

**Alternative Reporting Standard:
Disclosure Guidelines for the OTCID Basic Market**

Federal and state securities laws require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these OTCID Disclosure Guidelines (“Guidelines”)¹ that set forth the disclosure obligations that make up the “Alternative Reporting Standard” for companies on the OTCID™ Basic Market and Pink Limited Market. Companies that do not make disclosure directly to the SEC (via EDGAR), a banking regulator, or a non-U.S. regulatory authority may provide disclosure under our “Alternative Reporting Standard.” We use information provided by companies under these Guidelines and in accordance with the OTCID Rules to determine eligibility for the OTCID Market or Pink Limited Market as applicable.²

Current Information

To be eligible for the OTCID Market, Alternative Reporting companies make the information listed below publicly available through OTCIQ.com:

1. Initial Disclosure Obligations

Companies must upload the following documents through OTCIQ.com:

- Annual Report for the most recently completed fiscal year.
- All Quarterly Reports for the current fiscal year.

Annual or Quarterly Reports are composed of:

- **Disclosure Statements:** Disclosure information pursuant to these Guidelines for the applicable period. Available as a fillable form beginning on page 4 of these Guidelines.
- **Financial Statements:** Qualifying Financial Statements in accordance with the Financial Statement Requirements specified in Item 9 of these Guidelines.

Qualifying Financial Statements include:

- Audit Letter, if audited
- Balance Sheet
- Statement of Income
- Statement of Cash Flows
- Statement of Retained Earnings (Statement of Changes in Stockholders’ Equity)
- Notes to Financial Statements

2. Ongoing Requirements

On an ongoing basis, companies must publish reports through OTCIQ.com on the following schedule:

- Quarterly Reports are due within **45 days** of the quarter end
- Annual Reports are due within **90 days** of the fiscal year end
- Management Certifications are due within **45 days** of the Annual Report due date

¹ These Guidelines have been designed to encompass the “current information” requirements under state and federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 (“Exchange Act”) as well as Rule 144 of the Securities Act of 1933 (“Securities Act”), and state Blue Sky laws. However, these Guidelines have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. These Guidelines do not constitute legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements. These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice.

² OTC Markets Group may require companies with securities designated as “Caveat Emptor” or other compliance flags to make additional disclosures to qualify for the OTCID Basic Market.

Other OTCID Eligibility Requirements:

To remain on the OTCID Market, companies must continue to meet all other eligibility requirements of the [OTCID Rules](#) in addition to the disclosure requirements listed above.

Pink Limited Market

Companies that do not meet the requirements of the OTCID Market set forth above may still qualify for the Pink Limited Market by meeting the following minimum disclosure requirements.

1. Initial Requirements:

- **Annual Financial Statements:** Publish a report that includes Qualifying Annual Financial Statements, as outlined in Item 9, which cover the past 2 completed fiscal years, provided the most recently completed fiscal year is within the past 16 months.
- **Company Verified Profile:** The Company must verify the Company Profile through OTCIQ.com, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. "Company Insiders" shall include the beneficial owner of 10% or more of the outstanding units or shares of any class of any equity security of the issuer.

2. Ongoing Requirements: To remain qualified for the Pink Limited Market, companies must:

- Publish Qualifying Annual Financial Statements, as outlined in Item 9, within 120 days of the fiscal year end. Should a change in fiscal year end occur, no more than 16 months may elapse from the fiscal year end of the prior Annual Financial Statement.
- Review and verify the information on the Company Profile through OTCIQ.com at least once every 12 months.

Current Reporting of Material Corporate Events

In addition to the disclosure requirements above, all companies on the OTCID or Pink Limited market are expected to promptly release to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events are considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents, or if the material events occurs after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release **within four (4) business days** following their occurrence and posting such news release through an Integrated Newswire or the OTC Disclosure & News Service via OTCIQ.com.⁴

Material corporate events may include:

- Changes to the company's shell status. Please refer to our [FAQ on Shell Companies](#)
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Entry into or termination of a material definitive agreement or material agreement not made in the ordinary course of business
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct or contingent financial obligation including any default or acceleration of an obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities including material write-offs and restructuring; Material impairments
- Unregistered sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Change in a company's fiscal year; Amendments to articles of incorporation or bylaws that were not previously disclosed in a proxy statement or other such disclosure statement.
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure of investor relations, marketing, brand awareness, and stock promotion activities which might reasonably be expected to materially affect the market for its securities or otherwise deemed material by the issuer
- A company's bankruptcy or receivership
- Termination or reduction of a business relationship with a customer that constitutes a specified amount of the company's revenues
- Any material limitation, restriction, or prohibition, including the beginning and end of lock-out periods, regarding the company's employee benefits, retirement and stock ownership plan
- Earnings releases
- Other materially different information regarding key financial or operation trends from that set forth in periodic reports
- Other events the issuer determines to be material

⁴ "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on <https://www.otcmartets.com/corporate-services/ir-tools-services>

Merchants' National Properties, Inc.

10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017

Tel. 212 557-1400

www.merchantsnationalproperties.com

investor-relations@marxrealty.com

Quarterly Report

For the period ending September 30, 2025 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

90,879 as of September 30, 2025 (*Current Reporting Period Date or More Recent Date*)

90,975 as of December 31, 2024 (*Most Recent Completed Fiscal Year End*)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred during this reporting period:

Yes: No:

⁵ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Merchants' National Properties, Inc.

Current State and Date of Incorporation or Registration: Delaware; December 3, 1928

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Merchants' National Properties, Inc.

Phone: 212-557-1400

Email: Nicholas.f@marxrealty.com

Address: 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	MNPP
Exact title and class of securities outstanding:	Common Stock
CUSIP:	589161108
Par or stated value:	\$1.00
Total shares authorized:	<u>187,000</u> as of date: <u>September 30, 2025</u>
Total shares outstanding:	<u>90,879</u> as of date: <u>September 30, 2025</u>
Total number of shareholders of record:	<u>68</u> as of date: <u>September 30, 2025</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	_____
Par or stated value:	_____
Total shares authorized:	_____ as of date: _____
Total shares outstanding:	_____ as of date: _____
Total number of shareholders of record:	_____ as of date: _____

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The Board of Directors may determine whether any, and if any, what part, of the surplus or the net profit of the Company shall be declared in dividends and paid to the stockholders, and whether any such dividends shall be declared and paid in cash or capital stock of the Company or in other property, and generally to determine and direct the use and disposition of any such surplus or any such net profits; and to fix the times for the declaration and payment of dividend.

The stockholder of each share of Common Stock is entitled to one vote per share of Common Stock held by the stockholder, multiplied by the number of directors to be elected, and may cast all votes for a single director, or may distribute them among the number to be voted for, or any more of them as the stockholder chooses.

The holders of Common Stock shall have preemptive rights to subscribe to any additional issuances of stock of the Company of any or all class or series thereof, or to any securities of the Company convertible into such stock unless the issuance is made to (i) an employee of the Company (ii) an officer of the Company, or (iii) a director of the Company who is not an officer of the Company and is not affiliated with a stockholder of the Company as of August 18, 2008, the date of the filing of the Amended and Restated Certificate of Incorporation of the Company.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The company has no preferred series of shares.

3. Describe any other material rights of common or preferred stockholders.

None, other than those required by the laws of the State of Delaware

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance</u> : Date 01/01/2023 Common: <u>90,874</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g., for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>5/19/23</u>	<u>New Issuance</u>	<u>100⁽¹⁾</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Craig M. Deitelzweig</u>	<u>Grant of Restricted Stock for</u>	<u>Unrestricted</u>	<u>4(a)(2)</u>

							<u>CEO services</u>		
<u>6/9/23</u>	<u>Purchase of Shares by the Company .</u>	51 ⁽²⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>12/8/23</u>	<u>New Issuance</u>	100 ⁽³⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Craig M. Deitelzweig</u>	<u>Grant of Restricted Stock for CEO services</u>	<u>Unrestricted</u>	<u>4(a)(2)</u>
<u>2/28/24</u>	<u>Purchase of Shares by the Company</u>	1 ⁽⁴⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>3/21/24</u>	<u>Purchase of Shares by the Company</u>	20 ⁽⁵⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>4/18/24</u>	<u>Purchase of Shares by the Company</u>	4 ⁽⁶⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>6/13/24</u>	<u>Purchase of Shares by the Company</u>	2 ⁽⁷⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>6/14/24</u>	<u>Purchase of Shares by the Company</u>	4 ⁽⁶⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>7/29/24</u>	<u>Purchase of Shares by the Company</u>	3 ⁽⁹⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>8/26/24</u>	<u>Purchase of Shares by the Company</u>	3 ⁽¹⁰⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>8/27/24</u>	<u>Purchase of Shares by the Company</u>	4 ⁽¹¹⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>9/16/24</u>	<u>Purchase of Shares by the Company</u>	2 ⁽¹²⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>
<u>10/2/24</u>	<u>Purchase of Shares by the Company</u>	5 ⁽¹³⁾	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>Purchase of Free Trading Shares</u>	<u>N/A</u>	<u>Unrestricted / Returned to Treasury</u>	<u>4(a)(1-1/2)</u>

03/26/25	Purchase of Shares by the Company	48 ⁽¹⁵⁾	Common	N/A	N/A	Purchase of Free Trading Shares	N/A	Unrestricted / Returned to Treasury	4(a)(1-1/2)
03/28/25	Purchase of Shares by the Company	30 ⁽¹⁶⁾	Common	N/A	N/A	Purchase of Free Trading Shares	N/A	Unrestricted / Returned to Treasury	4(a)(1-1/2)
03/31/25	Purchase of Shares by the Company	15 ⁽¹⁷⁾	Common	N/A	N/A	Purchase of Free Trading Shares	N/A	Unrestricted / Returned to Treasury	4(a)(1-1/2)
04/09/25	Purchase of Shares by the Company	3 ⁽¹⁸⁾	Common	N/A	N/A	Purchase of Free Trading Shares	N/A	Unrestricted / Returned to Treasury	4(a)(1-1/2)
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>6/30/2025</u>			Common: <u>90,879</u>						
			Preferred: <u>0</u>						

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁶	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

⁶ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

Total Outstanding Balance:

Total Shares:

Any additional material details, including footnotes to the table are below:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company was incorporated under the laws of the State of Delaware on December 3, 1928, and has engaged in the business of commercial real estate acquisition, management, development, and rental in the United States for almost a century. The Company's headquarters are located in New York, NY. The Company's current real estate portfolio consists of 42 properties spanning over eight U.S. states as well as the District of Columbia, primarily comprised of office and retail space.

