$ (13,574)</u>
Total net deferred tax liabilities	<u>\$ —</u>	<u>\$ —</u>

The Company has historically been included in the income tax returns filed by HHH; that is no longer the case and it now files its own separate company return beginning August 1, 2024. Generally, the Company is currently open to audit under the statute of limitations by the Internal Revenue Service as well as state taxing authorities for the years ended December 31, 2021 through 2024. In the Company's opinion, it has made adequate tax provisions for years subject to examination. The final determination of tax examinations and any related litigation could be different from what was reported on the returns, however, the Company would not be liable for any incremental taxes payable, interest or penalties, which remain the obligation of HHH.

The Company applies the generally accepted accounting principle related to accounting for uncertainty in income taxes, which prescribes a recognition threshold that a tax position is required to meet before recognition in the financial statements and provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure, and transition issues.

The Company recognizes and reports interest and penalties related to unrecognized tax benefits, if applicable, within the provision for income tax expense. The Company had no unrecognized tax benefits for the years ended December 31, 2024, 2023, or 2022, and therefore did not recognize any interest expense or penalties on unrecognized tax benefits.

10. Revenues

Revenues from contracts with customers (excluding lease-related revenues) are recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

[Table of Contents](#)

The following presents the Company's revenues disaggregated by revenue source:

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Revenues from contracts with customers			
Recognized at a point in time or over time			
Sponsorships, events, and entertainment revenue	\$ 56,153	\$ 60,623	\$ 55,724
Other revenue ^(a)	92	8	947
Total	56,245	60,631	56,671
Recognized at a point in time			
Hospitality revenue	29,528	32,951	42,565
Rental and lease-related revenues			
Rental revenue	25,363	22,096	19,810
Total revenues	\$ 111,136	\$ 115,678	\$ 119,046

^(a) Other revenue in 2022 primarily relates to parking revenue at 250 Water Street prior to the start of initial foundation and voluntary site remediation work in the second quarter of 2022.

Contract Assets and Liabilities

Contract assets are the Company's right to consideration in exchange for goods or services that have been transferred to a customer, excluding any amounts presented as a receivable. Contract liabilities are the Company's obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no contract assets for the periods presented. The contract liabilities primarily relate to deferred Aviators and Seaport concert series ticket sales and sponsorship revenues. The beginning and ending balances of contract liabilities and significant activity during the periods presented are as follows:

<i>in thousands</i>	Contract Liabilities
Balance at December 31, 2021	\$ 6,127
Consideration earned during the period	(41,664)
Consideration received during the period	40,277
Balance at December 31, 2022	\$ 4,740
Balance at December 31, 2022	\$ 4,740
Consideration earned during the period	(42,195)
Consideration received during the period	41,162
Balance at December 31, 2023	\$ 3,707
Balance at December 31, 2023	\$ 3,707
Consideration earned during the period	(43,839)
Consideration received during the period	44,078
Balance at December 31, 2024	\$ 3,946

Remaining Unsatisfied Performance Obligation

The Company's remaining unsatisfied performance obligations represent a measure of the total dollar value of work to be performed on contracts executed and in progress. These performance obligations primarily relate to the completion of the 2025 Aviators baseball season and 2025 concert series, as well as performance under various sponsorship agreements. The aggregate amount of the transaction price allocated to the Company's remaining unsatisfied performance

[Table of Contents](#)

obligations from contracts with customers as of December 31, 2024, is \$16.4 million. The Company expects to recognize this amount as revenue over the following periods:

<i>in thousands</i>	Less than 1 year	1-2 years	3 years and thereafter	Total
Total remaining unsatisfied performance obligations	\$ 8,019	\$ 2,890	\$ 5,474	\$ 16,383

The Company's remaining performance obligations are adjusted to reflect any known contract cancellations, revisions to customer agreements, and deferrals, as appropriate.

During the year ended December 31, 2024, no customers accounted for greater than 10% of the Company's revenue.

For the year ended December 31, 2023, revenue from one customer accounted for approximately 10.1% of the Company's total revenue, respectively, through a related-party transaction. See Note 14 – *Related-Party Transactions* for additional information. For the year ended December 31, 2022, no customers accounted for greater than 10% of the Company's revenue.

11. Leases

Lessee Arrangements

The Company determines whether an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use assets, net, and Operating lease obligations on the Consolidated and Combined Balance Sheets. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of future minimum lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses an estimate of the incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. The Operating lease right-of-use asset also includes any lease payments made, less any lease incentives and initial direct costs incurred. The Company does not have any finance leases. The Company elected the practical expedient to not separate lease components from non-lease components of its lease agreements for all classes of underlying assets. Certain of the Company's lease agreements include non-lease components such as fixed common area maintenance charges. The Company applies Leases (Topic 842) to the single combined lease component.

The Company's lessee agreements consist of operating leases primarily for ground leases and other real estate. The majority of the Company's leases have remaining lease terms ranging from less than two years to approximately 50 years, excluding extension options. The Company considers its strategic plan and the life of associated agreements in determining when options to extend or terminate lease terms are reasonably certain of being exercised. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Certain of the Company's lease agreements include variable lease payments based on a percentage of income generated through subleases, changes in price indices and market rates, and other costs arising from operating, maintenance, and taxes. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. The Company leases various buildings and office space constructed on its ground leases to third parties.

The Company's leased assets and liabilities are as follows:

<i>in thousands</i>	December 31, 2024	December 31, 2023
Assets		
Operating lease right-of-use assets, net	\$ 38,682	\$ 40,884
Liabilities		
Operating lease obligations	\$ 47,470	\$ 48,153

[Table of Contents](#)

The components of lease expense are as follows:

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Operating lease cost	\$ 6,126	\$ 6,189	\$ 6,043
Variable lease cost	478	478	452
Total lease cost	\$ 6,604	\$ 6,667	\$ 6,495

Future minimum lease payments as of December 31, 2024, are as follows:

<i>in thousands</i>	Operating Leases
2025	\$ 4,386
2026	3,427
2027	2,760
2028	2,819
2029	2,880
Thereafter	222,847
Total lease payments	239,119
Less: imputed interest	(191,649)
Present value of lease liabilities	\$ 47,470

Other information related to the Company's lessee agreements is as follows:

Supplemental Combined Statements of Cash Flows Information		Year ended December 31,		
<i>in thousands</i>		2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows on operating leases		\$ 4,327	\$ 4,266	\$ 4,320

Other Information		Year Ended December 31,	
		2024	2023
Weighted-average remaining lease term (years)			
Operating leases		45.5	45.3
Weighted-average discount rate			
Operating leases		7.8 %	7.8 %

Lessor Arrangements

The Company receives rental income from the leasing of retail, office, multi-family, and other space under operating leases, as well as certain variable tenant recoveries. Operating leases for our retail, office, and other properties are with a variety of tenants and have a remaining average term of approximately seven years. Lease terms generally vary among tenants and may include early termination options, extension options, and fixed rental rate increases or rental rate increases based on an index. Multi-family leases generally have a term of 12 months or less. The Company elected the practical expedient to not separate lease components from non-lease components of its lease agreements for all classes of underlying assets. Minimum rent revenues related to operating leases are as follows:

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Total minimum rent revenues	\$ 21,289	\$ 17,325	\$ 11,275

[Table of Contents](#)

Total future minimum rents associated with operating leases are as follows as of December 31, 2024:

<i>in thousands</i>	Total Minimum Rent
2025	\$ 21,859
2026	19,477
2027	19,603
2028	19,701
2029	19,373
Thereafter	86,850
Total	\$ 186,863

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases when collectability is reasonably assured and the tenant has taken possession of, or controls, the physical use of the leased asset. Percentage rent in lieu of fixed minimum rent is recognized as sales are reported from tenants. Minimum rent revenues reported on the Consolidated and Combined Statements of Operations also include amortization related to above and below-market tenant leases on acquired properties.

12. Equity

Stock-Based Compensation

Prior to and in connection with the Separation, the Company established the Seaport Entertainment Group Inc. 2024 Equity Incentive Plan (the "Plan") with the purpose of attracting, retaining and motivating officers, employees, non-employee directors, and consultants providing services to the Company and promoting the success of the Company's business by providing the participants of the Plan with equity incentives. In addition, the Plan is intended to govern awards granted pursuant to or resulting from the adjustment and/or conversion of awards originally granted prior to the Separation under the Howard Hughes Corporation 2020 Equity Incentive Plan and under the Howard Hughes Corporation Amended and Restated 2010 Incentive Plan in accordance with the terms of the employee matters agreement entered into in connection with the Separation.

The Plan was approved prior to the Separation by HHH, at the time the Company's sole stockholder, and is administered by the compensation committee of the board of directors (the "Committee"). The Plan authorizes the Committee to grant stock-based compensation awards, including stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards, to eligible participants. The Committee has the full power to interpret and administer the Plan and award agreements, subject to the limitations set forth in the Plan. A total of 6.8 million shares of Class A common stock were initially reserved for issuance under the Plan. At December 31, 2024, approximately 5.9 million shares remained available to be issued.

Restricted Shares and Restricted Stock Unit Awards

In connection with the Separation, shares of HHH restricted stock subject to time-based and performance-based vesting that were previously awarded to certain grantees under the Howard Hughes Corporation 2020 Equity Incentive Plan or the Howard Hughes Corporation Amended and Restated 2010 Incentive Plan were adjusted and converted into shares of restricted stock of the Company that vest in the same percentages, on the same dates and schedule as any shares of HHH restricted stock held by such grantees that were unvested and outstanding immediately prior to the Separation. This conversion resulted in the issuance of total restricted stock awards subject to time-based vesting of 69,997 to non-executive employees and 111,682 to executive officers with fair values of \$2.0 million and \$3.2 million, respectively.

[Table of Contents](#)

In August 2024, the Company separately issued 76,641 restricted stock unit awards subject to time-based vesting to non-executive employees and a consultant and 168,660 restricted stock unit awards subject to time-based vesting to executive officers, with fair values of \$2.0 million and \$4.5 million, respectively. Each restricted stock unit award represents a contingent right to receive one share of the Company's common stock at vesting. The restricted stock unit awards issued under the Plan generally vest over requisite service periods of one to three years, except for the award to one of the Company's executive officers that cliff vests on August 1, 2029 subject to continued service through that date.

A summary of the activity related to the Company's restricted stock and restricted stock unit awards are as follows:

		Shares/Units	Weighted-Average Grant Fair Value
Unvested at August 1, 2024	\$	—	\$ —
Granted		426,980	27.24
Vested		(39,407)	28.27
Forfeited		(8,158)	26.47
Unvested at December 31, 2024	\$	379,415	\$ 27.14

Restricted stock and restricted stock unit awards issued during the year ended December 31, 2024 were valued at \$11.6 million and the weighted average per share or unit value was \$27.24. At December 31, 2024, unrecognized share-based compensation costs for restricted stock and restricted stock unit awards was \$8.9 million which is expected to be recognized over a weighted average period of 2.8 years.

Non-Qualified Stock Options

Non-qualified stock option awards issued under the Plan generally cliff vest over a requisite service period of three to five years and have a term of ten years from the grant date.

The weighted average fair value of non-qualified stock options and the related assumptions used in the Black Scholes model to calculate grant date fair value of the awards are as follows:

	December 31, 2024
Weighted-average fair value	\$ 14.46
Dividend yield	0%
Expected volatility of stock	55% to 58%
Risk-free interest rate	3.9% to 4.0%
Expected option life (in years)	6.5 to 7.5
Weighted-average exercise price per share	\$ 35.93

A summary of the activity related to the Company's non-qualified stock options is as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at August 1, 2024	—	\$ —	—	\$ —
Granted	478,419	35.93	9.33	489
Exercised	—	—	—	—
Forfeited or expired	—	—	—	—
Outstanding at December 31, 2024	478,419	\$ 35.93	9.33	\$ 489
Exercisable	14,964	119.60	1.41	—

Non-qualified stock option awards issued during the year ended December 31, 2024 were valued at \$6.9 million. At December 31, 2024, unrecognized share-based compensation costs for non-qualified stock option awards was \$6.3 million which is expected to be recognized over a weighted average period of 4.6 years.

[Table of Contents](#)

Stock-based compensation expense for restricted stock, restricted stock units and non-qualified stock options is generally recognized straight-line over the vesting term of the award, which typically provides for graded or cliff vesting subject to continued employment with the Company. Stock-based compensation is classified in the same financial statement line items as cash compensation. The following table presents the location of stock-based compensation expense on the Consolidated and Combined Statements of Operations (amounts in thousands):

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Expenses			
Sponsorships, events, and entertainment costs	\$ 647	\$ 528	\$ 350
Hospitality costs	100	130	19
Operating costs	(504)	837	500
General and administrative	3,095	—	—
Total stock-based compensation expense	\$ 3,338	\$ 1,495	\$ 869

Earnings Per Share

Earnings per share is calculated by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares outstanding during the period. Stock-based payment awards are included in the calculation of diluted income using the treasury stock method if dilutive.

On the date of Separation, immediately prior to the Separation, there were 5,521,884 shares that were issued and outstanding. This share amount is being utilized for the calculation of basic earnings (loss) per share for 2023 and 2022 because the Company was not a standalone public company prior to the date of Separation and there was no stock trading information available to calculate earnings (loss) per share. In addition, for 2023 and 2022, the computation of diluted earnings per share equals the basic earnings (loss) per share calculation since there was no stock trading information available to compute dilutive effect of shares issuable under share-based compensation plans needed under the treasury method in accordance with ASC Topic 260 and since common stock equivalents were antidilutive due to losses from operations.

For the years ended December 31, 2024, 2023 and 2022, earnings (loss) per share is computed as follows (amounts in thousands, except per share amounts):

<i>in thousands, except per share data</i>	Year Ended December 31,		
	2024	2023	2022
Numerator - Basic			
Net loss	\$ (152,625)	\$ (838,065)	\$ (111,277)
Preferred distributions to noncontrolling interest in subsidiary	(587)	—	—
Net loss attributable to common stockholders - basic and diluted	<u>\$ (153,212)</u>	<u>\$ (838,065)</u>	<u>\$ (111,277)</u>
Denominator			
Weighted average shares outstanding - basic	9,108	5,522	5,522
Effect of dilutive securities	—	—	—
Weighted average shares outstanding - diluted	<u>9,108</u>	<u>5,522</u>	<u>5,522</u>
Earnings (loss) per share - basic and dilutive	<u>\$ (16.82)</u>	<u>\$ (151.77)</u>	<u>\$ (20.15)</u>

[Table of Contents](#)

The calculation of diluted earnings per share excluded the following shares that could potentially dilute basic earnings per share in the future because their inclusion would have been antidilutive.

	Year Ended December 31,		
	2024	2023	2022
Shares issuable upon exercise of restricted stock and restricted stock units	209,790	35,101	35,101
Shares issuable upon exercise of stock options	16,437	8,501	8,501

Noncontrolling Interest in Subsidiary

On July 31, 2024, a subsidiary of HHH that became our subsidiary in connection with the Separation, issued 10,000 shares of 14.000% Series A preferred stock, par value \$0.01 per share, with an aggregate liquidation preference of \$10.0 million. The Series A Preferred Stock ranks senior to the Company's interest in our subsidiary with respect to dividend rights and rights upon liquidation, dissolution and other considerations. The Series A Preferred Stock has no maturity date and will remain outstanding unless redeemed. The Series A Preferred Stock is not redeemable by the Company prior to July 11, 2029 except under limited circumstances intended to preserve certain tax benefits for HHH. Upon consolidation, the \$10.0 million issued and outstanding preferred share interest is presented net of \$0.1 million of equity issuance costs as Noncontrolling interest in subsidiary on our Consolidated Balance Sheet as of December 31, 2024 and the related dividends are reflected as Preferred share distributions in our Consolidated and Combined Statements of Operations during the year ended December 31, 2024.

13. Segments

The Company has three business segments that offer different products and services. The Company's three segments are managed separately as each requires different operating strategies or management expertise. Our CODM is our Chief Executive Officer. Our CODM uses Adjusted EBITDA to assess operating results for each of the Company's business segments and to determine how to allocate resources to each of the Company's business segments. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization, equity in earnings (losses) from unconsolidated ventures, general and administrative expenses, and other expenses. The Company's segments or assets within such segments could change in the future as development of certain properties commences or other operational or management changes occur.

All operations are within the United States. The Company's reportable segments are as follows:

- **Landlord Operations** – consists of the Company's rental operations associated with over 478,000 square feet of properties situated in three primary locations at the Seaport in New York, New York: Pier 17, Historic Area/Uplands, and Tin Building, as well as the 250 Water Street development.
- **Hospitality** – consists of restaurant and retail businesses in the Historic District and Pier 17 that are owned, either wholly or through joint ventures, and operated by the Company or through license and management agreements, and also includes the equity interest in Jean-Georges Restaurants.
- **Sponsorships, Events, and Entertainment** – consists of baseball operations of the Aviators and Las Vegas Ballpark along with sponsorships, events, and other revenue generated at the Seaport in New York, New York.

