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

FORM 10-Q

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

For the quarterly period ended September 30, 2026

or

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

For the transition period from _____ to_____

Commission File Number 001-10324

THE INTERGROUP CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	13-3293645
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

1516 S. Bundy Dr., Suite 200, Los Angeles, California 90025
(Address of principal executive offices) (Zip Code)

(310) 889-2500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer☒	Smaller reporting company☒
	Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act):

☐ Yes ☒ No

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Common stock	INTG	NASDAQ CAPITAL MARKET

The number of shares outstanding of registrant’s Common Stock, as of November 16, 2026 was 2,148,812.

TABLE OF CONTENTS

		Page
	PART I – FINANCIAL INFORMATION	
Item 1.	Condensed Consolidated Financial Statements.	3
	Condensed Consolidated Balance Sheets as of September 30, 2026 (Unaudited) and June 30, 2026	3
	Condensed Consolidated Statements of Operations for the Three Months Ended September 30, 2026 and 2025 (Unaudited)	4
	Condensed Consolidated Statements of Shareholders' Deficit for the Three Months Ended September 30, 2026 and 2025 (Unaudited)	5
	Condensed Consolidated Statements of Cash Flows for the Three Months Ended September 30, 2026 and 2025 (Unaudited)	6
	Notes to the Condensed Consolidated Financial Statements (Unaudited)	8-17
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	18-23
Item 3.	Quantitative and Qualitative Disclosures About Market Risk.	24
Item 4.	Controls and Procedures.	24
	PART II – OTHER INFORMATION	
Item 1.	Legal Proceedings.	25
Item 1A.	Risk Factors.	25
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds.	25
Item 3.	Defaults Upon Senior Securities.	25
Item 4.	Mine Safety Disclosures.	25
Item 5.	Other Information.	26
Item 6.	Exhibits.	26
Signatures		27

PART I
FINANCIAL INFORMATION

Item 1 - Condensed Consolidated Financial Statements

THE INTERGROUP CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

As of	September 30, 2026 (unaudited)	June 30, 2026
ASSETS		
Investment in Hotel, net	$ 38,031,000	$ 37,977,000
Investment in real estate, net	42,315,000	42,835,000
Investment in marketable securities	3,327,000	4,394,000
Cash and cash equivalents	7,634,000	6,356,000
Restricted cash	10,139,000	10,943,000
Other assets, net	2,808,000	2,113,000
Total assets	$ 104,254,000	$ 104,618,000
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Liabilities:		
Accounts payable and other liabilities - Hotel	$ 14,825,000	$ 13,001,000
Accounts payable and other liabilities	3,997,000	3,254,000
Due to securities broker	-	427,000
Obligations for securities sold	153,000	272,000
Other notes payable	1,271,000	1,413,000
Deferred tax liability	7,017,000	7,017,000
Mortgage and mezzanine notes payable - Hotel, net	102,782,000	102,535,000
Mortgage notes payable - real estate, net	90,438,000	90,696,000
Total liabilities	220,483,000	218,615,000
Shareholders' deficit:		
Preferred stock, $.01 par value, 100,000 shares authorized; none issued	-	-
Common stock, $.01 par value, 4,000,000 shares authorized; 3,459,888 issued; 2,148,812 outstanding, respectively	38,000	38,000
Additional paid-in capital	3,666,000	3,658,000
Accumulated deficit	(67,951,000)	(66,337,000)
Treasury stock, at cost, 1,311,076 shares, respectively	(21,860,000)	(21,860,000)
Total InterGroup shareholders' deficit	(86,107,000)	(84,501,000)
Noncontrolling interest	(30,122,000)	(29,496,000)
Total shareholders' deficit	(116,229,000)	(113,997,000)
Total liabilities and shareholders' deficit	$ 104,254,000	$ 104,618,000

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

THE INTERGROUP CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

For the three months ended September 30,	**2026**	**2025**
Revenues:		
Hotel	$ 12,123,000	$ 12,418,000
Real estate	4,548,000	5,495,000
Total revenues	16,671,000	17,913,000
Costs and operating expenses:		
Hotel operating expenses	(10,504,000)	(10,481,000)
Real estate operating expenses	(2,357,000)	(2,338,000)
Depreciation and amortization expenses	(1,728,000)	(1,656,000)
General and administrative expenses	(771,000)	(706,000)
Total costs and operating expenses	(15,360,000)	(15,181,000)
Income from operations	1,311,000	2,732,000
Other (expense) income:		
Interest expense - mortgages	(3,119,000)	(3,258,000)
Net realized gain on marketable securities	32,000	20,000
Net unrealized (loss) gain on marketable securities	(435,000)	116,000
Other income - license to enter agreement	350,000	-
Dividend and interest income	28,000	2,000
Trading and margin interest expense	(288,000)	(297,000)
Total other expense, net	(3,432,000)	(3,417,000)
Loss before income taxes	(2,121,000)	(685,000)
Income tax expense	(119,000)	(474,000)
Net loss	(2,240,000)	(1,159,000)
Add: Net loss attributable to the noncontrolling interest	626,000	624,000
Net loss attributable to The InterGroup Corporation	$ (1,614,000)	$ (535,000)
Net loss per share attributable to The InterGroup Corporation		
Basic	$ (0.75)	$ (0.25)
Diluted	$ (0.75)	$ (0.25)
Weighted average number of basic common shares outstanding	2,148,812	2,151,141
Weighted average number of diluted common shares outstanding	2,148,812	2,151,141

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

THE INTERGROUP CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	InterGroup Shareholders' Deficit	Noncontrolling Interest	Total Shareholders' Deficit
Balance at July 1, 2026	3,459,888	$ 38,000	$3,658,000	$ (66,337,000)	$(21,860,000)	$ (84,501,000)	$ (29,496,000)	$ (113,997,000)
Net loss	-	-	-	(1,614,000)	-	(1,614,000)	(626,000)	(2,240,000)
Stock options expense	-	-	8,000	-	-	8,000	-	8,000
Balance at September 30, 2026	3,459,888	$ 38,000	$3,666,000	$ (67,951,000)	$(21,860,000)	$ (86,107,000)	$ (30,122,000)	$ (116,229,000)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	InterGroup Shareholders' Deficit	Noncontrolling Interest	Total Shareholders' Deficit
Balance at July 1, 2025	3,459,888	$ 38,000	$3,614,000	$ (67,980,000)	$(21,787,000)	$ (86,115,000)	$ (28,189,000)	$ (114,304,000)
Net loss	-	-	-	(535,000)	-	(535,000)	(624,000)	(1,159,000)
Stock options expense	-	-	20,000	-	-	20,000		20,000
Purchase of treasury stock	-	-	-	-	(73,000)	(73,000)	-	(73,000)
Balance at September 30, 2025	3,459,888	$ 38,000	$3,634,000	$ (68,515,000)	$(21,860,000)	$ (86,703,000)	$ (28,813,000)	$ (115,516,000)