B. List any subsidiaries, parent company, or affiliated companies.

Marx Realty & Improvement Co., Inc., a New York corporation ("Marx"), is a wholly owned subsidiary of the Company. The Company's commercial real estate management, development, and rental operations are primarily conducted through Marx. The mailing address for Marx is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Marx:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO	212-557-1400
Amy Jedlicka	Secretary	212-557-1400
Mustafa Haque	Assistant Vice President	212-557-1400
James Better	Director	212-557-1400
James Magowan	Director	212-557-1400
James Stern	Director	212-557-1400

The Company owns a 23.333% equity interest in Joseph E. Marx Co., Inc., a New York corporation ("Marx Co"). Marx Co's operations consist of full and fractional ownership of rental real estate in several states in the U.S. The mailing address for Marx Co is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Marx Co:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO	212-557-1400

Amy Jedlicka	Secretary	212-557-1400
James Better	Director	212-557-1400
Jennifer Gruenberg	Director	212-557-1400
Leonard S Gruenberg	Director	212-557-1400
Jon Gruenberg	Director	212-557-1400
Wendy Gruenberg Wray	Director	212-557-1400
Mary Lynn Bianco	Director	212-557-1400
James Stern	Director	212-557-1400

The Company owns a 95.7% equity interest in The M&B Building Owners II, LLC., a Delaware limited liability company (“Bethpage”). Bethpage’s operations consist of real estate ownership and rental in New York. The mailing address for Bethpage is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Bethpage:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants’ National Properties, Inc. (Manager of Bethpage)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants’ National Properties, Inc. (Manager of Bethpage)	212-557-1400
Amy Jedlicka	Secretary, Merchants’ National Properties, Inc. (Manager of Bethpage)	212-557-1400

The Company owns a 59.4% equity interest in Brahmin Realty Associates, LLC, a Delaware limited liability company (“Brahmin”). Brahmin’s operations consist of real estate ownership and rental in Massachusetts. The mailing address for Brahmin is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Brahmin:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants’ National Properties, Inc. (Manager of Brahmin)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants’ National Properties, Inc. (Manager of Brahmin)	212-557-1400
Amy Jedlicka	Secretary, Merchants’ National Properties, Inc. (Manager of Brahmin)	212-557-1400

The Company owns a 100% equity interest in Guest Realty Company, a Delaware corporation (“Guest”). Guest’s operations consist of fractional ownership of rental real estate in several states in the U.S. The mailing address for Guest is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Guest:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO	212-557-1400
Amy Jedlicka	Secretary	212-557-1400
Mustafa Haque	Assistant Vice President	212-557-1400
James Better	Director	212-557-1400
James Magowan	Director	212-557-1400
James Stern	Director	212-557-1400

The Company owns an 80% equity interest in Maryland Stores Corporation, a Maryland corporation (“Maryland”). Maryland’s operations consist of fractional ownership of rental real estate in New York. The mailing address for Maryland is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Maryland:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO	212-557-1400
Amy Jedlicka	Secretary	212-557-1400
Mustafa Haque	Assistant Vice President	212-557-1400
James Better	Director	212-557-1400
James Magowan	Director	212-557-1400
James Stern	Director	212-557-1400

The Company owns a 94.6353% equity interest in Rier Realty Co., Inc., a New York corporation (“Rier”). Rier’s operations consist of full and fractional ownership of rental real estate in several states in the U.S. The mailing address for Rier is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Rier:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO	212-557-1400
Amy Jedlicka	Secretary	212-557-1400
Mustafa Haque	Assistant Vice President	212-557-1400
James Better	Director	212-557-1400
Leonard S Gruenberg	Director	212-557-1400
James Magowan	Director	212-557-1400

The Company owns a 57.88% equity interest in University Plaza Joint Venture LLC, a Delaware limited liability company (“University”). University’s operations consist of real estate ownership and rental in Connecticut. The mailing address for University is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of University:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants’ National Properties, Inc. (Manager of University)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants’ National Properties, Inc. (Manager of University)	212-557-1400
Amy Jedlicka	Secretary, Merchants’ National Properties, Inc. (Manager of University)	212-557-1400

The Company owns a 52.93% equity interest in Madison Syndicate, a New York partnership (“Madison”). Madison’s operations consist of real estate ownership and rental in Alabama. The mailing address for Madison is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, or control persons of Madison:

Name	Title	Contact Information
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Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Madison)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Madison)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Madison)	212-557-1400

The Company owns a 35.7135% equity interest in 708 Third Avenue Holdings, LLC, a Delaware limited liability company ("Third Ave Holdings"). Third Ave Holdings' operations consist of real estate ownership and rental in New York. The mailing address for Third Ave Holdings is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Third Ave Holdings:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Third Ave Holdings)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Third Ave Holdings)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Third Ave Holdings)	212-557-1400

The Company owns a 37.6214% equity interest in Dollar Land Associates LLC, a Delaware limited liability company ("Dollar"). Dollar's operations consist of real estate ownership and rental in New York. The mailing address for Dollar is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Dollar:

Name	Title	Contact Information
Craig M. Deitelzweig	Member, Board of Managers of Dollar	212-557-1400
James Better	Member, Board of Managers of Dollar	212-557-1400
James Stern	Member, Board of Managers of Dollar	212-557-1400
Richard Kessler	Member, Board of Managers of Dollar	212-557-1400
John Usdan	Member, Board of Managers of Dollar	212-557-1400

The Company owns a 90.667% equity interest in Athens Joint Venture, LLC, a Delaware limited liability company ("Athens"). Athens' operations consist of real estate ownership and rental in Washington, D.C. The mailing address for Athens is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Athens:

Name	Title	Contact Information
Craig M. Deitelzweig	President, Merchants' National Properties, Inc. (Manager of Athens)	212-557-1400

Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Athens)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Athens)	212-557-1400

The Company owns a 66.5% equity interest in Bell Blvd. Partners, a New York partnership ("Bell Blvd."). Bell Blvd.'s operations consist of real estate ownership and rental in Washington, D.C. The mailing address for Bell Blvd. is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Bell Blvd.:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Bell Blvd.)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Bell Blvd.)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Bell Blvd.)	212-557-1400

The Company owns a 26.7644% equity interest in Peters Land Syndicate, a New York partnership ("Peters"). Peters' operations consist of real estate ownership and rental in Georgia. The mailing address for Peters is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Peters:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Guest Realty Company (General Partner of Peters)	212-557-1400
Eric A. Hatch	CFO, Treasurer & Vice President, Guest Realty Company (General Partner of Peters)	212-557-1400
Amy Jedlicka	Secretary, Guest Realty Company (General Partner of Peters)	212-557-1400

The Company owns a 62.87865% equity interest in Boston Syndicate LLC, a Delaware limited liability company ("Boston"). Boston's operations consist of a 50% beneficial ownership interest in rental real estate located in Massachusetts. The mailing address for Boston is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Boston:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Boston)	212-557-1400
Eric A. Hatch	CFO, Treasurer & Vice President, Merchants' National Properties, Inc. (Manager of Boston)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Boston)	212-557-1400

The Company owns a 34.9167% equity interest in Marlton Joint Venture, a New York partnership ("Marlton"). Marlton's operations consist of real estate ownership and rental in New Jersey. The mailing address for Marlton is 10 Grand

Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Marlton:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Marlton)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Marlton)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Marlton)	212-557-1400

The Company owns a 22.5953% equity interest in Pequannock Joint Venture LLC, a Delaware limited liability company ("Pequannock"). Pequannock's operations consist of real estate ownership and rental in New Jersey. The mailing address for Pequannock is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Pequannock:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Pequannock)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Pequannock)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Pequannock)	212-557-1400

The Company owns a 60% equity interest in Fort Lee Joint Venture, a New York partnership ("Fort Lee"). Fort Lee's operations consist of a 50% beneficial ownership interest in rental real estate in New Jersey. The mailing address for Fort Lee is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Fort Lee:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Fort Lee)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Fort Lee)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Fort Lee)	212-557-1400

The Company owns a 21.0% equity interest in Ithaca Joint Venture, a New York partnership ("Ithaca"). Ithaca's operations consist of real estate ownership and rental in New York. The mailing address for Ithaca is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Ithaca:

Name	Title	Contact Information
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Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Ithaca)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Ithaca)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Ithaca)	212-557-1400

The Company owns a 22.6781% equity interest in Seaford Joint Venture, a New York partnership ("Seaford"). Seaford's operations consist of real estate ownership and rental in New York. The mailing address for Seaford is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Seaford:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Seaford)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Seaford)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Seaford)	212-557-1400

The Company owns an 81.1876% equity interest in Avon Joint Venture, LLC, a Delaware limited liability company ("Avon"). Avon's operations consist of a 50% beneficial ownership interest in rental real estate in New York. The mailing address for Avon is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Avon:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Avon)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Avon)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Avon)	212-557-1400

The Company owns a 42.57% equity interest in Belle Haven Realty, LLC, a Delaware limited liability company ("Belle Haven"). Belle Haven's operations consist of real estate ownership and rental in Virginia. The mailing address for Belle Haven is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Belle Haven:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Belle Haven)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Belle Haven)	212-557-1400

Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Belle Haven)	212-557-1400
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The Company owns a 30.0981% equity interest in Ocean County Venturers, a New York partnership ("Ocean"). Ocean's operations consist of real estate ownership and rental in New Jersey. The mailing address for Ocean is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Ocean:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Ocean)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Ocean)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Ocean)	212-557-1400

The Company owns a 49.3097% equity interest in Louisville Syndicate, LLC, a Delaware limited liability company ("Louisville"). Louisville's operations consist of a 76% equity ownership interest in rental real estate in New York. The mailing address for Louisville is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Louisville:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Louisville)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Louisville)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Louisville)	212-557-1400

The Company owns a 72.48% equity interest in Orange Syndicate, a New York partnership ("Orange"). Orange's operations consist of real estate ownership and rental in Washington, DC. The mailing address for Orange is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Orange:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Orange)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Orange)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Orange)	212-557-1400

The Company owns a 48.8289% equity interest in Hastings Drive I, LLC, a Delaware limited liability company, ("Hastings"). Hastings's operations consist of real estate ownership and rental in Virginia. The mailing address for

Hastings is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Orange:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Orange)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Orange)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Orange)	212-557-1400

The Company owns a 38.4167% equity interest in Newbury Street Partners, a New York Partnership ("Newbury"). Newbury's operations consist of a 50% equity ownership interest in rental real estate in New York. The mailing address for Newbury is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Newbury:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Newbury)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Newbury)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Newbury)	212-557-1400

