

Risk Factors Comparison 2025-03-31 to 2024-04-01 Form: 10-K

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Certain factors may have a material adverse effect on our business, financial condition and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report, including our consolidated financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of our common shares of beneficial interest could decline, and you could lose part or all of your investment. Risk Factor Summary The following is a summary of the principal factors that make an investment in our securities speculative or risky.

Risks Related to Our Business and Operations

- There can be no assurance that we will be able to complete any strategic transaction or strategic change on terms satisfactory to the Board of Trustees.
- We have experienced challenging market conditions and there can be no assurances that these challenges will abate, which may adversely impact the net Plan of Sale proceeds from our assets.
- We cannot assure our shareholders of the amount they will receive in shareholder distributions under the Plan of Sale or when they will receive them.
- If we are unable to find buyers for our assets on a timely basis or at our expected sales prices, our shareholder distributions under the Plan of Sale may be delayed or reduced.
- Our expected sales prices may be impacted by tenant issues at our properties.
- We have ongoing capital needs and may not be able to obtain additional financing or other sources of funding on acceptable terms.
- Real estate taxes may increase, and if these increases are not passed on to tenants, our net income will be reduced.
- Changes in building and / or zoning laws may require us to meet additional or more stringent construction requirements.
- Our real estate assets and equity method investments may be subject to impairment charges.
- We have **previously** identified material weaknesses in our internal control over financial reporting **which we and such material weaknesses have since not yet been fully remediated. No assurance can be made that However, in the future we might identify** additional material weaknesses or significant deficiencies **or will not occur in the future. If we fail to maintain an effective system of internal controls, we which may cause us to** not be able to accurately report our financial results or prevent fraud. As a result, our ~~stockholders~~ **shareholders** could lose confidence in our financial reporting, which could harm our business and the trading price of our common ~~stock shares~~.
- Properties in our portfolio may be subject to ground leases; if we are found to be in breach of these ground leases or are unable to renew them, we could be materially ~~and~~ adversely affected.
- Certain properties within our portfolio are subject to restrictions pursuant to reciprocal easement agreements, operating agreements, or similar agreements, some of which contain a purchase option or right of first refusal or right of first offer in favor of a third party.
- Economic conditions, ~~higher~~ **elevated** interest rates and a possible recession could materially adversely affect our business.
- Rising expenses could reduce cash flow.
- We may face increased risks and costs associated with volatility in commodity and labor prices or as a result of supply chain or procurement disruptions, which may adversely affect the status of our construction projects.
- Compliance with the Americans with Disabilities Act may require us to make expenditures.
- Environmental, health, safety and land use laws and regulations may limit or restrict some of our operations or otherwise cause us to incur significant costs.
- Environmental costs and liabilities associated with contamination at real estate properties owned by us may materially and adversely affect us.
- Our business faces potential risks associated with natural disasters, severe weather conditions and climate change and related legislation and regulations, which could have an adverse effect on our cash flow and operating results.
- Possible acts of war, terrorist activity or other acts of violence or cybersecurity incidents could adversely affect our financial condition and results of operations.
- Cybersecurity incidents could cause a disruption to our operations, a compromise of confidential information and damage to our business relationships, all of which could negatively impact our business, financial condition and operating results.
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- We may incur mortgage indebtedness and other borrowings, which may increase our business risks.
- Covenants in our Term Loan Facility may limit our operational flexibility and a covenant breach or default could adversely affect our business and financial condition.
- Our rights and the rights of our shareholders to take action against our trustees and officers are limited.
- Our Declaration of Trust and Maryland law contain provisions that may delay, defer or prevent an acquisition of Class A common shares or a change in control.
- We may experience insurance ~~-~~ related losses or insurance proceeds may not be available to us, which could result in a significant loss, decrease anticipated future revenues or cause us to incur unanticipated expense.
- Mr. Lampert may exert substantial influence over us, and his interests may differ from or conflict with the interests of our other shareholders.
- Our investments in or redevelopment of properties may be unsuccessful or fail to meet our expectations.
- Current and future redevelopment may not yield expected returns.
- If members of our management team terminate their employment with us or we are unable to retain talented employees our financial results and / or the Plan of Sale may be adversely affected.
- The future outbreak of highly infectious or contagious diseases may, materially and adversely impact the business of our tenants and our business. **• We have been, and in the future may be, subject to securities class action, derivative, and other litigation, which may harm our business and results of operations.**

Risks Related to Our Tax Status

- If we experience an “ownership change” for purposes of Section 382 of the Code, our ability to utilize our net operating loss and net capital loss carryforwards and certain built-in losses to reduce our future taxable income could be limited, potentially increasing the net taxable income on which we must pay corporate-level taxes, and potentially adversely affecting our liquidity, and our desire to preserve our net operating losses and net capital loss carryforwards may cause us to forgo otherwise attractive opportunities.
- If we do not qualify to be taxed as a REIT for any taxable year through 2021, we will be subject to U. S. federal income tax as a regular corporation and could face a

substantial tax liability, which would reduce the amount of cash available for distribution to our shareholders. • We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the price of our **Class A common stock shares**. Risks Related to Ownership of our Securities • The market price and trading volume of our securities may be volatile. • We have issued Series A Preferred Shares, which, along with future offerings of debt or preferred equity securities, rank senior to our common shares for purposes of distributions or upon liquidation, **which** may adversely affect the market price of our common shares. • The number of shares available for future sale and our earnings could adversely affect the market price of Class A common shares. • The Series A preferred shares have not been rated. • A lack of active trading market for the Series A Preferred Shares may negatively affect the market value of, and the ability of holders of our Series A Preferred Shares to transfer or sell, their **Series A Preferred shares-Shares**. • The Series A Preferred Shares are subordinate in right of payment to debt. The interests of holders of Series A Preferred Shares could be diluted by transactions such as the issuance of additional preferred shares. • Dividends on our preferred shares, including the Series A Preferred Shares, are discretionary. • Holders of Series A Preferred Shares have limited voting rights.- 6- On March 1, 2022, we announced that our Board of Trustees had commenced a process to review a broad range of strategic alternatives to enhance shareholder value. The Board of Trustees created a Special Committee to oversee the process. The strategic review process remains ongoing. The Company sought a shareholder vote to approve the Plan of Sale that would allow our board to sell all of our assets, distribute the net proceeds to shareholders and dissolve the Company. The affirmative vote of at least two- thirds of all outstanding common shares of the Company was required to approve the Plan of Sale. The 2022 Annual Meeting of Shareholders occurred on October 24, 2022, following our filing of a final proxy statement with the SEC on September 14, 2022. During the meeting, the Plan of Sale was approved by the shareholders. ~~Edward Lampert, who owned approximately 25% of our outstanding Class A shares as of December 31, 2023, voted in favor of the Plan of Sale, pursuant to an agreement with the Company.~~ Further, as we ~~commence implementing~~ **implement** the Plan of Sale, it may dissuade parties that might have an interest in acquiring our Company as a whole by means of a merger transaction or otherwise from pursuing such an acquisition and may also preclude other possible courses of action not yet identified by our Board. The strategic review process remains ongoing, and the Company remains open- minded to pursuing value ~~maximizing~~ alternatives, including a potential sale of the Company. There can be no assurance regarding the success of the process. **Edward Lampert, who owned approximately 24.0 % of our outstanding Class A shares as of December 31, 2024, voted in favor of the Plan of Sale, pursuant to an agreement with the Company.** Since the latter months of 2022, we, along with the commercial real estate market as a whole, have experienced and ~~continue~~ **continues** to experience ~~more~~ challenging market conditions ~~as a result of, among other things,~~ **elevated** the rise in interest rates, increases to required return hurdles for institutional buyers, availability of debt capital ~~(including the willingness of commercial banks to lend in light of potential recession risks and balance sheet constraints)~~, continued inflation ~~resulting in higher construction and labor costs for development (which has had the effect of, among other things, making cost estimates in development perform as more challenging)~~, decreased demand for office **properties** development ~~(with concerns about long term demand for office space including,~~ **the threat of tariffs and trade wars** ~~but not limited to, continued work- from- home trends), slowing rent growth expectations due to potential recession concerns,~~ political and election ~~uncertainty in the United States and the possibility of geopolitical conflict spreading to other regions. These~~ **challenging market** conditions have applied and ~~may~~ continue to apply downward pricing pressure on all of our assets. In making decisions regarding whether and when to transact on each of ~~our~~ **the Company's** remaining assets, ~~we~~ **the Company** will consider various factors including, but not limited to, the breadth of the buyer universe, macroeconomic conditions, the availability and cost of financing, as well as corporate, operating and other capital expenses required to carry the asset. If these challenging market conditions persist, then we expect that they will **continue to** adversely impact the Plan of Sale proceeds from our assets and the amounts and timing of distributions to ~~our~~ shareholders. The net proceeds that will be distributed to our Class A shareholders over time (directly or through a liquidating trust or other liquidating entity) from the Plan of Sale will be based on a number of factors including: (a) the actual proceeds from the sale of our assets; (b) the repayment of our Term Loan Facility, (c) the redemption of the Company's outstanding Series A Preferred Shares, (d) the settlement of certain financial obligations, (e) the debt service and dividends on Series A Preferred Shares prior to repayment and redemption, (f) the fees and expenses incurred in connection with the sale of our assets, (g) the expenses and capital expenditures to be incurred and revenue to be generated from our properties prior to disposition and estimates of the general administrative expenses, (h) the wind- down costs of the Company and (i) the Company's taxes and other liabilities. The estimates initially prepared and included in our **2022 most recent** annual proxy statement about the amount of shareholder distributions that we may make in connection with the Plan of Sale were based on many estimates and assumptions (which were derived based on data and information reviewed by Company management and advisors as of or prior to June 2022), one or more of which may prove to be incorrect and / or, as noted above, may be adversely affected by market conditions and other circumstances that have changed since the preparation of those estimates. As a result, the actual amount of shareholder distributions may be less than we initially estimated and / or may be paid later than we predicted. ~~-7-~~ We also note that, if our liabilities (including, without limitation, tax liabilities and compliance costs) are greater than we currently expect or if the sales prices of our assets are less than we expect, shareholders will receive less distributions for each common share ~~-7-~~ that they currently own than we initially estimated. In addition, such estimated shareholder distributions do not reflect estimated costs or liabilities related to pending and any future litigation. In calculating our estimated total shareholder distributions, we assumed that we will be able to find buyers for all of our assets at amounts based on our estimated range of gross real estate sales prices (based on data and information reviewed by Company management and advisors as of or prior to early June 2022). However, we may have overestimated the sales prices that we will ultimately be able to obtain for these assets and / or, as noted above, market conditions and other circumstances have changed in the ~~months~~ **time** since the preparation of those estimates. For example, in order to find buyers in a timely manner, we may be required to lower our asking price below the low end of our current estimate of the ~~asset assets'~~ **asset assets'** market value. If we are not able to find buyers for these