[Table of Contents](#)

Segment operating results are as follows:

<i>in thousands</i>	Landlord Operations	Hospitality	Sponsorships, Events, and Entertainment	Total
Year ended December 31, 2024				
Total revenues	\$ 25,455	\$ 29,528	\$ 56,153	\$ 111,136
Operating costs	(34,254)	(3,824)	(6,351)	(44,429)
Sponsorships, Events, and Entertainment Costs	—	—	(43,757)	(43,757)
Hospitality Costs	—	(31,002)	—	(31,002)
Provision for doubtful accounts	(26)	(140)	(2,197)	(2,363)
Total operating expenses	(34,280)	(34,966)	(52,305)	(121,551)
Other income (loss), net	2,065	4,496	168	6,729
Total segment expenses	(32,215)	(30,470)	(52,137)	(114,822)
Segment Adjusted EBITDA	(6,760)	(942)	4,016	(3,686)
Depreciation and amortization				(34,785)
Interest expense, net				(6,751)
Equity in losses from unconsolidated ventures				(42,571)
Provision for impairment				—
Loss on early extinguishment of debt				(1,563)
Corporate expenses and other items				(63,269)
Loss before income taxes				(152,625)
Income tax benefit (expense)				—
Net loss				\$ (152,625)
Year ended December 31, 2023				
Total revenues	\$ 22,104	\$ 32,951	\$ 60,623	\$ 115,678
Operating costs	(31,543)	(4,224)	(5,452)	(41,219)
Sponsorships, Events, and Entertainment Costs	—	—	(47,466)	(47,466)
Hospitality Costs	—	(31,432)	—	(31,432)
Provision for doubtful accounts	(80)	(42)	(337)	(459)
Total operating expenses	(31,623)	(35,698)	(53,255)	(120,576)
Other income (loss), net	8	31	(6)	33
Total segment expenses	(31,615)	(35,667)	(53,261)	(120,543)
Segment Adjusted EBITDA	(9,511)	(2,716)	7,362	(4,865)
Depreciation and amortization				(48,432)
Interest expense, net				(3,166)
Equity in losses from unconsolidated ventures				(80,633)
Provision for impairment				(672,492)
Loss on early extinguishment of debt				(47)
Corporate expenses and other items				(30,617)
Loss before income taxes				(840,252)
Income tax benefit (expense)				2,187
Net loss				\$ (838,065)
Year ended December 31, 2022				
Total revenues	\$ 20,742	\$ 42,580	\$ 55,724	\$ 119,046
Operating costs	(34,087)	(4,893)	(5,068)	(44,048)
Sponsorships, Events, and Entertainment Costs	—	—	(38,764)	(38,764)
Hospitality Costs	—	(38,037)	—	(38,037)
Provision for doubtful accounts	(1,091)	(164)	(157)	(1,412)
Total operating expenses	(35,178)	(43,094)	(43,989)	(122,261)
Other income (loss), net	458	18	459	935
Total segment expenses	(34,720)	(43,076)	(43,530)	(121,326)
Segment Adjusted EBITDA	(13,978)	(496)	12,194	(2,280)
Depreciation and amortization				(47,356)
Interest expense, net				(4,013)
Equity in losses from unconsolidated ventures				(37,124)
Provision for impairment				—
Loss on early extinguishment of debt				—
Corporate expenses and other items				(17,035)
Loss before income taxes				(107,808)
Income tax benefit (expense)				(3,469)
Net loss				\$ (111,277)

[Table of Contents](#)

The following represents assets by segment and the reconciliation of total segment assets to Total assets in the Combined Balance Sheets as of:

<i>in thousands</i>	December 31, 2024	December 31, 2023
Landlord Operations	\$ 397,584	\$ 411,871
Hospitality	54,020	64,816
Sponsorships, Events, and Entertainment	125,207	135,121
Total segment assets	576,811	611,808
Corporate	166,745	5,005
Total assets ^(a)	<u>\$ 743,556</u>	<u>\$ 616,813</u>

(a) In 2023, the Company recorded a \$709.5 million impairment charge related to the Seaport properties in the Landlord Operations segment and investments in the Hospitality segment. Refer to Note 3 – *Impairment* for additional information.

The Company made investments in unconsolidated ventures in the Hospitality segment of \$34.1 million and \$45.5 million during the years ended December 31, 2024 and 2023, respectively.

The following represents capital expenditures by segment for the years ended December 31:

<i>in thousands</i>	2024	2023
Landlord Operations	\$ 59,285	\$ 63,016
Hospitality	278	3,302
Sponsorships, Events, and Entertainment	1,014	1,340
Corporate	1,049	—

14. Related-Party Transactions

Prior to the Separation, the Company had not historically operated as a standalone business and had various relationships with HHH whereby HHH provided services to the Company. The Company also engages in transactions with CCMC and generates rental revenue by leasing space to equity method investees, which are related parties, as described below.

Net Transfers from Parent

As discussed in Note 1 – *Summary of Significant Accounting Policies* in the basis of presentation section and below, net parent investment is primarily impacted by allocation of expenses for certain services related to shared functions provided by HHH prior to the Separation and contributions from HHH which are the result of net funding provided by or distributed to HHH. The components of net parent investment are:

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Net transfers from Parent as reflected in the Combined Statements of Cash Flows	\$ 169,454	\$ 125,277	\$ 239,617
Non-cash stock compensation expense	250	1,495	869
Net transfers from Parent as reflected in the Combined Statements of Equity	<u>\$ 169,704</u>	<u>\$ 126,772</u>	<u>\$ 240,486</u>

Corporate Overhead and Other Allocations

Prior to the Separation, HHH provided the Company certain services, including (1) certain support functions that were provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. The Company's Consolidated and Combined Financial Statements reflect an allocation of these costs. When specific identification or a direct attribution of

[Table of Contents](#)

costs based on time incurred for the Company's benefit is not practicable, a proportional cost method is used, primarily based on revenue, headcount, payroll costs or other applicable measures.

The allocation of expenses, net of amounts capitalized, from HHH to the Company were reflected as follows in the Consolidated and Combined Statements of Operations:

<i>in thousands</i>	Year Ended December 31,		
	2024	2023	2022
Operating costs	\$ 558	\$ 698	\$ 358
General and administrative	12,226	13,234	9,668
Other income, net	(19)	(35)	(53)
Total	\$ 12,765	\$ 13,897	\$ 9,973

Allocated expenses recorded in operating costs, general and administrative expenses, and other income, net in the table above primarily include the allocation of employee benefits and compensation costs, including stock compensation expense, as well as overhead and other costs for shared support functions provided by HHH on a centralized basis prior to the Separation. Operating costs as provided in the table above include immaterial expenses recorded to hospitality costs and sponsorships, events, and entertainment costs with the remainder recorded to operating costs. During the year ended December 31, 2024, the Company capitalized costs of \$0.3 million and \$0.2 million that were incurred by HHH for the Company's benefit in Developments and Buildings and equipment, respectively. During the year ended December 31, 2023, the Company capitalized costs of \$2.0 million and \$0.6 million that were incurred by HHH for the Company's benefit in Developments and Building and equipment, respectively. During the year ended December 31, 2022, the Company capitalized costs of \$4.9 million and \$0.2 million that were incurred by HHH for the Company's benefit in Developments and Building and equipment, respectively.

The financial information herein may not necessarily reflect the consolidated and combined financial position, results of operations, and cash flows of the Company in the future or what they would have been had the Company been a separate, standalone entity during the period from January 1, 2024 to July 31, 2024 and for the years ended December 31, 2023 and 2022. Management believes that the methods used to allocate expenses to the Company are reasonable; however, the allocations may not be indicative of actual expenses that would have been incurred had the Company operated as an independent, publicly traded company prior to the date of Separation. Actual costs that the Company may have incurred had it been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by the Company employees and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Unless otherwise stated, these intercompany transactions between the Company and HHH have been included in these Consolidated and Combined Financial Statements and are considered to be effectively settled at the time the transaction is recorded. The total net effect of the settlement of these intercompany transactions is reflected in the Consolidated and Combined Statements of Cash Flows as a financing activity and in the Consolidated and Combined Balance Sheets as an adjustment to additional paid-in capital as of December 31, 2024 and net parent investment as of December 31, 2023 and 2022.

Stock Compensation

Prior to the Separation, the Company's employees participated in HHH's stock-compensation plan and the Company is allocated a portion of stock compensation expense based on the services provided to the Company. The non-cash stock compensation expense (income) for employee services directly attributable to the Company totaled \$0.3 million, \$1.5 million and \$0.9 million for the years ended December 31, 2024, 2023 and 2022, respectively, and is included within general and administrative expenses in the Consolidated and Combined Statements of Operations and included in the table above. These expenses are presented net of \$0.4 million, \$1.3 million and \$3.0 million capitalized to development projects during the years ended December 31, 2024, 2023 and 2022, respectively. Employee benefits and compensation expense, including stock-based compensation expense, related to the HHH employees who provided shared services to the Company prior to the Separation have also been allocated to the Company and is recorded in general and administrative expenses in the Consolidated and Combined Statements of Operations and included in the table above.

Related-party Management Fees and Transition Services

Prior to the Separation, HHH provided management services to the Company for managing its real estate assets and the Company reimbursed HHH for expenses incurred and paid HHH a management fee for services provided. The amounts outstanding pursuant to the management fee agreement between the Company and HHH were cash settled each month and are reflected in the Consolidated and Combined Balance Sheets as related-party payables to the extent unpaid as of each balance sheet date. During the years ended December 31, 2024, 2023 and 2022, the Consolidated and Combined Balance Sheets reflects immaterial outstanding payables due to HHH with respect to the landlord management fees. These landlord management fees amounted to \$0.3 million, \$0.3 million and \$0.3 million for the years ended December 31, 2024, 2023, 2022 respectively.

In connection with the Separation, the Company entered into a transition services agreement with HHH that provides for the performance of certain services by HHH for our benefit for a period of time after the Separation. During the year ended December 31, 2024, the Company recorded expenses of \$0.3 million related to this transition services agreement with HHH within general and administrative expenses.

In connection with and prior to the Separation, on July 31, 2024, the variable rate mortgage related to 250 Water Street was refinanced. Pursuant to the terms of the refinanced loan, we entered into a total return swap with the lender. See Note 6 – *Mortgages Payable, Net* for additional information. Our obligations under such total return swap are in turn supported by a guaranty provided by a subsidiary of HHH.

In consideration of providing such guaranty, the Company entered into an Indemnity Fee Agreement with HHH and pays an annual guaranty fee equal to 2.0% of the \$61.3 million refinanced debt balance. The Company capitalized \$0.5 million of such fees to Net investment in real estate for the year ended December 31, 2024.

As discussed in Note 2 – *Investments in Unconsolidated Ventures*, CCMC, a wholly owned subsidiary of Jean-Georges Restaurants, which is a related party of the Company, also provides management services for certain of the Company's retail and food and beverage businesses, either wholly owned or through partnerships with third parties. The Company's businesses managed by CCMC include, but are not limited to, locations such as The Tin Building by Jean-Georges, The Fulton, and Malibu Farm. Pursuant to the various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and restaurant as well as the day-to-day operations and accounting for the food and beverage operations. As of December 31, 2024 and 2023, the Consolidated and Combined Balance Sheets reflect receivables for funds provided to CCMC to fund operations of \$0.1 million and \$1.2 million, respectively and accounts payable of \$0.5 million and \$0.2 million, respectively due to CCMC with respect to reimbursable expenses to be funded by the Company. The Company's related-party management fees due to CCMC amounted to \$2.3 million, \$2.2 million and \$2.3 million during the years ended December 31, 2024, 2023 and 2022, respectively.

Related-party Rental Revenue

The Company owns the real estate assets that are leased by Lawn Club and the Tin Building by Jean-Georges. As discussed in Note 2 – *Investments in Unconsolidated Ventures*, the Company owns a noncontrolling interest in these ventures and accounts for its interests in accordance with the equity method.

As of December 31, 2024 and 2023, the Consolidated and Combined Balance Sheets reflect accounts receivable of \$0.2 million and \$0.1 million, respectively, due from these ventures generated by rental revenue earned by the Company.

During the years ended December 31, 2024, 2023 and 2022, the Consolidated and Combined Income Statements reflect rental revenue associated with these related parties of \$13.0 million, \$12.0 million and \$5.7 million, respectively. This is primarily comprised of \$12.1 million, \$11.6 million and \$5.0 million from the Tin Building by Jean-Georges during the years ended December 31, 2024, 2023 and 2022, respectively.

Related-party Other Receivables

As of December 31, 2024 and 2023, the Consolidated and Combined Balance Sheets include a \$0.0 million, and \$3.1 million receivable related to development costs incurred by the Company, which will be reimbursed by the Lawn Club venture.

15. Subsequent Events

CCMC Services Agreement

Effective as of January 1, 2025, Seaport Entertainment Management, LLC (“SEM”), a wholly owned indirect subsidiary of the Company, entered into a services agreement (the “Services Agreement”) with Creative Culinary Management Company LLC and the Company. CCMC is a wholly-owned subsidiary of JG Restaurant Group LLC, which is a wholly-owned subsidiary of Jean-Georges Restaurants. CCMC provides services for certain retail and food beverage businesses that the Company or its affiliates own at the Seaport, either wholly or through partnerships with third parties (the “Management Agreement Services”).

Effective January 1, 2025, we, through SEM, became the employer of certain employees that previously provided the Management Agreement Services through CCMC. Pursuant to the Services Agreement, we will provide services to CCMC in order for CCMC to perform the Management Agreement Services. The term of the Services Agreement will continue until the earlier of (i) the date on which we acquire 100% of the equity interests of CCMC (the “Acquisition Date”) and (ii) the expiration or termination of all of the management agreements referred to in the Services Agreement. In the event that the Acquisition Date has not occurred by June 30, 2025, CCMC or SEM (or its respective affiliate that is a party to that management agreement) shall then have the right to terminate the management agreements.

During the term, we will perform and provide the services to and for the benefit of CCMC in exchange for the following consideration: we will charge CCMC for the services at a rate equal to \$1.00 per month. Further, during the term, (i) CCMC will have no further obligations nor liabilities pursuant to the management agreements to provide any Management Agreement Services to SEG, and (ii) we will continue to pay CCMC any and all fees or other consideration required under the management agreements.

As of December 31, 2024, the Tin Building by Jean-Georges was classified as a VIE because the equity holders, as a group, lack the characteristics of a controlling financial interest. As of January 1, 2025, in conjunction with the execution of the Services Agreement, the Company, through employing the personnel who perform the Management Agreement Services and directing the operating, budgeting, and planning activities that most significantly impact the VIE’s economic performance, became the primary beneficiary of the VIE and will consolidate the Tin Building by Jean-Georges as of January 1, 2025.

The Company is still assessing the accounting impact of the Services Agreement on other joint ventures historically managed by CCMC, including the Lawn Club.

Amended 250 Water Street Mortgage

On January 1, 2025, the Company amended its mortgage agreement on 250 Water Street whereby the stated margin rate increased from 5% to 7%. The Company has a total return swap with the lender in connection with this debt and the assumed rate of the indebtedness associated with this debt obligation is based on SOFR + 4.5%, which is the combination of the interest rates on two instruments: (i) the variable-rate debt obligation, pursuant to which the Company is obligated to pay the lender an amount equal to SOFR + 7.0%, and (ii) the total return swap, pursuant to which the Company is entitled to receive 2.5% from the lender. The amendment does not change any material terms of the agreement, and the net effective rate of indebtedness remains the same. As a result, the amendment does not result in any change in cash flows to the Company.

Leasing

In January 2025, the Company entered into a long term lease agreement with immersive entertainment and experience creator, Meow Wolf, for approximately 74,000 square feet in Pier 17. The initial lease term is 20 years with additional extension options.

SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2024

Name of Center <i>thousands</i>	Location	Center Type	Encumbrances ^(a)	Initial Cost ^(b)		Costs Capitalized Subsequent to Acquisition ^(c)		Gross Amounts at Which Carried at Close of Period ^(d)			Accumulated Depreciation ^(e)	Date of Construction	Date Acquired / Completed
				Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total			
Seaport													
Historic District Area / Uplands	New York, NY	Retail	\$ —	\$ —	\$ 7,884	\$ —	\$ 78,646	\$ —	\$ 86,530	\$ 86,530	\$ (36,631)	2013	2016
Pier 17	New York, NY	Retail	—	—	468,476	—	(241,638)	—	226,838	226,838	(107,450)	2013	2018
85 South Street	New York, NY	Multi-family	—	15,913	8,137	(11,734)	(1,873)	4,179	6,264	10,443	(4,501)	2014	2014
Tin Building	New York, NY	Retail	—	—	198,984	—	(134,798)	—	64,186	64,186	(18,032)	2017	2022
250 Water Street	New York, NY	Development	61,300	—	179,471	—	(36,261)	—	143,210	143,210	—	—	2018
Summerlin													
Aviators / Las Vegas Ballpark	Las Vegas, NV	Other	41,087	5,318	124,391	—	3,092	5,318	127,483	132,801	(36,043)	2018	2019
Total excluding Corporate and Deferred financing costs			102,387	21,231	987,343	(11,734)	(332,832)	9,497	654,511	664,008	(202,657)		
Corporate ^(f)	Various		—	—	14,054	—	563	—	14,617	14,617	(12,827)		
Deferred financing costs	N/A		(794)	—	—	—	—	—	—	—	—		
Total			\$ 101,593	\$ 21,231	\$ 1,001,397	\$ (11,734)	\$ (332,269)	\$ 9,497	\$ 669,128	\$ 678,625	\$ (215,484)		

- (a) Refer to Note 6 – *Mortgages Payable, Net* in the Notes to Consolidated and Combined Financial Statements included in this Annual Report for additional information.
- (b) Initial cost for projects undergoing development or redevelopment is cost through the end of first complete calendar year subsequent to the asset being placed in service.
- (c) For retail and other properties, costs capitalized subsequent to acquisitions is net of cost of disposals or other property write-offs and impairment.
- (d) The aggregate cost of land, building and improvements for federal income tax purposes is approximately \$463.0 million.
- (e) Depreciation is based upon the useful lives in Note 1 – *Summary of Significant Accounting Policies* in the Notes to Consolidated and Combined Financial Statements included in this Annual report.
- (f) Costs related to leasehold improvements related to Seaport office lease.

Reconciliation of Real Estate

thousands

	2024	2023	2022
Balance as of January 1	\$ 640,670	\$ 1,254,496	\$ 1,175,122
Additions	57,021	66,382	85,511
Dispositions and write-offs	(17,746)	(4,697)	(5,146)
Impairments	(1,320)	(672,492)	—
Contributions to unconsolidated ventures	—	(3,019)	(991)
Balance as of December 31	\$ 678,625	\$ 640,670	\$ 1,254,496

Reconciliation of Accumulated Depreciation

thousands

	2024	2023	2022
Balance as of January 1	\$ 203,208	\$ 161,637	\$ 120,790
Depreciation Expense	21,962	45,030	43,985
Dispositions and Write-offs	(9,686)	(3,459)	(3,138)
Balance as of December 31	\$ 215,484	\$ 203,208	\$ 161,637

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that this information is accumulated and communicated to the Company's management, including the Company's principal executive officer and the principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As required by Exchange Act Rule 13a-15(b), the Company, under the supervision of and with the participation of management, including the Company's principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this Annual Report. Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this Annual Report, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company's management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during the period covered by this Annual Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our registered public accounting firm as a result of the transition period established by SEC rules for newly public companies. Additionally, our independent registered accounting firm will not be required to opine on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 until we are no longer an "emerging growth company" as defined in the JOBS Act.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plan Arrangements

During the three months ended December 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We have adopted an insider trading compliance policy and procedures that govern the purchase, sale and/or other dispositions of our securities by officers, directors, contractors, consultants and employees that are reasonably designed to promote compliance with insider trading laws, rules and regulations, as well as the listing requirements of the NYSE American. A copy of our insider trading compliance policy is filed as Exhibit 19.1 to this Annual Report.

The other information required by Item 10 will be set forth in the Company's definitive proxy statement for its 2025 annual stockholders meeting to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2024 (the "Proxy Statement") and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 will be set forth in the Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 will be set forth in the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be set forth in the Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 will be set forth in the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

- (1) The consolidated and combined financial statements are set forth in Item 8 of this Annual Report.
- (2) The following financial statement schedule should be read in conjunction with the consolidated and combined financial statements included in Item 8 of this Annual Report:

Schedule III-Real Estate and Accumulated Depreciation as of December 31, 2024

Schedules other than those listed are omitted as they are not applicable or the required or equivalent information has been included in the consolidated and combined financial statements or notes thereto.

(b) The exhibits required by Item 601 of Regulation S-K are listed on the Exhibit Index preceding the signature page and are filed as part of, or hereby incorporated by reference into, this Annual Report.