The Company owns a 35.25% equity interest in 430 Park Avenue Syndicate, a New York Partnership ("430 Park"). 430 Park's operations consist of a 20.1% equity ownership interest in a leasehold rental real estate in New York. The mailing address for 430 Park is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of 430 Park:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of 430 Park)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of 430 Park)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of 430 Park)	212-557-1400

The Company owns a 28.503% equity interest in The Herald Owners LLC, a Delaware limited liability company ("Herald"). Herald's operations consist of real estate ownership and rental in Washington, D.C. The mailing address for Herald is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Herald:

Name	Title	Contact Information
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Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (Manager of Herald)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (Manager of Herald)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (Manager of Herald)	212-557-1400
Invesco, Inc.	Majority Investor's Representative	212-557-1400

The Company owns a 17.4167% equity interest in Bellflower Joint Venture, a New York partnership ("Bellflower"). Bellflower's operations consist of real estate ownership and rental in California. The mailing address for Bellflower is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Bellflower:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants' National Properties, Inc. (General Partner of Bellflower)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants' National Properties, Inc. (General Partner of Bellflower)	212-557-1400
Amy Jedlicka	Secretary, Merchants' National Properties, Inc. (General Partner of Bellflower)	212-557-1400

The Company owns a 12.6867% equity interest in Queens Joint Venture LLC, a Delaware limited liability company ("Queens"). Queens's operations consist of real estate ownership and rental in New York. The mailing address for Queens is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Queens:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Guest Realty Company (Manager of Queens)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Guest Realty Company (Manager of Queens)	212-557-1400
Amy Jedlicka	Secretary, Guest Realty Company (Manager of Queens)	212-557-1400

The Company owns a 10.4099% equity interest in 532 Madison Syndicate, a New York partnership ("532"). 532's operations consist of real estate ownership and rental in New York. The mailing address for 532 is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of 532:

Name	Title	Contact Information
Craig M. Deitelzweig	President, Guest Realty Company (General Partner of 532)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Guest Realty Company (General Partner of 532)	212-557-1400
Amy Jedlicka	Secretary, Guest Realty Company (General Partner of 532)	212-557-1400

The Company owns a 11.4% equity interest in Knights Road Shopping Center LP, a Pennsylvania limited partnership (“Knights”). Knight’s operations consist of real estate ownership and rental in New York. The mailing address for Knights is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Knights:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, KRSC, Inc. (General Partner of Knights)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, KRSC, Inc. (General Partner of Knights)	212-557-1400
Amy Jedlicka	Secretary, KRSC, Inc. (General Partner of Knights)	212-557-1400

The Company owns a 21.2447% equity interest in Farmingville Associates LLC, a Delaware limited liability company (“Farmingville”). Farmingville’s operations consist of a 50% equity ownership interest in rental real estate in New York. The mailing address for Farmingville is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Farmingville:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Guest Realty Company (Manager of Farmingville)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Guest Realty Company (Manager of Farmingville)	212-557-1400
Amy Jedlicka	Secretary, Guest Realty Company (Manager of Farmingville)	212-557-1400

The Company owns a 52.25% equity interest in MNP 2121 Wisconsin Avenue LLC, a Delaware limited liability company (“Wisconsin”). Wisconsin’s operations consist of an 18% equity ownership interest in rental real estate in D.C. The mailing address for Wisconsin is 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. The following table sets forth the contact information for the officers, directors, managers, or control persons of Wisconsin:

Name	Title	Contact Information
Craig M. Deitelzweig	President & CEO, Merchants’ National Properties, Inc. (Manager of Wisconsin)	212-557-1400
Eric A. Hatch	Treasurer, Vice President & CFO, Merchants’ National Properties, Inc. (Manager of Wisconsin)	212-557-1400
Amy Jedlicka	Secretary, Merchants’ National Properties, Inc. (Manager of Wisconsin)	212-557-1400

C. Describe the issuers’ principal products or services.

The Company has engaged in the business of commercial real estate acquisition, management, development, and rental in the United States for almost a century. The Company’s headquarters are located in New York, NY. The Company’s current real estate portfolio consists of 42 properties spanning over nine U.S. states as well as the District of Columbia, primarily comprised of office and retail space. The target markets for the Company’s current commercial real estate operations are Alabama, California, Connecticut, District of Columbia, Georgia, Massachusetts, New Jersey, New York

and Virginia. Specifically, the Company focuses on office and retail space in the aforementioned markets, with a primary presence in the New York, NY, Washington, DC and Atlanta, GA markets.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

See attached addendum "B" for the aforementioned information. The Company's principal offices are located at 10 Grand Central, 155 E 44th Street, 7th Floor, New York, NY 10017. In addition, Marx, a wholly owned subsidiary of the Company as described above, leases 8,428 square feet of office space at 155 East 44th Street, New York, NY 10017 from Third Ave Holdings for \$19,380 per month.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
Craig M. Deitelzweig	CEO/President/Director	Bedford, NY	400	N/A	0.44%
Eric A. Hatch	CFO/Treasurer/VP	New York, NY	0	Common	0%
Amy Jedlicka	Corporate Secretary	New York, NY	0	N/A	0%
Mustafa Haque	Assistant Vice President	New York, NY	0	N/A	0%
James Better	Chairman/Director	Greenwich, CT	119	Common	0.13%
Leonard S. Gruenberg	Director	Scarsdale, NY	300	Common	0.33%
James Magowan	Director	New York, NY	20	Common	0.02%
Mark Magowan	Director	New York, NY	2,158	Common	2.37%
Matthew K. Maguire	Director	New York, NY	0	N/A	0%

<u>Richard Schosberg</u>	<u>Director</u>	<u>Muttontown, NY</u>	<u>461</u>	<u>Common</u>	<u>0.51%</u>
<u>James Stern</u>	<u>Director</u>	<u>Harrison, NY</u>	<u>1,195</u>	<u>Common</u>	<u>1.31%</u>
<u>John Usdan</u>	<u>Director</u>	<u>New York, NY</u>	<u>6</u>	<u>Common</u>	<u>0.007%</u>
<u>Mary L. Bianco, Trustee</u>	<u>Shareholder</u>	<u>Paso Robles, CA</u>	<u>9,275</u>	<u>Common</u>	<u>10.21%</u>
<u>Jennifer Gruenberg</u>	<u>Shareholder</u>	<u>Scarsdale, NY</u>	<u>7,534</u>	<u>Common</u>	<u>8.29%</u>
<u>Estate of Sylvia Marx</u>	<u>Shareholder</u>	<u>Greenwich, CT</u>	<u>5,537</u>	<u>Common</u>	<u>6.09%</u>
<u>MNP Voting Trust, Olivia Magowan and Paul Merrill, Trustees</u>	<u>Shareholder</u>	<u>Mount Kisco, NY</u>	<u>14,756</u>	<u>Common</u>	<u>16.24%</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

Craig M. Deitelzweig
Chief Executive Officer, President, and Director

Craig M. Deitelzweig has served our Company and its primary management and development arm, Marx, since August of 2017 as Chief Executive Officer, President, and Director. Mr. Deitelzweig brings over 25 years of diverse real estate experience to the Company and Marx. He previously served as a managing director and head of asset management at Building and Land Technology, whereby he oversaw a diverse portfolio of office, multifamily, and hotel assets across the United States. Prior to joining Building and Land Technology, Mr. Deitelzweig managed the office division of Rockrose Development Corp., and previously led the leasing and asset management activities of the Ruben Company's 4,000,000 square feet of retail and office space in New York, Washington, DC, and Boston. Mr. Deitelzweig is also an attorney and worked in the real estate group at Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Deitelzweig graduated cum laude from Tulane University's A.B. Freeman School of Business and received his law degree from Fordham Law School.

Eric A. Hatch
Chief Financial Officer, Treasurer and Vice President

Eric A. Hatch became Chief Financial Officer, Treasurer and Vice President of the Company in June of 2025, after being hired by Marx in November of 2024. During the previous six years, Mr. Hatch worked for The Related Companies as Vice President of Commercial Accounting, overseeing the accounting and reporting of both office and retail assets, with notable inclusion of 10 Hudson Yards, 50 Hudson Yards, 55 Hudson Yards, Deutsche Bank Center and The Shops at Columbus Circle. Prior to joining The Related Companies, Mr. Hatch spent 11 years at Deloitte, working in the investment banking and investment management sectors of its audit and assurance practice. Mr. Hatch is a member of the AICPA and has been a Certified Public Accountant since 2009. He earned a Master of Accounting from Brigham Young University.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or

otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name:	Jessica Haggard, Esq.
Firm:	Anthony, Linder & Cacomanolis, PLLC
Address 1:	1700 Palm Beach Lakes Blvd., Suite 820
Address 2:	West Palm Beach, FL 33401
Phone:	561 514-0936 ext. 101

Email: JHaggard@ALClaw.com

Accountant or Auditor

Name: Jaclyn Dominguez
Firm: CBIZ CPAs PC
Address 1: 730 Third Avenue,
Address 2: New York, NY 10017
Phone: 201 905-0610
Email: jaclyn.dominguez@cbiz.com

Investor Relations

Name: Mustaga Haque
Firm: Merchants' National Properties, Inc.
Address 1: 10 Grand Central, 155 East 44th Street, 7th Floor
Address 2: New York, NY 10017
Phone: 212 557-1400
Email: mustafa.h@marxrealty.com

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn Marx Realty: <https://www.linkedin.com/company/marx-realty-improvement-co-inc/>
Facebook: _____
[Other] www.marxrealty.com

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Eric A. Hatch
Title: Treasurer, Vice President & Chief Financial Officer
Relationship to Issuer: Employee

B. The following financial statements were prepared in accordance with:

- IFRS
- U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Eric A. Hatch
Title: Treasurer, Vice President & Chief Financial Officer
Relationship to Issuer: Employee
Describe the qualifications of the person or persons who prepared the financial statements:⁷ CPA

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Craig M. Deitelzweig certify that:

1. I have reviewed this Disclosure Statement for Merchants' National Properties, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

⁷ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 14th, 2025

/s/ Craig M. Deitelzweig

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Eric A. Hatch, certify that:

1. I have reviewed this Disclosure Statement for Merchants' National Properties, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 14th, 2025

/s/ Eric A. Hatch

(Digital Signatures should appear as "/s/ [OFFICER NAME]")



MERCHANTS' NATIONAL PROPERTIES, INC.
10 Grand Central, 155 East 44th Street, New York, NY 10017

ISSUER INFORMATION

Title and class of security:	Common Shares (\$1 par value)
Transfer Agent:	Merchants' National Properties, Inc. 10 Grand Central 155 East 44 th Street New York, NY 10017
President and Chief Executive Officer:	Craig M. Deitelzweig (Director)
Board of Directors:	James M. Better (Chairman) Leonard S. Gruenberg Mark Magowan James Magowan Matthew Maguire Richard Schosberg James Stern John Usdan
Issuer's telephone number:	(212) 557-1400

Number of shares outstanding of common stock as of November 14, 2025: 90,879



MERCHANTS' NATIONAL PROPERTIES, INC.
10 Grand Central, 155 East 44th Street, New York, NY 10017

FINANCIAL INFORMATION

The information furnished in the accompanying consolidated balance sheets and related consolidated statements of operations, changes in stockholders' equity and cash flows reflect all adjustments, consisting solely of normal and recurring adjustments that are, in management's opinion, necessary for a fair and consistent presentation of the aforementioned consolidated financial statements.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this letter and the attached report of Merchants' National Properties, Inc., and Subsidiaries ("MNP") may be considered forward-looking statements. Additionally, MNP or the executive officers on MNP's behalf, may from time to time make forward-looking statements in reports and other documents or in connection with written or oral statements made to the press, potential investors, or others.

Forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "continue," "anticipate" or other similar words. However, the absence of these or similar words or expressions do not mean that a statement is not forward-looking. Forward-looking statements are not guarantees of performance and are based on certain assumptions. Forward-looking statements may include the discussion of future expectations or description of plans and strategies and may contain projections of results of operations or of financial condition or other forward-looking information. Expected future net income (loss) depends on many factors including, among others, expected uses of cash generated from operations, expected sources and adequacy of capital resources and liquidity. Any deviation from these assumptions may lead to fluctuations in future net income (loss).

Any such forward-looking statements are based on various assumptions involving judgment and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from our historical experience and our present expectations. Accordingly, readers are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this report. MNP makes no representations or warranties (express or implied) about the accuracy of any such forward-looking statements contained in this report, and MNP does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.



MERCHANTS' NATIONAL PROPERTIES, INC.
10 Grand Central, 155 East 44th Street, New York, NY 10017

November 14, 2025

To our Stockholders:

Attached are Merchants' National Properties, Inc.'s ("MNP" or the "Company") consolidated financial statements for the nine months ended September 30, 2025 and 2024. These statements have been filed with OTC Markets.

Financial Highlights:

For the nine months ended September 30, 2025, the Company reported grossed-up rental and other income of \$47.9 million, vs. \$45.7 million for the nine months ended September 30, 2024. For the nine months ended September 30, 2025, the Company reported grossed-up operating income of \$22.1 million, vs. \$20.3 million for the nine months ended September 30, 2024. The Company reported investment income, consisting of interest and dividends from loans receivables and investments in securities, for the nine months ended September 30, 2025 of \$3.9 million vs. \$3.5 million for the nine months ended September 30, 2024. For the nine months ended September 30, 2025, the Company reported grossed-up earnings before interest, taxes, depreciation and amortization for real estate ("EBITDAre") of \$26 million, vs. \$23.8 million for the nine months ended September 30, 2024. For the nine months ended September 30, 2025, the Company reported net income attributable to Merchant's National Properties, Inc. of \$8.8 million, as compared to net income of \$13 million for the nine months ended September 30, 2024, largely attributable to the variance in marketable securities.

Including non-recurring gains and losses, net of taxes, the reportable earnings per share for the nine months ended September 30, 2025 was \$97.45, vs. \$143.61 for the nine months ended September 30, 2024. Excluding non-recurring gains and losses, the grossed-up earnings per share from operations for the nine months ended September 30, 2025 was \$243.68 vs. \$224.01 for the nine months ended September 30, 2024.

For the nine months ended September 30, 2025, stockholders' equity increased by \$7.1 million with a corresponding decrease in book value per share to \$2,394 at September 30, 2025 from \$2,412 at September 30, 2024. The Company paid \$80.00 per share in dividends in 2024. The Board approved an interim 2025 dividend of \$25.00 per share, which was paid on May 7, 2025.

MNP purchased 96 of its shares during the nine months ended September 30, 2025 at an average cost of \$1,715 per share. As of September 30, 2025 and 2024, 90,879 and 90,592 shares of common stock were outstanding, respectively.

Accounting principles generally accepted in the United States of America ("GAAP") require unrealized gains and losses of marketable securities to be included in net income. This standard has driven substantial swings in earnings during the reporting periods. As a result of these influences, we believe the most useful metric for assessing our performance is "Operating Income As Grossed-Up."

The following table provides a side-by-side comparison of MNP's September 30, 2025 vs. September 30, 2024 consolidated statements of operations in accordance with GAAP and "As Grossed-Up", a non-GAAP measure, which provides more transparency to MNP's share of the underlying assets' revenues and expenses which flow up to MNP from various real estate investments.

Additionally, the table includes EBITDAre, a non-GAAP supplemental performance measure defined by the National Association of Real Estate Investment Trusts defines EBITDAre as net income (loss) (computed in accordance with GAAP), plus interest expense, plus income tax expense, plus depreciation and amortization, plus (minus) losses and gains on the disposition of depreciated property, plus impairment write-downs of depreciated property and investments in unconsolidated joint ventures, plus adjustments to reflect the entity's share of EBITDAre of unconsolidated joint ventures. The Company presents EBITDAre because the Company believes that EBITDAre provides investors with an additional indicator of the Company's ability to incur and service debt. EBITDAre should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of the Company's financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of the Company's liquidity.

INCOME STATEMENT OVERVIEW
GAAP vs. As Grossed-Up

	Nine Months Ended September 30, 2025		Nine Months Ended September 30, 2024	
	As Unaudited	As Grossed-Up	As Unaudited	As Grossed-Up
Rental and other income	\$ 15,633,156	\$ 47,876,295	\$ 13,027,603	\$ 45,680,151
Equity in earnings of real estate ventures	5,829,681	-	8,240,311	-
Operating expenses	(11,493,237)	(25,774,238)	(12,078,868)	(25,367,504)
Operating income	9,969,600	22,102,057	9,189,046	20,312,647
Investment income	3,135,544	3,939,294	2,360,117	3,482,897
EBITDAre	13,105,144	26,041,351	11,549,163	23,795,544
Gain on sale of marketable securities	-	-	1,050,483	1,050,483
Gain on sale of rental property	-	-	-	323,689
Loss on termination of swap contract	-	(115,150)	-	-
Unrealized gain on marketable securities	3,744,249	3,736,071	10,250,589	10,297,676 (A)
Unrealized loss on swap contracts	(134,901)	(66,416)	(531,574)	(566,215) (B)
Financing expense	(1,386,136)	(6,513,681)	(1,267,471)	(6,059,385)
Depreciation and amortization expense	(2,464,851)	(10,178,166)	(2,433,926)	(9,916,540)
Net income before income taxes	12,863,505	12,904,009	18,617,264	18,925,252
Income taxes	(3,976,045)	(4,016,549)	(6,102,198)	(6,410,186)
Net income	8,887,460	8,887,460	12,515,066	12,515,066
Noncontrolling interests in income/(loss) of consolidated subsidiaries	(48,200)	(48,200)	506,628	506,628
Net income attributable to Merchants' National Properties, Inc.	\$ 8,839,260	\$ 8,839,260	\$ 13,021,694	\$ 13,021,694

The following is a description of some of the factors which impacted the As Unaudited and As Grossed-Up net income for the nine months ended September 30, 2025 and 2024, respectively.

(A) Including the unrealized gains in marketable securities, as required under GAAP, the grossed-up net income before income taxes was \$12.9 million for the nine months ended September 30, 2025, as compared to \$18.9 million for the nine months ended September 30, 2024.

(B) In accordance with GAAP, the Company recognizes derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. Changes in fair value will

affect either accumulated other comprehensive income or loss, which is a component of equity, if the derivative qualifies as a hedge and is effective, or net income or loss, if the derivative does not qualify as a hedge or if the hedge is ineffective. For the nine months ended September 30, 2025, this change in fair value has resulted in a \$66 thousand decrease in grossed-up income before taxes, compared to a \$566 thousand decrease for the nine months ended September 30, 2024.

Respectfully submitted,

Craig M. Deitelzweig
President, Chief Executive Officer and Director

James M. Better
Chairman of the Board of Directors

**MERCHANTS' NATIONAL PROPERTIES, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

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MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2025 (unaudited)	December 31, 2024 (audited)
ASSETS		
Rental properties, net	\$ 70,689,279	\$ 72,228,185
Marketable securities	75,314,404	71,570,155
Investments in real estate ventures	115,383,209	115,886,585
Cash and cash equivalents	5,705,864	7,296,897
Restricted cash	537,635	546,126
Tenant security deposits in escrow	545,398	544,598
Receivables:		
Loans, real estate ventures	28,562,179	18,855,853
Affiliated real estate ventures	-	969,812
Employees	3,117,787	2,962,933
Related parties	6,659,915	2,858,404
Tax refund	10,057	129,594
Deferred rent	3,062,057	2,958,221
Tenants	172,248	212,865
Other	1,585,653	1,292,355
Interest rate swaps	470,601	605,502
Prepaid expenses and other assets, net of accumulated amortization of \$1,497,491 and \$1,308,116 in 2025 and 2024, respectively	1,420,770	1,496,071
In-place leases, net of accumulated amortization of \$2,586,804 and \$2,180,441 in 2025 and 2024, respectively	4,136,726	4,543,089
Operating lease right-of-use asset	716,453	866,103
Prepaid income taxes	659,295	816,508
Deferred tax assets	5,292,667	4,429,851
Total assets	\$ 324,042,197	\$ 311,069,707
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable, accrued expenses and other liabilities	\$ 4,668,650	\$ 2,335,243
Below-market leases, net of accumulated amortization of \$633,357 and \$522,794 in 2025 and 2024, respectively	1,699,546	1,810,109
Operating lease liability	730,074	882,787
Income taxes payable	386,311	65,575
Security deposits	632,644	641,622
Due to related parties	1,391,204	2,242
Mortgages payable, less unamortized debt issuance costs of \$524,460 and \$226,079 in 2025 and 2024, respectively	36,288,154	36,838,851
Line of credit	8,265,978	6,999,417
Deferred tax liabilities	40,372,363	38,635,203
Total liabilities	94,434,924	88,211,049
Stockholders' Equity		
Common stock, \$1 par value; 187,000 shares authorized, 105,199 shares issued (shares outstanding, 90,879 and 90,975 in 2025 and 2024, respectively)	105,199	105,199
Additional paid-in capital	1,320,017	1,320,017
Retained earnings	232,287,673	225,720,388
Treasury stock, at cost (14,320 and 14,224 shares in 2025 and 2024, respectively)	(16,723,026)	(16,558,350)
Total stockholders' equity	216,989,863	210,587,254
Noncontrolling interests	12,617,410	12,271,404
	229,607,273	222,858,658
Total liabilities and stockholders' equity	\$ 324,042,197	\$ 311,069,707