assets in a timely manner, if we have overestimated the sales prices we will receive, and / or if market conditions continue to deteriorate, our shareholder distributions to our shareholders will be delayed or reduced. Furthermore, real estate sales prices are constantly changing and fluctuate with changes in interest rates, supply and demand dynamics, occupancy percentages, lease rates, the availability of suitable buyers, the perceived quality and dependability of income flows from tenancies and a number of other factors, both local and national. In addition, transactional fees and expenses or unknown liabilities, if any, may adversely impact the net Plan of Sale proceeds from our assets. Additionally, our ability to sell our Unconsolidated Properties or interests in unconsolidated entities are subject to certain limitations in the governing documents of these unconsolidated entities. We may be impacted by issues with our tenants that can affect sales prices of assets as we execute the Plan of Sale. At any time, our tenants may experience a downturn in their respective businesses that may significantly weaken their financial condition, particularly during periods of economic uncertainty. This uncertainty may be exacerbated as a result of actual changes in economic conditions, including as a result of market dynamics, trends in consumer income, rising energy prices, high interest rates, tariffs or trade disputes, and natural or manmade disasters, including epidemic or pandemic disease, or the impact of the fear of such changes on consumer behavior. As a result, our tenants may delay lease commencements, decline to extend or renew leases upon expiration, fail to make rental payments when due, close a number of locations or declare bankruptcy. Such issues could negatively impact buyers view of the properties and result in lower than expected sales prices. In addition, such tenant issues might potentially lower rents or result in higher maintenance expenditures that could have a material adverse effect on our financial condition or results of operations pending those sales. Our sales prices may also be impacted by competition with regards to the leasing environment. Our properties operate in locations that compete with other retail properties and also compete with other forms of retailing, such as catalogs and e-commerce websites. Competition may also come from strip centers, outlet centers, lifestyle centers and malls, and both existing and future development projects. New construction, renovations and expansions at competing sites could also negatively affect our properties. In addition, we compete with other retail property companies for tenants. Any inability to lease newly developed space or re-lease vacant space can negatively impact our ability to sell our assets and monetize them in line with expectations. As of December 31, 2023-2024, we had aggregate outstanding indebtedness of \$ 360-240 million. Our existing debt could require a substantial portion of our cash flow to make interest and principal payments. Demands on our cash resources from debt service will reduce funds available to us to pay dividends on our preferred shares, including the Series A Preferred Shares, make capital expenditures or carry out other aspects of our business strategy. Our indebtedness may also limit our ability to adjust rapidly to changing market conditions, make us more vulnerable to general adverse economic and industry conditions and create competitive disadvantages for us compared to other companies with relatively lower debt levels. Increased future debt service obligations may limit our operational flexibility, including our ability to finance or refinance our properties, contribute properties to joint ventures or sell properties as needed.- 8- Our primary uses of cash include the payment of property operating and other expenses, including general and administrative expenses and debt service, and the reinvestment in and redevelopment of our properties. As a result of a decrease in occupancy levels due to our recapture of space for redevelopment purposes and the execution of termination rights under the Original Master Lease and Holdco Master Lease, our property rental income, which is a source of primarily due to sales, operating cash flow, did not fully fund property operating and other expenses incurred during the year ended December 31, 2023-2024. Our In the near term, our asset sales are our principal source of cash flow. Property operating and other expenses are projected to continue to exceed property rental income until such time as additional tenants commence paying rent, and we plan to incur additional development expenditures as we continue to invest in the redevelopment of certain assets. While we do not currently have the liquid funds available to fully fund projected property and other expenses and planned development expenditures, we expect to fund these uses of cash with a combination of capital sources including, but not limited to, sales of Consolidated Properties, sales of interests in Unconsolidated Properties and potential financing transactions, subject to compliance with certain conditions and / or the consent of our lender under our Term Loan Facility. Since 2019 As of December 31, 2023, we were have not been in compliance with certain financial metrics applicable to us under the agreements governing our term loan facility. Additionally As a result of the non-compliance, the lender had the right to request mortgages against our assets pursuant to the mortgage and collateral requirement. Since As of December 31, 2023-2020, at the request of the lender, nearly all Consolidated Properties have mortgages. The Term Loan Facility also provides for a \$ 400 million incremental facility (the " Incremental Funding Facility "). Our ability to access the Incremental Funding Facility is subject to (i) our achieving rental income from non- Sears Holdings tenants, on an annualized basis (after giving effect to SNO Leases expected to commence rent payment within 12 months) for the fiscal quarter ending prior to the date of incurrence of the Incremental Funding Facility, of not less than \$ 200 million, (ii) our good faith projection that rental income from non- Sears Holdings tenants (after giving effect to SNO Leases expected to commence rent payment within 12 months) for the succeeding four consecutive fiscal quarters (beginning with the fiscal quarter during which the incremental facility is accessed) will be not less than \$ 200 million, and (iii) the repayment by the Operating Partnership of any deferred interest permitted under the amendment to the Term Loan Agreement (as defined below) as further described below. As of December 31, 2023-2024, the Company has not yet achieved the requirements to access the Incremental Funding Facility. On February 2- November 20, 2023-2024, the Operating Partnership, the Company made a \$ 230 million voluntary prepayment on, and Berkshire Hathaway Life Insurance Company of Nebraska (" Berkshire Hathaway ") entered into an amendment to the Term Loan Agreement pursuant to which the Operating Partnership, the Company and Berkshire Hathaway mutually agreed that the Term Loan Facility - This prepayment brought may, at the Operating Partnership's election, be extended for one year from July 31, 2025 (the " Maturity Date ") to July 31, 2026 if the Operating Partnership pays a two percent (2 %) extension fee on the then outstanding balance on principal amount as of the Maturity Date. If the Operating Partnership exercises the extension option, all other terms under the Term Loan Agreement shall remain unchanged during the extension period including the interest rate and the incremental Facility facility fee in accordance with to \$ 800

