The InterGroup Corporation Reports First Quarter Fiscal 2027 Results; Pedestrian Bridge Removed and Hotel Reopened Following City-Mandated Closure

Los Angeles, California — November 17, 2026 The InterGroup Corporation (NASDAQ: INTG) (the "Company" or "InterGroup") announced results for the three months ended September 30, 2026, the first quarter of fiscal 2027. InterGroup reports three business segments: Hotel Operations through its approximately 75.9%-owned subsidiary Portsmouth Square, Inc. ("Portsmouth"), Real Estate Operations and Investment Transactions. The period included the City-mandated closure of Portsmouth's Hilton San Francisco Financial District hotel (the "Hotel") in connection with the removal of the pedestrian bridge to Portsmouth Square park.

First Quarter Fiscal 2027 Highlights (Three Months Ended September 30, 2026 vs. 2025)

Selected results	Q1 FY2027	Q1 FY2026	Year-over-year change
Total revenues	$16.671 million	$17.913 million	-6.9%
Income from operations	$1.311 million	$2.732 million	-52.0%
GAAP net loss	$(2.240) million	$(1.159) million	$1.081 million increase in loss
Net loss attributable to InterGroup	$(1.614) million	$(0.535) million	$1.079 million increase in loss
Hotel Operations segment income	$1.619 million	$1.937 million	-16.4%
Real Estate Operations segment income	$2.191 million	$3.157 million	-30.6%
Investment Transactions segment loss	$(0.663) million	$(0.159) million	$0.504 million increase in loss
Net cash provided by (used in) operating activities	$2.031 million	$(0.296) million	$2.327 million improvement

Bridge Removal Completed; City-Mandated Hotel Closure and Impact

The City and County of San Francisco (the "City") required the Hotel to suspend guest operations from July 31 through August 9, 2026. Physical removal of the pedestrian bridge was completed on August 9, and the Hotel reopened on August 10. Completion of the demolition removes the uncertainty surrounding the timing of the bridge removal and related shutdown. Further permanent Kearny Street entrance improvements are planned, and the proposed City settlement remains subject to definitive documentation and approvals.

Management estimates the closure and its related reservation ramp-down and recovery displaced approximately $1.8 million of Hotel revenue, including approximately $1.54 million of room revenue and $0.26 million of food, beverage and other Hotel revenue; approximately $0.60 million of operating expenses were avoided. These estimates reflect expected revenue and costs in the absence of the disruption and do not represent recorded revenue or a dollar-for-dollar reduction in operating income or net earnings. Neither amount is used to adjust reported EBITDA.

Parking garage access restrictions before and after the Hotel closure contributed to a $359,000 decrease in parking revenue, to $541,000 from $900,000 in the prior-year quarter. The restrictions extended beyond the ten-day Hotel closure and affected parking operations during the quarter.

City Settlement Framework

Portsmouth's subsidiary, Justice Operating Company, LLC, and the City executed a term sheet agreement in July 2026 addressing allocation of bridge-removal and related project costs and a proposed resolution of associated claims. The City provided two nonrefundable payments totaling $350,000 for the License to Enter and related costs, which Portsmouth recognized as other income, separate from Hotel revenue, during the quarter. Subject to execution and approval of a definitive settlement agreement, the term sheet contemplates an additional $3.5 million City payment and settlement payments by Justice Operating Company, LLC of $85,000 per month for 60 months beginning January 1, 2029, subject to early-repayment and other provisions. The City has filed a related court action as contemplated by the term sheet. The parties are negotiating a definitive settlement agreement, and the contemplated settlement and releases remain subject to required approvals and conditions. The Hotel Owner remains responsible for permanent Hotel entrance and façade improvements, whose estimated costs have not yet been determined. For additional detail, see "Legal Proceedings" in InterGroup's Form 10-Q for the quarter ended September 30, 2026.

Hotel Operations

Hotel revenue was $12.123 million in the quarter ended September 30, 2026, compared with $12.418 million in the prior-year quarter. Room revenue nevertheless increased approximately 2.6% to $10.702 million from $10.428 million. ADR rose 13.8% to $248 from $218, and RevPAR was $208 versus $207, while reported occupancy declined to 84% from 95%. Hotel Operations segment income was $1.619 million, compared with $1.937 million.

Real Estate Operations

Real Estate Operations revenue declined to $4.548 million in the three months ended September 30, 2026, from $5.495 million in the prior-year quarter; segment income declined to $2.191 million from $3.157 million. Importantly, the prior-year quarter included a $772,000 reversal of allowances on historical tenant receivables related to pandemic-era collection restrictions; no similar benefit occurred in the current quarter.

Investment Transactions

Investment Transactions is a separate reportable business segment, although its gains, losses and related expenses are presented below income from operations in the consolidated statement. The segment recorded a loss of $663,000 for the three months ended September 30, 2026, compared with a $159,000 loss in the prior-year quarter. The results included a $403,000 net loss on marketable securities, versus a $136,000 gain, and, in the current quarter, $28,000 of dividend and interest income, $199,000 of margin interest expense and $89,000 in trading and management expenses. Marketable securities had a fair value of $3.327 million at September 30, 2026.