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues				
Rental revenues	\$ 2,044,587	\$ 2,168,094	\$ 5,999,542	\$ 6,433,799
Management fees	1,128,862	954,257	2,997,254	2,850,882
Leasing commissions	692,729	146,135	2,229,106	842,772
Asset acquisition/disposition fees	-	-	-	16,600
Development and buildout fees	482,018	240,501	833,257	749,591
Property personnel fees	578,034	492,110	1,618,236	1,476,770
Mortgage acquisition fees	50,000	-	50,000	-
Other revenues	403,799	140,862	1,905,761	657,189
Total revenues	5,380,029	4,141,959	15,633,156	13,027,603
Operating expenses				
Real estate taxes	354,169	476,229	1,014,381	1,329,814
Depreciation and amortization	737,538	586,269	2,464,851	2,433,926
Other operating expenses	526,357	550,481	1,609,979	1,548,061
Financing expenses	480,389	301,863	1,386,136	1,267,471
Total operating expenses	2,098,453	1,914,842	6,475,347	6,579,272
Net revenues from rentals and other income	3,281,576	2,227,117	9,157,809	6,448,331
Equity in earnings from real estate ventures, net	2,492,495	3,191,206	5,829,681	8,240,311
Investment income	1,136,710	894,912	3,135,544	2,360,117
Unrealized gain on marketable securities	5,362,956	9,200,399	3,744,249	10,250,589
Gain on sale of marketable securities	-	-	-	1,050,483
Unrealized loss on interest rate swaps	(40,642)	(171,038)	(134,901)	(531,574)
Net income before general and administrative expenses and other costs and income tax expense	12,233,095	15,342,596	21,732,382	27,818,257
General and administrative expenses and other costs				
Professional fees	103,254	192,377	684,207	555,479
Salaries and other general expenses	2,575,665	3,365,801	8,184,670	8,645,514
Total general and administrative expenses and other costs	2,678,919	3,558,178	8,868,877	9,200,993
Net income before income tax expense	9,554,176	11,784,418	12,863,505	18,617,264
Income tax expense	2,978,418	3,669,588	3,976,045	6,102,198
Net income	6,575,758	8,114,830	8,887,460	12,515,066
Noncontrolling interests in net income/(loss) of consolidated subsidiaries	31,417	10,300	(48,200)	506,628
Net income attributable to Merchants' National Properties, Inc.	\$ 6,607,175	\$ 8,125,130	\$ 8,839,260	\$ 13,021,694
Basic and diluted earnings per share	\$ 72.84	\$ 89.61	\$ 97.45	\$ 143.61
Weighted average number of common shares outstanding				
Basic and diluted	90,703	90,676	90,703	90,676

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>	<u>Treasury Stock</u>		<u>Non-</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Earnings</u>	<u>Shares</u>	<u>Amount</u>	<u>Controlling</u>	
			<u>Capital</u>				<u>Interests</u>	<u>Equity</u>
Balance, July 1, 2024	105,199	\$ 105,199	\$ 1,146,317	\$ 225,677,395	(14,607)	\$ (16,947,200)	\$ 12,121,237	\$ 222,102,948
Acquisition of treasury stock	-	-	-	-	(12)	(20,650)	-	(20,650)
Stock compensation	-	-	-	-	400	591,750	-	591,750
Net income/(loss)	-	-	-	8,125,130	-	-	(10,300)	8,114,830
Capital distributions	-	-	-	-	-	-	(103,614)	(103,614)
Balance, September 30, 2024 (unaudited)	105,199	\$ 105,199	\$ 1,146,317	\$ 233,802,525	(14,219)	\$ (16,376,100)	\$ 12,007,323	\$ 230,685,264
Balance, July 1, 2025	105,199	\$ 105,199	\$ 1,320,017	\$ 225,680,373	(14,320)	\$ (16,723,026)	\$ 12,366,022	\$ 222,748,585
Net income/(loss)	-	-	-	6,607,175	-	-	(31,417)	6,575,758
Dividends paid	-	-	-	125	-	-	-	125
Capital contributions	-	-	-	-	-	-	361,051	361,051
Capital distributions	-	-	-	-	-	-	(78,246)	(78,246)
Balance, September 30, 2025 (unaudited)	105,199	\$ 105,199	\$ 1,320,017	\$ 232,287,673	(14,320)	\$ (16,723,026)	\$ 12,617,410	\$ 229,607,273

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>	<u>Treasury Stock</u>		<u>Non-</u> <u>Controlling</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u> <u>Capital</u>		<u>Earnings</u>	<u>Shares</u>		
Balance, January 1, 2024	105,199	\$ 105,199	\$ 1,146,317	\$ 223,055,781	(14,576)	\$ (16,900,975)	\$ 12,780,952	\$ 220,187,274
Acquisition of treasury stock	-	-	-	-	(43)	(66,875)	-	(66,875)
Stock compensation	-	-	-	-	400	591,750	-	591,750
Net income/(loss)	-	-	-	13,021,694	-	-	(506,628)	12,515,066
Dividends paid	-	-	-	(2,274,950)	-	-	-	(2,274,950)
Capital distributions	-	-	-	-	-	-	(267,001)	(267,001)
Balance, September 30, 2024 (unaudited)	105,199	\$ 105,199	\$ 1,146,317	\$ 233,802,525	(14,219)	\$ (16,376,100)	\$ 12,007,323	\$ 230,685,264
Balance, January 1, 2025	105,199	\$ 105,199	\$ 1,320,017	\$ 225,720,388	(14,224)	\$ (16,558,350)	\$ 12,271,404	\$ 222,858,658
Acquisition of treasury stock	-	-	-	-	(96)	(164,676)	-	(164,676)
Net income	-	-	-	8,839,260	-	-	48,200	8,887,460
Dividends paid	-	-	-	(2,271,975)	-	-	-	(2,271,975)
Capital contributions	-	-	-	-	-	-	361,051	361,051
Capital distributions	-	-	-	-	-	-	(63,245)	(63,245)
Balance, September 30, 2025 (unaudited)	105,199	\$ 105,199	\$ 1,320,017	\$ 232,287,673	(14,320)	\$ (16,723,026)	\$ 12,617,410	\$ 229,607,273

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2025	2024
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net income	\$ 8,887,460	\$ 12,515,066
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	1,869,113	1,863,618
Amortization of deferred leasing costs	189,375	163,945
Amortization of debt issuance costs included in financing expenses	43,604	39,074
Amortization of below-market leases	(110,563)	(110,563)
Amortization of in-place leases	406,363	406,363
Amortization of operating leases	149,650	(838)
Provision for deferred taxes	874,344	1,808,315
Accrued interest on loans receivable, real estate ventures	(1,860,862)	19,265
Equity in earnings of investments in real estate ventures, net	(5,829,681)	(8,240,311)
Unrealized loss on interest rate swaps	134,901	531,574
Stock compensation	-	591,750
Realized gain on marketable securities	-	(1,050,483)
Unrealized (gain) on sale of marketable securities	(3,744,249)	(10,250,589)
Changes in assets and liabilities		
Receivables - affiliated real estate ventures	969,812	476,734
Receivables - employees	(154,854)	(136,046)
Receivables - related parties	(3,801,511)	(946,505)
Receivables - tax refund	119,537	(237,267)
Receivables - deferred rent	(103,836)	(204,948)
Receivables - tenants	40,617	72,445
Receivables - other	(293,298)	(1,171,504)
Prepaid expenses and other assets	(114,074)	78,376
Prepaid income taxes	157,213	1,402,591
Accounts payable and accrued expenses	2,333,407	(227,389)
Income taxes payable	320,736	643,178
Operating lease liability	(152,713)	-
Security deposits	(8,978)	52,250
Due to affiliate	1,388,962	835,898
Net cash provided by (used in) operating activities	1,710,475	(1,076,001)
Cash flows from investing activities		
Contributions to investments in real estate ventures	(911,740)	(1,164,505)
Distributions from investments in real estate ventures	7,244,797	6,979,663
Loans - affiliated real estate ventures, net	(7,845,464)	(10,659,419)
Additions to buildings and improvements	(330,207)	(678,740)
Proceeds from sale of marketable securities	-	1,128,203
Net cash used in investing activities	(1,842,614)	(4,394,798)
Cash flows from financing activities		
Purchase of treasury stock	(164,676)	(66,875)
Payment of dividends	(2,271,975)	(2,274,950)
Proceeds from mortgage payable	7,000,000	-
Principal payments of mortgages payable	(773,630)	(4,729,538)
Payoff of mortgage payable	(6,479,935)	-
Proceeds from line of credit, net	1,266,561	4,000,000
Capital contributions from noncontrolling interests	361,051	-
Capital distributions to noncontrolling interests	(63,245)	(267,001)
Debt issuance costs	(340,736)	-
Net cash used in financing activities	(1,466,585)	(3,338,364)
Net decrease in cash and cash equivalents, restricted cash and tenant security deposits in escrow	(1,598,724)	(8,809,163)
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, beginning of period	8,387,621	20,989,393
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, end of period	\$ 6,788,897	\$ 12,180,230

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2025	2024
	(unaudited)	(unaudited)
Reconciliation of cash and cash equivalents, restricted cash and tenant security deposits in escrow, beginning of period		
Cash and cash equivalents	\$ 7,296,897	\$ 19,982,366
Restricted cash	546,126	498,854
Tenant security deposits in escrow	544,598	508,173
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, beginning of period	\$ 8,387,621	\$ 20,989,393
Reconciliation of cash and cash equivalents, restricted cash and tenant security deposits in escrow, end of period		
Cash and cash equivalents	\$ 5,705,864	\$ 11,074,016
Restricted cash	537,635	545,791
Tenant security deposits in escrow	545,398	560,423
Cash and cash equivalents, restricted cash and tenant security deposits in escrow, end of period	\$ 6,788,897	\$ 12,180,230
Supplemental cash flow disclosures		
Interest paid	\$ 992,974	\$ 1,227,274
Income taxes paid - net of refunds of \$119,537 and \$109,926, respectively	1,222,802	2,608,111
Supplemental non-cash investing and financing activities		
Write-off of fully amortized debt issuance costs	219,585	42,578
Write-off of fully depreciated furniture, fixtures, and equipment	571,810	-

See notes to consolidated financial statements.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 – ORGANIZATION

Merchants' National Properties, Inc. ("Merchants"), a Delaware corporation, was formed in December 1928 for the purpose of acquiring, managing, developing, operating and leasing real estate. Merchants, together with its wholly owned and controlled subsidiaries, is referred to as the Company.