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

THE INTERGROUP CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

For the three months ended September 30,	2026	2025
Cash flows from operating activities:		
Net loss	$ (2,240,000)	$ (1,159,000)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,728,000	1,656,000
Amortization of loan costs	284,000	278,000
Amortization of other notes payable	(142,000)	(141,000)
Stock compensation expense	8,000	20,000
Net unrealized loss (gain) on marketable securities	435,000	(116,000)
Changes in operating assets and liabilities:		
Investment in marketable securities	632,000	119,000
Other assets	(695,000)	(745,000)
Accounts payable and other liabilities - Hotel	1,824,000	(428,000)
Accounts payable and other liabilities	743,000	218,000
Deferred taxes	-	2,000
Due to securities broker	(427,000)	-
Obligations for securities sold	(119,000)	-
Net cash provided by (used in) operating activities	2,031,000	(296,000)
Cash flows from investing activities:		
Payments for hotel investments	(1,012,000)	(974,000)
Payments for real estate investments	(250,000)	(244,000)
Insurance proceeds for property damage claims	-	85,000
Net cash used in investing activities	(1,262,000)	(1,133,000)
Cash flows from financing activities:		
Payments of mortgage notes payable	(295,000)	(302,000)
Purchase of treasury stock	-	(73,000)
Net cash used in financing activities	(295,000)	(375,000)
Net increase (decrease) in cash, cash equivalents and restricted cash	474,000	(1,804,000)
Cash, cash equivalents and restricted cash at the beginning of the period	17,299,000	15,195,000
Cash, cash equivalents and restricted cash at the end of the period	$ 17,773,000	$ 13,391,000
Supplemental information:		
Interest paid	$ 2,386,000	$ 2,509,000
Taxes paid	$ -	$ -

Cash, cash equivalents, and restricted cash presented in the consolidated statements of cash flows consist of the following:

As of September 30,	2026	2025
Cash and cash equivalents	$ 7,634,000	$ 5,043,000
Restricted cash	10,139,000	8,301,000
Cash included in assets held for sale	-	11,000
Restricted cash included in assets held for sale	-	36,000
Total cash, cash equivalents, and restricted cash	$ 17,773,000	$ 13,391,000

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

THE INTERGROUP CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2026
(UNAUDITED)

NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements of The InterGroup Corporation ("InterGroup" or the "Company") have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial reporting and the applicable rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, certain information and disclosures normally included in annual financial statements have been condensed or omitted. In the opinion of management, all adjustments necessary for a fair presentation, consisting of normal recurring adjustments, have been included. Interim results are not necessarily indicative of results for the full fiscal year.

These financial statements should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2026. The June 30, 2026 condensed consolidated balance sheet was derived from the audited consolidated financial statements.

The condensed consolidated financial statements include the accounts of the Company and its consolidated subsidiaries, including Portsmouth Square, Inc. ("Portsmouth"). All material intercompany balances and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

There have been no material changes to the Company's significant accounting policies since June 30, 2026.

Recently Issued and Adopted Accounting Pronouncements

The Company's Annual Report on Form 10-K for the year ended June 30, 2026, filed with the SEC on September 28, 2026, includes a discussion of recently issued accounting pronouncements. During the three months ended September 30, 2026, the Company adopted ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The adoption did not have a material impact on the Company's condensed consolidated financial statements. The Company does not expect recently issued accounting pronouncements not yet adopted to have a material impact on its condensed consolidated financial statements.

NOTE 2 - LIQUIDITY

The Company's primary sources of liquidity at the parent-company level include cash flows from its real estate operations and proceeds from real estate sales and refinancings. Funds generated from these activities may be held as cash and cash equivalents or invested in marketable securities. On a consolidated basis, the Company also generates cash flows from Hotel operations through its majority-owned subsidiary, subject to applicable financing and cash-management restrictions.

For the three months ended September 30, 2026, the Company generated $2,031,000 in cash from operating activities. Capital expenditures totaled $1,012,000 for the Hotel and $250,000 for the Company's real estate properties.

As of September 30, 2026, the Company had cash and cash equivalents of $7,634,000, restricted cash of $10,139,000, and marketable securities of $3,327,000. Restricted cash primarily consists of funds held in lender-controlled accounts under the Hotel's financing arrangements and is subject to applicable cash-management restrictions. These balances represent consolidated amounts and include funds held by the Company's subsidiaries. Accordingly, not all such funds are necessarily available to InterGroup for parent-company obligations, as certain subsidiary funds are subject to contractual or other restrictions on distributions.

Related Party Financing

The Company provides an unsecured revolving credit facility to its majority-owned subsidiary, Portsmouth Square, Inc. ("Portsmouth"). The facility provides for maximum borrowings of $40,000,000 and bears interest at an annual rate of 9%. In August 2026, the maturity date was extended to July 31, 2029. As of September 30, 2026, the outstanding principal balance was $38,108,000. The facility and related balances are eliminated in consolidation and therefore do not represent an external source of liquidity for the consolidated Company.

Liquidity Outlook

Management continues to monitor operating performance, liquidity requirements, and debt obligations. The Hotel's financing arrangements include lender-controlled cash-management provisions that may restrict distributions to InterGroup. The Hotel financing obligations are separate from the mortgage financing arrangements associated with InterGroup's non-Hotel real estate properties. InterGroup and Portsmouth have provided limited guaranties of specified recourse and performance obligations under the Hotel's senior mortgage and mezzanine loan agreements. These guaranties may become full recourse upon the occurrence of specified events under the applicable loan documents.

NOTE 3 – REVENUE

The following table presents the Company's revenues disaggregated by major revenue streams.

For the three months ended September 30,	**2026**	**2025**
Hotel revenues:		
Hotel rooms	$ 10,702,000	$ 10,428,000
Food and beverage	696,000	912,000
Parking	541,000	900,000
Other operating departments	184,000	178,000
Total Hotel revenue	**12,123,000**	**12,418,000**
Real estate revenue	4,548,000	5,495,000
Total revenues	**$ 16,671,000**	**$ 17,913,000**

The City-mandated closure of the Hotel from July 31 through August 9, 2026, in connection with the removal of the pedestrian bridge. During the three months ended September 30, 2026, the Hotel recognized $350,000 in nonrecurring License to Enter Agreement and related costs under the executed supplemental term sheet with the City and County of San Francisco in connection with the pedestrian bridge removal project. This amount is presented separately as other income – City license compensation in the condensed consolidated statement of operations and is excluded from Hotel revenues presented above.

Performance Obligations

For Hotel revenues accounted for under ASC 606, we identified the following performance obligations for which revenue is recognized as the respective performance obligations are satisfied, which results in recognizing the amount we expect to be entitled to for providing the goods or services:

- *Cancelable room reservations or ancillary services* are typically satisfied as the good or service is transferred to the Hotel guest, which is generally when the room stay occurs.
- *Non-cancelable room reservations and banquet or conference reservations* represent a series of distinct goods or services provided over time and satisfied as each distinct good or service is provided, generally recognized over the duration of the room reservation or as banquet or conference services are rendered.
- *Other ancillary goods and services* are purchased independently of the room reservation at standalone selling prices and are considered separate performance obligations, which are satisfied when the related good or service is provided to the Hotel guest.
- *Components of package reservations* for which each component could be sold separately to other hotel guests are considered separate performance obligations and are satisfied as set forth above.

Hotel revenue primarily consists of hotel room rentals, revenue from accommodations sold in conjunction with other services (e.g., package reservations), food and beverage sales and other ancillary goods and services (e.g., parking). Revenue is recognized when rooms are occupied or goods and services have been delivered or rendered, respectively. Payment terms typically align with when the goods and services are provided. For package reservations, the transaction price is allocated to the performance obligations within the package based on the estimated standalone selling prices of each component.