million. Pursuant to the terms of the Term Loan **Agreement. As of March** Facility, by reducing our outstanding principal balance to \$ 800 million, the maturity date for the Term Loan Facility was extended for two years to July 31, 2025. Subsequent to February 2, 2023, the Company made additional aggregate principal prepayments of \$ 470 million on the Term Loan Facility, reducing the Term Loan Facility balance to \$ 330 million as of March 22, 2024. As of March 22, 2024, the Company has **one** assets- **asset owned by our consolidated joint venture** under contract for anticipated proceeds of \$ **53-14. 6-0** million **and has accepted offers** and is currently negotiating definitive purchase and sale agreements of approximately \$ **15-70. 2-0** million. The Company continues to use the proceeds from sold assets to further reduce the outstanding balance of the Term Loan Facility. See Note 1 — Going Concern of the Notes to the consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10- K for a discussion of the going concern. Real estate related taxes may increase, and if these increases are not passed on to tenants, our income will be reduced. Some local real property tax assessors may seek to reassess some of our properties as a result of our acquisitions and / or redevelopment of properties. Generally, from time to time, our property taxes increase as property values or assessment rates change or for other reasons deemed relevant by the assessors. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. Although some leases may permit us to pass through such tax increases to the tenants for payment, there is no assurance that renewal leases or future leases will be negotiated on the same basis. Increases not passed through to tenants will reduce our income. Changes in building and / or zoning laws may require us to update a property or prevent us from fully restoring a property in the event of a substantial casualty loss and / or require us to meet additional or more stringent construction requirements. Due to changes in, among other things, applicable building and zoning laws, ordinances and codes that may affect certain of our properties that have come into effect after the initial construction of the properties, certain properties may not comply fully with current building and / or zoning laws, including electrical, fire, health and safety codes and regulations, use, lot coverage, parking and setback requirements, but may qualify as permitted non- conforming uses. Such changes in building and zoning laws may require updating various existing physical conditions of buildings in connection with our recapture, renovation, and / or redevelopment of properties. In addition, such changes in building and zoning laws may limit our or our tenants' ability to restore the premises of a property to its previous condition in the event of a substantial casualty loss with respect to the property or the ability to refurbish, expand or renovate such property to remain compliant, or increase the cost of construction in order to comply with changes in building or zoning codes and regulations. If we are unable to restore a property to its prior use after a substantial casualty loss or are required to comply with more stringent building or zoning codes and regulations, we may be unable to re- lease the space at a comparable effective rent or sell the property at an acceptable price, which may materially and adversely affect us.- 9- On a periodic basis, we must assess whether there are any indicators that the value of our real estate assets and other investments may be impaired. If an impairment indicator is identified, a property' s value is considered to be impaired only if management' s estimate of current and projected operating cash flows (undiscounted and unlevered), taking into account the anticipated and probability weighted **holdings- holding** periods, are less than the carrying value of the property. In our estimate of cash flow projections, we consider factors such as expected future operating income, trends and prospects, the effects of demand, competition and other factors. If we are evaluating the potential sale of an asset, the undiscounted future cash flows consider the most likely course of action at the balance sheet date based on current plans, intended holding periods and available market information. We are required to make subjective assessments as to whether there are impairments in the value of our real estate assets and other investments. These assessments may have a direct impact on our earnings because recording an impairment charge results in an immediate negative adjustment to earnings. We may take impairment charges in the future related to the impairment of our assets, and any future impairment could have a material adverse effect on our results of operations in the period in which the impairment charge is taken. **We have previously identified material weaknesses in our internal control over financial reporting, which we have since remediated. However, in the future we might identify additional material weaknesses or significant deficiencies or fail to maintain an effective system of internal controls, which may cause us to not be able to accurately report our financial results or prevent fraud. As a result, our shareholders could lose confidence in our financial reporting, which could harm our business and the trading price of our common shares.** A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The Sarbanes- Oxley Act of 2002 requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In the course of preparing our financial statements **for the year ended December 31, 2023**, we identified material weaknesses in our internal control over financial reporting that existed due to deficiencies in the design and operating effectiveness of our controls over the impairment of investments in real estate and other than temporary impairment of equity method investments. The deficiencies related to the identification of impairment indicators. Additionally, management did not maintain adequate evidence of the review of information used in the impairment indicator analysis and the fair value of investments in real estate and equity method investments. Further, management identified a deficiency in the operating effectiveness in our review over the calculation of other than temporary impairments. These deficiencies contributed to the potential for there to be material errors in our financial statements. Additionally, **during the same period**, we identified a material weakness due to a deficiency in the design of our controls over the accounting for certain non- routine transactions particularly related to accounting for transactions with joint ventures and certain consulting contracts. For these transactions, management did not possess the adequate technical capabilities to appropriately assess these non- routine transactions to ensure compliance with accounting principles generally accepted in the United States. This deficiency contributed to the potential for there to be material errors in our financial statements. **These areas are described in more detail in Item 9A. Controls and Procedures.** Since identifying these material weaknesses, we have **completed** been, and are currently in the process of, remediating them. **While progress has been made to remediate the material weaknesses we have not yet fully remediated these material weaknesses because additional time**

is needed to complete the remediation and allow for the internal controls to be tested by management. Accordingly, we will continue to monitor and evaluate the effectiveness of our internal control over financial reporting. For further discussion of our remedial efforts, see Item 9A. Controls and Procedures. There can be no assurance that similar control issues will not be identified in the future. If we are unable to remediate successfully our existing material weaknesses or if any other material weaknesses or other deficiencies arise in the future, we may be unable to accurately report our financial results, which could cause our financial results to be materially misstated and require restatement. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses.- 10- **Properties in our portfolio may be subject to ground leases; if we are found to be in breach of these ground leases or are unable to renew them, we could be materially and adversely affected.** We currently have one property in our consolidated portfolio that is on land subject to a ground lease. Accordingly, we only own a long- term leasehold in the land underlying this property, and we own the improvements thereon only during the term of the ground lease. If we are found to be in breach of a ground lease, we could lose the right to use the property and could also be liable to the ground lessor for damages. In addition, unless we can purchase a fee interest in the underlying land or extend the terms of this lease before its expiration, which we may be unable to do, we will lose our right to operate this property and our interest in the improvements upon expiration of the lease. Our ability to exercise options to extend the term of our ground lease is subject to the condition that we are not in default under the terms of the ground lease at the time that we exercise such options, and we may not be able to exercise our options at such time. Furthermore, we may not be able to renew our ground lease upon its expiration (after the exercise of all renewal options). We are currently in litigation with the ground lessor as to whether we were in breach at the time we exercised our renewal option. If we were to lose the right to use a property due to a breach or non- renewal or final expiration of the ground lease, we would be unable to derive income from such property, which could materially and adversely affect our business, financial conditions or results of operations. Many of the properties in our portfolio are subject to use restrictions and / or operational requirements imposed pursuant to ground leases, restrictive covenants or conditions, reciprocal easement agreements or operating agreements (collectively, “ Property Restrictions ”) that could adversely affect our ability to redevelop the properties or lease space to third parties or sell the properties. Such Property Restrictions could include, for example, limitations on alterations, changes, expansions, or reconfiguration of properties; limitations on use of properties, including for retail uses only; limitations affecting parking requirements; restrictions on exterior or interior signage or facades; or access to an adjoining mall, among other things. In certain cases, consent of the other party or parties to such agreements may be required when altering, reconfiguring, expanding, redeveloping or re- leasing properties. Failure to secure such consents when necessary may harm our ability to execute leasing, redeveloping or expansion strategies, which could adversely affect our business, financial condition or results of operations. In certain cases, a third party may have a purchase option or right of first refusal or right of first offer that is activated by a sale or transfer of the property, or a change in use or operations, including a closing of the Sears operation or cessation of business operations, on the encumbered property. These restrictions may impact our ability to sell assets as contemplated in the Plan of Sale. From time to time, we have been involved in disputes or legal proceedings relating to such Property Restrictions, which may result in the incurrence of legal costs and diversion of management resources to resolve. Economic conditions, high interest rates and **macroeconomic uncertainty** a possible recession could materially adversely affect our business and / or the net proceeds available from the sale of our assets. Our business is affected by a number of factors that are largely beyond our control but may nevertheless have a significant negative impact on us and on the Plan of Sale. These factors include, but are not limited to: • interest rates and credit spreads **remained high throughout** have increased significantly during **2022 2024 and 2023**, which could negatively impact potential buyers’ ability to purchase our properties; • the availability of credit, including the price, terms and conditions under which it can be obtained; • a decrease in consumer spending or sentiment, including as a result of increases in savings rates and tax increases, and any effect that this may have on retail activity; • the actual and perceived state of the real estate and retail markets and public capital markets in general; • unemployment rates, both nationwide and within the primary markets in which we operate; and • **an economic macroeconomic slowdown uncertainty**, in the U. S. **and /** or globally, including **trade wars or tariffs and** the possibility of a recession. In addition, economic conditions such as inflation or deflation could materially adversely affect our business, financial condition and results of operations. Deflation may have an impact on our ability to repay our debt. Deflation may delay consumption and thus weaken tenant sales, which may reduce our tenants’ ability to pay rents. Deflationary pressure on retailers may diminish their ability to rent our space and decrease our ability to re- lease the space on favorable terms to us. The U. S. economy has experienced and may continue to experience higher inflation than in prior periods. During inflationary periods, interest rates have historically increased. Our general and administrative expenses would also be expected to increase at a rate higher than rents we collect. Also, inflation may adversely affect tenant leases with stated rent increases, which could be lower than the increase in inflation at any given time. Inflation could also have an adverse effect on consumer spending, which could impact our tenants’ sales and, in turn, our own results of operations.- 11- Any economic slowdown, including a possible recession, could impair our ability to sell our properties. Any rise in interest rates, beyond potentially reducing the market appetite for our properties, could lead to a potential recession that might impact the sale of our assets as contemplated in the Plan of Sale. Additionally, any rise in interest rates will make any planned financing for prospective buyers of our properties more expensive, which might diminish our ability to sell our properties and / or the prices at which we might sell our properties. Restricted lending practices may negatively impact our tenants’ ability to obtain credit. Decreases in consumer demand can have a direct impact on our tenants and the rents we receive. If any property is not fully occupied or becomes vacant in whole or in part, or if rents are being paid in an amount that is