On November 21, 2006, Merchants acquired certain shares of stock and partnership interests in Guest Realty Company ("Guest"), Marx Realty & Improvement Co. Inc. ("Marx"), Maryland Stores Corporation ("Maryland"), Rier Realty Co., Inc. ("Rier") and other joint venture interests from the estate of a former Merchants stockholder.

On July 16, 2013, The M&B Building Owners II, LLC ("Bethpage") was formed to acquire land for the purpose of net leasing or developing it into a commercial project. Merchants owns 95.70% of Bethpage.

In October 2014, Brahmin Realty Associates, LLC ("Brahmin") was formed to acquire a 50% tenancy-in-common interest in three real properties. Merchants owns 59.40% of Brahmin.

On September 11, 2015, Merchants acquired an additional 8.05% interest in the members' equity of University Plaza Joint Venture LLC ("University"), which resulted in a 57.88% interest in the members' equity of University.

During 2020, Merchants consolidated its investment in Athens Joint Venture LLC ("Athens") pursuant to a Plan of Redemption and Partition whereby Merchants' ownership interest increased from 45.3332% to 90.6667%, when Athens took full ownership of the retail condominium unit at 819 7th Street NW, Washington, D.C. in exchange for its ownership interest in a commercial property in Pittsburgh, PA.

During 2020, Merchants consolidated its investment in Bell Blvd. Partners ("Bell") to reflect the increase in its ownership interest in Bell from 33.25% to 66.5% after the acquisition of the fifth-floor commercial condominium unit at 819 7th Street NW, Washington, D.C.

On February 2, 2022, Merchants acquired a 4-story office building, located at 2121 Wisconsin Avenue NW in Washington, D.C. ("Wisconsin"), for approximately \$27.7 million. This property was acquired through a newly formed tenancy-in-common ("TIC") between Lenox Avenue I, LLC owned by Orange Syndicate ("Orange") with an 82% TIC interest and MNP 2121 Wisconsin Ave LLC ("MNP 2121") with an 18% TIC interest. In 2022, Merchants' ownership interest in Orange increased from 48.5607% to 72.48%. Merchants' ownership interest in MNP 2121 is 52.25%. As a result, Merchants collectively owns 68.84% of Wisconsin (59.43% through Orange and 9.41% through MNP 2121).

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Merchants and its wholly owned and controlled subsidiaries; Guest, a wholly owned subsidiary; Maryland, an 80% owned subsidiary; Marx, a wholly owned subsidiary; Rier, a 94.64% owned subsidiary; Madison Syndicate ("Madison"), a 52.93% owned partnership; Bethpage, a 95.70% owned limited liability company; Brahmin, a 59.40% owned limited liability company; University, a 57.88% owned limited liability company, Athens, a 90.67% owned limited liability company, Bell, a 66.5% owned partnership, Orange, a 72.48% owned LLC and MNP 2121, a 52.25% owned LLC. All significant intercompany balances and transactions have been eliminated.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Noncontrolling Interests

Accounting principles generally accepted in the United States of America (“GAAP”) require that noncontrolling interests in subsidiaries and affiliates be reported in the equity section of a company’s balance sheet. In addition, the amounts attributable to the net income (loss) of these subsidiaries and affiliates are reported separately in the consolidated statements of operations and changes in stockholders’ equity for all periods presented.

Use of Estimates

The Company uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The most significant estimates and assumptions relate to asset acquisition allocation, depreciable lives, impairment of long-lived assets and investments in real estate ventures and the recovery of receivables. Actual results could differ from those estimates.

Real Estate Properties, Net

Real estate is presented at cost, net of accumulated depreciation. Costs related to the development or redevelopment of properties are capitalized. Ordinary repairs and maintenance are expensed as incurred; whereas, major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives. Upon the sale or other disposition of real estate, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	7 – 39 years
Equipment and furnishings	5 years

Tenant improvements are depreciated over the shorter of the estimated useful life of the assets or the terms of the respective leases.

Purchase Accounting

The Company allocates the purchase price of asset acquisitions to the various components of the acquisition based upon the relative fair value of each component, which may be derived from various observable or unobservable inputs and assumptions.

In allocating the fair value of the identified intangible assets and liabilities of the acquired properties, below-market lease values were recorded based on the discounted difference between the current in-place rent and the Company’s estimate of current market rents. Other intangible assets acquired include amounts for in-place lease values that were based on the Company’s evaluation of specific characteristics of the tenants’ leases. Factors considered included estimates of carrying costs during hypothetical expected lease-up periods, taking into account current market conditions, and costs to execute similar leases. In estimating carrying costs, the Company included real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, based on local market conditions.

In estimating costs to execute similar leases, the Company considered tenant improvement allowances, leasing commissions, legal and other related expenses. The below-market leases are amortized as a charge to rental revenues over the term of the leases. Amortization of the in-place lease values is included in amortization.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Marketable Securities

Marketable securities, which consist of equity securities, are carried at fair value in the consolidated financial statements. Realized gains and losses are included in net income based on the specific identification method; unrealized holding gains and losses are included in the accompanying consolidated statements of operations.

In-Place Leases

Amortization of acquired in-place leases for the nine months ended September 30, 2025 and 2024 was \$406,363, and is included as a component of depreciation and amortization on the accompanying consolidated statements of operations. As of September 30, 2025, future amortization expense is as follows:

Year Ending December 31,	
2025	\$ 135,453
2026	496,686
2027	476,107
2028	449,243
2029	313,533
Thereafter	2,265,704
	<u>\$ 4,136,726</u>

Below-Market Leases

Amortization of acquired below-market leases for the nine months ended September 30, 2025 and 2024 was \$110,563, and is included as a component of rental revenues in the accompanying consolidated statements of operations. As of September 30, 2025, future amortization of below-market leases is as follows:

Year Ending December 31,	
2025	\$ 36,854
2026	132,269
2027	130,892
2028	129,272
2029	123,460
Thereafter	1,146,799
	<u>\$ 1,699,546</u>

The weighted average amortization period for in-place lease costs and below market leases were 9.20 years and 9.21 years, respectively.

Investments in Real Estate Ventures

Investments in unconsolidated affiliated companies, in which the Company has a less than 50% interest and significant influence, but not control, are accounted for using the equity method. Distributions declared but not paid are recorded as receivables from affiliated real estate ventures. On a periodic basis, management assesses whether there are any indicators that the carrying value of the Company's investments in real estate ventures may be impaired. An investment is impaired only if management's estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in value is deemed to be other than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in Real Estate Ventures (continued)

amount of the investment over the fair value of the investment. The Company's estimates of fair value for each investment are based on various assumptions that are subject to economic and market uncertainties, including, among others, demand for space, competition for tenants, changes in market rental rates, and operating costs. As these factors are difficult to predict and are subject to future events that may alter management's assumptions, the fair values estimated by management in its impairment analyses may not be realized. No impairment of the recoverability of the carrying amount of the Company's investments has occurred as of September 30, 2025 or September 30, 2024.

Long-Lived Assets

The Company reviews the carrying values of its long-lived assets, such as rental properties, whenever events or changes in circumstances indicate that the carrying values may no longer be appropriate. Recoverability of carrying values is assessed by estimating future net cash flows from the assets. Impairment assessment inherently involves judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact management's assumptions relating to rental rates, costs, holding periods or other factors that may result in changes in the Company's estimates of future cash flows. Although management believes the assumptions used in testing for impairment are reasonable, changes in any one of the assumptions could produce a significantly different result. No impairment was noted at September 30, 2025 or September 30, 2024.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include cash on hand, cash in banks, and short-term investments in institutional money market funds with initial maturities of three months or less. Cash balances in banks in the United States of America are insured by the Federal Deposit Insurance Corporation subject to certain limitations. Cash balances in institutional money market funds are insured by the Securities Investor Protection Corporation subject to certain limitations. At times, the balances may exceed federally insured limits; however, no losses have been incurred.

Restricted Cash

Restricted cash represents tenant security deposits and funds held in escrow for tenant and capital improvements and leasing commissions as required by the Company's lenders.

Debt Issuance Costs

Debt issuance costs represent amounts incurred in connection with obtaining debt financing and are recorded as a direct reduction of the related debt obligation. These costs are amortized on a straight-line basis over the term of the related loans, which approximates the effective interest method. For the nine months ended September 30, 2025 and 2024, amortization of deferred financing costs was \$43,604 and \$39,074, respectively. These amounts are included in financing expenses on the consolidated statements of operations.

Derivative Instruments

In accordance with GAAP, the Company recognizes derivatives as either assets or liabilities in the consolidated balance sheets and measures those instruments at fair value. Changes in fair value will affect either accumulated other comprehensive income or loss, which is a component of equity, if the derivative qualifies as a hedge and is effective, or net income or loss, if the derivative does not qualify as a hedge or if the hedge is ineffective. The Company has not designated the interest rate derivatives as hedges, based on its assessment of market conditions. Therefore, changes in the fair value have been recorded in the results of operations for the nine months ended September 30, 2025 and 2024.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative Instruments (continued)

For the nine months ended September 30, 2025 and 2024, the Company recorded a loss of \$134,901 and \$531,574, respectively, on the fair value of the interest rate swap agreements.

Income Taxes

The Company applies the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740: Income Taxes (“ASC Topic 740”). The Company files income tax returns in the U.S. federal jurisdiction and in various states.

Merchants and Marx file a consolidated federal income tax return and separate income tax returns for all states except New York. Guest, Maryland and Rier file separate federal income tax returns and for all states except New York. Putnam, Bethpage, Brahmin, Madison, University, Athens, Bell, Orange, and MNP 2121 file separate federal and state income tax returns. The Company files combined income tax returns for New Jersey, New York State and New York City except for Bethpage, Brahmin, Madison, University, Athens, Bell, Orange and MNP 2121.

The Company does not have any uncertain tax positions. As a result, there are no unrecognized tax benefits in the consolidated balance sheets.