We do not disclose the value of unsatisfied performance obligations for contracts with an expected length of one year or less. Due to the nature of our business, our revenue is not significantly impacted by refunds. Cash payments received in advance of guests staying at our hotel are refunded to hotel guests if the guest cancels within the specified time period, before any services are rendered. Refunds related to service are generally recognized as an adjustment to the transaction price at the time the hotel stay occurs or services are rendered.

Rental income from the Company's residential and commercial properties is recognized on a straight-line basis over the applicable lease term in accordance with ASC 842, Leases. Residential leases generally do not extend beyond one year.

Contract Assets and Liabilities

The Company does not have any material contract assets as of September 30, 2026 and June 30, 2026. Trade and other receivables arising from contracts with customers are included in other assets, of the condensed consolidated balance sheets and are presented net of the applicable allowance for credit losses.

Portsmouth records contract liabilities when cash payments are received or due in advance of guests staying at our hotel, which are presented within Accounts payable and other liabilities-Hotel on our consolidated balance sheets.

Contract liabilities were $898,000 and $637,000 as of September 30, 2026 and 2025, respectively, compared to beginning balances of $472,000 and $505,000, respectively. The increases were primarily due to advance deposits for future Hotel services.

During the three months ended September 30, 2026 and 2025, the Company recognized revenue of $330,000 and $336,000, respectively, from contract liabilities outstanding at the beginning of the respective periods.

Contract Costs

The Company applies the practical expedient that permits incremental costs of obtaining a contract, including sales commissions, to be expensed as incurred when the amortization period that otherwise would have applied is one year or less.

NOTE 4 – INVESTMENT IN HOTEL, NET

Investment in Hotel, net, consisted of the following:

September 30, 2026	Cost	Accumulated Depreciation	Net Book Value
Land	$ 2,738,000	$ -	$ 2,738,000
Finance lease ROU assets	1,805,000	(1,805,000)	-
Furniture and equipment	42,412,000	(35,630,000)	6,782,000
Building and improvements	70,520,000	(42,009,000)	28,511,000
Investment in Hotel, net	$ 117,475,000	$ (79,444,000)	$ 38,031,000

June 30, 2026	Cost	Accumulated Depreciation	Net Book Value
Land	$ 2,738,000	$ -	$ 2,738,000
Finance lease ROU assets	1,805,000	(1,777,000)	28,000
Furniture and equipment	41,431,000	(35,142,000)	6,289,000
Building and improvements	70,490,000	(41,568,000)	28,922,000
Investment in Hotel, net	$ 116,464,000	$ (78,487,000)	$ 37,977,000

Furniture and equipment are depreciated on a straight-line basis over estimated useful lives ranging from 3 to 7 years. Building and improvements are depreciated on a straight-line basis over estimated useful lives ranging from 15 to 39 years. Finance lease right-of-use assets are amortized over the applicable lease term.

Depreciation and amortization expense related to our investment in Hotel for the three months ended September 30, 2026 and 2025 are $958,000 and $898,000, respectively.

NOTE 5 – INVESTMENT IN REAL ESTATE, NET

At September 30, 2026, the Company's investment in real estate consisted of twenty real estate holdings, consisting of nineteen operating properties located throughout the United States and approximately two acres of unimproved land in Maui, Hawaii. The operating properties include fifteen apartment complexes, three single-family houses and one commercial real estate property.

Investment in real estate included the following:

As of	September 30, 2026	June 30, 2026
Land	$ 22,293,000	$ 22,293,000
Buildings, improvements and equipment	77,054,000	76,807,000
Accumulated depreciation	(58,968,000)	(58,198,000)
	40,379,000	40,902,000
Land held for development	1,936,000	1,933,000
Investment in real estate, net	$ 42,315,000	$ 42,835,000

Building, improvements, and equipment are stated at cost, depreciated on a straight-line basis over their useful lives ranging from 5 to 40 years. During the three months ended September 30, 2026 the Company invested $250,000 in capitalized real estate additions. Depreciation expense related to our investment in real estate for the three months ended September 30, 2026 and 2025 was $770,000 and $757,000, respectively.

NOTE 6 – INVESTMENT IN MARKETABLE SECURITIES

The Company's marketable equity securities are measured at fair value, with changes in fair value recognized in earnings.

Marketable securities consisted of the following:

Investment	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Net Unrealized Gain	Fair Value
As of September 30, 2026					
Corporate Equities	$ 2,735,000#	$ 783,000	$ (191,000)	$ 592,000	$ 3,327,000
As of June 30, 2026					
Corporate Equities	$ 3,419,000	$ 1,018,000	$ (43,000)	$ 975,000	$ 4,394,000

Net (loss) gain on marketable securities recognized in earnings consisted of the following:

For the three months ended September 30,	**2026**	**2025**
Realized gain on marketable securities, net	$ 32,000	$ 20,000
Unrealized (loss) gain on marketable securities, net	(435,000)	116,000
Net (loss) gain marketable securities	$ (403,000)	$ 136,000

NOTE 7 - FAIR VALUE MEASUREMENTS

Fair value measurements are classified within a three-level hierarchy based on the observability of the inputs used. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are observable inputs other than Level 1 quoted prices; and Level 3 inputs are significant unobservable inputs.
Assets and liabilities measured at fair value on a recurring basis consisted of the following:

September 30, 2026	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets:				
Marketable equity securities	$ 3,327,000	$ 3,327,000	$ -	$ -
Interest rate cap	23,000	-	23,000	-
Total assets	$ 3,350,000	$ 3,327,000	$ 23,000	-
Liabilities:				-
Obligations for securities sold	153,000	153,000	-	-
Total liabilities	$ 153,000	$ 153,000	$ -	$ -

June 30, 2026	**Total Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets:				
Marketable equity securities	$ 4,394,000	$ 4,394,000	$ -	$ -
Interest rate cap	23,000	-	23,000	-
Total assets	$ 4,417,000	$ 4,394,000	$ 23,000	-
Liabilities:				-
Obligations for securities sold	272,000	272,000	-	-
Total liabilities	$ 272,000	$ 272,000	$ -	$ -

Marketable equity securities and obligations for securities sold are classified within Level 1 because their fair values are based on quoted prices in active markets for identical securities. See Note 6 – Investment in Marketable Securities.

The Interest Rate Cap is classified within Level 2 because its fair value is determined using observable market inputs, including forward Term SOFR curves and implied volatility assumptions obtained from a third-party pricing service. The Interest Rate Cap is not designated as a hedging instrument, and changes in its fair value are recognized in earnings. The Interest Rate Cap had a notional amount of $67,000,000 as of September 30, 2026 and June 30, 2026 and is included in mortgage and mezzanine notes payable – Hotel, net in the consolidated balance sheets. See Note 12 – Mortgage Notes Payable and Mezzanine Financing.

There have been no material changes to the Company's fair value measurement methodologies or classification of instruments during the periods presented.

NOTE 8 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows:

As of	September 30, 2026	June 30, 2026
Cash and cash equivalents	$ 7,634,000	$ 6,356,000
Restricted cash	10,139,000	10,943,000
Total cash, cash equivalents, and restricted cash shown in the condensed consolidated statements of cash flows	$ 17,773,000	$ 17,299,000

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less at the date of purchase. Amounts are recorded within "cash and cash equivalents" on the condensed consolidated balance sheets.