insufficient to cover operating costs and expenses, we could be required to expend funds with respect to that property for operating expenses. Our properties are subject to increases in tax rates and tax assessments, utility costs, insurance costs, repairs, maintenance and administrative expenses, and other operating expenses. We may also incur significant expenditures as a result of deferred maintenance for the properties we have already acquired (subject to reserved funds to cover certain of these costs). If we are unable to lease properties on a triple- net- lease basis or on a basis requiring the tenants to pay all or some of such expenses, or if tenants fail to pay required tax, utility and other impositions and other operating expenses, we could be required to pay those costs. The price of commodities and skilled labor for our construction projects may increase unpredictably due to external factors, including, but not limited to, performance of third- party suppliers and contractors; overall market supply and demand; government regulation; **tariffs**; international trade; supply chain disruptions; and changes in general business, economic, or political conditions. As a result, the costs of raw construction materials and skilled labor required for the completion of our development and redevelopment projects may fluctuate significantly from time to time. While we do not rely on any single supplier or vendor for the majority of our materials and skilled labor, we may experience difficulties obtaining necessary materials from suppliers or vendors whose supply chains might become impacted by economic or political changes, or difficulties obtaining adequate skilled labor from third- party contractors in a tightening labor market. It is uncertain whether we would be able to source the essential commodities, supplies, materials, and skilled labor timely or at all without incurring significant costs or delays, particularly during times of economic uncertainty resulting from events outside of our control. We may be forced to seek new third- party suppliers or contractors, who we have not worked with in the past.

~~Beginning in 2021 and continuing through the present, industry prices for certain construction materials experienced significant increases as a result of low inventories; surging demand fueled by the U. S. economy rebounding from the effects of COVID- 19; tariffs imposed on imports of foreign steel, including on products from key competitors in the European Union and China; and significant changes in the U. S. steel production landscape stemming from the consolidation of certain steel- producing companies. Price surges on construction materials may result in corresponding increases in our overall construction costs as our projects undergo construction. In addition, as of December 31, 2023, the U. S. continues to be experiencing supply chain backlogs. Supply chain constraints have impacted the cost, availability, and timing of certain materials deliveries. If not resolved, these backlogs and related logistics issues could result in project delays and increased costs for our construction activities and the US economy generally.~~

Compliance with the Americans with Disabilities Act may require us to make expenditures that adversely affect our cash flows. The Americans with Disabilities Act (the “ ADA ”) has separate compliance requirements for “ public accommodations ” and “ commercial facilities, ” but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non- compliance could result in imposition of fines by the United States government or an award of damages to private litigants, or both. While the tenants to whom our properties are leased are generally obligated by law or lease to comply with the ADA provisions applicable to the property being leased to them, if required changes involve other property not being leased to such tenants, if the required changes include greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. Moreover, certain other leases may require the landlord to comply with the ADA with respect to the building as a whole and / or the tenant’ s space. As a result of any of the foregoing circumstances, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect our results of operations and financial condition.

- 12- As the owner or operator of various real properties and facilities, we must comply with various federal, state and local environmental, health, safety and land use laws and regulations. We and our properties are subject to such laws and regulations relating to the use, storage, disposal, emission and release of hazardous and non- hazardous substances and employee health and safety, as well as zoning restrictions. A substantial portion of our properties that have resulted in certain remediation activities currently include, or previously included, automotive care center facilities and retail fueling facilities, and / or above- ground or underground storage tanks, and are or were subject to laws and regulations governing the handling, storage and disposal of hazardous substances contained in some of the products or materials used or sold in the automotive care center facilities (such as gasoline, motor oil, fluid in hydraulic lifts, antifreeze, solvents and lubricants), the recycling / disposal of batteries and tires, air emissions, wastewater discharges and waste management. In addition to these products, the equipment in use or previously used at such properties, such as service equipment, car lifts, oil / water separators, and storage tanks, has been subject to increasing environmental regulation relating to, among other things, the storage, handling, use, disposal and transportation of hazardous materials. There are also federal, state and local laws, regulations and ordinances that govern the use, removal and / or replacement of underground storage tanks in the event of a release on, or an upgrade or redevelopment of, certain properties. Such laws, as well as common- law standards, may impose liability for any releases of hazardous substances associated with the underground storage tanks and may provide for third parties to seek recovery from owners or operators of such properties for damages associated with such releases. If hazardous substances are released from any underground storage tanks on any of our properties, we may be materially and adversely affected. In a few states, transfers of some types of sites are conditioned upon clean- up of contamination. If any of our properties are subject to such contamination, we may be subject to substantial clean- up costs in order to sell or otherwise transfer the property. As the owner or operator of real property, we may also incur liability based on various building conditions. For example, buildings and other structures on properties that we currently own or operate or those we acquire or operate in the future contain, may contain, or may have contained, asbestos- containing material (or “ ACM ”). Environmental, health and safety laws require that ACM be properly managed and maintained and may impose fines or penalties on owners, operators or employers for non- compliance with those requirements. These requirements include special precautions, such as removal, abatement or air monitoring, if ACM would be disturbed during maintenance, renovation or demolition of a building, potentially resulting in substantial costs. In addition, we may be subject to liability for personal injury or property damage sustained as a result of exposure to ACM or releases of ACM into the environment. In addition, the presence of significant mold