Deferred Income Taxes

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

Revenue Recognition

The Company recognizes base rental revenue on a straight-line basis over the terms of the respective leases which are accounted for under Accounting Standards Codification 842, Leases (“ASC 842”). Unbilled rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with lease agreements. Revenue recognition commences from lease agreements at the date the leased premise is ready for its intended use by the tenant and the tenant takes possession or controls the physical use of the leased premise. In addition to base rents, tenants are also charged for their pro rata share of increases in real estate taxes and certain operating expenses for the Property over a base year.

The Company provides its tenants with certain customary services for lease contracts such as common area maintenance and general security. The Company has utilized the practical expedient in ASC 842 and has elected to combine the non-lease components with the lease components of operating lease agreements and account for them as a single lease component in accordance with ASC 842. Receivables from tenants are stated at the amount management expects to collect. Account balances are written off after all means of collection have been exhausted and the potential for recovery is considered remote. Accounts are considered past due or delinquent based on contractual terms and how recently payments have been received. No allowance was considered necessary at September 30, 2025 or 2024.

In accordance with ASC 606, Revenue from Contracts with Customers, management fees, accounting fees and development fees are recognized ratably over the period that the services are performed. Leasing commissions are recognized when the leases are executed. Asset acquisition/dispositions fees and mortgage financing fees are recognized when the transactions are entered into.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit Losses on Financial Instruments

The Company evaluates and determines credit losses based on historical losses, the aging of receivables, the quality and liquidity of collateral that secures receivables and the cash flow generated by the entities that owe receivables.

Sales of Real Estate

Gains on sales of real estate are recognized pursuant to the provisions included in ASC 610-20. Under ASC 610-20, the Company must first determine whether the transaction is a sale to a customer or non-customer. The Company typically sells real estate on a selective basis and not within the ordinary course of its business and therefore expects that its sale transactions will not be contracts with customers. The Company next determines whether it has a controlling financial interest in the property after the sale, consistent with the consolidation model in ASC 810 "Consolidation" ("ASC 810"). If the Company determines that it does not have a controlling financial interest in the real estate, it evaluates whether a contract exists under ASC 606 and whether the buyer has obtained control of the asset that was sold. The Company recognizes a full gain on sale of real estate when the derecognition criteria under ASC 610-20 have been met.

Earnings Per Share

The Company computes basic earnings per share by dividing the net income attributable to Merchants by the weighted average number of shares outstanding for the year. Diluted earnings per share are calculated utilizing the weighted average number of common shares outstanding adjusted for the effect of any common stock equivalents.

Risk and Uncertainties

The Company is subject to risks incidental to the ownership, development and management of real estate. These include the risks normally associated with the changes in the general economic climate, trends in the real estate industry, availability of land for development, changes in tax laws and interest rates, availability of financing, and the potential liability under environmental and other laws.

The Company's investments include marketable equity securities. Due to the risks associated with equity securities, it is at least reasonably possible that changes in market conditions in the near term could materially affect the value of investments reported in the consolidated financial statements.

3 – FAIR VALUE MEASUREMENTS

The Company follows the provisions of ASC Topic 820, "Fair Value Measurements and Disclosures", which establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

The three levels are defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model-derived valuations whose inputs or significant value drivers are observable.
- Level 3: Unobservable inputs are used when little or no market data is available.

Financial assets measured at fair value on a recurring basis are summarized below:

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 – FAIR VALUE MEASUREMENTS (Continued)

September 30, 2025 (unaudited)				
	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Assets				
Marketable securities	\$ 75,314,404	\$ -	\$ -	\$ 75,314,404
Interest rate swaps	-	470,601	-	470,601
Total assets measured at fair value	\$ 75,314,404	\$ 470,601	\$ -	\$ 75,785,005
December 31, 2024 (audited)				
	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Assets				
Marketable securities	\$ 71,570,155	\$ -	\$ -	\$ 71,570,155
Interest rate swaps	-	605,502	-	605,502
Total assets measured at fair value	\$ 71,570,155	\$ 605,502	\$ -	\$ 72,175,657

The Company values investments in marketable securities that are freely tradable and are listed on a national securities exchange at their last quoted sales price as of the valuation date.

The interest rate swap agreements are valued at fair value using a swap valuation model that utilizes an income approach using observable market inputs including Secured Overnight Financing Rate (“SOFR”) and credit default swap rates.

The carrying values of cash and cash equivalents, restricted cash, receivables, loans payable and accounts payable and accrued expenses approximate their fair values due to their short-term nature. It was not practicable to reasonably estimate the fair value of the loans receivable from real estate ventures, the line of credit and mortgages payable as there are no quoted market prices of similar products and management has not developed a valuation model necessary to make such estimates.

4 – REAL ESTATE PROPERTIES, NET

Real estate properties consist of the following:

	September 30, 2025 (unaudited)	December 31, 2024 (audited)
Land	\$ 25,128,115	\$ 25,128,115
Buildings and improvements	58,127,997	57,916,224
Furniture and fixtures	584,576	764,529
Equipment	2,706,768	3,003,446
Total real estate properties	86,547,456	86,812,314
Less: accumulated depreciation	15,858,177	14,584,129
Real estate property, net	\$ 70,689,279	\$ 72,228,185

Depreciation expense for the nine months ended September 30, 2025 and 2024 was \$1,869,113 and \$1,863,618, respectively, and is included in depreciation and amortization on the consolidated statements of operations.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5 – MARKETABLE SECURITIES

Cost and fair value information for common stock securities are as follows:

	September 30, 2025 (unaudited)	December 31, 2024 (audited)
Cost	\$ 819,453	\$ 819,453
Fair value	75,314,404	71,570,155
Net unrealized gain	\$ 74,494,951	\$ 70,750,702

There were no sales of marketable securities during the nine months ended September 30, 2025. During the nine months ended September 30, 2024, the Company realized net gains on the sale of marketable securities of \$1,050,483. Proceeds from sales of marketable securities during 2024 were \$1,128,203, with a cost basis of \$77,720.

6 – INVESTMENTS IN REAL ESTATE VENTURES

The Company holds investments in various real estate ventures. Changes in the Company's investments in real estate ventures for the nine months ended September 30, 2025 and the year ended December 31, 2024, respectively, are as follows:

	September 30, 2025 (unaudited)	December 31, 2024 (audited)
Balance, beginning of period	\$ 115,886,585	\$ 114,972,990
Contributions	911,740	1,164,505
Distributions	(7,244,797)	(10,552,715)
Equity in earnings, net	5,829,681	10,301,805
Net investments, end of period	\$ 115,383,209	\$ 115,886,585

The following information summarizes the total assets, liabilities, revenues and expenses of the investees in the aggregate prior to allocating the Company's share indicated by the percentages listed on the following page:

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 – INVESTMENTS IN REAL ESTATE VENTURES (Continued)

	September 30, 2025 (unaudited)	December 31, 2024 (unaudited)
Assets, net of accumulated depreciation and amortization of \$322,894,166 and \$313,073,869	\$ 611,403,078	\$ 619,500,373
Liabilities	366,986,807	377,152,827
Equity	\$ 244,416,271	\$ 242,347,546

	Nine Months Ended September 30, 2025 (unaudited)	2024 (unaudited)
Rental and other revenues	\$ 103,350,643	\$ 117,584,287
Unrealized gain/(loss) on marketable securities	(36,180)	201,806
Net gain/(loss) on disposal of rental property	(121,197)	652,183
Total income	103,193,266	118,438,276
Direct operating expenses	47,185,192	51,062,112
Financing expenses	14,523,507	15,962,152
Depreciation and amortization expense	22,885,781	24,410,315
Income taxes	405,213	1,453,129
Total expenses	84,999,693	92,887,708
Net income	\$ 18,193,573	\$ 25,550,568

The investments in real estate ventures on the accompanying consolidated balance sheets are accounted for by the Company using the equity method. The above amounts are maintained on the historical cost basis and represent 100% of the assets (net of accumulated amortization and depreciation where applicable), liabilities, equity, revenues and expenses of the real estate joint ventures, have not been audited.

MERCHANTS’ NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 – INVESTMENTS IN REAL ESTATE VENTURES (Continued)

Investments in real estate ventures consist of the following:

Investee	% Of Ownership (a)	
	September 30, 2025	December 31, 2024
135 Bowery (b)	9.0000%	9.0000%
430 Park Avenue Syndicate (c)	7.0828	7.0828
532 Madison Syndicate	10.4099	10.4099
708 Third Avenue Holdings, LLC	35.7135	35.7135
Avon Joint Venture LLC	40.5938	40.5938
BSC Empire LLC	37.6214	37.6214
Belle Haven Realty LLC	42.5700	42.5700
Bellflower Joint Venture	17.4167	17.4167
Boston Syndicate LLC	31.4393	31.4393
Dollar Land Associates, LLC	37.6214	37.6214
Farmingville Associates LLC (c)	10.6223	10.6223
Fort Lee Joint Venture	30.0000	30.0000
Hastings Drive I, LLC	48.8289	48.8289
Herald Owners, LLC (“Herald”)	28.5030	28.5030
Ithaca Joint Venture	21.0000	21.0000
Joseph E. Marx Company, Inc. (“JEM”)	23.3330	23.3330
Knights Road Shopping Center LP (c)	11.4044	11.4044
Louisville Syndicate LLC	49.3097	49.3097
Marlton Joint Venture	34.9167	34.9167
Newbury Street Partners (c)	19.2084	19.2084
Ocean County Venturers (c)	30.0981	30.0981
Pequannock Joint Venture LLC	22.5953	22.5953
Peters Land Realty, LLC	26.7644	26.7644
Queens Boulevard Joint Venture LLC	12.6867	12.6867
Seaford Joint Venture	22.6781	22.6781

- (a) % of Company’s beneficial interest in the underlying investment.
- (b) Excludes indirect interest through Louisville Syndicate LLC.
- (c) Excludes indirect interest through JEM.

7 – LOANS RECEIVABLE, REAL ESTATE VENTURE

Loan receivable from one real estate venture affiliate in the amount of \$1,861,250 and \$1,875,000 as of September 30, 2025 and December 31, 2024, respectively, is unsecured, due on demand and bears interest at 5.0%. As of September 30, 2025 and December 31, 2024, accrued interest of \$361,250 and \$375,000, respectively, was included in the loan receivable balance.