EBITDA (Non-GAAP Financial Measure)

EBITDA is calculated from consolidated GAAP net loss by adding back interest expense, income tax expense, depreciation and amortization. Management believes EBITDA provides investors useful supplemental information for comparing periods before financing costs and noncash depreciation and amortization, and uses it alongside GAAP results to evaluate performance. It is not a substitute for GAAP net loss, operating cash flows or other GAAP measures and may not be comparable to similarly named measures used by other companies. The calculation adds back securities margin interest, which is an interest expense, but retains trading and management expenses and gains or losses from Investment Transactions. The measure includes the current quarter's $350,000 City license income and the prior-year quarter's $772,000 real-estate allowance reversal. No estimated bridge-related displaced revenue or avoided expenses are added back.

Reconciliation of GAAP net loss to EBITDA (in $000s)	Q1 FY2027	Q1 FY2026
GAAP net loss	$(2,240)	$(1,159)
Interest expense - mortgages	3,119	3,258
Trading and margin interest expense	288	297
Income tax expense	119	474
Depreciation and amortization	1,728	1,656
EBITDA	**$3,014**	**$4,417**

Less: Nonrecurring other income – license to enter agreement	(350)	-
Adjusted EBITDA	**$2,664**	**$4,417**

GAAP consolidated net loss increased to $2.240 million for the three months ended September 30, 2026 from $1.159 million in the prior-year quarter. EBITDA was $3.014 million versus $4.417 million, a decrease of approximately 33.8%. The securities margin-interest component of consolidated trading and margin interest expense was $288,000 and $297,000 in the respective periods and is the only Investment Transactions expense added back.

Liquidity and Financing

At September 30, 2026, InterGroup reported consolidated cash and cash equivalents of $7.634 million, restricted cash of $10.139 million and marketable securities with a fair value of $3.327 million. Restricted cash includes lender-controlled Hotel and other property escrows; consolidated balances should not be interpreted as funds freely available to the parent company. Net cash provided by operating activities was $2.031 million for the quarter, compared with $0.296 million used in the prior-year quarter, reflecting working-capital movements as well as operating activity. Capital expenditures were approximately $1.012 million for the Hotel and $0.250 million for non-Hotel properties.

Portsmouth was in compliance with applicable Hotel loan covenants at September 30, 2026. Its $67.0 million senior mortgage and $36.3 million mezzanine loan initially mature April 9, 2027, and have three conditional one-year extension options. The first senior-loan extension to April 9, 2028 requires, among other terms, a DSCR of at least 1.10:1.00; no Debt Yield test applies to that first extension. Management expects Portsmouth to satisfy the conditions and exercise the first extension, although there can be no assurance. The Hotel financing and related cash-management restrictions are distinct from the obligations of InterGroup's non-Hotel real estate subsidiaries.

Management Commentary

David C. Gonzalez, Chief Operating Officer of InterGroup, said:
"The City-mandated Hotel closure materially affected the quarter. Completing the bridge removal on August 9 and reopening the Hotel on August 10 eliminated the uncertainty surrounding the demolition and related shutdown. Room revenue and ADR increased despite the disruption. Our priorities remain Hotel performance, permanent entrance improvements, disciplined real estate operations, liquidity and financing execution."

John V. Winfield, Chairman of the Board, President and Chief Executive Officer of InterGroup, said:
"We remain mindful of the opportunities and risks in the San Francisco travel market. Within Investment Transactions, the quarter reflected a securities loss compared with a gain in the prior-year quarter. We continue to manage that business with close attention to market conditions, liquidity and risk."

About The InterGroup Corporation

The InterGroup Corporation (NASDAQ: INTG) is a diversified holding company with interests in hospitality, real estate and marketable securities. Through its majority-owned subsidiary Portsmouth Square, Inc., it consolidates the Hilton San Francisco Financial District hotel and related facilities. InterGroup also owns and operates multifamily and commercial real estate properties and maintains an investment portfolio of marketable securities.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable federal securities laws, including statements concerning Hotel and real estate operating performance, market demand, permanent improvements to the Hotel's Kearny Street entrance, the contemplated City settlement and related proceedings, liquidity, financing and expected exercise of the first Hotel loan extension. Forward-looking statements reflect management's current expectations and involve risks and uncertainties, including assumptions underlying the estimated displaced Hotel revenue and avoided expenses, the cost and timing of permanent improvements, completion and approval of definitive City settlement documentation, performance of settlement obligations, changes in investment markets and real estate conditions, restrictions on access to subsidiary cash, and the satisfaction of loan-extension conditions. For further discussion, see InterGroup's Quarterly Report on Form 10-Q for the period ended September 30, 2026 and Annual Report on Form 10-K for the fiscal year ended June 30, 2026. Actual results may differ materially. Except as required by law, the Company undertakes no obligation to update these statements.

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