ITEM 16. FORM 10-K SUMMARY

None.

Exhibit Index

Exhibit No.	Description
2.1	Separation Agreement, dated July 31, 2024, between the Company and Howard Hughes Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed by the Company on August 1, 2024)
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on August 1, 2024)
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company on August 1, 2024)
4.1*	Description of Seaport Entertainment Group Inc.'s Securities
4.2	Investor Rights Agreement, dated October 17, 2024, by and among Pershing Square Holdings, Ltd., Pershing Square, L.P. and Pershing Square International, Ltd. and any other parties that may from time to time become parties hereto (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on October 18, 2024)
10.1	Transition Services Agreement, dated July 31, 2024, between the Company and Howard Hughes Holdings Inc. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on August 1, 2024)
10.2	Tax Matters Agreement, dated July 31, 2024, between the Company and Howard Hughes Holdings Inc. (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on August 1, 2024)
10.3	Employee Matters Agreement, dated July 31, 2024, between the Company and Howard Hughes Holdings Inc. (incorporated by reference to Exhibit 10.3 to the Form 8-K filed by the Company on August 1, 2024)
10.4	Form Indemnification Agreement between the Company and individual directors and officers (incorporated by reference to Exhibit 10.4 to Amendment No. 4 to the Form 10 filed by the Company on July 19, 2024)

Table of Contents

10.5	<u>Second Amended and Restated Limited Liability Company Agreement of JG Restaurant Holdco LLC, dated March 1, 2022 (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.6	<u>First Amendment to Second Amended and Restated Limited Liability Company Agreement of JG Restaurant HoldCo LLC, dated July 31, 2024, by and among JG Restaurant HoldCo LLC, Seaport District NYC, Inc., JG TopCo LLC and Jean-Georges Vongerichten (incorporated by reference to Exhibit 10.5 to the Form 8-K filed by the Company on August 1, 2024)</u>
10.7	<u>Second Amended and Restated Limited Liability Company Agreement of Fulton Seafood Market, LLC, dated August 11, 2022 (incorporated by reference to Exhibit 10.8 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.8	<u>Market Hall Management Agreement, dated July 1, 2020, by and between Fulton Seafood Market, LLC and Creative Culinary Management Company LLC (incorporated by reference to Exhibit 10.9 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.9	<u>First Amendment to Market Hall Management Agreement, dated August 11, 2022, by and between Fulton Seafood Market, LLC and Creative Culinary Management Company LLC (incorporated by reference to Exhibit 10.10 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.10*	<u>Services Agreement, dated January 1, 2025, by and between Seaport Entertainment Management, LLC and Creative Culinary Management Company LLC</u>
10.11	<u>Amended and Restated Agreement of Lease, dated June 27, 2013, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.) (incorporated by reference to Exhibit 10.11 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.12	<u>First Amendment to Amended and Restated Agreement of Lease, dated January 11, 2017, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.) (incorporated by reference to Exhibit 10.12 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.13	<u>Second Amendment to Amended and Restated Agreement of Lease, dated October 3, 2017, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.) (incorporated by reference to Exhibit 10.13 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.14	<u>Third Amendment to Amended and Restated Agreement of Lease, dated October 2020, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.) (incorporated by reference to Exhibit 10.14 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.15	<u>Fourth Amendment to Amended and Restated Agreement of Lease, dated December 29, 2021, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.) (incorporated by reference to Exhibit 10.15 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.16	<u>Term Loan Agreement, dated September 7, 2023, by and between 250 Seaport District, LLC and Mizuho Capital Markets LLC (incorporated by reference to Exhibit 10.16 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>

Table of Contents

10.17	<u>Amendment to Loan Documents Agreement, dated July 31, 2024, by and among the Company, 250 Seaport District LLC, TWL-Bridgeland Holding Company, LLC and Mizuho Capital Markets LLC (incorporated by reference to Exhibit 10.7 to the Form 8-K filed by the Company on August 1, 2024)</u>
10.18*	<u>Second Amendment to Loan Documents Agreement, dated January 1, 2025, by and among the Company, 250 Seaport District LLC, TWL-Bridgeland Holding Company, LLC and Mizuho Capital Markets LLC</u>
10.19	<u>Interest and Expenses Guaranty, dated July 31, 2024, by the Company for the benefit of Mizuho Capital Markets LLC (incorporated by reference to Exhibit 10.18 to Amendment No. 1 to the Form S-1 filed by the Company on August 6, 2024)</u>
10.20	<u>Note Purchase Agreement, dated July 20, 2018, by and between Clark County Las Vegas Stadium, LLC and Computershare Trust Company National Association (as Trustee under that certain LVCVA (Las Vegas, NV) Receivables-Backed Pass Through Trust Agreement and Declaration of Trust) (incorporated by reference to Exhibit 10.18 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.21	<u>Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement, from Clark County Las Vegas Stadium, LLC to First American Title Insurance Company for the benefit of Wells Fargo Trust Company, National Association dated July 20, 2018 (incorporated by reference to Exhibit 10.19 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.22*	<u>Note Amendment After Construction Completion, dated February 1, 2021, by and between Clark County Las Vegas Stadium, LLC and Wells Fargo Trust Company, National Association, as Trustee</u>
10.23	<u>Omnibus Amendment, dated July 31, 2024, by and between Clark County Las Vegas Stadium, LLC and Computershare Trust Company, National Association (incorporated by reference to Exhibit 10.8 to the Form 8-K filed by the Company on August 1, 2024)</u>
10.24	<u>Indemnity and Guaranty Agreement, dated July 31, 2024, by and between the Company and Computershare Trust Company, National Association (incorporated by reference to Exhibit 10.9 to the Form 8-K filed by the Company on August 1, 2024)</u>
10.25	<u>Naming Rights and Marketing Agreement, dated July 20, 2018, by and between Las Vegas Convention and Visitors Authority and Clark County Las Vegas Stadium LLC (incorporated by reference to Exhibit 10.21 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.26+	<u>Employment Agreement, dated September 29, 2023, by and between Howard Hughes Holdings Inc. and Anton Nikodemus (incorporated by reference to Exhibit 10.22 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.27+	<u>Amendment to Employment Agreement, dated August 1, 2024, by and between the Company and Anton Nikodemus (incorporated by reference to Exhibit 10.10 to the Form 8-K filed by the Company on August 1, 2024)</u>
10.28+	<u>Employment Agreement, dated February 2, 2024, by and between Howard Hughes Holdings Inc. and Matthew Partridge (incorporated by reference to Exhibit 10.23 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>
10.29+	<u>Amendment to Employment Agreement, dated August 1, 2024, by and between the Company and Matthew Partridge (incorporated by reference to Exhibit 10.11 to the Form 8-K filed by the Company on August 1, 2024)</u>
10.30+	<u>Employment Agreement, dated May 1, 2024, by and between Howard Hughes Holdings Inc. and Lucy Fato (incorporated by reference to Exhibit 10.24 to Amendment No. 1 to the Form 10 filed by Seaport Entertainment Group Inc. on June 18, 2024)</u>

[Table of Contents](#)

10.31+	Amendment to Employment Agreement, dated August 1, 2024, by and between the Company and Lucy Fato (incorporated by reference to Exhibit 10.12 to the Form 8-K filed by the Company on August 1, 2024)
10.32+	Seaport Entertainment Group Inc. 2024 Equity Incentive Plan (incorporated by reference to Exhibit 10.28 to Amendment No. 4 to the Form 10 filed by Seaport Entertainment Group Inc. on July 19, 2024)
10.33+	Form of Stock Option Agreement under the Seaport Entertainment Group Inc. 2024 Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to the Form 8-K filed by the Company on August 1, 2024)
10.34+	Form of Restricted Stock Unit Agreement under the Seaport Entertainment Group Inc. 2024 Equity Incentive Plan (incorporated by reference to Exhibit 10.14 to the Form 8-K filed by the Company on August 1, 2024)
10.35+	Seaport Entertainment Group Inc. Independent Director Compensation Program (incorporated by reference to Exhibit 10.18 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2024)
19.1*	Seaport Entertainment Group Inc. Insider Trading Compliance Policy and Procedures
21.1*	List of Subsidiaries
23.1*	Consent of KPMG LLP, independent registered public accounting firm
23.2*	Consent of KPMG LLP, independent registered public accounting firm
31.1*	Certification of Chief Executive Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1*	Seaport Entertainment Group Inc. Clawback Policy
99.1*	Audited Financial Statements of Fulton Seafood Market, LLC for The Years Ended December 31, 2024 and December 31, 2023
99.2*	Audited Financial Statements of Fulton Seafood Market, LLC for The Years Ended December 31, 2023 and January 1, 2023
101.INS*	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
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

[Table of Contents](#)

104* Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith. The certifications attached as Exhibits 32.1 and 32.2 to this Annual Report are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Annual Report, irrespective of any general incorporation language contained in such filing.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: March 10, 2025

SEAPORT ENTERTAINMENT GROUP INC.

By: /s/ Matthew M. Partridge
 Name: Matthew M. Partridge
 Title: Executive Vice President, Chief Financial Officer,
 Treasurer
 (Principal Financial Officer)

By: /s/ Lenah J. Elaiwat
 Name: Lenah J. Elaiwat
 Title: Senior Vice President, Chief Accounting Officer
 (Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Anton D. Nikodemus</u> Anton D. Nikodemus	Chief Executive Officer, President and Chairman of the Board (Principal Executive Officer)	March 10, 2025
<u>/s/ Matthew M. Partridge</u> Matthew M. Partridge	Chief Financial Officer, Executive Vice President and Treasurer (Principal Financial Officer)	March 10, 2025
<u>/s/ Lenah J. Elaiwat</u> Lenah J. Elaiwat	Chief Accounting Officer (Principal Accounting Officer)	March 10, 2025
<u>/s/ Michael A. Crawford</u> Michael A. Crawford	Lead Independent Director	March 10, 2025
<u>/s/ Monica S. Digilio</u> Monica S. Digilio	Director	March 10, 2025
<u>/s/ David Z. Hirsh</u> David Z. Hirsh	Director	March 10, 2025
<u>/s/ Anthony F. Massaro</u> Anthony F. Massaro	Director	March 10, 2025

DESCRIPTION OF CAPITAL STOCK

As of December 31, 2024, Seaport Entertainment Group Inc., a Delaware corporation (“we,” “our” or the “Company”), had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock, par value \$0.01 per share. The following summary of our capital stock and certain provisions of our Amended and Restated Certificate of Incorporation (our “Certificate of Incorporation”) and our Amended and Restated Bylaws (our “Bylaws”) is qualified in its entirety by reference to the full text of our Certificate of Incorporation and Bylaws, each of which is filed as an exhibit to our Annual Report on Form 10-K of which this Exhibit is a part. Because this is only a summary, it may not contain all the information that is important to you, and we encourage you to read our Certificate of Incorporation, our Bylaws, the Investor Rights Agreement (as defined herein) and the applicable provisions of the Delaware General Corporation Law (“DGCL”) for more information.

Authorized Capital Stock

Under the Certificate of Incorporation, the Company’s authorized capital stock consists of 480,000,000 shares of common stock, par value \$0.01 per share (“common stock”), and 20,000,000 shares of preferred stock, par value \$0.01 per share (“preferred stock”).

Common Stock

Holders of the Company’s common stock are entitled to:

Voting Rights

Each share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of common stock do not have cumulative voting rights.

Dividend Rights

Subject to any preferential rights of any outstanding preferred stock, holders of our common stock are entitled to receive ratably the dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for that purpose.

Liquidation Rights

If there is a liquidation, dissolution or winding up of the Company, holders of our common stock will be entitled to ratable distribution of our assets remaining after the payment in full of liabilities and any preferential rights of any outstanding preferred stock.

Other Rights and Preferences

There are no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the Certificate of Incorporation, our board of directors is authorized to issue “blank check” preferred stock, which may be issued in one or more series upon authorization of our board of directors. Our board of directors is authorized to fix the designation of the series, the number of authorized shares of the series, dividend rights and

terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences and any other rights, powers, preferences and limitations applicable to each series of preferred stock. The authorized shares of our preferred stock are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange on which our securities may be listed. If the approval of our stockholders is not required for the issuance of shares of our preferred stock, our board may determine not to seek stockholder approval.

A series of our preferred stock could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Our board of directors will make any determination to issue such shares based upon its judgment as to the best interests of our stockholders. Our directors, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of our board of directors, including a tender offer or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of the stock.

Registration Rights

Pursuant to the investor rights agreement that we entered into with certain investment funds advised by Pershing Square Capital Management, L.P. (“Pershing Square”) on October 17, 2024 (the “Investor Rights Agreement”), Pershing Square has certain registration rights, including, subject to certain conditions, the right to require us to register the offer and sale of its shares of our common stock under the Securities Act of 1933, as amended.

Demand Registration Rights

Pershing Square may request that we file a registration statement to register the offer and sale of its shares. Each such request for registration must cover securities the aggregate fair market value of which is at least \$25 million. We are not obligated to effect an underwritten offering with respect to any entity that is a Company affiliate during the regular trading blackout period for our directors, officers and other certain employees. The number of demand registrations that Pershing Square is entitled to request is unlimited; provided, that we are not obligated to undertake more than one related underwritten offering in any twelve-month period.

Piggyback Registration Rights

Pershing Square is also entitled to certain “piggyback” registration rights. If we propose to register shares of our common stock or other securities under the Securities Act, either for our own account or for the account of other security holders, in connection with such offering, Pershing Square will be able to request that we include its shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, subject to certain exceptions, Pershing Square will be entitled to notice of the registration and have the right, subject to certain limitations, to include its shares of common stock in the registration.

Anti-Takeover Effects of Various Provisions of Delaware Law, our Certificate of Incorporation and Bylaws and the Investor Rights Agreement

Provisions of the DGCL, our Certificate of Incorporation and Bylaws and the Investor Rights Agreement could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that our board of directors may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that

the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in improved terms for our stockholders.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly-held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time the person became an interested stockholder, unless the business combination or the acquisition of shares that resulted in a stockholder becoming an interested stockholder is approved in a prescribed manner. Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns (or, if the person is an affiliate or an associate of the Company, within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation’s voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

We have granted a waiver of the applicability of the provisions of Section 203 such that Pershing Square, which owned approximately 39.5% of the outstanding shares of our common stock as of December 31, 2024, may increase its position in our common stock without being subject to Section 203’s restrictions on business combinations. As such, Pershing Square, through its ability to accumulate more common stock than would otherwise be permitted under Section 203, has the ability to become a large holder group that would be able to affect matters requiring approval by Company stockholders, including the election of directors and approval of mergers or other business combination transactions.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party’s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. There also may be dilution of our common stock from the exercise of any future outstanding warrants, which may materially adversely affect the market price and negatively impact a holder’s investment.

Size of Board and Vacancies

Our Bylaws provide that the number of directors on our board of directors is to be fixed exclusively by our board of directors. Subject to the rights of holders of any series of preferred stock outstanding and subject to rights of Pershing Square, any vacancies in our board of directors resulting from death, resignation, disqualification, retirement, removal from office or other cause and any newly created directorships will be filled exclusively by the majority vote of our remaining directors in office, even if less than a quorum is present. Our Certificate of Incorporation and Bylaws permit stockholders to remove a director or directors with or without cause.

Pursuant to our Certificate of Incorporation and the Investor Rights Agreement, as long as Pershing Square owns at least 10% of the total outstanding shares of our common stock, Pershing Square is entitled to nominate at least one director to our board of directors and, if we increase the size of the board to larger than five directors, as many nominees as represent at least 20% of the total number of directors then on the board.

Indemnification of Directors and Officers

Section 102 of the DGCL permits a corporation to eliminate the personal liability of its directors or certain officers for monetary damages for a breach of fiduciary duty as a director or officer, except where the director or officer breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, with respect to directors, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law, obtained an improper personal benefit, or with respect to officers, any action by or in the right of the corporation. Our Certificate of Incorporation provides that no director or officer shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director or officer, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors or officers for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which the Court of Chancery or such other court shall deem proper.

Our Bylaws provide that the Company will indemnify and hold harmless, to the fullest extent permitted by the DGCL and subject to certain exceptions, any director or officer who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Company, or while serving as such, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding. The officers entitled to indemnification are limited to those specified in our Bylaws. The Company is also obligated to advance expenses of those entitled to mandatory indemnification.

Our Bylaws also provide that the Company has the power to indemnify and hold harmless, to the fullest extent permitted by applicable law, any employee or agent of the Company who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

We have entered into indemnification agreements with our directors and executive officers.

We will maintain a general liability insurance policy which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Special Stockholder Meetings

Under our Certificate of Incorporation and Bylaws, our board of directors is permitted to call special meetings of our stockholders. A special meeting is also be required to be called by the secretary upon written request by stockholders who together hold 20% or more of the voting power of the issued and outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors.

Prohibition of Stockholder Action by Written Consent

Our Certificate of Incorporation expressly prohibits our stockholders from acting by written consent. Stockholder action is required to take place at an annual or a special meeting of our stockholders.

Requirements for Advance Notice of Stockholder Nominations and Proposals

Our Bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our board of directors or a committee of our board of directors.

Restrictions on Ownership; Transfer of Excess Shares to a Trust

To comply with the policies of Major League Baseball (“MLB”), the Certificate of Incorporation provides that, as long as we have an ownership interest in the professional baseball club currently known as the Aviators and subject to certain exceptions, no person may acquire shares of our common stock if, after such acquisition, that person would (i) own at least 10% of the outstanding shares of our common stock, unless such person has received prior written approval from MLB, (ii) own at least 50% of the outstanding shares of our common stock or at least 50% of the total voting power of our then-outstanding securities entitled to vote generally in the election of directors or (iii) have the ability to appoint at least a majority of the members of our board, unless, in each case, such person is approved by MLB or qualifies as an exempt person (which includes Pershing Square or any person approved by MLB as the “control person” of the Aviators). In the event that a person (the “excess share transferor”) attempts to acquire shares of our common stock in violation of these restrictions, the applicable excess shares would automatically be transferred to a trust and held for the benefit of the excess share transferor, and the excess shares may be sold for cash, on the open market, in privately negotiated transactions or otherwise; however, in the case of any purported transfer that would result in a person being a 10% Holder (as defined in the Certificate of Incorporation), if the excess shares constitute less than 1% of the then outstanding shares of our common stock, the transferor may notify us that they intend to seek MLB approval, in which case the trustee will refrain from selling the related excess shares for a 60-day period following the date of notice regarding automatic transfer of excess shares to the trust.

The Certification of Incorporation also provides that:

1. the trustee will have all voting rights with respect to the excess shares;
2. any shares of our common stock issued as a dividend on the excess shares will be treated as excess shares; and
3. subject to compliance with certain payment conditions, the excess share transferor will be entitled to receive any other dividends or distributions paid on the excess shares.