Restricted cash consists primarily of funds held in lender-controlled accounts under the Hotel's mortgage and mezzanine financing arrangements at Portsmouth Square, Inc., the Company's majority-owned subsidiary, and mortgage financing arrangements associated with the Company's non-Hotel real estate properties, including escrows and reserves for real estate taxes and insurance, furniture, fixtures and equipment (FF&E), capital expenditures, and other amounts required by the respective loan agreements. See Note 12 – Mortgage Notes Payable and Mezzanine Financing for additional information regarding the Hotel's financing and cash-management provisions.

Cash, cash equivalents and restricted cash as presented in the condensed consolidated statements of cash flows equal the sum of these line items on the condensed consolidated balance sheets.

NOTE 9 – STOCK BASED COMPENSATION PLANS

The Company follows Accounting Standard Codification (ASC) Topic 718 "Compensation – Stock Compensation", which addresses accounting for equity-based compensation arrangements, including employee stock options and restricted stock units.

Please refer to Note 15 – Stock Based Compensation Plans in the Company's Form 10-K for the year ended June 30, 2026 for more detailed information on the Company's stock-based compensation plans.

The assumptions used to estimate the fair value of stock options are consistent with those described in Note 15 to the Company's Form 10-K for the year ended June 30, 2026.

During the three months ended September 30, 2026 and 2025, the Company recorded $8,000 and $20,000, respectively, related to stock option compensation cost.

The following table summarizes the stock options activity from July 1, 2025 through September 30, 2026:

		Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life	Aggregate Intrinsic Value
Outstanding at	July 1, 2025	269,195	$ 16.81	3.15 years	$ 125,000
Granted		-	-	-	-
Exercised		-	-	-	-
Expired		100,000	10.30	-	-
Exchanged		-	-	-	-
Outstanding at	June 30, 2026	169,195	$ 20.66	3.60 years	$ 4,629,000
Exercisable at	June 30, 2026	163,195	$ 20.36	3.46 years	$ 4,514,000
Vested and expected to vest at	June 30, 2026	169,195	$ 20.66	3.60 years	$ 4,629,000
Outstanding at	July 1, 2026	169,195	$ 20.66	3.60 years	$ 4,629,000
Granted		-	-	-	-
Exercised		-	-	-	-
Expired		-	-	-	-
Exchanged		-	-	-	-
Outstanding at	September 30, 2026	169,195	$ 20.66	3.34 years	$ 1,543,000
Exercisable at	September 30, 2026	163,195	$ 20.36	3.21 years	$ 1,538,000
Vested and expected to vest at	September 30, 2026	169,195	$ 20.66	3.34 years	$ 1,543,000

The aggregate intrinsic value of stock options outstanding as of June 30, 2026 has been revised from $4,514,000, as previously reported, to $4,629,000 to include the intrinsic value of 6,000 outstanding, unvested stock options. The revision had no impact on the Company's previously reported financial position, results of operations, cash flows, or earnings per share.

Aggregate intrinsic value represents the amount by which the market price of the Company's common stock exceeds the exercise price of outstanding in-the-money stock options as of the reporting date. As of September 30, 2026, the aggregate intrinsic value of outstanding stock options was approximately $1,543,000, compared with approximately $1,538,000 for exercisable stock options. Unrecognized compensation cost related to unvested stock options outstanding as of September 30, 2026 was not material and is expected to be recognized over the remaining requisite service period.

No stock options were granted or exercised during the three months ended September 30, 2026 and 2025. Accordingly, no cash proceeds were received from option exercises, and the total intrinsic value of options exercised was $0 for either period.

NOTE 10 – SEGMENT INFORMATION

The Company operates in three reportable segments: Hotel Operations, Real Estate Operations, and Investment Transactions. Unallocated corporate expenses and other activities are included in "Other."

The Company's chief operating decision maker ("CODM"), consisting of senior executives, evaluates segment performance and allocates resources based on segment income (loss). Hotel Operations excludes depreciation, amortization, and financing-related interest expense, while Investment Transactions includes investment gains and losses, dividend and interest income, and trading and margin interest expense. "Other" primarily includes corporate general and administrative expenses and income taxes. There are no intersegment revenues.

The following tables present reportable segment information for the three months ended September 30, 2026 and 2025.

All long-lived assets and revenues are attributable to operations in the United States.

As of and for the three months ended September 30, 2026	Hotel Operations	Real Estate Operations	Investment Transactions	Other	Total
Revenues	$ 12,123,000	$ 4,548,000	$ -	$ -	$ 16,671,000
Property operating expenses	(9,145,000)	(1,046,000)	-	-	(10,191,000)
Utilities	(591,000)	(372,000)	-	-	(963,000)
Real estate taxes	(548,000)	(587,000)	-	-	(1,135,000)
General & administrative	(220,000)	(352,000)	-	(771,000)	(1,343,000)
Segment income (loss)	1,619,000	2,191,000	-	(771,000)	3,039,000
Interest expense - mortgage	(2,363,000)	(756,000)	-	-	(3,119,000)
Depreciation and amortization expense	(958,000)	(770,000)	-	-	(1,728,000)
Other income - license to enter agreement	350,000	-	-	-	350,000
Loss from investments	-	-	(663,000)	-	(663,000)
Income tax expense	-	-	-	(119,000)	(119,000)
Net (loss) income	$ (1,352,000)	$ 665,000	$ (663,000)	$ (890,000)	$ (2,240,000)
Total assets	$ 52,761,000	$ 42,315,000	$ 3,327,000	$ 5,851,000	$ 104,254,000

As of and for the three months ended September 30, 2025	Hotel Operations	Real Estate Operations	Investment Transactions	Other	Total
Revenues	$ 12,418,000	$ 5,495,000	$ -	$ -	$ 17,913,000
Property operating expenses	(9,167,000)	(1,038,000)	-	-	(10,205,000)
Utilities	(546,000)	(322,000)	-	-	(868,000)
Real estate taxes	(492,000)	(574,000)	-	-	(1,066,000)
General & administrative	(276,000)	(404,000)	-	(706,000)	(1,386,000)
Segment income (loss)	1,937,000	3,157,000	-	(706,000)	4,388,000
Interest expense - mortgage	(2,493,000)	(765,000)	-	-	(3,258,000)
Depreciation and amortization expense	(899,000)	(757,000)	-	-	(1,656,000)
Loss from investments	-	-	(159,000)	-	(159,000)
Income tax expense	-	-	-	(474,000)	(474,000)
Net (loss) income	$ (1,455,000)	$ 1,635,000	$ (159,000)	$ (1,180,000)	$ (1,159,000)
Total assets	$ 50,539,000	$ 44,655,000	$ 966,000	$ 6,356,000	$ 102,516,000

NOTE 11 – OTHER FINANCING TRANSACTIONS

The following summarizes the balances of other notes payable as of September 30, 2026 and June 30, 2026, respectively.