or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants or increase ventilation and / or expose us to liability from our tenants, employees of our tenants, or others if property damage or personal injury occurs. Moreover, additional laws which may be passed in the future, or a finding of a violation of or liability under existing laws, could require us and / or one or more of the unconsolidated entities to make significant expenditures and otherwise limit or restrict some of our or its or their operations, which could have an adverse effect on our business, financial condition and results of operations. Our properties may be subject to known and unknown environmental liabilities under various federal, state and local laws and regulations relating to human health and the environment. Certain of these laws and regulations may impose joint and several liability on certain statutory classes of persons, including current and former owners or operators, for the costs of investigation or remediation of contaminated properties. These laws and regulations apply to past and present business operations on the properties, including the use, storage, handling and recycling or disposal of hazardous substances or wastes. We may face liability for costs relating to the investigation and clean- up of any of our properties from which there has been a release or threatened release of hazardous substances or other regulated material or any third- party sites to which we have arranged for the disposed of hazardous substances, regardless of our knowledge of the contamination, the timing of the contamination, the cause of the contamination or the party responsible for the contamination of the property. In addition to these costs, which could exceed a property' s value, we could be liable for certain other costs, including governmental fines, and injuries to persons, property or natural resources. Further, some environmental laws create a lien on the contaminated site in favor of the government for damages and the costs the government incurs in connection with such contamination. Any such costs or liens could have a material adverse effect on our business or financial condition. Moreover, the presence of contamination or the failure to remediate contamination may adversely affect our ability to sell or lease the real estate or to borrow using the real estate as collateral. Although existing and future leases are expected to require tenants generally to indemnify us for their non- compliance with environmental laws **or contamination** as a result of their occupancy, such tenants typically will not be required to indemnify us for environmental non-compliance **or contamination** arising prior to their occupancy. In such cases, we may incur costs and expenses under such leases or as a matter of law. The amount of any environmental liabilities could exceed the amounts for which third parties would be required to indemnify us (or the applicable unconsolidated entity) or their financial ability to do so.- 13- Each unconsolidated entity is subject to similar risks relating to environmental **compliance** costs and liabilities associated with its Unconsolidated Properties, which may reduce the value of our investment in, or distributions to us by, one or more unconsolidated entities, or require that we make additional capital contributions to one or more unconsolidated entities. Climate change may add to the unpredictability and frequency of natural disasters and severe weather conditions and create additional uncertainty as to future trends and exposures. Certain of our properties are located in areas that are subject to natural disasters and severe weather conditions, such as hurricanes, droughts, snow storms, floods and fires. Over time, the impact of climate change or the occurrence of natural disasters can delay new development and redevelopment projects, increase the costs of such projects if required to include resiliency measures to address climate- related risks, increase investment costs to repair or replace damaged properties, increase operating costs, create additional investment costs to make improvements to existing properties to comply with climate change regulations, increase future property insurance costs, and otherwise negatively impact the tenant demand for space. In addition, changes in federal, state and local legislation and regulations relating to climate change, such as “ green building codes, ” could result in increased operating expenses and capital expenditures to improve the energy efficiency of our properties, or potentially result in fines for noncompliance. We may not be able to effectively pass on such costs to our tenants. Moreover, any such legislation and regulations could impose substantial costs on our tenants, thereby impacting the financial condition of our tenants and their ability to meet their lease obligations and to lease or re- lease our properties. In addition, geographic concentrations of certain of our properties in areas such as California **and**, Florida **and Texas** may further expose us to certain of these risks more than if we had a smaller concentration of our properties in such areas. Possible acts of war, terrorist activity or other acts of violence could adversely affect our financial condition and results of operations. Acts of war, terrorist attacks or other acts of violence may result in declining economic activity, which could harm the demand for goods and services offered by our tenants and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand, could make it difficult for us to renew or re- lease our properties at lease rates equal to or above historical rates. War, terrorist activities or violence also could directly affect the value of our properties through damage, destruction or loss, and the availability of insurance for such acts, 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 future attacks, their businesses similarly could be adversely affected, including their ability to continue to meet obligations under their existing leases. These acts might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of our redeveloped properties, and limit our access to capital or increase our cost of raising capital. We are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; malware, ransomware; denial of service attacks; phishing and other social engineering compromises; unauthorized access to relevant systems, compromises to networks or devices; or operational disruption or failures in the physical infrastructure or operating systems of our information systems. Our information systems are essential to the operation of our business and our ability to perform day- to- day operations, including for the secure processing, storage and transmission of confidential and personal information. Any system failure or event that causes interruptions in our operations could result in a material disruption to our business, and we may incur additional costs to remedy damages caused by such disruptions. We have engaged a third- party managed security services provider to monitor and maintain our systems to protect our technology infrastructure and data from misappropriation, corruption and disruption, however there can be no assurance that these measures will be effective in

preventing or limiting the impact of future cybersecurity incidents. Cybersecurity risks may also impact properties in which we invest on behalf of clients and tenants of those properties, which could result in a loss of value in our clients' investment. In addition, due to our interconnectivity with third- party service providers and other entities with which we conduct business, we could be adversely impacted if such entities are subject to a successful cyber incident. Although we and our service providers have implemented processes, procedures and controls to help mitigate these risks, there can be no assurance that these measures will be effective or that security breaches or disruptions will not occur. The result of these incidents may include disrupted operations, liability for loss or misappropriation of data, stolen assets or information, increased cybersecurity protection and insurance costs, increased compliance costs, litigation, regulatory enforcement actions and damage to our reputation or business relationships.

14- We may incur mortgage debt and pledge all or some of our real properties as security for that debt to finance newly acquired properties or capital contributions to joint ventures, or to fund re- tenancing and redevelopment projects. Since December 31, 2019, we were required to provide mortgages to the lender under our term loan facility on a majority of our portfolio. The mortgages, together with the other provisions of the Term Loan Facility, limits our ability to obtain additional secured financing using such properties as collateral. ~~On February 2, 2023, the Company made a voluntary prepayment on the Term Loan Facility of \$ 230.0 million.~~ **During the year ended December 31, 2023-2024, the Company made an aggregate principal prepayments of \$ 230-120.0 million voluntary prepayment on the Term Loan Facility - This prepayment brought the outstanding balance on the Term Loan Facility to \$ 800 million. Pursuant to the terms of the Term Loan Facility, by reducing our outstanding principal balance to \$ 800 million, the maturity date for the Term Loan Facility was extended for two years to July 31, 2025. Subsequent to February 2, 2023, the Company made additional aggregate principal prepayments of \$ 470 million on the Term Loan Facility, reducing the outstanding Term Loan Facility balance to \$ 330-240.0 million as of ~~March 22, 2024~~ **December 31, 2024**.** In addition, incurring mortgage debt increases the risk of loss since defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default. If any mortgages contain cross- collateralization or cross- default provisions, a default on a single property could affect multiple properties. If any properties are foreclosed upon due to a default, our ability to pay cash distributions to our shareholders may be adversely affected. Our Term Loan Facility includes certain financial metrics to govern certain collateral and covenant exceptions set forth in the agreement, including: (i) a total fixed charge coverage ratio of not less than 1.20 to 1.00 for each fiscal quarter; (ii) an unencumbered fixed charge coverage ratio of not less than 1.30 to 1.00 for each fiscal quarter; (iii) a total leverage ratio of not more than 65 %; (iv) an unencumbered ratio of not more than 60 %; and (v) a minimum net worth of at least \$ 1.2 billion. Any failure to satisfy any of these financial metrics will limit our ability to dispose of assets via sale or joint venture and trigger a requirement for us to provide mortgage collateral to our lender, but will not result in an event of default, mandatory amortization, cash flow sweep or similar provision. Since the year ended December 31, 2019, we have been in breach of one or more of the financial metrics described above, therefore we were required to provide mortgages to the lender under the Term Loan Facility with respect to a majority of our portfolio. The Term Loan Facility also includes certain limitations relating to, among other activities, our ability to: sell assets or merge, consolidate or transfer all or substantially all of our assets; incur additional debt; incur certain liens; enter into, terminate or modify certain material leases and / or the material agreements for our properties; make certain investments (including limitations on joint ventures) and other restricted payments; pay distributions on or repurchase our capital stock; and enter into certain transactions with affiliates. The Term Loan Facility also provides for the Incremental Funding Facility. Our ability to access the incremental facility is subject to (i) our achieving rental income from non- Sears Holdings tenants, on an annualized basis (after giving effect to SNO Leases expected to commence rent payment within 12 months) for the fiscal quarter ending prior to the date of incurrence of the Incremental Funding Facility, of not less than \$ 200 million, (ii) our good faith projection that rental income from non- Sears Holdings tenants (after giving effect to SNO Leases expected to commence rent payment within 12 months) for the succeeding four consecutive fiscal quarters (beginning with the fiscal quarter during which the incremental facility is accessed) will be not less than \$ 200 million, and (iii) the repayment by the Operating Partnership of any deferred interest permitted under the amendment to the Term Loan Agreement. As of December 31, ~~2023~~ **2024**, we have not achieved this level of rental income from non- Sears Holdings tenants. As permitted by Maryland Law, the Company' s Declaration of Trust limits the liability of its trustees and officers to Seritage and its shareholders for money damages, except for liability resulting from: • actual receipt of an improper benefit or profit in money, property or services; or • a final judgment based upon a finding of active and deliberate dishonesty by the trustee or officer that was material to the cause of action adjudicated. In addition, our Declaration of Trust authorizes us and our bylaws obligate us to indemnify our present and former trustees and officers for actions taken by them in those capacities and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding to the maximum extent permitted by Maryland law, and we have entered into indemnification agreements with our trustees and executive officers. As a result, the Company and our shareholders may have more limited rights against our trustees and officers than might otherwise exist absent the provisions in our Declaration of Trust and bylaws or that might exist with other companies. Accordingly, in the event that our trustees or officers are immune or exculpated from, or indemnified against, liability in connection with actions taken by any such trustees or officers, which actions impede our performance, the Company and our shareholders' ability to recover damages from that trustee or officer will be limited.