The provisions of the Certificate of Incorporation pertaining to the foregoing restrictions and the treatment of excess shares will terminate on the earlier of (1) there ceasing to be outstanding any shares of our common stock

and (2) the date on which we no longer have an ownership interest in the professional baseball club currently known as the Aviators.

These share ownership limitations and required MLB approvals could have an anti-takeover effect, potentially discouraging third parties from making proposals for certain acquisitions of our common stock or a change of control transaction.

SERVICES AGREEMENT

This SERVICES AGREEMENT (this “Agreement”), effective as of January 1, 2025 (the “Commencement Date”), is made by and among Seaport Entertainment Management, LLC, a Delaware limited liability company (“SEM”), Creative Culinary Management Company LLC, a New York limited liability company (“CCMC”), and solely for purposes of Section 1.4(x), Seaport Entertainment Group Inc., a Delaware corporation (“SEG”). Collectively, SEM and CCMC are the “Parties”, and each of SEM and CCMC, individually, are a “Party.”

RECITALS

A. SEM is an indirect wholly-owned subsidiary of SEG, which owns a 25% indirect interest in JG Restaurant HoldCo LLC, a Delaware limited liability company (“Jean-Georges Restaurants”). CCMC is a wholly-owned subsidiary of JG Restaurant Group LLC, which is a wholly-owned subsidiary of Jean-Georges Restaurants.

B. Pursuant to the agreements listed in Schedule 1 to this Agreement (the “Management Agreements”), CCMC provides services for certain retail and food beverage businesses that SEG or its affiliates own, either wholly or through partnerships with third parties (the “Management Agreement Services” and such businesses, the “Restaurants”).

C. Effective January 1, 2025, SEM is the employer of certain employees that previously provided the Management Agreement Services.

D. The Parties now desire for SEM to perform and provide certain services to CCMC in order for CCMC to perform the Management Agreement Services, and the Parties wish to establish the terms and conditions under which those certain services will be performed and provided.

NOW, THEREFORE, in consideration of the mutual covenants, recitals, and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as provided above and as follows:

ARTICLE 1
SERVICES PROVIDED

1.1 Agreement to Provide Services. Upon and subject to the conditions, terms, covenants, recitals, and agreements set forth in this Agreement:

a. Initial Services. Notwithstanding anything to the contrary contained in the Management Agreements, SEM will perform and provide to CCMC the services listed on Schedule 2 to this Agreement. Each of the services listed on Schedule 2 to this Agreement are hereinafter referred to individually as a “Service,” and collectively, as the “Services.”

b. Additional Services. In addition to the Services to be provided pursuant to Section 1.1(a), to the extent that SEM and CCMC may mutually agree in writing from time to time, SEM shall provide additional services to CCMC (the “Additional Services”). Any

such Additional Services shall be as set forth in an amendment to Schedule 2 to this Agreement, as mutually agreed in writing by SEM and CCMC.

1.2 Standard of Performance. SEM shall perform and provide the Services and any Additional Services in good faith and exercise the same degree of care as it exercises in performing the same or similar services for its own account. SEM shall use its commercially reasonable efforts to ensure that no violation of applicable laws occurs in relation to or arising out of any of the Shared Services and any Additional Services.

1.3 Non-Exclusive Nature of Services. SEM may subcontract any of the Services or Additional Services (or any portion thereof) performed and provided under this Agreement, provided SEM shall not be relieved of any of its obligations under this Agreement as a result of the provision of Services or Additional Services by any subcontractor. Nothing in this Agreement shall prevent or disallow SEM from performing services for, or providing services to, any other person.

1.4 Effect on Management Agreements. During the Term (as defined below), (i) CCMC shall have no further obligations nor liabilities pursuant to the Management Agreements to provide any Management Agreement Services to SEM to the extent that such services constitute Services or Additional Services pursuant to the terms of this Agreement, and (ii) SEM shall continue to pay CCMC any and all fees or other consideration required under Management Agreements. For the avoidance of doubt, the indemnification provisions of the Management Agreements shall remain unchanged and shall remain in full force and effect; provided that the indemnification provided by the Owner (as defined in the Management Agreements) under the Management Agreements shall (x) be expanded to include SEG as a party to provide indemnification jointly and severally with Owner and (y) include all Affiliates (as defined in the Management Agreements) of CCMC existing as of the Commencement Date, including, but not limited to, Jean-Georges Restaurants and the Affiliates thereof, as Manager Indemnified Persons (as defined in the Management Agreements). All such Manager Indemnified Persons shall be express intended third-party beneficiaries of the Management Agreements.

1.5 Acknowledgment. SEM has made employment offers to all employees of the Restaurants as of the Commencement Date. Effective January 1, 2025, SEM became the legal and effective employer of all such employees who accepted such offer and commenced paying all wages, gratuities, benefits and other remuneration earned by such employees on and after January 1, 2025.

ARTICLE 2 CONSIDERATION

2.1 Consideration. During the Term, SEM shall perform and provide the Services and any Additional Services to and for the benefit of CCMC in exchange for the following consideration (collectively, the “Fees”):

- a. SEM shall charge CCMC for the Services at a rate equal to the fees set forth on Schedule 3 to this Agreement.

b. SEM shall be entitled to the reimbursement of fees and expenses as set forth on Schedule 3 to this Agreement.

c. In the event that SEM and CCMC mutually agree that SEM shall provide Additional Services to CCMC pursuant to Section 1.1(b), SEM shall charge CCMC for such Additional Services at a rate equal to the fees set forth in an amendment to Schedule 3 to this Agreement, as mutually agreed by SEM and CCMC.

2.2 Payment of Fees and Expenses. Within thirty (30) days following the end of each month during the Term, SEM shall create and provide to CCMC an invoice for all the Fees and reimbursable expenses during such month (the “Invoice”, and such Fees and reimbursable expenses, an “Invoiced Amount”), if applicable and in arrears. SEM may deduct each such Invoiced Amount from the amounts to be paid to CCMC pursuant to the Management Agreements unless such Invoiced Amount is disputed by CCMC.

ARTICLE 3

TERM

The term of this Agreement, during which SEM shall perform and provide the Services and any Additional Services, shall begin on the Commencement Date and shall expire on the earlier of (a) the date SEM acquires 100% of the equity interests of CCMC (the “Acquisition Date”) and (b) the date of the expiration or termination of all of the Management Agreements (the “Term”). Upon expiration of the Term, CCMC shall deduct all accrued and unpaid Fees for Services or any Additional Services provided through the date of such termination from any unpaid fees due and payable by SEM to CCMC under the Management Agreements. In the event the Acquisition Date has not occurred by June 30, 2025, CCMC or SEM (or its respective affiliate that is a party to a Management Agreement) shall then have the right to terminate the Management Agreements.

ARTICLE 4

ACCESS TO BOOKS AND RECORDS

CCMC shall provide SEM with reasonable access to CCMC’s relevant books and records for purposes of (i) SEM performing and providing the Services and any Additional Services, and (ii) SEM addressing and handling any investigation, examination or audit by any governmental authority or any administrative or legal proceeding.

ARTICLE 5

MISCELLANEOUS

5.1 Indemnity & Insurance.

a. To the fullest extent permitted by law, CCMC shall indemnify defend and hold harmless SEM and its affiliates, officers, directors, partners, members, trustees, employees and agents (individually, and collectively, “SEG Indemnified Person”), from any and all liability (common law, equitable, statutory, and punitive), claim, loss damage or expense, including, but not limited to, reasonable attorneys’ fees (a “Liability.”)

sustained by or asserted against an SEG Indemnified Person if such Liability results from or arises out of the provision of the Services or Additional Services pursuant to this Agreement or results from injury and/or death of any person or damage to or loss of any property arising out of any negligent or wrongful act in connection with the operation of the Restaurants unless, and to the extent that, such Liability is caused by, or arises out of, a material breach of this Agreement by SEM or any gross negligence or willful misconduct by an SEG Indemnified Person. The foregoing indemnification provision shall survive the expiration or termination of this Agreement.

b. CCMC shall, promptly as commercially reasonable, secure, pay for and maintain in full force and effect insurance policies that are reasonable for the operations of similarly situated businesses as the Restaurants (together with all existing insurance policies that insure and cover CCMC under the Management Agreements, the “Insurance Policies”) during the term of the Agreement, and any expenses actually incurred by CCMC in connection therewith shall be reimbursed to CCMC pursuant to the Management Agreements. The Insurance Policies shall be endorsed to name SEG, SEM and all other entities that may be reasonably required as “additional insureds”. Definition of Additional Insured shall include all officers, directors and employees of the named entities, their agents and consultants. Further, the Insurance Policies shall provide that coverage for the “additional insureds” shall apply on a primary and non-contributory basis irrespective of any other insurance, whether collectible or not.

c. CCMC shall (i) in good faith seek coverage under the Insurance Policies for any potential Liability caused by, arising out of or relating to the provision of the Services or Additional Services pursuant to this Agreement and (ii) to the extent coverage is provided for such Liability under any Insurance Policy, reimburse any SEG Indemnified Person or any other individual or entity that may have suffered or incurred such Liability upon receipt of insurance proceeds. Recourse to CCMC under Section 5.1 shall be limited solely to the proceeds of insurance realized by CCMC under the Insurance Policies, if any.

5.2 Amendments. Except as otherwise herein provided, any and all amendments, additions, or deletions to this Agreement must be in writing and signed by the Parties.

5.3 Successors and Assignment. This Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective permitted successors and permitted assigns. No Party may assign or transfer this Agreement, or any of the rights, benefits, privileges, duties, obligations or liabilities under this Agreement, without the signed and written consent of the other Party.

5.4 Third-Party Beneficiaries. JG TopCo LLC and its direct and indirect, past, present, and future affiliates, parents, subsidiaries, successors, and assigns and the SEG Indemnified Persons are express intended third-party beneficiaries of this Agreement and are the sole third- party beneficiaries of this Agreement (with the Parties themselves being direct signatories and beneficiaries of this Agreement). For abundant clarity, no past, present, or future employees of any of the Parties are nor shall be construed to be third-party beneficiaries of this Agreement, nor shall any such employees be entitled to enforce this Agreement under any circumstances.

5.5 Notices. All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, return receipt requested, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) email, addressed to the Parties as follows:

If to SEM:

Seaport Entertainment Management, LLC
c/o Seaport Entertainment Group Inc.
199 Water Street, 28th Floor
New York, NY 10038
Attention: Matthew Partridge
Email: matt.partridge@seaportentertainment.com

With a copy to:

Vinson & Elkins LLP
1114 Avenue of the Americas, 32nd Floor
New York, New York 10035
Attention: Francisco Morales Barrón; Zachary Swartz
Email: fmorales@velaw.com; zswartz@velaw.com

If to CCMC:

Creative Culinary Management Company LLC
c/o JG Restaurant Group LLC
111 Prince Street, Floor 2,
New York, NY 10012
Attention: Jean-Georges Vongerichten
Email: jgv@jean-georges.com

With a copy to:

Golenbock Eiseman Assor Bell & Peskoe LLP
711 Third Avenue
New York, New York 10017
Attention: Lawrence R. Haut, Esq.
Email: lhaut@golenbock.com

A party receiving a notice which does not comply with the technical requirements for notice under this Section 5.5 may elect (in its sole discretion) to waive any deficiencies and treat the notice as having been properly given. A notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery; (b) in the case of registered or certified mail, when delivered or upon the first attempted delivery on any day other than a Saturday, a Sunday or a legal holiday on which national banks are not open for general business (each, a "Business Day"); (c) in the case of expedited prepaid delivery, when delivered or upon the first attempted delivery on a Business Day; or (d) in the case of email, at the time of receipt.

5.6 Governing Law. This Agreement shall be interpreted and enforced according to the laws of the State of New York (without giving effect to rules regarding conflict or choice of laws). Any dispute under this Agreement shall be exclusively adjudicated by a state or federal court of competent jurisdiction in the County of New York, State of New York, and the parties irrevocably consent to such exclusive jurisdiction and agree that venue only in the County of New York, State of New York, would be proper and hereby waive any challenge thereto based on lack of personal jurisdiction or inconvenient forum, to the extent permissible by applicable law.

5.7 Headings; Construction. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement. The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this Agreement, and therefore the terms and conditions of this Agreement are not intended to be, and shall not be, construed or interpreted against any party by virtue of draftsmanship or because a party requested such a provision. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.” The use of the words “either” and “any” shall not be exclusive. Use of the words “or,” “and,” as well as “and/or” shall be interchangeable as necessary for maximum inclusivity.

5.8 Severability. The Parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not be affected or impaired thereby.

5.9 Counterparts. The Parties agree that both electronic and wet ink signatures will be considered original signatures; copies thereof will be considered an original instrument; each, together or separately, will be binding and enforceable as if a single original agreement; and the Parties may rely on the same to prove the authenticity of this Agreement. This Agreement may be executed in one or more counterparts, all of which shall be construed together as one and the same original instrument.

5.10 No Waiver. No waiver of any violation, breach or default of this Agreement, or of any duties or obligations arising out of this Agreement, shall constitute a waiver of any subsequent violations, breaches, defaults, duties or obligations, whether or not such violations, breaches, defaults, duties or obligations are of a similar or dissimilar nature.

5.11 Entire Agreement. This Agreement contains the entire agreement of the Parties as to matters discussed in it and supersedes and replaces all prior negotiations, discussions, promises, understandings, agreements, and proposed agreements.

5.12 No Recourse. This Agreement may only be enforced against, and any claim based upon, arising out of, or related to this Agreement (including, for the avoidance of doubt, pursuant to Section 5.1) or the negotiation, execution or performance of this Agreement may only be brought against, the Parties expressly party hereto. For further clarity, no past, present or future director, officer, employee, incorporator, manager, member, partner, equityholder, affiliate, agent,

attorney or other representative (in each case, in their capacities as such) of any Party or of any affiliate of any Party, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of either Party or for any claim based on, in respect of or by reason of the transactions contemplated hereby or thereby. Without limiting the foregoing, to the extent permitted by law, (a) each Party hereby waives and releases all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of the other Party or otherwise impose liability of the other Party on any other individual or entity, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise and (b) each Party disclaims any reliance upon any other individual or entity not party hereto with respect to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement.

[SIGNATURES ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Services Agreement as of the Commencement Date.

SEM:

SEAPORT ENTERTAINMENT MANAGEMENT, LLC

By: /s/ Matt Partridge

Name: Matt Partridge

Title: Chief Financial Officer and Treasurer

[Signature page to Services Agreement]

CCMC:

CREATIVE CULINARY MANAGEMENT COMPANY LLC

By: /s/ Luigi Comandatore

Name: Luigi Comandatore

Title: Co-Chief Executive Officer

[Signature page to Services Agreement]

Solely for purposes of Section 1.4(x)

SEAPORT ENTERTAINMENT GROUP INC.

By: /s/ Matt Partridge
Name: Matt Partridge
Title: Chief Financial Officer and Treasurer

[Signature page to Services Agreement]

SECOND AMENDMENT TO LOAN DOCUMENTS AGREEMENT

This **SECOND AMENDMENT TO LOAN DOCUMENTS AGREEMENT** (this “**Second Amendment**”) is dated as of January 1, 2025 (hereinafter the “**Second Amendment Effective Date**”), by and among **250 SEAPORT DISTRICT, LLC**, a single-purpose Delaware limited liability company (“**Borrower**”), **TWL-BRIDGELAND HOLDING COMPANY, LLC**, a Delaware limited liability company (“**TWL Guarantor**”), **SEAPORT ENTERTAINMENT GROUP INC.**, a Delaware corporation (“**Seaport Guarantor**,” together with TWL Guarantor, individually and/or collectively, as the context may require, “**Guarantor**,” together with Borrower, individually and/or collectively, referred to herein, as the context may require, as “**Obligor**”), and **MIZUHO CAPITAL MARKETS LLC**, a Delaware limited liability company, as Agent for itself and the other Lenders (collectively, the “**Lenders**”) that are parties to the Loan Agreement described below (together with its successors and assigns in such capacity, the “**Agent**”), and **MIZUHO CAPITAL MARKETS LLC**, a Delaware limited liability company, as Lender.

BACKGROUND

A. Pursuant to that certain Term Loan Agreement dated as of September 7, 2023, Lenders made a secured term loan to Borrower (as thereafter amended, restated and/or modified from time to time, the “**Loan**”) in the original principal amount of \$115,000,000.00 (as thereafter amended, restated and/or modified from time to time, the “**Loan Agreement**”).

B. Borrower’s obligation to repay the Loan is evidenced by that certain Consolidated, Amended and Restated Promissory Note dated as of September 7, 2023 by Borrower in favor of Agent, for the benefit of Lenders, in the original principal amount equal to \$115,000,000.00 (as thereafter amended, restated and/or modified from time to time, the “**Note**”).

C. Certain of Borrower’s obligations to Agent, for the benefit of Lenders, under the Loan Agreement and other Loan Documents (as defined below) are guaranteed by TWL Guarantor pursuant to (i) that certain Recourse Indemnity Agreement dated as of September 7, 2023 by TWL Guarantor in favor of Agent, for the benefit of Lenders (as amended, modified and/or supplemented from time to time, the “**TWL Recourse Indemnity Guaranty**”); and (ii) that certain Interest and Expenses Guaranty dated as of September 7, 2023 by TWL Guarantor in favor of Agent, for the benefit of Lenders (as amended, modified and/or supplemented from time to time, the “**TWL Interest and Expenses Guaranty**,” together with the TWL Recourse Indemnity Guaranty, individually and/or collectively, as the context may require, the “**TWL Guaranty**”).

D. Borrower’s obligations to Agent, for the benefit of Lenders, under the Loan Agreement and the other Loan Documents are secured by, among other things, (i) that certain Consolidated, Amended and Restated Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of September 7, 2023 by Borrower in favor of Agent, for the benefit of Lenders (as amended, modified and/or supplemented from time to time, the “**Mortgage**”) encumbering that certain parcel of real property located at 250 Water Street, New York, New York, and designated on the New York County, New York tax maps as Block 98, Lot 1, together with the improvements now or hereafter located thereon, certain personal property located thereon and/or used in connection therewith, and other rights appurtenant thereto, as more

particularly described in the Mortgage (collectively, the “**Property**”); and (ii) that certain Assignment of Rents and Leases dated as of September 7, 2023 by Borrower in favor of Lender (as amended, modified and/or supplemented from time to time, “**ALR**”) encumbering the Property.

E. Borrower’s obligations to Agent, for the benefit of Lenders, under the Loan Agreement and the other Loan Documents are further secured by, among other things, (i) that certain Hazardous Materials Indemnity Agreement dated as of September 7, 2023 by Borrower and TWL Guarantor in favor of Agent, for the benefit of Lenders (as amended, modified and/or supplemented from time to time, the “**Environmental Indemnity Agreement**”); (ii) that certain Collateral Assignment dated as of September 7, 2023 by Borrower in favor of Agent, for the benefit of Lenders (as amended, modified and/or supplemented from time to time, the “**Assignment of Licenses, Permits and Contracts**”).