As of	September 30, 2026	June 30, 2026
Note payable - Hilton	$ 1,187,000	$ 1,267,000
Note payable - Aimbridge	84,000	146,000
Total other notes payable	$ 1,271,000	$ 1,413,000

Hilton Development Incentive (Other Financing)

The Hilton development incentive note, associated with the Hotel owned through Portsmouth Square, Inc., the Company's majority-owned subsidiary, is a self-exhausting, interest-free development incentive that is reduced by approximately $317,000 annually through January 2030 while the Hotel continues to operate under the Hilton franchise agreement.

Hotel Management Key Money

Under the Hotel Management Agreement ("HMA") dated February 1, 2017, between Justice Operating Company, LLC, a subsidiary of Portsmouth Square, Inc., and Aimbridge Hospitality ("Aimbridge"), Aimbridge advanced $2,000,000 of key money for capital improvements. The key money is amortized in equal monthly amounts over eight (8) years beginning on the second anniversary of the takeover date and is recognized as a reduction of Hotel operating expenses. The unamortized balance was $84,000 and $146,000 at September 30, 2026, and June 30, 2026, respectively, and is included in other notes payable in the condensed consolidated balance sheets.

Future expected reductions of the carrying amounts of other notes payable, including amortization of the Aimbridge key money and scheduled reductions of the Hilton development incentive, as of September 30, 2026 are as follows:

For the year ending June 30,		
2027 (9 months)	$	321,000
2028		317,000
2029		317,000
2030		316,000
2031		-
Thereafter		-
	$	1,271,000

NOTE 12 – MORTGAGE NOTES PAYABLE AND MEZZANINE FINANCING

Senior Mortgage and Mezzanine Loans

Justice Operating Company, LLC ("Operating"), a subsidiary of Portsmouth Square, Inc. ("Portsmouth"), the Company's majority-owned subsidiary, entered into a $67,000,000 senior mortgage loan with Prime Finance Short Duration Holding Company 9, LLC on March 28, 2025. On the same date, Justice Mezzanine Company, LLC ("Mezzanine"), also a Portsmouth subsidiary, amended and restated its $36,300,000 mezzanine loan with CRED REIT Holdco LLC. The senior mortgage loan bears interest at the greater of 7.65% or Term SOFR plus 4.75%. The senior mortgage also requires interest-rate protection limiting Term SOFR to 4.50%. See Note 7 – Fair Value Measurements. Under the existing mezzanine loan agreement, the mezzanine loan bears interest at a fixed rate of 7.25% through March 28, 2027, and provides for a rate of 11.25% beginning March 29, 2027. Both loans have an initial maturity date of April 9, 2027, with three one-year extension options through April 9, 2030, subject to specified conditions. The Hotel senior mortgage and mezzanine loans are generally non-recourse to InterGroup, except for specified obligations under limited guaranties provided by InterGroup and Portsmouth. The guaranties may become full recourse upon certain defined springing-recourse events under the applicable loan documents.

The first one-year extension requires, among other conditions, a Debt Service Coverage Ratio ("DSCR") of at least 1.10:1.00 under the senior mortgage loan agreement. No Debt Yield requirement applies to the first extension. The extension is also subject to other contractual conditions, including the absence of specified defaults or events of defaults, continuation or replacement of the required interest-rate protection and a corresponding extension of the mezzanine loan.

As of September 30, 2026, Portsmouth was in compliance with all applicable loan covenants. The Hotel remains subject to a lender-controlled cash-management arrangement, which does not constitute a default or covenant noncompliance. The conditions for release from cash management are separate from the conditions governing the first loan extension. There were no material changes to the loan agreements during the three months ended September 30, 2026. See Note 2 – Liquidity for additional information regarding management's expected exercise of the first extension option.

InterGroup Real Estate Mortgages (Non-Hotel) and Consolidated Debt Maturities

During the three months ended September 30, 2026, the Company did not enter into any new financing arrangements, modifications, or refinancings related to its real estate properties.

The Company's consolidated mortgage and mezzanine indebtedness consists of (i) the Hotel senior mortgage and mezzanine loans, which are obligations of Portsmouth's subsidiaries, and (ii) mortgages secured by InterGroup's non-Hotel real estate properties, which are obligations of InterGroup or its other property-owning subsidiaries. The following table summarizes scheduled principal maturities of the consolidated mortgage and mezzanine indebtedness as of September 30, 2026, based on contractual maturity dates without assuming the exercise of conditional extension options. The amounts exclude unamortized debt issuance costs and other applicable carrying-value adjustments:

For the year ending June 30,	
2027 (9 months)	$ 104,538,000
2028	6,554,000
2029	1,814,000
2030	16,002,000
2031	13,631,000
Thereafter	51,890,000
	$ 194,429,000

NOTE 13 – ACCOUNTS PAYABLE AND OTHER LIABILITIES

The following summarizes the balances of accounts payable and other liabilities as of September 30, 2026 and June 30, 2026.

As of	**September 30, 2026**	**June 30, 2026**
Trade payable	$ 2,459,000	$ 1,829,000
Advance deposits	1,039,000	622,000
Property tax payable	1,554,000	543,000
Payroll and related accruals	3,017,000	3,196,000
Mortgage interest payable	7,020,000	6,333,000
Withholding and other taxes payable	1,447,000	1,282,000
Security deposit	1,049,000	1,025,000
Franchise fees	432,000	444,000
Management fees payable	161,000	331,000
Other	644,000	650,000
Total accounts payable and other liabilities	$ 18,822,000	$ 16,255,000

The balances presented represent the consolidated accounts payable, accrued expenses and other liabilities of The InterGroup Corporation and its subsidiaries. As of September 30, 2026 and June 30, 2026, respectively, $14,825,000 and $13,001,000 were classified as Hotel-related liabilities associated with operations conducted through Portsmouth Square, Inc., the Company's majority-owned subsidiary, while $3,997,000 and $3,254,000 were classified as liabilities associated with the Company's non-Hotel operations. These balances include operating payables, accrued expenses and other obligations and do not represent solely short-term borrowings. The underlying obligations are attributable to the respective entities, subject to applicable contractual arrangements and guaranties.

NOTE 14 – SUBSEQUENT EVENT

The Company evaluated subsequent events through November 16, 2026, the date the accompanying condensed consolidated financial statements were issued, and determined that no events occurred during the subsequent event evaluation period that require recognition or additional disclosure in the accompanying condensed consolidated financial statements

Item 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS AND PROJECTIONS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include, but are not limited to, statements regarding the Company's expectations concerning future operating performance, financial results, liquidity and capital resources, indebtedness and the ability to satisfy debt extension or refinancing conditions, market conditions, and other future events or circumstances.

Forward-looking statements are not historical facts and may be identified by words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects," "may," "will," "should," "could," or similar expressions. These statements are based on management's current expectations and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, that could cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

These risks and uncertainties include, but are not limited to, general economic and market conditions; inflation and changes in interest rates; conditions affecting the hotel, lodging and real estate industries; the Company's significant exposure to the San Francisco lodging market through the Hotel owned by its majority-owned subsidiary, Portsmouth Square, Inc.; competition and demand in the San Francisco hotel market; seasonality; labor costs and labor disruptions; capital expenditure requirements, Hilton franchise standards and dependence on third-party Hotel management and franchise relationships; restrictions on the availability of Hotel cash under lender-controlled cash-management arrangements; changes in securities markets; the ability of the Company and its subsidiaries to meet their respective debt obligations, satisfy applicable loan extension conditions or obtain refinancing on acceptable terms; changes in laws and regulations; litigation; cybersecurity incidents; natural disasters; geopolitical conflicts; and other risks described in this Quarterly Report and in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026, including under "Risk Factors."