15- Our Declaration of Trust and bylaws and Maryland law contain provisions that may delay, defer or prevent an acquisition of Class A common shares or a change in control. The Company' s Declaration of Trust and bylaws and Maryland law contain a number of provisions, the exercise or existence of which could delay, defer or prevent a transaction or a change in control that might involve a premium price for our shareholders or otherwise be in their best interests, including the following: • The Company' s Board of Trustees Has the Power to Cause Us to Issue Additional Shares of Beneficial Interest and Classify and Reclassify Any Unissued Class A Common Shares without Shareholder Approval. Our Declaration of Trust authorizes us to issue additional authorized but unissued common shares or preferred shares of beneficial interest. We have also issued 2,800,000 Series A Preferred Shares that are senior to our common shares with respect to priority of dividend payments and rights upon liquidation, dissolution or

winding up. In addition, the Board of Trustees may, without shareholder approval, (i) amend the Declaration of Trust to increase or decrease the aggregate number of shares of beneficial interest or the number of shares of beneficial interest of any class or series that we have authority to issue and (ii) classify or reclassify any unissued common shares or preferred shares of beneficial interest and set the preferences, rights and other terms of the classified or reclassified shares. As a result, the Board of Trustees may establish a class or series of common shares or preferred shares of beneficial interest that could delay or prevent a transaction or a change in control that might involve a premium price for Class A common shares or otherwise be in the best interests of our shareholders.

- **Trustee Elections Require a Vote of Two- Thirds of the Class A Common Shares and Class B Non- Economic Common Shares Votes Cast.** In accordance with the Company's bylaws, in both contested and uncontested elections at any Annual Meeting of Shareholders, trustees are elected by the vote of two- thirds of the votes cast by the holders of Class A common shares and Class B non- economic common shares (voting together as a single class). In the event that an incumbent trustee does not receive a sufficient percentage of votes cast for election, he or she will continue to serve on the Board of Trustees until a successor is duly elected and qualifies. The requirement that trustee nominees receive a vote of two- thirds of the votes cast by the holders of Class A common shares and Class B non- economic shares (voting together as a single class) may have the effect of making it more difficult for shareholders to change the composition of the Board of Trustees. The requirement that trustee nominees receive a vote of two- thirds of the votes cast by the holders of the Class A common shares and Class B non- economic shares (voting together as a single class) may also have the effect of making it more difficult for shareholders to elect trustee nominees that do not receive the votes of shares of our largest shareholder, Mr. Lampert, who owned approximately **25-24.0** % of the Company's outstanding Class A common shares as of December 31, **2023-2024**.
- **Certain Provisions of Maryland Law May Limit the Ability of a Third Party to Acquire Control of Us.** Certain provisions of the Maryland General Corporation Law (the "MGCL") applicable to Maryland REITs may have the effect of inhibiting a third party from acquiring us or of impeding a change of control of the Company under circumstances that otherwise could provide Class A common shareholders with the opportunity to realize a premium over the then- prevailing market price of such shares or otherwise be in the best interest of shareholders, including:
 - o "business combination" provisions that, subject to certain exceptions and limitations, prohibit certain business combinations between a Maryland REIT and an "interested shareholder" (defined generally as any person who beneficially owns, directly or indirectly, 10 % or more of the voting power of the Company's outstanding voting shares or an affiliate or associate of the Maryland REIT who, at any time within the two- year period immediately prior to the date in question, was the beneficial owner of 10 % or more of the voting power of the then- outstanding shares of the Company) or an affiliate of any interested shareholder and the Maryland REIT for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter imposes two supermajority shareholder voting requirements on these combinations;
 - o "control share" provisions that provide that, subject to certain exceptions, holders of "control shares" of our company (defined as voting shares that, if aggregated with all other shares owned or controlled by the acquirer, would entitle the acquirer to exercise one of three increasing ranges of voting power in electing trustees) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of issued and outstanding "control shares") have no voting rights with respect to the control shares except to the extent approved by our shareholders by the affirmative vote of at least two- thirds of all of the votes entitled to be cast on the matter, excluding all interested shares; and
 - o Additionally, Title 3, Subtitle 8 of the MGCL permits the Board of Trustees, without shareholder approval and notwithstanding any contrary provisions in our Declaration of Trust or bylaws, to implement certain takeover defenses.

- 16- The Board of Trustees has, by resolution, exempted from the provisions of the Maryland Business Combination Act all business combinations (a) between us and (i) Sears Holdings or its affiliates or (ii) ESL Investments, Inc. or Fairholme Capital Management L. L. C. ("FCM") and / or certain clients of FCM or their respective affiliates and (b) between us and any other person, provided that in the latter case the business combination is first approved by the Board of Trustees (including a majority of our trustees who are not affiliates or associates of such person). In addition, our bylaws contain a provision opting out of the Maryland control share acquisition act. We may experience uninsured or underinsured losses, or insurance proceeds may not otherwise be available to us which could result in a significant loss of the capital we have invested in a property, decrease anticipated future revenues or cause us to incur unanticipated expense. While many of our existing leases require, and new lease agreements are expected to require, that comprehensive general insurance and hazard insurance be maintained by the tenants with respect to their premises, and we have obtained casualty insurance with respect to the vast majority of our properties other than certain vacant properties and development land sites, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, hurricanes and floods, that may be uninsurable or not economically insurable. Insurance coverage (net of deductibles) may not be effective or be sufficient to pay the full current market value or current replacement cost of a loss. Inflation, changes in building and zoning codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to restore or replace the property after such property has been damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the economic position with respect to such property or to comply with the requirements of our mortgages and Property Restrictions. Moreover, the holders of any mortgage indebtedness may require some or all property insurance proceeds to be applied to reduce such indebtedness, rather than being made available for property restoration. If we experience a loss that is uninsured or that exceeds our policy coverage limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties were subject to recourse indebtedness, Property Restrictions or ground leases, we could continue to be liable for the indebtedness or subject to claims for damages even if these properties were irreparably damaged. In addition, even if damage to our properties is covered by insurance, a disruption of our business or that of our tenants caused by a casualty event may result in the loss of business and / or tenants. The business interruption insurance we or our tenants carry may not fully compensate us for the loss of business or tenants due to an interruption caused by a casualty event. Further, if one of our tenants has insurance but is underinsured, that tenant may be unable to satisfy its payment obligations under its lease with us or its other