F. The Loan Agreement, the Note, the Guaranty, the Mortgage, the ALR, the Environmental Indemnity Agreement, and the Assignment of Licenses, Permits and Contracts, together with all agreements, documents and instruments executed in connection therewith or in furtherance thereof, as amended, modified and/or supplemented as of the first date written hereof, are referred to hereinafter, collectively, as the “**Existing Loan Documents**.”

G. On or about July 31, 2024, Borrower, Guarantor, Agent, for the benefit of Lenders, and Lenders agreed to amend the Existing Loan Documents to, among other things, (i) add the organizational restructuring of Borrower relating to Seaport Guarantor as a Permitted Transfer, (ii) replace TWL Guarantor with Seaport Guarantor as Guarantor, (iii) release TWL Guarantor from the TWL Guaranty, and (iv) join Seaport Guarantor as indemnitor under an amended and restated Environmental Indemnity Agreement, pursuant to that certain Amendment to Loan Documents Agreement dated as of July 31, 2024 by and among Borrower, Guarantor, Agent, for the benefit of Lenders, and Lenders (the “**First Amendment Agreement**”) and the other agreements, documents and instruments executed in connection with the First Amendment Agreement and/or in furtherance of the First Amendment Agreement (collectively, with the First Amendment Agreement, the “**First Amendment Documents**”).

H. Subsequent to the parties’ execution of the Existing Loan Documents, Borrower requested that Agent, for the benefit of Lenders, amend the Existing Loan Documents, as amended by the First Amendment Documents, to, among other things, increase the Margin from 5.00% to 7.00%. Agent, for the benefit of Lenders, and Lenders have agreed to amend the Existing Loan Documents, as amended by the First Amendment Documents, subject to the terms and conditions of this Second Amendment and the other agreements, documents and instruments executed in connection with this Second Amendment and/or in furtherance of this Second Amendment, if any (collectively, with this Second Amendment, the “**Second Amendment Documents**”).

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Obligor, Agent, for the benefit of Lenders, and Lenders agree as follows:

I. SECOND AMENDMENT TO LOAN DOCUMENTS AGREEMENT

1. Incorporation of Recitals; Definitions. The recitals set forth in paragraphs A through H of the Background to this Second Amendment are hereby incorporated in their entirety. Except as otherwise defined herein, capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Existing Loan Documents, as amended by the First Amendment Documents.

2. Indebtedness. Obligor acknowledges and agrees that, on the Second Amendment Effective Date, (i) the Loan has been fully disbursed and no further advances under the Loan Documents will be made; (ii) amounts repaid to reduce the principal amount of the Loan may not be reborrowed but shall be applied to permanently reduce the Loan; and (iii) the unpaid principal balance of the Loan is \$61,300,000.00.

3. Total Return Swap Agreement. Agent, for the benefit of Lenders, acknowledges that this Second Amendment in no way obligates any Obligor to make financial payments, net of the monthly settlement of the ISDA 2002 Master Agreement between Lender and Borrower, as counterparty (including the Schedule, Credit Support Annex, and each and every Credit Support Document and Confirmation thereunder, collectively, as amended from time to time, the “**Total Return Swap Agreement**”), in excess of such financial payments that have been previously made on a month-to-month basis thereunder prior to the Second Amendment Effective Date.

4. Amendments to the Loan Documents.

(a) Amendment to Margin. Effective as of the Second Amendment Effective Date, the definition of “Margin” in Section 1.1 of the Loan Agreement is hereby deleted in its entirety and amended and restated as follows:

“**Margin**” shall mean 7.00%.

II. REPRESENTATIONS AND WARRANTIES.

A. Representations and Warranties of Obligor. Obligor (each as to itself) makes the following representations and warranties to Agent, for the benefit of Lenders, and Lenders as of the date hereof, each and all of which shall survive the execution and delivery of this Second Amendment:

1. Borrower and TWL Guarantor are each a limited liability company duly formed, validly existing and in good standing in its state of formation, Seaport Guarantor is a corporation duly formed, validly existing and in good standing in its state of formation and, with respect to Borrower, is authorized to do business as a foreign limited liability company in each state in which it conducts business, and with respect to Guarantor, is authorized to do business as a foreign limited liability company or foreign corporation, as the case may be, in each state in which it conducts business to the extent required by applicable law. The individual executing this Second Amendment on behalf of Obligor is the authorized signatory of Obligor, and Obligor has the requisite power and authority to execute, deliver and perform its obligations under this Second Amendment and any other Second Amendment Documents to which it is a party.

2. All material limited liability company actions by Borrower and TWL Guarantor and its members, managers and officers necessary for due authorization, execution, delivery and performance of this Second Amendment or any other Second Amendment Documents have been taken. All material corporate actions by Seaport Guarantor and its members, managers and officers necessary for due authorization, execution, delivery and performance of this Second Amendment or any other Second Amendment Documents have been taken.

3. This Second Amendment and each of the other Second Amendment Documents, if any, executed by Obligor will be the legal, valid and binding obligation of Obligor, enforceable against it in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles affecting creditors' rights generally.

4. To Obligor's knowledge, no consent, approval, authorization or order of any court or governmental authority or any third party is required in connection with the execution and delivery by Obligor of this Second Amendment or for Obligor to consummate the transactions contemplated hereby other than those that have been obtained by Obligor. The execution, delivery and performance of this Second Amendment and each of the other Second Amendment Documents does not and will not conflict with, violate or result in a material breach of any provision of any applicable law, rule, regulation or order.

5. To the knowledge of Obligor, as of the Second Amendment Effective Date, no Event of Default by any Obligor exists under the Existing Loan Documents, as amended by the First Amendment Documents.

B. Representations and Warranties of Agent, for the benefit of Lenders, and Lenders. Agent, for the benefit of Lenders, and Lenders each hereby makes the following representations and warranties, each and all of which shall survive the execution and delivery of this Second Amendment:

1. Agent, for the benefit of Lenders, and Lenders each has the appropriate authorization to execute and deliver this Second Amendment and any other Second Amendment Documents to which it is a party.

2. The individual executing this Second Amendment and any other related Second Amendment Documents has the authority to execute same on behalf of Agent, for the benefit of Lenders, and Lenders.

3. This Second Amendment and each of the other Second Amendment Documents, and each document executed by Agent, for the benefit of Lenders, and Lenders pursuant to this Second Amendment, will be the legal, valid and binding obligation of Agent, for the benefit of Lenders, and Lenders, enforceable against it in accordance with the respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium or other laws or equitable principles affecting creditors' rights generally.

4. To the knowledge of Agent, on behalf of Lenders, as of the Second Amendment Effective Date, no Event of Default by any Obligor exists under the Existing Loan Documents, as amended by the First Amendment Documents.

III. CONDITIONS PRECEDENT TO ENFORCEABILITY OF THIS SECOND AMENDMENT

This Second Amendment shall be deemed effective only after the occurrence of the following events:

1. Obligor's execution and delivery to Agent, for the benefit of Lenders, and Lenders of this Second Amendment and the other Second Amendment Documents, in form and substance reasonably satisfactory to Agent, for the benefit of Lenders, and Lenders.
2. No Event of Default under the Existing Loan Documents, as amended by the First Amendment Documents, shall have occurred and be continuing.

IV. MISCELLANEOUS

1. **Preservation of Existing Loan Documents.** Except as expressly amended in this Second Amendment or any of the other Second Amendment Documents, if any, all terms and conditions of the Existing Loan Documents, as amended by the First Amendment Documents, shall remain in full force and effect.

2. **Ratification of Existing Loan Documents.** Agent, for the benefit of Lenders, Borrower and Guarantor agree that all of the terms and provisions of the Existing Loan Documents, as amended by the First Amendment Documents, except as explicitly modified or amended by this Second Amendment or the other Second Amendment Documents, shall remain in full force and effect, and except as expressly modified or amended by the Second Amendment Documents, are hereby ratified and confirmed. Agent, for the benefit of Lenders, Borrower and Guarantor each hereby ratifies and confirms that the Existing Loan Documents, as amended by the First Amendment Documents, as further amended or supplemented by this Second Amendment or the Second Amendment Documents, are valid and binding obligations and enforceable in accordance with their respective terms. All obligations presently or hereinafter outstanding under the Existing Loan Documents, as amended by the First Amendment Documents, shall continue to be secured by the collateral pledged by Borrower and/or Guarantor to Lender, and this Second Amendment does not constitute a novation of the Existing Loan Documents, as amended by the First Amendment Documents. Except as expressly provided in this Second Amendment, nothing contained herein shall alter, amend, modify, or extinguish the obligation of Borrower and Guarantor to repay the Loan. In the event and to the extent of any conflict between the provisions of this Second Amendment and the provisions of the Existing Loan Documents, as amended by the First Amendment Documents, the provisions of this Second Amendment with respect thereto shall govern.

3. **Governing Law.**

(a) THIS SECOND AMENDMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECOND AMENDMENT, THE OTHER SECOND AMENDMENT DOCUMENTS AND THE OBLIGATIONS ARISING

HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF THE STATE OF NEW YORK, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE VALIDITY AND THE ENFORCEABILITY OF THIS SECOND AMENDMENT AND ALL AMENDMENT DOCUMENTS. TO THE FULLEST EXTENT PERMITTED BY LAW, OBLIGOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS SECOND AMENDMENT AND THE SECOND AMENDMENT DOCUMENTS. THIS SECOND AMENDMENT AND THE SECOND AMENDMENT DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO § 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR, OBLIGOR ARISING OUT OF OR RELATING TO THIS SECOND AMENDMENT AND THE OTHER SECOND AMENDMENT DOCUMENTS SHALL BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN NEW YORK COUNTY, NEW YORK AND OBLIGOR WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND OBLIGOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. OBLIGOR AGREES THAT SERVICE OF PROCESS UPON OBLIGOR AT THE ADDRESS FOR OBLIGOR SET FORTH IN SECTION 11.1 OF THE LOAN AGREEMENT AND SECTION 7 OF THE TWL INTEREST AND EXPENSES GUARANTY AND SECTION 7 OF THE SEAPORT INTEREST AND EXPENSES GUARANTY, AS APPLICABLE, AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO OBLIGOR IN THE MANNER PROVIDED IN SECTION 11.1 OF THE LOAN AGREEMENT AND SECTION 7 OF THE TWL INTEREST AND EXPENSES GUARANTY AND SECTION 7 OF THE SEAPORT INTEREST AND EXPENSES GUARANTY, AS APPLICABLE, SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON OBLIGOR IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. OBLIGOR (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGE IN THE ADDRESS FOR OBLIGOR SET FORTH IN SECTION 11.1 OF THE LOAN AGREEMENT AND SECTION 7 OF THE TWL INTEREST AND EXPENSES GUARANTY AND SECTION 7 OF THE SEAPORT INTEREST AND EXPENSES GUARANTY, AS APPLICABLE, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE AN AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE AN AUTHORIZED AGENT IF OBLIGOR CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK. NOTHING CONTAINED HEREIN SHALL AFFECT THE RIGHT OF LENDER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST OBLIGOR IN ANY OTHER JURISDICTION.

4. **Entire Agreement; Headings.** This Second Amendment and the Second Amendment Documents constitute the sole agreement of the parties with respect to the subject matter hereof and thereof and supersede all oral negotiations and prior writings with respect to the subject matter hereof and thereof. The headings used in this Second Amendment are for convenience only and shall be disregarded in interpreting the substantive provisions of this Second Amendment.

5. **Amendment and Waiver.** No amendment of this Second Amendment and no waiver, discharge or limitation of any one or more of the provisions thereof, shall be effective unless set forth in writing and agreed by all of the parties hereto.

6. **Successors and Assigns.** This Second Amendment (i) shall be binding upon Agent, for the benefit of Lenders, Lenders, Borrower, Guarantor and upon their respective successors and assigns, and (ii) shall insure to the benefit of Agent, for the benefit of Lenders, Lenders, Borrower and Guarantor, provided, however, that Borrower and Guarantor may not assign their respective rights under this Second Amendment or any interests herein without obtaining the prior written consent of Agent, for the benefit of Lenders, and any such assignment or attempted assignments shall be void and of no effect with respect to Agent, for the benefit of Lenders, and Lenders. Agent, for the benefit of Lenders, and Lenders may assign any or all of its right, title and interest in and to the Existing Loan Documents, as amended by the First Amendment Documents, this Second Amendment and the Second Amendment Documents.

7. **Severability of Provisions.** Any provision of this Second Amendment that is held to be inoperative, unenforceable, void or invalid in any jurisdiction shall, as to that jurisdiction, be ineffective, unenforceable, void or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability or validity of that provision in any other jurisdiction, and to this end the provisions of this Second Amendment are declared to be severable.

8. **Counterparts Effectiveness.** This Second Amendment may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Amendment. This Second Amendment may be executed by exchange of electronic or facsimile signatures, which shall be deemed original signatures for purposes of this Second Amendment or otherwise. This Second Amendment shall be deemed to have been executed and delivered when Lender has received the counterpart hereof executed by each of the parties comprising Borrower and Guarantor as defined in this Second Amendment as it relates to the specific party. Upon receipt of Lender of the signature page for each of the parties, each party whose signature page has been received by Lender will be deemed to be bound by the terms and conditions of this Second Amendment as it relates to that specific party on the date that party executed the signature page.

9. **Waiver of Jury Trial.** BORROWER, GUARANTOR, AGENT, FOR THE BENEFIT OF LENDERS, AND LENDERS HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS SECOND

AMENDMENT, THE SECOND AMENDMENT DOCUMENTS, THE EXISTING LOAN DOCUMENTS, THE FIRST AMENDMENT DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER, GUARANTOR, AGENT, FOR THE BENEFIT OF LENDERS, AND LENDERS, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. ANY PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY THE OTHER. FURTHER, EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER AND GUARANTOR EACH ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS SECOND AMENDMENT AND THAT AGENT, FOR THE BENEFIT OF LENDERS, AND LENDERS WOULD NOT AGREE TO AMEND THE TERMS AND CONDITIONS OF THE EXISTING LOAN DOCUMENTS, THE FIRST AMENDMENT DOCUMENTS AND/OR THE SECOND AMENDMENT DOCUMENTS IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS SECOND AMENDMENT.

10. **Obligor Acknowledgement.** BORROWER AND GUARANTOR EACH ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD ALL OF THE PROVISIONS OF THIS SECOND AMENDMENT INCLUDING, WITHOUT LIMITATION, THE WAIVER OF JURY TRIAL CLAUSE AND HAS BEEN ADVISED BY ITS COUNSEL AS NECESSARY AND APPROPRIATE.

11. **Fees and Expenses.** Notwithstanding anything to the contrary set forth in the Existing Loan Documents, the First Amendment Documents, or the Second Amendment Documents, each party to any Second Amendment Documents shall pay their own respective fees and expenses, including, without limitation, attorneys' fees and expenses, incurred by such party in connection with the negotiating, drafting, and execution of the Second Amendment Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

[signatures to follow on the following pages]

BORROWER:

250 SEAPORT DISTRICT, LLC,
a Delaware limited liability company

By: /s/ Matthew Partridge
Name: Matthew Partridge
Title: Chief Financial Officer

Signature Page to Second Amendment to Loan Documents Agreement

GUARANTOR:

TWL-BRIDGELAND HOLDING COMPANY, LLC,
a Delaware limited liability company

By: /s/ Carlos A. Olea
Name: Carlos A. Olea
Title: Chief Financial Officer

Signature Page to Second Amendment to Loan Documents Agreement

GUARANTOR:

SEAPORT ENTERTAINMENT GROUP INC.,
a Delaware corporation

By: /s/ Matthew Partridge
Name: Matthew Partridge
Title: Chief Financial Officer

Signature Page to Second Amendment to Loan Documents Agreement

AGENT:

MIZUHO CAPITAL MARKETS LLC,
a Delaware limited liability company

By: Mizuho Securities USA LLC, its Manager

By: /s/ Mirza Kafedzic
Name: Mirza Kafedzic
Title: Managing Director

LENDER:

MIZUHO CAPITAL MARKETS LLC,
a Delaware limited liability company

By: Mizuho Securities USA LLC, its Manager

By: /s/ Mirza Kafedzic
Name: Mirza Kafedzic
Title: Managing Director

Signature Page to Second Amendment to Loan Documents Agreement

NOTE AMENDMENT AFTER CONSTRUCTION COMPLETION

THIS NOTE AMENDMENT AFTER CONSTRUCTION COMPLETION (this "*Amendment*") is dated as of February 1, 2021, by and between CLARK COUNTY LAS VEGAS STADIUM, LLC, a limited liability company organized under the laws of the State of Delaware (the "*Company*"), and WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE (the "*Lender*").

RECITALS:

WHEREAS, pursuant to that certain Note Purchase Agreement, dated as of July 20, 2018, between the Company and the Lender (the "*Note Purchase Agreement*"), the Company heretofore issued to the Lender a \$51,231,000.00 original principal amount 4.92% Senior Secured Note, due on the Maturity Date (as defined therein) (the "*Note*");

WHEREAS, (i) the Note provides that the Principal Amortization Start Date (as defined therein shall mean the earlier of (a) June 15, 2020 and (b) the fifteenth day of the first month in which the Escrow Agent shall have received the second quarterly payment under the Naming Rights Agreement, (ii) the quarterly payments under the Naming Rights Agreement commenced on May 1, 2019 but interest only payments were made on the Note without principal payments on the June 15, 2019 payment and the December 15, 2019 payment, and (iii) the Company paid to the Escrow Agent the amounts that should have been paid as principal on June 15, 2019 and December 15, 2019;

WHEREAS, the parties hereto have agreed to amend the Note as contemplated therein to replace the Amortization Schedule now that the Principal Amortization Start Date has been fixed with the commencement of quarterly payments under the Naming Rights Agreement (as defined in the Note Purchase Agreement); and

WHEREAS, unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Note Purchase Agreement or the Deed of Trust (as defined in the Note Purchase Agreement), as the case may be.

NOW, THEREFORE, in consideration of the above premises, the mutual covenants hereinafter expressed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. *Replacement of the Amortization Schedule.* The Note is hereby amended by replacing in its entirety the Amortization Schedule attached thereto as Annex I with the Amortization Schedule attached hereto as Exhibit A.
 2. *Acknowledgement of True-Up.* Both of the parties hereto acknowledge and agree that the Borrower has paid all funds necessary to remedy the Excess Cashflow to Borrower.
 3. *No Other Changes.* The Note and the other Operative Agreements shall otherwise remain unchanged.
-

4. *Successors and Assigns.* This Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

5. *Counterparts.* This Amendment may be executed in a number of identical counterparts, and signed copies hereof may be distributed in a pdf or similar format by email or otherwise. If so executed, each such counterpart is to be deemed an original for all purposes, and all such counterparts shall collectively constitute one agreement, but for the purpose of proving the existence of this Amendment it shall not be necessary to produce or account for more than one such counterpart except for the purpose of demonstrating that any party is a signatory thereto.