These risks and uncertainties could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Quarterly Report. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances or the occurrence of unanticipated events.

RESULTS OF OPERATIONS

As of September 30, 2026, the Company owned approximately 75.9% of Portsmouth Square, Inc., which, through its subsidiaries owns the 558-room Hilton San Francisco Financial District and its five-level parking garage. The Company's principal sources of revenue include Hotel operations, multifamily and commercial real estate rentals, while investment-related gains, losses, dividends and interest income and margin interest expense, are reported separately in other income (expense). The Company's real estate portfolio is primarily concentrated in Texas and Southern California.

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

The Company reported a consolidated net loss of $2,240,000, of which $1,614,000 was attributable to The InterGroup Corporation, for the three months ended September 30, 2026, compared to a consolidated net loss of $1,159,000 of which $535,000 was attributable to The InterGroup Corporation, for the same period in 2025. The increase in consolidated net loss was primarily attributable to a decrease in income from operations of $1,421,000, from $2,732,000 in the prior-year quarter to $1,311,000 in the current quarter, reflecting lower revenues from real estate and Hotel operations and higher operating expenses. The increase in net loss was also affected by a $403,000 loss on marketable securities during the current quarter, compared to a gain of $136,000 in the prior-year period.

Hotel Operations

The Company reported a decrease in Hotel Operations segment income to $1.619 million for the three months ended September 30, 2026 compared to $1.937 million for the three months ended September 30, 2025. During the quarter, the City and County of San Francisco required the Hotel to suspend operations from July 31 through August 9, 2026, in connection with the removal of the pedestrian bridge connecting the Hotel to Portsmouth Square park. The Hotel reopened on August 10, 2026. This ten-day mandatory closure adversely affected the Hotel's operating results for the quarter, as discussed below.

The following table sets forth a more detailed presentation of Hotel operations for the three months ended September 30, 2026 and 2025:

For the three months ended September 30,	2026	2025
Hotel revenues:		
Hotel rooms	$ 10,702,000	$ 10,428,000
Food and beverage	696,000	912,000
Parking	541,000	900,000
Other operating departments	184,000	178,000
Total Hotel revenues	12,123,000	12,418,000
Hotel operating expenses	(10,504,000)	(10,481,000)
Hotel operations segment income	$ 1,619,000	$ 1,937,000

The following table sets forth the average daily room rate, average occupancy percentage and RevPAR of the Hotel for the three months ended September 30, 2026 and 2025.

Three Months Ended September 30,	Average Daily Rate	Average Occupancy %	RevPAR
2026	$ 248	84%	$ 208
2025	$ 218	95%	$ 207

City-Mandated Hotel Closure and Operating Impact

Hotel revenues decreased to $12,123,000 for the three months ended September 30, 2026, from $12,418,000 for the corresponding prior-year period, reflecting, in part, the effects of the City-mandated closure of the Hotel from July 31 through August 9, 2026, in connection with the removal of the pedestrian bridge. The decline occurred despite an increased in room revenues to $10,702,000 from $10,428,000. Although the Hotel reopened on August 10, 2026, the disruption extended beyond the physical closure period due to the ramp-down and ramp-up of Hotel operations, including the effects on guest reservations, cancellations, and booking patterns.

Parking revenue decreased by approximately $359,000 compared to the prior-year period, primarily attributable to parking garage access restrictions associated with the City's pedestrian bridge removal project. The Hotel lost access to three levels of its parking garage from July 7 through August 19, 2026, reducing available capacity to approximately 105 spaces. An additional 52 spaces on Level A were unavailable from July 24 through August 12, 2026. These restrictions began before the Hotel's mandatory closure and continued after reopening, adversely affecting parking operations during the quarter. Other operating departments revenue increased by approximately $6,000 to $184,000 from $178,000. Separately, the Company recognized $350,000 in nonrecurring, nonrefundable payments associated with the City's License to Enter Agreement and related costs under the executed Supplemental Term Sheet. This amount is excluded from Hotel revenues and is separately presented as other income – license to enter agreement in the condensed consolidated statement of operations. The compensation was recognized during the quarter ended September 30, 2026, and is separate from management's estimated displaced Hotel revenue and avoided operating costs discussed below.

Based on management's analysis, Portsmouth estimates that the closure and associated operational disruption resulted in approximately $1.8 million of displaced Hotel revenue during the affected period through August 13, 2026. Of this amount, approximately $1.31 million relates to the ten-day mandatory closure and approximately $0.49 million relates to the four-day reopening and recovery period. The combined estimate includes approximately $1.54 million in room revenue and $0.26 million in food and beverage and other Hotel operating revenues.

This amount represents management's estimate of revenue that otherwise would have been generated and is not included in reported Hotel revenues. The estimate is based on management's assumptions regarding expected occupancy, room rates, ancillary revenues and the operational recovery period. Management's analysis also estimates approximately $0.60 million of operating costs avoided as a result of the disruption. Accordingly, the estimated displaced revenue should not be interpreted as an equivalent reduction in reported operating income or net earnings. These estimates are provided solely to explain management's assessment of the operational effects of the City-mandated closure and do not represent revenues earned or a separately reported measure of operating income.

Average daily rate increased to $248 from $218, or 13.8%, while reported occupancy declined to 84% from 95%. Revenue per available room increased slightly to $208 from $207.

Real Estate Operations

Revenue from real estate operations decreased to $4,548,000 for the three months ended September 30, 2026, compared to $5,495,000 for the three months ended September 30, 2025. As previously discussed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026, the Company continued to address historical tenant receivables arising from collection restrictions imposed during the COVID-19 pandemic, including the resolution of certain outstanding balances and continued evaluation of remaining receivables. The prior-year quarter included a $772,000 reversal of previously established allowances associated with these historical balances, which favorably impacted reported revenue. No comparable reversal occurred during the current-year quarter. Excluding this prior-year impact, revenue from real estate operations decreased approximately $175,000, or 3.7%, on a comparable basis.

Investment Transactions

The Company had a net loss on marketable securities of $403,000 for the three months ended September 30, 2026 compared to a net gain of $136,000 for the three months ended September 30, 2025. For the quarter ended September 30, 2026, the Company recorded a net realized gain of $32,000 and a net unrealized loss of $435,000. See "Marketable Securities" below. For the three months ended September 30, 2025, the Company had a net realized gain of $20,000 and a net unrealized gain of $116,000.

Tax Estimates

The Company and its subsidiary, Portsmouth, compute and file income tax returns separately and prepare discrete income tax provisions for financial reporting purposes. Income tax expense for the three months ended September 30, 2026 and September 30, 2025 reflects the respective tax positions of InterGroup and Portsmouth, including the effects of pretax losses and applicable valuation allowances on the recognition of income tax benefits. Both entities file their respective federal and state income tax returns on a calendar-year basis.

MARKETABLE SECURITIES

The fair value of the Company's marketable securities portfolio decreased by $1,067,000, or approximately 24.3%, from June 30, 2026 to September 30, 2026. The following table shows the composition of the Company's marketable securities portfolio as of September 30, 2026 and June 30, 2026 by selected industry groups.