payment or other obligations. A disruption in the financial markets may make it more difficult to evaluate the stability, net assets and capitalization of insurance companies and any insurer's ability to meet its claim payment obligations. A failure of an insurance company to make payments to us upon an event of loss covered by an insurance policy, losses in excess of our policy coverage limits or disruptions to our business or the business of our tenants caused by a casualty event could adversely affect our business, financial condition and results of operations. Each unconsolidated entity may also experience uninsured or underinsured losses, and also faces other risks related to insurance that are similar to those we face, which could reduce the value of our investment in, or distributions to us by, one or more unconsolidated entities, or require that we make additional capital contributions to one or more unconsolidated entities. As of December 31, ~~2023~~ **2024**, Mr. Lampert owned approximately ~~25~~ **24.0** % of our outstanding Class A common shares. Mr. Lampert previously served as the Chairman of the Board of Directors and Chief Executive Officer of Sears Holdings and was previously the Chairman of the Seritage Board of Trustees. In any matter affecting us, the interests of Mr. Lampert may differ or conflict with the interests of our other shareholders. On March 1, 2022, Mr. Lampert filed a Schedule 13D / A with the SEC disclosing his support for our Board of Trustees' efforts to explore and pursue strategic alternatives and his intention to explore alternatives for his investment in the Company, which may include, among other things, participating with third parties that may be interested in acquiring some or all of our assets and buying or selling shares in open market transactions. In the event of any such transaction, the interests of Mr. Lampert and his affiliates, may differ from or conflict with the interests of our other shareholders.- 17- We have historically grown our business through investments in, and acquisitions or development of, properties, including through the recapture and redevelopment of space at many of our properties. However, our industry is highly competitive, and we face competition from REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. This competition makes it more challenging to successfully capitalize on redevelopment opportunities that meet our investment objectives. If we are unable to finance redevelopment opportunities on commercially favorable terms, our business, financial condition or results of operations could be materially adversely affected. Our business entails risks associated with real estate investments generally, including (but not limited to) the following risks and as noted elsewhere in this section: • we may incur significant costs and divert management attention in connection with redevelopments, including ones that we are subsequently unable to complete; • we may not successfully manage and lease redeveloped properties to meet our expectations; • we may spend more than budgeted to make necessary improvements or renovations to our properties; • market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and • our properties may be subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. The redevelopment of properties involves the risks associated with real estate development activities generally. If we are unable to successfully redevelop properties or to lease the redeveloped properties to third parties on acceptable terms, our business, results of operations and financial condition could be materially adversely affected. We are currently undertaking redevelopment and reinvestment projects involving our properties. These projects are subject to a number of risks including (but not limited to): • abandonment of redevelopment activities after expending resources to determine feasibility; • loss of rental income, as well as payments of maintenance, repair, real estate taxes and other charges; • restrictions or obligations imposed pursuant to other agreements; • construction and / or lease-up costs (including tenant improvements or allowances) and delays and cost overruns, including construction costs that exceed original estimates; • failure to achieve expected occupancy and / or rent levels within the projected time frame or at all; • failure to successfully manage, or find suitable third-party development partners for, the development of residential, office or other mixed-use properties; • inability to successfully integrate re-developed properties into existing operations; • difficulty obtaining financing on acceptable terms or paying operating expenses and debt service costs associated with redevelopment properties prior to sufficient occupancy and commencement of rental obligations under new leases; • changes in zoning, building and land-use laws, and conditions, restrictions or limitations of, and delays or failures to obtain, necessary zoning, building, occupancy, land-use and other governmental permits; • changes in local real-estate market conditions, including an oversupply of, or a reduction in demand for, retail space or retail goods, and the availability of current and prospective tenants; • negative perceptions by retailers or shoppers of the safety, convenience and attractiveness of the property; • exposure to fluctuations in the general economy due to the significant time lag between commencement and completion of redevelopment projects; and • vacancies or ability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options. If any of these events occur at any time during the process with respect to any project, overall project costs may significantly exceed initial cost estimates, which could result in reduced returns or losses from such investments. In addition, we may not have sufficient liquidity to fund such projects, and delays in the completion of a development project may provide various tenants the rights to withdraw from a property.- 18- Our business depends, to a meaningful extent, upon the continued services of our management team and, more broadly, our employees generally. Our executives have substantial experience in our industry. During 2023, in an effort to continue to incentivize and retain our management team, we amended the employment agreement with Ms. Andrea Olshan and extended and revised the retention agreements with Mr. Matthew Fernand and Mr. Eric Dinenberg. The amended agreements are structured generally to incentivize the executives to remain employed until the Plan of Sale has been fully, or nearly fully, completed, but each of these executives could elect to terminate their respective agreements at any time. Notwithstanding, the loss of services of one or more members of our management team, or our failure to retain talented employees generally could harm our business and our prospects and could adversely affect the Plan of Sale. Additionally, we have engaged third-party contractors and consultants to handle certain of our day-to-day functions, including accounting and finance, and to assist us in the Plan of Sale. The contractual arrangements governing these services can be terminated by either party upon advance notice and may not be as effective in providing direct control over the Plan of Sale. Any third-party contractor and consultant agreement terminations may adversely affect the Plan of Sale. Third-parties may fail to take actions required for our Plan of

Sale despite their contractual obligation to do so. If the third- party advisors fail to perform under their agreements with us, we may have to rely on legal remedies under the law, which may not be effective. In addition, the termination of third- party contractors who oversee the accounting and finance functions could impact internal controls over financial reporting. The future outbreak of highly infectious or contagious diseases may materially and adversely impact the business of our tenants and materially or adversely impact and disrupt our business, income, cash flow, results of operations, financial condition, liquidity, prospects and ability to service our debt obligations. A future pandemic could have material and adverse effects on our ability to successfully operate and on our financial condition, results of operations, liquidity and cash flows due to, among other factors:

- Difficulty accessing debt and equity capital on attractive terms, or at all, impacts to our credit ratings, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis and our tenants' ability to fund their business operations and meet their obligations to us;
- The financial impact could negatively impact our ability to pay dividends on our preferred shares, including the Series A Preferred Shares;
- The financial impact of a pandemic could negatively impact our future compliance with financial covenants of our term loan facility (the "Term Loan Facility") with Berkshire Hathaway Life Insurance Company of Nebraska ("Berkshire Hathaway") or result in a default and potentially an acceleration of indebtedness, which non- compliance could negatively impact our ability to make additional borrowings under our Incremental Funding Facility (as defined below), conduct asset sales, fund development activity or pay dividends on our preferred shares, including the Series A Preferred Shares;
- The worsening of estimated future cash flows due to a change in our plans, policies, or views of market and economic conditions as it relates to one or more of our adversely impacted properties could result in the recognition of substantial impairment charges imposed on our assets;
- The credit quality of our tenants could be negatively impacted and we may significantly increase our allowance for doubtful accounts;
- Difficulties completing our redevelopment projects on a timely basis, on budget or at all;
- A general decline in business activity and demand for real estate transactions could adversely affect our ability or desire to reinvest in or redevelop our properties; and
- The potential negative impact on the health of our personnel, particularly if a significant number of them are impacted, could result in a deterioration in our ability to ensure business continuity during this disruption.

19- **We are involved in legal proceedings related to various matters, including securities and derivative litigation, and may become involved in other legal proceedings that arise from time to time in the future. For example, as discussed further in Note 9 – Commitments and Contingencies to consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10- K, (a) on July 1, 2024, a purported shareholder of the Company filed a class action lawsuit alleging that the Company, the Company's Chief Executive Officer, and the Company's Chief Financial Officer violated the federal securities laws by issuing false, misleading, and or omissive disclosures concerning the Company's alleged lack of effective internal controls regarding the identification and review of impairment indicators for investments in real estate and the Company's value and projected gross proceeds of certain real estate assets, and (b) on or around January 15, 2025 and January 20, 2025, two derivative lawsuits alleging the same or similar claimed acts and omissions was filed against the Company's Chief Executive Officer, the Company's Chief Financial Officer, and current and former members of the Company's Board of Trustees. The securities complaint seeks compensatory damages in an unspecified amount to be proven at trial, an award of reasonable costs and expenses to the plaintiff and class counsel, and such other and further relief as the court may deem just and proper. Each of the derivative complaints seeks compensatory damages in an unspecified amount to be proven at trial, an order directing the Company and the individual defendants to reform and improve the Company's corporate governance and internal procedures, restitution from the individual defendants, an award of costs and expenses to the plaintiff and reasonable attorneys' and experts' fees, costs, and expenses, and such other and further relief as the court may deem just and proper. The Company intends to vigorously defend itself against the allegations in these lawsuits but there can be no assurance as to the outcomes of these proceedings. An unfavorable outcome in these lawsuits or in other legal proceedings may have a material effect on the consolidated financial position, results of operations, cash flows or liquidity of the Company.** If we experience an "ownership change," our future ability to utilize our net operating loss and net capital loss carryforwards to reduce our taxable income may be limited by certain provisions of the Code. Specifically, the Code limits the ability of a company that undergoes an "ownership change" to utilize its net operating loss and net capital loss carryforwards and certain built- in losses to offset taxable income earned in years after the ownership change. An ownership change occurs if, during a three- year testing period, more than 50 % of the stock of a company is acquired by one or more persons (or certain groups of persons) who own, directly or constructively, 5 % or more of the stock of such company. An ownership change can occur as a result of a public offering of **stock shares**, as well as through secondary market purchases of our **stock shares** and certain types of reorganization transactions. Generally, when an ownership change occurs, the annual limitation on the use of net operating loss and net capital loss carryforwards and certain built- in losses is equal to the product of the applicable long- term tax exempt rate and the value of the company's stock immediately before the ownership change. We have substantial net operating and net capital loss carry forwards which we have used, and will continue to use, to offset our taxable income. If we experience an ownership change, our income tax liability could materially increase. In addition, if we were to undergo an ownership change, our net operating losses and net capital loss carryforwards could become subject to additional limitations, which could result in us incurring materially greater tax liability than if we had not undergone such an ownership change. The determination of whether an ownership change has occurred or will occur is complicated and depends on changes in percentage **stock share** ownership among **stockholders shareholders**. In addition, we may decide in the future that it is necessary or in our interest to take certain actions that could result in an ownership change. Therefore, no assurance can be provided as to whether an ownership change will occur in the future. Moreover, the potential negative consequences of the limitations that would result from an ownership change may discourage us from, among other things, redeeming our **stock shares** or issuing additional common **stock shares** to raise capital or to acquire businesses or assets. Accordingly, our desire to