6. *Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada.

[signatures to follow on the following pages]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first above written.

CLARK COUNTY LAS VEGAS STADIUM, LLC a
Delaware limited liability company

By: /s/ David O'Reilly

Name: David O'Reilly

Title: Chief Executive Officer

COMPANY

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first above written.

WELLS FARGO TRUST COMPANY, NATIONAL
ASSOCIATION, AS TRUSTEE

By /s/ Corey J. Dahlstrand
Name: Corey J. Dahlstrand
Title: Corporate Trust Officer

LENDER

**SEAPORT ENTERTAINMENT GROUP INC.
INSIDER TRADING COMPLIANCE POLICY AND PROCEDURES**

Effective July 29, 2024

Federal and state laws prohibit trading in the securities of a company while in possession of material nonpublic information and in breach of a duty of trust or confidence. These laws also prohibit anyone who is aware of material nonpublic information from providing this information to others who may trade. Violating such laws can undermine investor trust, harm the reputation and integrity of Seaport Entertainment Group Inc. (together with its subsidiaries, the “Company”), and result in dismissal from the Company or even serious criminal and civil charges against the individual and the Company. The Company reserves the right to take whatever disciplinary or other measure(s) it determines in its sole discretion to be appropriate in any particular situation, including disclosure of wrongdoing to governmental authorities.

I. Persons Covered and Administration of Policy

This Insider Trading Compliance Policy and Procedures (this “Policy”) applies to all officers, directors and employees of the Company, including contractors, temporary workers and consultants. For purposes of this Policy, “officers” refer to those individuals who meet the definition of “officer” under Section 16 of the Securities Exchange Act of 1934 (as amended, the “Exchange Act”). Individuals subject to this Policy are responsible for ensuring that members of their household comply with this Policy. This Policy also applies to any entities controlled by individuals subject to the Policy, including any corporations, limited liability companies, partnerships or trusts, and transactions by these entities should be treated for the purposes of this Policy as if they were for the individual’s own account. The Company may determine that this Policy applies to additional persons with access to material nonpublic information. Officers, directors and employees, together with any other person designated as being subject to this Policy by the General Counsel are referred to collectively as “Covered Persons.”

Questions regarding the Policy should be directed to the General Counsel, who is responsible for the administration of this Policy.

II. Policy Statement

No Covered Person shall purchase or sell any type of security while in possession of material nonpublic information relating to the security or the issuer of such security in breach of a duty of trust or confidence, whether the issuer of such security is the Company or any other company. In addition, if a Covered Person is in possession of material nonpublic information about other publicly traded companies, such as suppliers, customers, competitors or potential acquisition targets, the Covered Person may not trade in such other companies’ securities until the information becomes public or is no longer material. Further, no Covered Person shall purchase or sell any security of any other company, including another company in the Company’s industry, while in possession of material nonpublic information if such information is obtained in the course of the Covered Person’s employment or service with the Company.

In addition, Covered Persons shall not directly or indirectly communicate material nonpublic information to anyone outside the Company (except in accordance with the Company's policies regarding confidential information) or to anyone within the Company other than on a "need-to-know" basis.

"Securities" includes stocks, bonds, notes, debentures, options, warrants, equity and other convertible securities, as well as derivative instruments.

"Purchase" and "sale" are defined broadly under the federal securities law. "Purchase" includes not only the actual purchase of a security, but also any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but also any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, conversions, the exercise of stock options, transfers, gifts, and acquisitions and exercises of warrants or puts, calls, pledging and margin loans, or other derivative securities.

The laws and regulations concerning insider trading are complex, and Covered Persons are encouraged to seek guidance from the General Counsel prior to considering a transaction in Company securities.

III. Blackout Periods

No directors, officers or employees of the Company (as well as any individual or entity covered by this Policy by virtue of their relationship to such director, officer or employee) shall purchase or sell any security of the Company during the period beginning on the 15th calendar day of the last month of any fiscal quarter of the Company and ending after completion of the second full trading day after the public release of earnings data for such fiscal quarter or during any other trading suspension period declared by the Company, such period, a "blackout period." A "trading day" is a day on which U.S. national stock exchanges are open for trading. If, for example, the Company were to make an announcement on Monday *prior* to 9:30 a.m., Eastern Time, then the blackout period would terminate *after* the close of trading on Tuesday. If an announcement were made on Monday after 9:30 a.m., Eastern Time, then the blackout period would terminate after the close of trading on Wednesday. If you have any question as to whether information is publicly available, please direct an inquiry to the General Counsel.

These prohibitions do not apply to:

- purchases of the Company's securities from the Company, or sales of the Company's securities to the Company;
- exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations in a manner permitted by the applicable equity award agreement, or vesting of equity-based awards, in each case, that do not involve a market sale of the Company's securities (the "cashless exercise" of a Company stock option or other equity award through a broker does involve a market sale of the Company's securities, and therefore would not qualify under this exception);

- *bona fide* gifts of the Company's securities, unless the individual making the gift knows, or is reckless in not knowing, the recipient intends to sell the securities while the donor is in possession of material nonpublic information about the Company; or
- purchases or sales of the Company's securities made pursuant to a plan adopted to comply with the Exchange Act Rule 10b5-1 ("Rule 10b5-1").

Exceptions to the blackout period policy may be approved by each of the Chief Financial Officer and General Counsel, or, in the case of exceptions for directors, each of the Board of Directors and General Counsel.

The General Counsel, in consultation with the Chief Financial Officer, may recommend that directors, officers, employees or others suspend trading in Company securities because of developments that have not yet been disclosed to the public. Subject to the exceptions noted above, all of those individuals affected should not trade in the Company's securities while the suspension is in effect and should not disclose to others that the Company has suspended trading.

IV. Preclearance of Trades by Directors, Officers and Employees

All transactions in the Company's securities by directors, officers, and employees (each, a "Preclearance Person") must be precleared by the General Counsel or the Chief Financial Officer for transactions by the General Counsel. Preclearance should not be understood to represent legal advice by the company that a proposed transaction complies with the law.

A request for preclearance must be in writing, should be made at least two business days in advance of the proposed transaction, and should include the identity of the Preclearance Person, a description of the proposed transaction, the proposed date of the transaction, and the number of shares or other securities involved. In addition, the Preclearance Person must execute a certification that he or she is not aware of material nonpublic information about the Company. The General Counsel, or the Chief Financial Officer for transactions by the General Counsel, shall have sole discretion to decide whether to clear any contemplated transaction. All trades that are precleared must be effected within two business days of receipt of the preclearance. A precleared trade (or any portion of a precleared trade) that has not been effected during the two business day period must be submitted for preclearance determination again prior to execution. Notwithstanding receipt of preclearance, if the Preclearance Person becomes aware of material nonpublic information, or becomes subject to a blackout period before the transaction is effected, the transaction may not be completed. Transactions under a previously established Rule 10b5-1 Trading Plan that has been preapproved in accordance with this Policy are not subject to further preclearance.

None of the Company, the Chief Financial Officer, the General Counsel or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request for preclearance.

V. Material Nonpublic Information

Information is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security, or if the information is likely to have a significant effect on the market price of the security. Material information can be positive or negative, and can relate to virtually any aspect of a company’s business or to any type of security, debt, or equity. Also, information that something is likely to happen in the future—or even just that it may happen—could be deemed material.

Examples of material information may include (but are not limited to) information about:

- corporate earnings or earnings forecasts;
- possible mergers, acquisitions, tender offers, or dispositions;
- major new products or product developments;
- important business developments, such as developments regarding strategic collaborations;
- management or control changes;
- significant financing developments including pending public sales or offerings of debt or equity securities;
- defaults on borrowings;
- bankruptcies;
- cybersecurity or data security incidents; and
- significant litigation or regulatory actions.

Information is “nonpublic” if it is not available to the general public. In order for information to be considered “public,” it must be widely disseminated in a manner that makes it generally available to investors in a Regulation FD-compliant method, such as through a press release, a filing with the U.S. Securities and Exchange Commission (the “SEC”) or a Regulation FD-compliant conference call. The General Counsel shall have sole discretion to decide whether information is public for purposes of this Policy.

The circulation of rumors, even if accurate and reported in the media, does not constitute public dissemination. In addition, even after a public announcement, a reasonable period of time may need to lapse in order for the market to react to the information. Generally, the passage of two full trading days following release of the information to the public, is a reasonable waiting period before such information is deemed to be public.

VI. Post-Termination Transactions

If an individual is in possession of material nonpublic information when the individual’s service terminates, the individual may not trade in the Company’s securities until that information has become public or is no longer material.

VII. Prohibited Transactions

The Company has determined that there is a heightened legal risk and the appearance of improper or inappropriate conduct if persons subject to this Policy engage in certain types of transactions. Therefore, Covered Persons shall comply with the following policies with respect to certain transactions in the Company's securities.

Short Sales

Short sales of the Company's securities are prohibited by this Policy. Short sales of the Company's securities, or sales of shares that the insider does not own at the time of sale, or sales of shares against which the insider does not deliver the shares within 20 days after the sale, evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, Section 16(c) of the Exchange Act prohibits Section 16 reporting persons (i.e., directors, officers, and the Company's 10% stockholders) from making short sales of the Company's equity securities.

Options

Transactions in puts, calls, or other derivative securities involving the Company's equity securities, on an exchange, on an over-the-counter market, or in any other organized market, are prohibited by this Policy. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and, therefore, creates the appearance that a Covered Person is trading based on material nonpublic information. Transactions in options, whether traded on an exchange, on an over-the-counter market, or any other organized market, also may focus a Covered Person's attention on short-term performance at the expense of the Company's long-term objectives.

Hedging Transactions

Hedging transactions involving the Company's securities, such as prepaid variable forward contracts, equity swaps, collars and exchange funds, or other transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's equity securities, are prohibited by this Policy. Such transactions allow the Covered Person to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the Covered Person may no longer have the same objectives as the Company's other stockholders.

Margin Accounts and Pledging

Individuals are prohibited from pledging Company securities as collateral for a loan, purchasing Company securities on margin (i.e., borrowing money to purchase the securities), or placing Company securities in a margin account. This prohibition does not apply to cashless exercises of stock options under the Company's equity plans, nor to situations approved in advance by the General Counsel.

Partnership Distributions

Nothing in this Policy is intended to limit the ability of an investment fund, venture capital partnership or other similar entity with which a director is affiliated to distribute Company securities to its partners, members, or other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances, and applicable securities laws.

VIII. Rule 10b5-1 Trading Plans

The trading restrictions set forth in this Policy, other than those transactions described under “Prohibited Transactions,” do not apply to transactions under a previously established contract, plan or instruction to trade in the Company’s securities entered into in accordance with Rule 10b5-1 (a “Trading Plan”) that:

- has been submitted to and preapproved by the General Counsel;
- includes a “Cooling Off Period” for
 - Section 16 reporting persons that extends to the later of 90 days after adoption or modification of a Trading Plan or two business days after filing the Form 10-K or Form 10-Q covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days; and
 - employees and any other persons, other than the Company, that extends 30 days after adoption or modification of a Trading Plan;
- for Section 16 reporting persons, includes a representation in the Trading Plan that the Section 16 reporting person is (1) not aware of any material nonpublic information about the Company or its securities; and (2) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade Rule 10b-5;
- has been entered into in good faith at a time when the individual was not in possession of material nonpublic information about the Company and not otherwise in a blackout period, and the person who entered into the Trading Plan has acted in good faith with respect to the Trading Plan;
- either (1) specifies the amounts, prices, and dates of all transactions under the Trading Plan; or (2) provides a written formula, algorithm, or computer program for determining the amount, price, and date of the transactions, and (3) prohibits the individual from exercising any subsequent influence over the transactions; and
- complies with all other applicable requirements of Rule 10b5-1.

The General Counsel may impose such other conditions on the implementation and operation of the Trading Plan as the General Counsel deems necessary or advisable. Individuals

may not adopt more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to preapproval by the General Counsel.

An individual may only modify a Trading Plan outside of a blackout period and, in any event, when the individual does not possess material nonpublic information. Modifications to and terminations of a Trading Plan are subject to preapproval by the General Counsel and modifications of a Trading Plan that change the amount, price, or timing of the purchase or sale of the securities underlying a Trading Plan will trigger a new Cooling-Off Period.

The Company reserves the right to publicly disclose, announce, or respond to inquiries from the media regarding the adoption, modification, or termination of a Trading Plan and non-Rule 10b5-1 trading arrangements, or the execution of transactions made under a Trading Plan. The Company also reserves the right from time to time to suspend, discontinue, or otherwise prohibit transactions under a Trading Plan if the General Counsel, Chief Financial Officer or the Board of Directors, in their discretion, determines that such suspension, discontinuation, or other prohibition is in the best interests of the Company.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, and none of the Company, the General Counsel or the Company's other employees assumes any liability for any delay in reviewing and/or refusing to approve a Trading Plan submitted for approval, nor the legality or consequences relating to a person entering into, informing the Company of, or trading under, a Trading Plan.

IX. Interpretation, Amendment, and Implementation of this Policy

The General Counsel shall have the authority to interpret and update this Policy and all related policies and procedures. In particular, such interpretations and updates of this Policy, as authorized by the General Counsel, may include amendments to or departures from the terms of this Policy, to the extent consistent with the general purpose of this Policy and applicable securities laws. Actions taken by the Company, the General Counsel, or any other Company personnel do not constitute legal advice, nor do they insulate you from the consequences of noncompliance with this Policy or with securities laws.

X. Certification of Compliance

All directors, officers, employees and others subject to this Policy may be asked periodically to certify their compliance with the terms and provisions of this Policy.

SEAPORT ENTERTAINMENT GROUP INC.**LIST OF SUBSIDIARIES:**

Entity	Jurisdiction
Seaport Entertainment Management, LLC	Delaware
Summerlin Baseball Club Member, LLC	Delaware
Clark County Las Vegas Stadium, LLC	Delaware
Summerlin Las Vegas Baseball Club, LLC	Delaware
Fashion Show Mall Air Rights Developer, LLC	Delaware
Seaport District NYC, Inc.	Delaware
Seaport Marketplace Theatre, LLC	Maryland
117 Beekman Street Holdings, LLC	Delaware
170 John Street Holdings, LLC	Delaware
80 South, LLC	Delaware
85 South Street LLC	Delaware
South Street Seaport Limited Partnership	Maryland
Seaport Marketplace, LLC	Maryland
HHC JG NFT Member, LLC	Delaware
Seaport Management Development Company, LLC	Delaware
Seaport Development Holdings, LLC	Delaware
Marginal Street Development, LLC	Delaware
Seaport Phase 1 Holdings, LLC	Delaware
HHC Fulton Retail LLC	Delaware
HHC Fulton Club, LLC	Delaware
Howard Hughes New York Regional Center, LLC	Delaware

Seaport Hospitality, LLC	Delaware
HHC 33 Peck Slip Member, LLC	Delaware
Grandview SHG, LLC	California
HHC 33 Peck Slip Holdings, LLC	Delaware
HHC 33 Peck Slip Resources, LLC	Delaware
SSSLP Pier 17 Restaurant C101, LLC	Delaware
Pier 17 Restaurant C101, LLC	Delaware
HHC Seafood Market Member, LLC	Delaware
Fulton Seafood Market, LLC	Delaware
Pier 17 HHC Member, LLC	Delaware
Pier 17 Seafood Restaurant, LLC	Delaware
250 Seaport District, LLC	Delaware
Pier 17 GR Restaurant, LLC	Delaware
HHC Bridgeview, LLC	Delaware
HHC Cobblestones, LLC	Delaware
HHC Riverdeck, LLC	Delaware
1360 Schermerhorn, LLC	Delaware
HHC Blockhouse, LLC	Delaware
MF Seaport, LLC	Delaware
HHC Pier Village, LLC	Delaware
Pier 17 Bar, LLC	Delaware
Pier 17 F Restaurant, LLC	Delaware
HHC F Box Event Space, LLC	Delaware

Seaport Marketing Services, LLC	Texas
Bridgeview F&B, LLC	Delaware
HHC Spice, LLC	Delaware
HHC Lawn Games Member, LLC	Delaware
HHC Lawn Games, LLC	Delaware
Seaport Emerging Technologies LLC	Delaware
JG Restaurant HoldCo LLC	Delaware
JG NFT, LLC	Delaware
SEG Revolver, LLC	Delaware
Seaport Entertainment Operations, LLC	Delaware
SEG BP NYC, LLC	Delaware

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Anton D. Nikodemus, certify that:

1. I have reviewed this Annual Report on Form 10-K of Seaport Entertainment Group Inc.;
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(s) 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 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. [Reserved];
 - 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(s) 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.

Date: March 10, 2025

By: /s/ Anton D. Nikodemus

Name: Anton D. Nikodemus

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew M. Partridge, certify that:

1. I have reviewed this Annual Report on Form 10-K of Seaport Entertainment Group Inc.;
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(s) 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 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. [Reserved];
 - 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(s) 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.

Date: March 10, 2025

By: /s/ Matthew M. Partridge

Name: Matthew M. Partridge

Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Seaport Entertainment Group Inc. (the “Company”) hereby certifies that, to such officer’s knowledge:

- (i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 10, 2025

By: /s/ Anton D. Nikodemus

Name: Anton D. Nikodemus

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Seaport Entertainment Group Inc. (the “Company”) hereby certifies that, to such officer’s knowledge:

- (i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 10, 2025

By: /s/ Matthew M. Partridge

Name: Matthew M. Partridge

Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)



KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Consent of Independent Auditors

We consent to the incorporation by reference in the registration statement (No. 333-281129) on Form S-8 of Seaport Entertainment Group Inc. of our report dated March 5, 2025, with respect to the financial statements of Fulton Seafood Market, LLC, which report appears in the Form 10-K of Seaport Entertainment Group Inc. dated March 10, 2025.

/s/ KPMG LLP

Dallas, Texas
March 10, 2025

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-281129) on Form S-8 of our report dated March 10, 2025, with respect to the consolidated and combined financial statements of Seaport Entertainment Group Inc.

/s/ KPMG LLP

Dallas, Texas
March 10, 2025

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

**SEAPORT ENTERTAINMENT GROUP INC.
CLAWBACK POLICY**

Seaport Entertainment Group Inc. (the “Company”) has adopted this Clawback Policy (the “Policy”), effective as of July 29, 2024 (the “Effective Date”). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

I. Persons Subject to Policy

This Policy shall apply to current and former Executive Officers. Each Executive Officer shall be required to sign an acknowledgment in a form prescribed by the Company pursuant to which such Executive Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Executive Officer’s failure to sign any such acknowledgment shall not negate the application of this Policy to the Executive Officer.

II. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is “received” shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is “received” in the Company’s fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs prior to or after the end of that period.

III. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery from the relevant Executive Officer would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Executive Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any Executive Officer’s right to voluntarily terminate employment for “good reason,” or due to a “constructive termination” (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

IV. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation, Erroneously Awarded Compensation or time-vesting equity awards, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other

compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

V. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the “Board”) may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the “Committee” shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equity holders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

VI. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

VII. No Indemnification; No Personal Liability

Notwithstanding the terms of any insurance policy or any contractual arrangement with any Executive Officer that may provide or be interpreted to the contrary, the Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person’s potential obligations under this Policy. No member of the Committee or the Board shall have any personal liability to any person as a result of actions taken under this Policy and each member of the Committee and the Board will be fully indemnified by the Company to the fullest extent available under applicable law and the Company’s governing documents with respect to any actions taken under this Policy. The foregoing sentence will not limit any other rights to indemnification of the members of the Board under applicable law and the Company’s governing documents.

VIII. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the “Other Recovery Arrangements”). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

IX. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law or otherwise required by applicable law or regulation.

X. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

XI. Definitions

“**Applicable Rules**” means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company’s securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company’s securities are listed.

“**Committee**” means the Compensation Committee of the Board.

“**Erroneously Awarded Compensation**” means the amount of Incentive-Based Compensation received by a current or former Executive Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Executive Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules. For Incentive-Based Compensation based on total stockholder return or stock price, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement,

Erroneously Awarded Compensation is the Committee's reasonable estimate of the effect of the Restatement on the total stockholder return or stock price upon which the Incentive-Based Compensation was received, consistent with any documentation of the determination of such reasonable estimate provided by the Company to the applicable listing exchange or association.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Officer" means each executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"Financial Reporting Measure" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equity holder return.

"GAAP" means United States generally accepted accounting principles.

"IFRS" means international financial reporting standards as adopted by the International Accounting Standards Board.

"Impracticable" means (a) the direct costs or expenses paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"Incentive-Based Compensation" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Executive Officer; (b) who served as an Executive Officer at any time during the performance period for that compensation; (c) while the Company has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"Restatement" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to

the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

“Three-Year Period” means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The ***“Three-Year Period”*** also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

**FORM OF ACKNOWLEDGMENT AGREEMENT
PERTAINING TO THE SEAPORT ENTERTAINMENT GROUP INC.**

CLAWBACK POLICY

In consideration of, and as a condition to, the receipt of future cash and equity incentive compensation from Seaport Entertainment Group Inc. (the "Company"), _____ ("Executive Officer") and the Company are entering into this Acknowledgment Agreement.

1. Executive Officer agrees that compensation received by Executive Officer may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy for Recovery of Erroneously Awarded Compensation adopted by the Board of Directors of the Company (as amended from time to time, the "Policy"). Executive Officer acknowledges that Executive Officer has received and has had an opportunity to review the Policy.
2. Executive Officer acknowledges and agrees to the terms of the Policy, including that any compensation received by Executive Officer shall be subject to and conditioned upon the provisions of the Policy.
3. Executive Officer further acknowledges and agrees that Executive Officer is not entitled to indemnification in connection with any enforcement of the Policy and expressly waives any rights to such indemnification under the Company's organizational documents or otherwise.
4. Executive Officer agrees to take all actions requested by the Company in order to enable or facilitate the enforcement of the Policy (including, without limitation, any reduction, cancellation, forfeiture or recoupment of any compensation that Executive Officer has received or to which Executive Officer may become entitled).
5. To the extent any recovery right under the Policy conflicts with any other contractual rights Executive Officer may have with the Company or any affiliate, Executive Officer understands that the terms of the Policy shall supersede any such contractual rights. Executive Officer agrees that no recovery of compensation under the Policy will be an event that triggers or contributes to any right of Executive Officer to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any affiliate.

[Signature page follows]

EXECUTIVE OFFICER

(Signature)

(Print Name)

(Title)

(Date)

SEAPORT ENTERTAINMENT GROUP INC.

(Signature)

(Print Name)

(Title)

(Date)

FULTON SEAFOOD MARKET, LLC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

FULTON SEAFOOD MARKET, LLC

CONTENTS

Independent Auditors' Report	1-2
Financial Statements	
Balance Sheets	3
Statements of Operations and Members' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-15

Independent Auditors' Report

The Members
Fulton Seafood Market, LLC:

Opinion

We have audited the financial statements of Fulton Seafood Market, LLC (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations, negative cash flows from operations, and will continue to require funding in the form of contributions from the Seaport Entertainment Group member in order to fund its operations and meet obligations over the next twelve months. As such, the Company stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ KPMG LLP

Dallas, Texas
March 5, 2025

FULTON SEAFOOD MARKET, LLC**BALANCE SHEETS****DECEMBER 31, 2024 AND DECEMBER 31, 2023**

	December 31, 2024	December 31, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 914,961	\$ 5,190,524
Inventory, net	1,175,450	1,448,975
Due from related party	434,659	43,263
Prepaid expenses and other current assets	580,191	425,659
Total Current Assets	3,105,261	7,108,421
Property and Equipment, Net	8,157,109	10,885,813
Operating Right-of-Use Asset, Net	70,133,270	78,393,019
Security Deposits	167,395	167,395
Total Assets	\$ 81,563,035	\$ 96,554,648
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 9,813	\$ 1,659,468
Accrued expenses	2,492,171	3,663,070
Short-term operating lease liability	8,477,080	8,259,748
Total Current Liabilities	10,979,064	13,582,286
Long-Term Liabilities		
Long-term operating lease liability	61,656,191	70,133,271
Total Liabilities	72,635,255	83,715,557
Commitments and Contingencies		
Members' Equity	8,927,780	12,839,091
Total Liabilities and Members' Equity	\$ 81,563,035	\$ 96,554,648

FULTON SEAFOOD MARKET, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

	December 31, 2024	December 31, 2023
Net Sales	\$ 30,972,918	\$ 32,353,619
Costs and Expenses		
Restaurant and retail operating expenses:		
Food and beverage costs	5,630,337	6,782,568
Retail expenses	4,714,900	4,493,119
Labor and related expenses	19,412,106	25,570,496
Operating lease costs	11,518,589	12,210,133
Other operating expenses	9,472,205	11,692,137
General and administrative expenses	13,586,537	13,122,128
Total Costs and Expenses	64,334,674	73,870,581
Net Loss	(33,361,756)	(41,516,962)
Members' Equity - Beginning of Year	12,839,091	6,304,040
Members contributions	29,450,445	48,052,013
Members' Equity - End of Year	\$ 8,927,780	\$ 12,839,091

FULTON SEAFOOD MARKET, LLC**STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023**

	December 31, 2024	December 31, 2023
Cash Flows from Operating Activities		
Net loss	\$ (33,361,756)	\$ (41,516,962)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,651,170	2,720,016
Changes in operating assets and liabilities:		
Inventory, net	273,525	(29,963)
Advances to related party	(391,396)	(35,089)
Prepaid expenses and other current assets	(154,532)	77,785
Reduction in carrying amount of right of use asset	8,259,749	8,047,989
Security deposits	—	(167,395)
Accounts payable	(1,649,655)	135,848
Accrued expenses	(1,170,899)	(264,859)
Operating lease liabilities	(8,259,748)	(8,047,989)
Net Cash Used in Operating Activities	(33,803,542)	(39,080,619)
Cash Flows from Investing Activities		
Purchases of property and equipment	(189,650)	(5,728,564)
Asset disposals	267,184	—
Net Cash Provided by/(Used in) Investing Activities	77,534	(5,728,564)
Cash Flows from Financing Activities		
Contributions from Members	29,450,445	48,052,013
Net Cash Provided by Financing Activities	29,450,445	48,052,013
Net Decrease in Cash	(4,275,563)	3,242,830
Cash - Beginning	5,190,524	1,947,694
Cash - Ending	\$ 914,961	\$ 5,190,524

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

NOTE 1 - BASIS OF PRESENTATION AND CONSOLIDATION

NATURE OF OPERATIONS

On July 22, 2015, HHC Seafood Market Member LLC (HHSM or the HHC member), a subsidiary of Howard Hughes Corporation (HHC), together with VS-Fulton Seafood LLC (VS Member), a wholly-owned subsidiary of JG Restaurant Holdco, LLC (JG), formed Fulton Seafood Market, LLC (the “Company”), through the Original Company LLC Agreement, for the purpose of operating a first-class “Jean Georges concept” food hall and market place, featuring various menus and atmosphere that will prepare and sell a variety of specialty goods, beverages, fresh seafood and other products. The Original Company LLC Agreement was superseded and replaced in its entirety by the Amended and Restated Operating Agreement dated as of January 8, 2018 and a Second Amended and Restated Operating Agreement was entered into as of August 11, 2022 (LLC Agreement).

In September 2022, the Company opened the food hall and marketplace in the Tin Building which is located in the historic South Street Seaport of New York, New York. The Tin Building is owned by South Street Seaport Limited Partnership, a subsidiary of Seaport Entertainment Group, Inc. (“Seaport Entertainment” or “SEG”) and the Company’s operations are managed by Creative Culinary Management Company, LLC (CCMC), a wholly owned subsidiary of JG.

On August 11, 2023, HHC implemented a holding company reorganization which resulted in Howard Hughes Holdings Inc. (“HHH”) becoming the direct parent company of the Company and replacing the Company as the public company trading on the New York Stock Exchange.

On July 31, 2024, the separation of SEG from HHH was completed. Seaport Entertainment is comprised of HHH’s pre-existing entertainment-related assets in New York City and Las Vegas, including the Company.

Per Article 4 of the LLC Agreement, the HHH member, now SEG, shall contribute cash to the Company at such times and in such amounts as necessary in order to fund the operations of the Company. Under no circumstances shall the VS Member be required to make any Capital Contributions to the Company. During the year ended December 31, 2024, total contributions from HHH and SEG were \$29,450,445. During the year ended December 31, 2023, total contributions from HHC were \$48,052,013.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

FISCAL YEAR

Prior to January 1, 2024, the Company utilized a 52- or 53-week accounting period that ends on the Sunday closest to December 31. Fiscal years 2023 was comprised of a 52-week period beginning on January 2, 2023, and ending on December 31, 2023. Unless otherwise stated, references to 2023 in this report relate to fiscal year rather than calendar year. On January 1, 2024, the Company changed from a 52- or 53-week accounting period to a calendar year period ending on December 31. As such, the current year includes all activity beginning on January 1, 2024, and ending on December 31, 2024. The primary purpose of the change is to align the financial reporting calendar of the Company along with the other entities under SEG. The Company does not believe the change has a material impact on the comparability of the two periods presented within these financial statements. As such, the fiscal year 2023 reporting period has not been restated to include the activity on January 1, 2023 which is included within fiscal year 2022.

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with maturities of three months or less as cash equivalents. Cash and cash equivalents also included \$229,916 and \$523,651 at December 31, 2024 and December 31, 2023, respectively of amounts due from commercial credit card companies, such as Visa, MasterCard, Discover, and American Express, which are generally received within a few days of the related transactions.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

INVENTORY, NET

Inventories primarily consist of food, beverages, retail products and related merchandise. Inventories are accounted for at lower of cost or net realizable value using the first-in, first-out (FIFO) method. Spoilage is expensed as incurred. At December 31, 2024 and December 31, 2023, an inventory reserve totaling \$97,964 and \$181,533, respectively is included in inventory, net on the accompanying balance sheets.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. The Company capitalizes construction costs during construction of the restaurant and will begin to depreciate them once the restaurant begins operations. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of operations.

Depreciation and amortization of property and equipment is recorded utilizing the straight-line method over the estimated useful lives of the respective assets. The Company does not assign any salvage value to its assets.

Leasehold improvements are amortized over the shorter of either the term of the lease or the useful life of the improvement utilizing the straight-line method.

LONG-LIVED ASSETS

The Company assesses the recoverability of long-lived assets, which consists of property and equipment and right-of-use assets, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, is less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined by estimates of discounted cash flows or value expected to be realized in third-party sale. No impairments have been recorded for the years ended December 31, 2024 and December 31, 2023.

INCOME TAXES

The Company is a limited liability company, which has elected to be taxed under the provisions of a partnership for income tax purposes. As such, the Company's income or loss and credits are passed through to the members and reported on their individual income tax returns.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period, including the technical merits of those positions. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. Tax positions taken related to the Company's federal tax filing classification and state income taxes have been reviewed, and management is of the opinion that material positions taken by the Company would more likely than not be sustained by examination. Accordingly, the Company has not recorded an income tax liability for uncertain tax positions.

REVENUE RECOGNITION

The Company recognizes revenue in accordance with Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to allocate the transaction price received from customers to each separate and distinct performance obligation and recognize revenue as these performance obligations are satisfied. Revenue from restaurant sales is presented net of discounts and recognized when food and beverage are sold. Revenue from retail sales is presented net of discounts and recognized when retail products and related merchandise is sold.

The revenue from gift cards is included in unearned revenue when purchased by the customer and revenue is recognized when the gift cards are redeemed. Unearned revenues include liabilities established for the value of the gift cards when sold and are included in accrued expenses on the Company's balance sheet were not material as of December 31, 2024 and December 31, 2023. The revenue from gift cards were not material for the year ended of December 31, 2024 and December 31, 2023.

The following table sets forth the Company's nets sales disaggregated by sales channel for the years ended December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Food	\$ 16,925,744	\$ 17,661,115
Alcohol	5,939,655	6,686,391
Retail	8,107,519	8,006,113
Total	\$ 30,972,918	\$ 32,353,619

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

FAIR VALUE MEASUREMENT

FASB ASC 810-10, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in the active markets that the Company has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The estimated fair value of accounts payable and accrued expenses approximate the carrying amounts due to the relatively short maturity of these instruments.

ADVERTISING COSTS

Advertising costs, which are included in general and administrative expenses, are expensed as incurred. Advertising expenses for the years ended December 31, 2024 and December 31, 2023, amounted to \$1,415,460 and \$1,784,991, respectively and are included in general and administrative expenses on the statements of operations and member's equity.

PRESENTATION OF SALES TAXES

The Company collects sales tax from customers and remits the entire amount to the respective states. The Company's accounting policy is to exclude the tax collected and remitted from revenue and cost of sales. Sales tax payable amounted \$69,583 and \$258,542 at December 31, 2024 and December 31, 2023, respectively and is presented in accrued expenses in the accompanying balance sheets.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

NOTE 3 - LIQUIDITY AND GOING CONCERN

The Company had negative operating cash flows of \$33,803,542 and \$39,080,619 for 2024 and 2023, respectively and net losses of \$33,361,756 and \$41,516,962 for 2024 and 2023, respectively. Whether, and when, the Company can attain profitability and positive cash flows from operations is uncertain. As such, the Company will continue to require funding in the form of contributions from SEG in order to fund its operations and meet obligations over the next twelve months from the date these financials statements are available to be issued.

Based on its significant net losses and negative cash flows from operations for 2024 and 2023, as well as, the future uncertainty, the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern for the next twelve months. However, the financial statements do not include any adjustments to the carrying amounts and classifications of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows as of December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023	Estimated Useful Lives
Leasehold improvements	\$ 1,008,284	\$ 730,085	Lease term
Kitchen equipment and other	2,162,261	2,161,427	5 years
Computers and computer systems	8,159,366	8,588,417	3 - 5 years
Furniture and fixtures	2,320,961	2,028,854	5 years
Construction in progress	361,358	728,175	
	14,012,230	14,236,958	
Less: accumulated depreciation	(5,855,121)	(3,351,145)	
Property and Equipment, Net	\$ 8,157,109	\$ 10,885,813	

Depreciation and amortization expense related to property and equipment amounted to \$2,651,169 and \$2,720,016 for the years ended December 31, 2024 and December 31, 2023, respectively, and are included in general and administrative expenses on the statements of operations and members' equity (deficit).

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

NOTE 5 - RELATED-PARTY TRANSACTIONS

In July 2020, the Company entered into a management agreement with CCMC to manage the location including the food and beverage operations. The agreement will terminate on the earlier of ten years from the effective date of the agreement or the date that the lease terminates. The management agreement stipulates a fixed fee of \$150,000 per month as well as an annual fixed overhead management fee of \$125,000 per year. Total management fees amounted to \$1,925,000 and \$1,925,000 for the years ended December 31, 2024 and December 31, 2023, respectively and is included in general and administrative expenses on the statements of operations and member's equity.

Future management fees under the management agreement consist of the following:

For the Fiscal Years ended:	
2025	\$ 1,925,000
2026	1,925,000
2027	1,925,000
2028	1,925,000
2029	1,925,000
Thereafter	962,500
Total	\$ 10,587,500

Pursuant to the management agreement, CCMC is responsible for the day-to-day operations and accounting functions. Payroll expenses reimbursed to the related party amounted to \$1,841,822 and \$887,904 for the years ended December 31, 2024 and December 31, 2023, respectively and is included in general and administrative expenses on the statements of operations and member's equity.

NOTE 6 - LEASES

SEG owns 100% of the Tin Building and the Company leases its restaurant space under an operating lease with a 10-year initial term. SEG, as landlord, funded 100% of the development and construction of the restaurant space. The lease includes renewal options which can extend the lease term with two separate consecutive 5-year lease terms. The exercise of these renewal options is at the sole discretion of the Company, and only lease options that the Company believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The lease agreement provides for minimum lease payments and does not include any material residual value guarantees or restrictive covenants.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Operating right-of-use assets	\$ 70,133,270	\$ 78,393,019
Short-term operating lease liability	8,477,080	8,259,748
Long-term operating lease liability	61,656,191	70,133,271
Total Operating Lease Liability	\$ 70,133,270	\$ 78,393,019

The components of operating lease costs are as follows for the years ended December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Operating lease costs		
Fixed rent costs	\$ 10,200,000	\$ 10,200,000
Variable lease costs	1,318,589	2,010,133
Total Operating Lease Costs	\$ 11,518,589	\$ 12,210,133

The following summarizes the cash flow information related to operating leases for the years December 31, 2024 and December 31, 2023:

	December 31, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating Cash Flows from Operating Leases	\$ 10,200,000	\$ 10,200,000

Weighted average lease term and incremental borrowing rate as of December 31, 2024 were as follows:

Remaining lease term - operating	7.5
Discount rate - operating	2.60 %

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

The maturities of operating lease liabilities are as follows:

For the Years Ending December 31:

2025	\$ 10,200,000
2026	10,200,000
2027	10,200,000
2028	10,200,000
2029	10,200,000
Thereafter	26,350,000
Total lease payments	77,350,000
Less: interest	(7,216,730)
Present Value of Lease Liability	\$ 70,133,270

NOTE 7 - CONCENTRATION OF CREDIT RISK

For the years ended December 31, 2024 and December 31, 2023, the Company maintained all cash balances with one financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures certain accounts up to \$250,000. At times, the Company's balances may exceed the FDIC insured limits.