As of September 30, 2026 Industry Group	Fair Value	% of Total Investment Securities
Technology	$ 1,286,000	38.7%
REITs and real estate companies	1,176,000	35.3%
Financial services	504,000	15.1%
Energy	124,000	3.7%
Other	120,000	3.6%
Industrials	66,000	2.0%
Healthcare	51,000	1.5%
Total	$ 3,327,000	100.0%

As of June 30, 2026 Industry Group	Fair Value	% of Total Investment Securities
REITs and real estate companies	$ 1,853,000	42.2%
Technology	1,266,000	28.8%
Financial services	771,000	17.5%
Healthcare	168,000	3.8%
Energy	111,000	2.5%
Other	73,000	1.7%
Basic materials	72,000	1.6%
Communication	35,000	0.8%
Consumer cyclical	28,000	0.6%
Utilities	17,000	0.4%
	$ 4,394,000	100.0%

The Company's Investment Transactions segment reported a loss of $663,000 for the three months ended September 30, 2026, consisting of a net loss of $403,000 on marketable securities, dividend and interest income of $28,000, margin interest expense of $199,000, and trading and management expenses of $89,000. For the three months ended September 30, 2025, the segment reported a loss of $159,000, consisting of a net gain of $136,000 on marketable securities, dividend and interest income of $2,000, margin interest expense of $188,000, and trading and management expenses of $109,000.

The following table summarizes the results of the Company's marketable securities activities:

For the three months ended September 30,	2026	2025
Net (loss) gain on marketable securities	$ (403,000)	$ 136,000
Dividend and interest income	28,000	2,000
Margin interest expense	(199,000)	(188,000)
Trading and management expenses	(89,000)	(109,000)
Net loss from investment transactions	$ (663,000)	$ (159,000)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL SOURCES

As of September 30, 2026, the Company had cash and cash equivalents of $7,634,000, restricted cash of $10,139,000, and marketable securities of $3,327,000, compared to $6,356,000, $10,943,000, and $4,394,000, respectively, as of June 30, 2026. These amounts are reported on a consolidated basis and include assets held by Portsmouth and other subsidiaries. Accordingly, the balances should not be interpreted as funds available without restriction to InterGroup at the parent-company level. Restricted cash includes lender-controlled reserves and other escrows associated with the Hotel and the Company's non-Hotel properties.

Parent Company (InterGroup) — Liquidity and Capital Resources

The Company's principal liquidity requirements include corporate overhead, operating expenses of its non-Hotel real estate properties, debt service, lender-required reserves, capital expenditures and scheduled debt maturities. These obligations arise at the parent-company level or within the respective property-owning subsidiaries. Separately, Portsmouth and its subsidiaries incur the operating expenses, financing obligations and capital expenditures associated with the Hotel. Long-term liquidity requirements include capital improvements necessary to maintain the Hotel's competitiveness and compliance with Hilton franchise standards.

Although Portsmouth's financial results and obligations are included in InterGroup's consolidated financial statements, the Hotel's cash flows are subject to lender-controlled cash-management arrangements and restrictions on distributions. Accordingly, Hotel cash and restricted reserves are not necessarily available to satisfy obligations of InterGroup or its non-Hotel subsidiaries.

Portsmouth's subsidiaries have a $67,000,000 senior mortgage loan and $36,300,000 mezzanine loan related to the Hotel that have an initial maturity date of April 9, 2027, with three one-year extension options subject to specified conditions. Management currently expects to satisfy the applicable conditions and exercise the first one-year extension option through April 9, 2028. The first extension requires, among other conditions, a minimum Debt Service Coverage Ratio of 1.10:1.00; no Debt Yield requirement applies to the first extension. If Portsmouth's borrowing subsidiaries are unable to exercise an extension, they would be required to repay or refinance the loans at maturity. Under the existing mezzanine agreement, the fixed interest rate increases from 7.25% to 11.25% beginning March 29, 2027, increasing future interest accruals and financing costs. See Note 12 – Mortgage Notes Payable and Mezzanine Financing.

Related Party Credit Facility – Intergroup loan to Portsmouth

InterGroup provides an unsecured revolving credit facility to its majority-owned subsidiary, Portsmouth Square, Inc. ("Portsmouth"). In August 2026, the maturity date was extended to July 31, 2029. As of September 30, 2026, the outstanding balance was $38,108,000. The facility and related balances are eliminated in consolidation. The outstanding balance represents a receivable of InterGroup and a corresponding obligation of Portsmouth on their respective standalone financial statements, rather than an external source of liquidity to the consolidated Company.

InterGroup Real Estate

During the three months ended September 30, 2026, the Company did not enter into any new financing arrangements, modifications, or refinancings related to its real estate properties.

All existing loans and mortgage obligations remained in good standing, and there were no material changes to the terms, maturities, or covenants of any existing debt instruments.

Management's Liquidity Assessment

Management believes the Company's existing liquidity sources and financing arrangements are sufficient to meet its obligations for at least 12 months following issuance of the consolidated financial statements. This assessment includes management's expectation that Portsmouth will satisfy the applicable conditions for the first one-year extension of the Hotel senior mortgage and mezzanine loans. The ability to obtain these extensions is subject to the terms of the applicable agreements, and failure to satisfy the required conditions could necessitate repayment, refinancing or other financing arrangements. The Company's liquidity remains subject to Hotel and real estate operating performance, interest rates, capital requirements, debt-extension conditions and the availability of refinancing.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2026, the Company has no material off balance sheet arrangements.

IMPACT OF INFLATION

Hotel room rates are typically impacted by supply and demand factors, as well as competitive and economic conditions. Room rates can be, and usually are, adjusted to account for inflationary cost increases. However, the Company's ability to offset increases in labor, utilities, insurance and other operating expenses through adjustments to Hotel room rates depends on market demand and competitive conditions. Inflation also affects the Company's non-Hotel real estate operations through increases in maintenance, insurance, utilities, labor, property taxes and other operating expenses. Although residential rental rates may generally be adjusted as leases expire or renew, the Company's ability to increase rents at certain properties is limited by applicable rent-stabilization and tenant-protection laws.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as related disclosures. These estimates are based on historical experience and other assumptions considered reasonable under the circumstances. Actual results may differ from these estimates.

There have been no material changes to the Company's critical accounting estimates during the three months ended September 30, 2026, from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2026.

INCOME TAXES

The Company recognized income tax expense of $119,000 and $474,000 for the three-month periods ended September 30, 2026 and 2025, respectively.

We apply ASC 740 to account for income taxes. Significant judgment is required to estimate the future tax consequences of events recognized in our condensed consolidated financial statements and tax returns, including the realizability of deferred tax assets and the effects of changes in tax laws or their interpretation. Our income tax returns are subject to examination by the IRS and other taxing authorities; changes in our assessment of these matters could materially affect our consolidated financial statements. We evaluate tax positions taken or expected to be taken on a tax return and recognize benefits only when it is more-likely-than-not that the position will be sustained upon examination, based on the technical merits and assuming full knowledge by the taxing authority. For positions that meet this threshold, the recognized benefit is measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. Positions that do not meet the recognition threshold are not recognized. Estimates, assumptions, and judgments are inherent in these evaluations, and changes in our assessments could materially affect our consolidated financial statements. We recognize interest and penalties related to uncertain tax positions in income tax expense.