preserve our net operating losses and net capital loss carryforwards may cause us to forgo otherwise attractive opportunities. We elected for U. S. federal income tax purposes to be treated as a REIT for the 2021 taxable year and in prior taxable years and we operated in a manner intended to qualify us as a REIT for U. S. federal income tax purposes for such years. However, qualification as a **-20-** REIT involves the application of highly technical and complex provisions of the Code, for which only a limited number of judicial and administrative interpretations exist. Even a technical or inadvertent violation could jeopardize our REIT qualification through 2021. Our qualification as a REIT through 2021 depends on the satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements. Moreover, there can be no assurance that the IRS will not challenge our qualification as a REIT for years in which we intended to qualify as a REIT. Although we believe we did qualify as a REIT in each such year, if the IRS were to successfully challenge our previous REIT status, we would suffer adverse tax consequences, such as those described below. If we were to fail to qualify as a REIT in any taxable year through 2021, and no available relief provision applied, we would be subject to U. S. federal income tax on our taxable income at regular corporate rates (which is 21 % for periods ending after December 31, 2017 through 2021), as well as U. S. state and local income tax, and dividends paid to our shareholders would not be deductible by us in computing our taxable income. Any resulting corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our shareholders, which in turn could have an adverse impact on the value of our common shares. The rules dealing with U. S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Department of the Treasury. **The 119th Congress and President Trump have announced plans to make significant changes to the Code.** Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. You are urged to consult with your tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares. **-20-21-** The market price of our securities may be volatile, and the trading volume in our securities may fluctuate and cause significant price variations to occur. Some of the factors that could negatively affect the market price of our securities or result in fluctuations in the price or trading volume of our securities include: • actual or anticipated variations in our quarterly results of operations; • changes in our funds from operations or earnings estimates; • publication of research reports about us or the real estate or retail industries; • increases in market interest rates that may cause purchasers of our securities to demand a higher yield; • changes in market valuations of similar companies; • adverse market reaction to any additional debt we may incur in the future; • actions by ESL, or by institutional shareholders; • speculation in the press or investment community about our company or industry or the economy in general; • adverse performance or potential financial distress or bankruptcy of our major tenants; • the occurrence of any of the other risk factors presented in this filing; • complications, or any public perception of complications, regarding the Plan of Sale; • specific real estate market and real estate economic conditions; and • general market and economic conditions, including a possible recession. **We have issued Series A Preferred Shares, which, along with future offerings of debt or preferred equity securities, rank senior to our common shares for purposes of distributions or upon liquidation, and may adversely affect the market price of our common shares.** We have issued 2, 800, 000 Series A Cumulative Redeemable Preferred Shares, which are senior to our common shares for purposes of distributions or upon liquidation. The Series A Preferred Shares may limit our ability to make distributions to holders of our common shares. In the future, we may attempt to increase our capital resources by making additional offerings of debt or preferred equity securities, including medium- term notes, trust preferred securities, senior or subordinated notes and preferred shares. Upon liquidation, holders of our debt securities, Series A Preferred Shares and any additional preferred shares and lenders with respect to other borrowings may receive distributions of our available assets prior to the holders of our common shares. Any additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common shares, or both. Holders of our common shares are not entitled to preemptive rights or other protections against dilution, and will have no voting rights in connection with the issuance of these securities. Our Series A Preferred Shares have, and any additional preferred shares of beneficial interest issued could have, a preference on liquidating distributions or a preference on distribution payments that could limit our ability to make a distribution to the holders of our common shares. Since our decision to issue securities in any future offering will depend in part on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk of our future offerings reducing the market price of our common shares and diluting their holdings in us. The number of shares available for future sale could adversely affect the market price of Class A common shares. We cannot predict whether future issuances of Class A common shares or the availability of Class A common shares for resale in the open market will decrease the market price per share of Class A common shares. Sales of a substantial number of Class A common shares in the public market, or the perception that such sales might occur, could adversely affect the market price of the Class A common shares. **-21-22-** The Series A Preferred Shares have not been rated. The Series A Preferred Shares have not been rated, and may never be rated, by any nationally recognized statistical rating organization, which may negatively affect their market value and your ability to sell such shares. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series A Preferred Shares or that we may elect to obtain a rating of the Series A Preferred Shares in the future. Furthermore, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series A Preferred Shares in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series A Preferred Shares. Ratings only reflect the views of the issuing rating agency or agencies, and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series A Preferred Shares. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Series

A Preferred Shares. In addition, ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series A Preferred Shares may not reflect all risks related to us and our business, or the structure or market value of the Series A Preferred Shares. An active trading market may not develop for the Series A Preferred Shares or, even if it does develop, may not continue, which may negatively affect the market value of, and the ability of holders of our Series A Preferred Shares to transfer or sell, their shares. Since the Series A Preferred Shares have no stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market. The Series A Preferred Shares are listed on the NYSE under the symbol “ SRG PRA, ” but there can be no assurance that an active trading market on the NYSE for the Series A Preferred Shares will develop or continue, in which case the market price of the Series A Preferred Shares could be materially and adversely affected and the ability to transfer or sell Series A Preferred Shares would be limited. The market price of the shares will depend on many factors, including: • prevailing interest rates; • the market for similar securities; • investors’ perceptions of us; • our issuance of additional preferred equity or indebtedness; • general economic and market conditions, including a possible recession; and • our financial condition, results of operations, business and prospects. The Series A Preferred Shares are subordinate in right of payment to our existing and future debt, and the interests of the holders of Series A Preferred Shares could be diluted by the issuance of additional preferred shares, including additional Series A Preferred Shares, and by other transactions. The Series A Preferred Shares rank junior to all of our existing and future debt and to other non-equity claims on us and our assets available to satisfy claims against us, including claims in bankruptcy, liquidation or similar proceedings. Our future debt may include restrictions on our ability to pay dividends to preferred shareholders. As of December 31, ~~2023~~ **2024**, our total indebtedness was \$ ~~360~~ **240.0** million. In addition, we may incur additional indebtedness in the future. Our Declaration of Trust currently authorizes the issuance of up to 10,000,000 shares of preferred shares in one or more classes or series. Our board of trustees has the power to reclassify unissued common shares and preferred shares and to amend our Declaration of Trust, without any action by our shareholders, to increase the aggregate number of shares of beneficial interest of any class or series, including preferred shares, that we are authorized to issue. The issuance of additional preferred shares on parity with or senior to the Series A Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding up would dilute the interests of the holders of the Series A Preferred Shares, and any issuance of preferred shares senior to the Series A Preferred Shares or of additional indebtedness could adversely affect our ability to pay dividends on, redeem or pay the liquidation preference on the Series A Preferred Shares. Other than the limited conversion right afforded to holders of Series A Preferred Shares that may occur in connection with a Change of Control, none of the provisions relating to the Series A Preferred Shares contain any provisions relating to or limiting our indebtedness or affording the holders of the Series A Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect the holders of the Series A Preferred Shares, so long as the rights of holders of the Series A Preferred Shares are not materially and adversely affected. - ~~22~~ **23** - Dividends on our preferred shares, including the Series A Preferred Shares, are discretionary. We cannot guarantee that we will be able to pay dividends in the future or what the actual dividends will be for any future period. Future dividends on our preferred shares, including the Series A Preferred Shares, will be authorized by our Board of Trustees and declared by us at the discretion of our Board of Trustees and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, any debt service requirements and any other factors our Board of Trustees deems relevant. Accordingly, we cannot guarantee that we will be able to make cash dividends on our preferred shares or what the actual dividends will be for any future period. However, until we declare payment and pay or set apart the accrued dividends on the Series A Preferred Shares, our ability to pay dividends and make other distributions on our common shares and non-voting shares (including redemptions) will be limited by the terms of the Series A Preferred Shares. Holders of Series A Preferred Shares will have limited voting rights. Holders of the Series A Preferred Shares have limited voting rights. Our Class A common shares and our non-economic shares are currently the only shares of beneficial interest of our company with full voting rights. Voting rights for holders of Series A Preferred Shares exist primarily with respect to the right to elect two additional trustees to our Board of Trustees in the event that six quarterly dividends (whether or not consecutive) payable on the Series A Preferred Shares are in arrears, and with respect to voting on amendments to our Declaration of Trust or articles supplementary relating to the Series A Preferred Shares that would materially and adversely affect the rights of holders of the Series A Preferred Shares or create additional classes or series of our shares that are senior to the Series A Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of any liquidation, dissolution or winding up of our affairs. Other than in limited circumstances, holders of Series A Preferred Shares will not have any voting rights.