The Company had two suppliers which accounted for approximately 17% and 34% of purchases for the years ended December 31, 2024 and December 31, 2023, respectively. At December 31, 2024 and December 31, 2023, the amounts due to these suppliers were approximately \$0 and \$246,000, respectively. Management believes that other suppliers could provide the merchandise on comparable terms.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated. The Company is subject to various legal and governmental proceedings involving routine litigation incidental to our business. Reserves have been established based on our best estimates of our potential liability in certain of these matters. These estimates have been developed in consultation with outside counsel.

During 2023, legal proceedings were brought against the Company from two of the Company's outside vendors. Subsequent to 2024, the Company settled the legal proceedings and recorded an accrual in the amount of approximately \$300,000 as of December 31, 2024 for the legal damages paid in February 2025, which is reflected in accrued expenses and other operating expenses. The Company does not believe the ultimate resolution of these matters

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

will have a material impact on its consolidated financial position, results of operations or cash flows.

NOTE 9 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events that have occurred through March 5, 2025, the date on which the financial statements were issued and there have been no events which would have a material impact on these financial statements, other than the events described below.

- Effective as of January 1, 2025, Seaport Entertainment Management, LLC (“SEM”), a wholly owned indirect subsidiary of Seaport Entertainment, entered into a Services Agreement (the “Services Agreement”) with CCMC and the Company. Seaport Entertainment owns a 25% indirect interest in JG.

Pursuant to certain management agreements referred to in the Services Agreement (the “Management Agreements”), CCMC provides services for certain retail and food beverage businesses that Seaport Entertainment or its affiliates own at the Seaport, either wholly or through partnerships with third parties (the “Management Agreement Services”).

Effective January 1, 2025, SEM became the employer of certain employees that previously provided the Management Agreement Services. Pursuant to the Services Agreement, SEM will provide services (the “Services”) to CCMC in order for CCMC to perform the Management Agreement Services. The term of the Services Agreement (the “Term”) will continue until the earlier of (i) the date on which SEM acquires 100% of the equity interests of CCMC (the “Acquisition Date”) and (ii) the expiration or termination of all of the Management Agreements. In the event that the Acquisition Date has not occurred by June 30, 2025, CCMC or SEM (or its respective affiliate that is a party to that Management Agreement) shall then have the right to terminate the Management Agreements.

During the Term, SEM will perform and provide the Services to and for the benefit of CCMC in exchange for the following consideration: SEM will charge CCMC for the Services at a rate equal to \$1.00 per month. Further, during the Term, (i) CCMC will have no further obligations nor liabilities pursuant to the Management Agreements to provide any Management Agreement Services to SEM to the extent that such services constitute “Services” or “Additional Services” pursuant to the terms of the Services Agreement, and (ii) SEM will continue to pay CCMC any and all fees or other consideration required under the Management Agreements.

FULTON SEAFOOD MARKET, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

FULTON SEAFOOD MARKET, LLC

CONTENTS

Independent Auditors' Report	1-2
Financial Statements	
Balance Sheets	3
Statements of Operations and Members' Equity (Deficit)	4
Statements of Cash Flows	5
Notes to Financial Statements	6-15



KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report

The Members
Fulton Seafood Market, LLC:

Opinion

We have audited the financial statements of Fulton Seafood Market, LLC (the Company), which comprise the balance sheets as of December 31, 2023 and January 1, 2023, and the related statements of operations and members' equity (deficit) and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and January 1, 2023, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations, negative cash flows from operations, and will continue to require funding in the form of contributions from the HHC member in order to fund its operations and meet obligations over the next twelve months. As such, the Company has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ KPMG LLP

Dallas, Texas
February 6, 2024

FULTON SEAFOOD MARKET, LLC

BALANCE SHEETS

DECEMBER 31, 2023 AND JANUARY 1, 2023

	December 31, 2023	January 1, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,190,524	\$ 1,947,694
Inventory, net	1,448,975	1,419,012
Due from related party	43,263	8,174
Prepaid expenses and other current assets	425,659	503,444
Total Current Assets	7,108,421	3,878,324
Property and Equipment, Net	10,885,813	7,877,265
Operating Right-of-Use Asset, Net	78,393,019	86,441,008
Security Deposits	167,395	—
Total Assets	\$ 96,554,648	\$ 98,196,597
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	\$ 1,659,468	\$ 1,523,620
Accrued expenses	3,663,070	3,927,929
Short-term operating lease liability	8,259,748	8,047,989
Total Current Liabilities	13,582,286	13,499,538
Long-Term Liabilities		
Long-term operating lease liability	70,133,271	78,393,019
Total Liabilities	83,715,557	91,892,557
Commitments and Contingencies		
Members' Equity	12,839,091	6,304,040
Total Liabilities and Members' Equity	\$ 96,554,648	\$ 98,196,597

See accompanying notes to financial statements.

FULTON SEAFOOD MARKET, LLC

STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

	December 31, 2023	January 1, 2023
Net Sales	\$ 32,353,619	\$ 8,214,348
Costs and Expenses		
Restaurant and retail operating expenses:		
Food and beverage costs	6,782,568	2,601,165
Retail expenses	4,493,119	1,665,891
Labor and related expenses	25,570,496	13,778,180
Operating lease costs	12,210,133	4,624,268
Other operating expenses	11,692,137	7,239,678
Pre-opening costs	—	6,608,834
General and administrative expenses	13,122,128	8,463,922
Total Costs and Expenses	73,870,581	44,981,938
Net Loss	(41,516,962)	(36,767,590)
Members' Equity (Deficit) - Beginning of Year	6,304,040	(45,429)
Members contributions	48,052,013	43,117,059
Members' Equity - End of Year	\$ 12,839,091	\$ 6,304,040

See accompanying notes to financial statements.

FULTON SEAFOOD MARKET, LLC

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

	December 31, 2023	January 1, 2023
Cash Flows from Operating Activities		
Net loss	\$ (41,516,962)	\$ (36,767,590)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,720,016	631,129
Changes in operating assets and liabilities:		
Inventory, net	(29,963)	(1,419,012)
Advances to related party	(35,089)	(8,174)
Prepaid expenses and other current assets	77,785	(503,444)
Reduction in carrying amount of right of use asset	8,047,989	3,155,325
Security deposits	(167,395)	—
Accounts payable	135,848	1,523,408
Accrued expenses	(264,859)	3,882,712
Operating lease liabilities	(8,047,989)	(3,155,325)
Net Cash Used in Operating Activities	(39,080,619)	(32,660,971)
Cash Flows Used in Investing Activities		
Purchases of property and equipment	(5,728,564)	(8,508,394)
Cash Flows Provided by Financing Activities		
Contributions from Members	48,052,013	43,117,059
Net Increase in Cash	3,242,830	1,947,694
Cash - Beginning	1,947,694	—
Cash - Ending	<u>\$ 5,190,524</u>	<u>\$ 1,947,694</u>

See accompanying notes to financial statements.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 1 - BASIS OF PRESENTATION AND CONSOLIDATION

NATURE OF OPERATIONS

On July 22, 2015, HHC Seafood Market Member LLC (HHSM or the HHC member), a subsidiary of Howard Hughes Corporation (HHC), together with VS-Fulton Seafood LLC (VS Member), a wholly-owned subsidiary of JG Restaurant Holdco, LLC (JG), formed Fulton Seafood Market, LLC (the "Company"), through the Original Company LLC Agreement, for the purpose of operating a first-class "Jean Georges concept" food hall and market place, featuring various menus and atmosphere that will prepare and sell a variety of specialty goods, beverages, fresh seafood and other products. The Original Company LLC Agreement was superseded and replaced in its entirety by the Amended and Restated Operating Agreement dated as of January 8, 2018 and a Second Amended and Restated Operating Agreement was entered into as of August 11, 2022 (LLC Agreement).

Per Article 4 of the LLC Agreement, the HHC member shall contribute cash to the Company at such times and in such amounts as necessary in order to fund the operations of the Company. Under no circumstances shall the VS Member be required to make any Capital Contributions to the Company. As of December 31, 2023 and January 1, 2023, the HHC member has contributed \$48,052,013 and \$43,117,059 respectfully to the Company.

In September 2022, the Company opened the food hall and marketplace in the Tin Building which is located in the historic South Street Seaport of New York, New York. The Tin Building is owned by South Street Seaport Limited Partnership, a subsidiary of HHC and the Company's operations are managed by Creative Culinary Management Company, LLC (CCMC), a wholly owned subsidiary of JG Restaurant Holdco, LLC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

FISCAL YEAR

The Company utilizes a 52- or 53-week accounting period that ends on the Sunday closest to December 31. Fiscal years 2023 and 2022 are each comprised of a 52-week period. Unless otherwise stated, references to 2022 and 2023 in this report relate to fiscal year rather than calendar year.

FULTON SEAFOOD MARKET, LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with maturities of three months or less as cash equivalents. Cash and cash equivalents also included \$523,651 and \$455,764 at December 31, 2023 and January 1, 2023, respectively of amounts due from commercial credit card companies, such as Visa, MasterCard, Discover, and American Express, which are generally received within a few days of the related transactions.

INVENTORY, NET

Inventories primarily consist of food, beverages retail products and related merchandise. Inventories are accounted for at lower of cost or net realizable value using the first-in, first-out (FIFO) method. Spoilage is expensed as incurred. At December 31, 2023 and January 1, 2023, an inventory reserve totaling \$181,533 and \$343,668, respectively is included in inventory, net on the accompanying balance sheets.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. The Company capitalizes construction costs during construction of the restaurant and will begin to depreciate them once the restaurant begins operations. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of operations.

Depreciation and amortization of property and equipment is recorded utilizing the straight-line method over the estimated useful lives of the respective assets. The Company does not assign any salvage value to its assets. Leasehold improvements are amortized over the shorter of either the term of the lease or the useful life of the improvement utilizing the straight-line method.

FULTON SEAFOOD MARKET, LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-LIVED ASSETS

The Company assesses the recoverability of long-lived assets, which consists of property and equipment, and right-of-use assets, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, is less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined by estimates of discounted cash flows or value expected to be realized in third-party sale. No impairments have been recorded for the years ended December 31, 2023 and January 1, 2023.

INCOME TAXES

The Company is a limited liability company, which has elected to be taxed under the provisions of a partnership for income tax purposes. As such, the Company's income or loss and credits are passed through to the members and reported on their individual income tax returns.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period, including the technical merits of those positions. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. Tax positions taken related to the Company's federal tax filing classification and state income taxes have been reviewed, and management is of the opinion that material positions taken by the Company would more likely than not be sustained by examination. Accordingly, the Company has not recorded an income tax liability for uncertain tax positions.

REVENUE RECOGNITION

The Company recognizes revenue in accordance with Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to allocate the transaction price received from customers to each separate and distinct performance obligation and recognize revenue as these performance obligations are satisfied. Revenue from restaurant sales is presented net of discounts and recognized when food and beverage are sold. Revenue from retail sales is presented net of discounts and recognized when retail products and related merchandise is sold.

FULTON SEAFOOD MARKET, LLC**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***REVENUE RECOGNITION (CONTINUED)***

The revenue from gift cards is included in unearned revenue when purchased by the customer and revenue is recognized when the gift cards are redeemed. Unearned revenues include liabilities established for the value of the gift cards when sold and are included in accrued expenses on the Company's balance sheet were not material as of December 31, 2023 and January 1, 2023. The revenue from gift cards were not material for the year ended of December 31, 2023 and January 1, 2023.

The following table sets forth the Company's nets sales disaggregated by sales channel for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023
Food	\$ 17,661,115	\$ 4,121,698
Alcohol	6,686,391	1,572,139
Retail	8,006,113	2,520,511
Total	\$ 32,353,619	\$ 8,214,348

ADVERTISING COSTS

Advertising costs, which are included in general and administrative expenses, are expensed as incurred. Advertising expenses for the years ended December 31, 2023 and January 1, 2023, amounted to \$1,784,991 and \$1,955,245, respectively and are included in general and administrative expenses on the statements of operations and member's equity (deficit).

RECLASSIFICATIONS

Certain reclassifications were made to the financial statements for the prior periods to conform to current year presentation.

PRE-OPENING COSTS

The Company follows ASC Topic 720-15, "Start-up Costs," which provides guidance on the financial reporting of start-up costs and organization costs. In accordance with this ASC Topic, costs of pre-opening activities and organization costs are expensed as incurred. Pre-opening costs include all expenses incurred by the restaurants prior to the restaurant's opening for business.

FULTON SEAFOOD MARKET, LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PRE-OPENING COSTS (CONTINUED)

These pre-opening costs include marketing, advertising, research and development on products, recipes and menus, costs to relocate and reimburse restaurant management staff members, costs to recruit and train hourly restaurant staff members, wages, travel, and lodging costs for the Company's training team and other support staff members. Pre-opening costs expensed for the years ended December 31, 2023 and January 1, 2023 were \$- and \$6,608,834, respectively.

PRESENTATION OF SALES TAXES

The Company collects sales tax from customers and remits the entire amount to the respective states. The Company's accounting policy is to exclude the tax collected and remitted from revenue and cost of sales. Sales tax payable amounted to \$258,542 and \$148,636 at December 31, 2023 and January 1, 2023, respectively and is presented in accrued expenses in the accompanying balance sheets.

NOTE 3 - LIQUIDITY AND GOING CONCERN

The Company had a negative operating cash flows of \$39,080,619 and \$32,660,971 at December 31, 2023 and January 1, 2023, respectively and a net loss of \$41,516,962 and \$36,767,590 at December 31, 2023 and January 1, 2023, respectively. Whether, and when, the Company can attain profitability and positive cash flows from operations is uncertain. As such, the Company will continue to require funding in the form of contributions from the HHC member in order to fund its operations and meet obligations over the next twelve months from the date these financials statements are available to be issued.

Based on its significant loss from operations and negative cash flows from operations for the fiscal year 2023 and 2022, as well as, the future uncertainty, the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern for the next 12 months. However, the financial statements do not include any adjustments to the carrying amounts and classifications of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023	Estimated Useful Lives
Leasehold improvements	\$ 730,085	\$ 21,090	Lease term
Kitchen equipment and other	2,161,427	1,412,235	5 years
Computers and computer systems	8,588,417	4,225,285	3 - 5 years
Furniture and fixtures	2,028,854	2,722,974	5 years
Construction in progress	728,175	126,810	
	14,236,958	8,508,394	
Less: accumulated depreciation	(3,351,145)	(631,129)	
Property and Equipment, Net	\$ 10,885,813	\$ 7,877,265	

Depreciation and amortization expense related to property and equipment amounted to \$2,720,016 and \$631,129 for the years ended December 31, 2023 and January 1, 2023, respectively, and included in general and administrative expenses on the statements of operations and members' equity (deficit).

NOTE 5 - RELATED-PARTY TRANSACTIONS

In July 2020, the Company entered into a management agreement with CCMC to manage the location including the food and beverage operations. The agreement will terminate on the earlier of ten years from the effective date of the agreement or the date that the lease terminates. The management agreement stipulates a fixed fee of \$150,000 per month as well as an annual fixed overhead management fee of \$125,000 per year. Total management fees amounted to \$1,925,000 and \$850,805 for the years ended December 31, 2023 and January 1, 2023, respectively and is included in general and administrative expenses on the statements of operations and member's equity (deficit).

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 5 - RELATED-PARTY TRANSACTIONS (CONTINUED)

Future management fees under the management agreement consist of the following:

For the Fiscal Years ended:	
2024	\$ 1,925,000
2025	1,925,000
2026	1,925,000
2027	1,925,000
2028	1,925,000
Thereafter	2,887,500
Total	\$ 12,512,500

Pursuant to the management agreement, CCMC is responsible for the day-to-day operations and accounting functions. Payroll expenses reimbursed to the related party amounted to \$887,904 and \$405,311 for the years ended December 31, 2023 and January 1, 2023, respectively and is included in general and administrative expenses on the statements of operations and member's equity (deficit).

NOTE 6 - LEASES

HHC owns 100% of the Tin Building and the Company leases its restaurant space under an operating lease with a 10-year initial term. HHC, as landlord, funded 100% of the development and construction of the restaurant space. The lease includes renewal options which can extend the lease term with two separate consecutive 5-year lease terms. The exercise of these renewal options is at the sole discretion of the Company, and only lease options that the Company believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The lease agreement provides for minimum lease payments and does not include any material residual value guarantees or restrictive covenants.

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 6 - LEASES (CONTINUED)

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023
Operating right-of-use assets	<u>\$ 78,393,019</u>	<u>\$ 86,441,008</u>
Short-term operating lease liability	8,259,748	8,047,989
Long-term operating lease liability	<u>70,133,271</u>	<u>78,393,019</u>
Total Operating Lease Liability	<u>\$ 78,393,019</u>	<u>\$ 86,441,008</u>

The components of operating lease costs are as follows for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023
Operating lease costs		
Fixed rent costs	\$ 10,200,000	\$ 4,112,903
Variable lease costs	<u>2,010,133</u>	<u>511,365</u>
Total Operating Lease Costs	<u>\$ 12,210,133</u>	<u>\$ 4,624,268</u>

The following summarizes the cash flow information related to operating leases for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating Cash Flows from Operating Leases	<u>\$ 10,200,000</u>	<u>\$ 4,112,903</u>

Weighted average lease term and incremental borrowing rate as of December 31, 2023 were as follows:

Remaining lease term - operating	8.5
Discount rate - operating	2.60 %

FULTON SEAFOOD MARKET, LLC
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 6 - LEASES (CONTINUED)

The maturities of operating lease liabilities are as follows:

For the Years Ending December 31:	
2025	\$ 10,200,000
2026	10,200,000
2027	10,200,000
2028	10,200,000
2029	10,200,000
Thereafter	36,550,000
Total lease payments	87,550,000
Less: interest	(9,156,981)
Present Value of Lease Liability	\$ 78,393,019

NOTE 7 - CONCENTRATION OF CREDIT RISK

For the years ended December 31, 2023 and January 1, 2023, the Company maintained all cash balances with one financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures certain accounts up to \$250,000. At times, the Company's balances may exceed the FDIC insured limits.

The Company had two suppliers which accounted for approximately 34% and 28% of purchases for the years ended December 31, 2023 and January 1, 2023, respectively. At December 31, 2023 and January 1, 2023, the amounts due to these suppliers were approximately \$246,000 and \$229,000, respectively. Management believes that other suppliers could provide the merchandise on comparable terms.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated. The Company is subject to various legal and governmental proceedings involving routine litigation incidental to our business. Reserves have been established based on our best estimates of our potential liability in certain of these matters. These estimates have been developed in consultation with outside counsel.

FULTON SEAFOOD MARKET, LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

During Fiscal 2023, legal proceedings were brought against the Company from two of the Company's outside vendors. The cases are currently pending, however, the Company has recorded an accrual in the amount of approximately \$1,084,000 for potential legal damages, which is reflected in accrued expenses and other operating expenses. The Company does not believe the ultimate resolution of these matters will have a material impact on its consolidated financial position, results of operations or cash flows.

NOTE 9 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events that have occurred through February 6, 2024, the date on which the financial statements were available for issuance and there have been no events which would have a material impact on these financial statements.