DEFERRED INCOME TAXES – VALUATION ALLOWANCE

We assess the realizability of deferred tax assets ("DTA") each reporting period on a jurisdiction-by-jurisdiction basis. A valuation allowance is recorded when it is more-likely-than not that some or all DTAs will not be realized. In forming this conclusion, we weigh all available positive and negative evidence, placing significant weight on objectively verifiable evidence, including recent financial results.

Cumulative pre-tax losses in recent years constitute significant negative evidence that DTAs may not be realizable, while cumulative pre-tax income provides objective positive evidence of our ability to generate taxable income. Consistent with GAAP, when there is a recent history of pre-tax losses, greater weight is generally placed on objectively verifiable evidence than on subjective forecasts of future taxable income in assessing DTA realizability. When relevant, we use systematic and logical scheduling to estimate the timing of reversal of temporary differences (i.e., when deferred tax liabilities will generate taxable income and when DTAs will generate deductions). These assessments require assumptions and judgments and are inherently complex and subjective. Significant judgment will also be required to determine the timing and amount of any future release of the valuation allowance should our evidence change.

HOTEL ASSETS

We review Hotel property and equipment ("long-lived assets") each quarter and whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We generally assess recoverability at the property (asset-group) level – the lowest level for which identifiable cash flows are largely independent.

When indicators of impairment exist, we compare the carrying amount to the sum of the asset group's undiscounted cash flows expected from use and eventual disposition. If not recoverable we measure an impairment loss as the excess of the carrying amount over fair value. Fair value is estimated using market and/or income approaches, which require significant judgment, including assumptions about occupancy, ADR/RevPAR, operating margins, required capital expenditures, terminal values, and market discount and capitalization rates. Our assessment of impairment indicators considers industry conditions, property location, market dynamics, historical performance, and property-specific facts available at the time; conclusions may vary period to period as facts change.

Changes in economic or operating conditions could result in future impairment charges. Historically, changes in estimates used in our process have not resulted in material subsequent-period impairment charges.

There were no indicators of impairment for our Hotel property and equipment, and no impairment losses were recorded for the three months ended September 30, 2026 and 2025, respectively.

STOCK-BASED COMPENSATION

We account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees, including employee stock options, based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. We use the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of our stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the options.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a "smaller reporting company" and therefore we are not required to provide information required by this Item.

Item 4. Controls and Procedures.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer and Principal Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Chief Executive Officer and Principal Financial Officer concluded that, as of September 30, 2026, the Company's disclosure controls and procedures were effective at a reasonable assurance level to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management as appropriate.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II.
OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Portsmouth Square, Inc., through its subsidiary Justice Operating Company, LLC ("Operating"), owns the real property at 750 Kearny Street in San Francisco, which is improved with a 27-story building that houses a Hilton-branded hotel (the "Property"). In connection with City approvals by the City and County of San Francisco (the "City") in the early 1970s, an ornamental overhead pedestrian bridge was constructed spanning Kearny Street to the City's Portsmouth Square park and underground garage (the "Bridge"), pursuant in part to a Major Encroachment Permit (the "Permit").

On May 24, 2022, the City purported to revoke the Permit and, on June 13, 2022, directed Portsmouth to submit a general bridge removal and site restoration plan (the "Plan") at Portsmouth's expense. Portsmouth disputes the legality of the purported revocation and the existence of any obligation to fund removal. Portsmouth representatives participated in meetings with the City on and after August 1, 2019, regarding a potential collaborative removal process; until the 2022 purported revocation, City representatives repeatedly indicated that the City would bear the costs of any removal.

Without waiving any rights, and to evaluate available options and respond to the City's directives, Portsmouth engaged a project manager, structural engineer, and architect to advise on the Plan for Bridge removal and reconstruction of the Property's Kearny Street frontage. Portsmouth then worked with the City on approvals and permits and discussed both process and financial responsibility. Those discussions resulted in a term sheet agreement in July of 2026 whereby a plan was agreed-upon for the removal of the Bridge. The City funded the demolition of the Bridge, which was completed in August 2026. Operating separately incurred the financial consequences of the temporary Hotel closure required to facilitate the demolition, including lost Hotel revenue for which the City has not provided reimbursement.

Pursuant to the executed term sheet, the City provided Operating with two non-refundable payments totaling approximately $350,000 in connection with the License to Enter and associated costs These payments were recognized as other income during the quarter ended September 30, 2026. Subject to execution and approval of a definitive settlement agreement, the City would provide approximately $3,500,000 in additional settlement-related funding, and Operating would make settlement payments of $85,000 per month for 60 months beginning January 1, 2029, subject to the early repayment and other provisions of the settlement. The term sheet contemplates resolution of the City's claims relating to Bridge removal costs and Portsmouth's position concerning the City's prior commitments and damage to the Property associated with the Bridge removal. The parties are negotiating a definitive settlement agreement reflecting the term sheet. The City has filed an action captioned City and County of San Francisco, et al. v. Justice Operating Company, et al., San Francisco Superior Court, Case No. CGC-26-640159. The timing and ultimate terms of any resolution remain uncertain.

The ultimate resolution of the proceeding remains subject to the execution and approval of a definitive settlement agreement. As of September 30, 2026, the Company has not recorded a separate loss contingency relating to the disputed litigation claims.

Item 1A. RISK FACTORS

We are a smaller reporting company and are not required to provide the information required by this Item.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities and no proceeds from such sales during the three months ended September 30, 2026.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

During the three months ended September 30, 2026, none of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement, as those terms are defined in Item 408 of Regulation S-K. There is no additional information required to be disclosed in this Item.

Item 6. EXHIBITS

10.10	Amendment to Related-Party Revolving Credit Facility between Portsmouth Square, Inc. and The InterGroup Corporation, dated August 31, 2026, extending the maturity date to July 31, 2029 (incorporated by reference to Exhibit 10.10 to Portsmouth Square, Inc.'s Form 10-K for the fiscal year ended June 30, 2026, filed on September 28, 2026).
31.1	Certification of Principal Executive Officer of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
31.2	Certification of Principal Financial Officer of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104.	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE INTERGROUP CORPORATION
(Registrant)

Date: November 16, 2026

by */s/ John V. Winfield*
John V. Winfield, President, Chairman of the Board and Chief Executive Officer

Date: November 16, 2026

by */s/ Ann Marie Blair*
Ann Marie Blair
Principal Financial Officer

EXHIBIT 31.1

CERTIFICATION

I, John V. Winfield, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The InterGroup Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ John V. Winfield
John V. Winfield
President, Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Ann Marie Blair, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The InterGroup Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Ann Marie Blair
Ann Marie Blair
Principal Financial Officer

EXHIBIT 32.1

Certification of Principal Executive Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act Of 2002

In connection with the Quarterly Report of The InterGroup Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John V. Winfield, President, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

/s/ John V. Winfield
John V. Winfield
President, Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: November 16, 2026

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

EXHIBIT 32.2

Certification of Principal Financial Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act Of 2002

In connection with the Quarterly Report of The InterGroup Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ann Marie Blair, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

/s/ Ann Marie Blair
Ann Marie Blair
Principal Financial Officer

Date: November 16, 2026

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