As part of the one-year extension of the Herald mortgage in April of 2024 (see Note 14), Merchants loaned Herald Owners Holding, LLC (“Herald Holding”), the sole member of Herald, \$9,815,461, which consisted of \$3.9M to cover interest, carry costs, and loan extension costs, \$3M for tenant improvement and leasing costs related to future leases and \$2.9M to cover capital expenditures. Additional loans from Merchants to Herald Holding totaling \$6,209,765 were made in 2024 and 2025 to fund leasing costs and reserves. These

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 – LOANS RECEIVABLE, REAL ESTATE VENTURE (Continued)

loans are included in loan receivables, real estate ventures on the consolidated balance sheets and cover 30% for Herald DC Ventures, LLC (“Funding Member”), an affiliate of Merchants and 70% for Herald Member, LLC (“Non-Funding Member”), an affiliate of Iowa Public Employee’s Retirement System, managed by Invesco Advisors, Inc. The loans are repayable by Herald Holding prior to distributions to Funding Member and Non-Funding Member and carry an interest rate of 14%, fully payable by Non-Funding Member to Merchants and is due on demand. For the nine months ended September 30, 2025, interest income was \$1,713,028 and is included in investment income on the consolidated statements of operations. As of September 30, 2025 and December 31, 2024, accrued interest of \$2,704,120 and \$991,093, respectively was included in the loan receivable balance. The total loan balance was \$18,729,346 and \$12,977,926 as of September 30, 2025 and December 31, 2024, respectively.

Loans receivable from other real estate venture affiliates totaled \$7,971,583 and \$4,002,891 as of September 30, 2025 and December 31, 2024, respectively. These loans are unsecured, due on demand and bear interest at 6.0%. As of September 30, 2025 and December 31, 2024, accrued interest on these loans was \$322,702 and \$161,118, respectively, was included in the loan receivable balance. For the nine months ended September 30, 2025, interest income was \$98,474 and is included in investment income on the consolidated statements of operations.

Management believes that these loans are fully collectible, and no allowance for credit loss is required at September 30, 2025 and 2024.

8 – LINE OF CREDIT

In March 2024, Merchants obtained a credit facility from JPMorgan Chase (the “Margin Credit Facility”), under which Merchants can borrow up to 50% of the market value of the publicly traded securities held in its brokerage account. The Margin Credit Facility has no expiration date and carries an interest rate of SOFR plus 1.2% (5.4% at September 30, 2025). The loan balance at September 30, 2025 and December 31, 2024, was \$8,265,978 and \$6,999,417, respectively. For the nine months ended September 30, 2025 and 2024, interest expense was \$318,456 and \$22,183, respectively.

9 – MORTGAGES PAYABLE

In August 2019, Merchants obtained a \$8,625,000 mortgage loan, secured by a first mortgage lien on the property located at 605-609 West 181st Street, New York, NY. The mortgage requires principal and interest payment based on a 24-year amortization term, beginning October 1, 2020. The mortgage matures on September 1, 2029, at which time the outstanding principal balance and any unpaid interest is due. For the nine months ended September 30, 2025 and 2024, interest expense was \$196,161 and \$204,137, respectively. The mortgage payable balance at September 30, 2025 and December 31, 2024 was \$7,357,315 and \$7,561,454, respectively.

The Company has a receive-variable (SOFR), pay-fixed (1.64%) interest rate swap agreement related to its variable rate loan on West 181st Street. The interest rate swap agreement matures on September 4, 2029, and had an original notional amount of \$8,625,000 with a notional amount of \$7,357,315 and \$7,561,454 at September 30, 2025 and December 31, 2024, respectively. The notional amount is reduced based on the terms of the agreement. The interest rate swap agreement is intended to hedge the Company’s exposure to possible increases in interest rates and the resulting increase in cash outflows.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 – MORTGAGES PAYABLE (Continued)

The company has three mortgages, which collectively are secured by a first mortgage lien on the properties located at 10-14 Bosworth Street, 41 Bromfield Street and 45 Bromfield Street, Boston, MA and allow for borrowings up to \$4,750,000. The mortgages require monthly payments in the aggregate of \$52,342 with 4.35% of interest to adjust every seven years through November 1, 2039. The initial interest rate during the first seven years is fixed at 4.35% and every seven years the interest will adjust to 185 basis points plus the seven-year US Treasury Index not to exceed 4.35%. Merchants is a limited guarantor of this loan. For the nine months ended September 30, 2025 and 2024, interest expense was \$134,319 and \$123,661, respectively. The mortgage payable balance at September 30, 2025 and December 31, 2024 was \$4,000,743 and \$4,113,322, respectively. The loan is subject to a debt service coverage ratio (“DSCR”) of 1.20, which shall be tested annually. Brahmin is currently not in compliance with the DSCR and in May 2024, as per the terms of the loan agreement, elected to provide Mortgagee with additional cash collateral by Mortgagor’s right, title and interest in a non-interest-bearing account in the amount of \$341,000. Brahmin is current in its debt service payments.

On September 11, 2015, University obtained a loan in the amount of \$9,000,000, secured by a first mortgage assignment of leases and rents. The loan required monthly payments in the aggregate of \$47,291 and had a maturity date of September 11, 2025. The interest rate during the term of the note was 6.24%. Merchants was the guarantor of this loan. There was no prepayment penalty associated with this loan.

On August 15, 2025, University secured a new five-year, interest only, term loan extension of \$7,000,000 (the “Extension Loan”), from which it paid off the outstanding balance of the previous loan. The Extension Loan matures on September 1, 2030 and the interest rate during the term of the note is 6.02%. Merchants is the guarantor of this loan. The loan can be prepaid in whole or in part from time to time without penalty.

For the nine months ended September 30, 2025 and 2024, interest expense on the University Loans was \$200,996 and \$203,275, respectively. The mortgage payable balance at September 30, 2025 and December 31, 2024 was \$7,000,000 and \$6,669,856, respectively.

The Company had a receive-variable (SOFR plus 1.625%), pay-fixed (3.9%) interest rate swap agreement related to its variable rate loan on University. The interest rate swap agreement was effective as of October 1, 2015, with a maturity date of October 1, 2025 and an original notional amount of \$9,000,000. The notional amount was reduced based on the terms of the agreement and was \$6,669,856 at December 31, 2024. The swap agreement was cancelled on August 15, 2025.

In November 2016, Athens obtained a \$5,000,000 mortgage loan, secured by a first mortgage lien on the property located at 819 7th Street NW, Washington DC. Merchants is a limited guarantor of this loan. The mortgage required monthly payments in the aggregate of \$25,199, including principal and interest, based on a 25-year amortization schedule and had a maturity date of December 1, 2023. Athens exercised its option to extend the maturity date to May 27, 2024 and had subsequently received an additional 90 day extension from the lender to extend the maturity date to August 27, 2024, at which time the loan was repaid. The interest rate during the initial term of the note was 3.50%. The interest rate during the extended term was SOFR + 300 bps. For the nine months ended September 30, 2024, interest expense related to this mortgage was \$251,112.

In February 2022, Wisconsin obtained a mortgage loan of up to \$20,730,000, secured by a first mortgage lien on the property located at 2121 Wisconsin Avenue, NW, Washington, DC. Merchants has provided a Guaranty for payment and performance of this mortgage. In addition, Merchants has provided an environmental indemnity guaranty (the “Guaranty”). Management believes that there is no liability under the Guaranty at

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 – MORTGAGES PAYABLE (Continued)

September 30, 2025. The mortgage payable matures in February 2032, requires monthly interest only payments at the rate of 3.4% for the first 24 months and then principal and interest payments thereafter of \$83,012, based on a 35-year amortization period. For the nine months ended September 30, 2025 and 2024, interest expense was \$479,223 and \$445,133, respectively. The mortgage payable balance at September 30, 2025 and December 31, 2024 was \$18,454,556 and \$18,720,298, respectively.

Future minimum payments on all of the aforementioned mortgages payable are as follows:

Year Ending December 31,	
2025	\$ 192,817
2026	793,743
2027	822,821
2028	852,508
2029	6,981,222
Thereafter	27,169,503
	<u>36,812,614</u>
Less: unamortized debt issuance costs	524,460
	<u>\$ 36,288,154</u>

10 – LEASE ARRANGEMENTS (AS LESSOR)

Building space is leased under non-cancelable operating leases. Certain tenant leases provide for minimum annual rent, a percentage of tenant sales in excess of stipulated amounts, real estate taxes, utility costs and other expenses. Certain leases also provide for renewal and termination options.

Minimum rental revenues under existing non-cancelable leases as of September 30, 2025 are approximately as follows:

Year Ending December 31,	
2025	\$ 1,737,000
2026	6,928,000
2027	6,598,000
2028	5,887,000
2029	4,487,000
Thereafter	30,548,000
	<u>\$56,185,000</u>

For the nine months ended September 30, 2025 and 2024, one tenant represented approximately 17% of rental revenue.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10 – LEASE ARRANGEMENTS (AS LESSOR) (Continued)

The components of rental revenue are as follows:

	September 30,	
	2025	2024
	(unaudited)	(unaudited)
Fixed lease payments	\$ 5,569,637	\$ 5,715,756
Variable lease payments	429,905	718,043
	\$ 5,999,542	\$ 6,433,799

11 – INCOME TAXES

The Company's effective tax rate differs from the statutory tax rate due to state credits, as discussed below. The Company's income tax provision consists of the following:

	Nine Months Ended September 30,	
	2025	2024
	(unaudited)	(unaudited)
Current		
Federal	\$ 1,631,922	\$ 2,361,217
State	1,469,780	1,932,666
	3,101,701	4,293,883
Deferred		
Federal	242,038	1,513,337
State	632,306	294,978
	874,344	1,808,315
Income tax (benefit) provision per consolidated statements of operations	\$ 3,976,045	\$ 6,102,198

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11 – INCOME TAXES (Continued)

Components of deferred tax assets and liabilities are as follows:

	September 30, 2025 (unaudited)		December 31, 2024 (audited)	
	Components	Tax Effect	Components	Tax Effect
<u>Deferred tax assets</u>				
Bad debt expense	\$ 47,508	\$ 14,048	\$ 57,621	\$ 17,041
Depreciation - federal	7,493,053	1,589,142	5,012,257	1,052,573
Depreciation - state	24,722,795	2,682,424	21,964,729	2,383,173
Interest expense deduction limitation	2,287,039	676,312	2,287,039	676,312
Net operating losses	171,013	35,913	171,013	35,913
Unrealized loss on interest rate swap	-	-	6,464	1,911
Prepaid rent	997,001	294,828	889,126	262,928
	<u>35,718,409</u>	<u>5,292,667</u>	<u>30,388,249</u>	<u>4,429,851</u>
<u>Deferred tax liabilities</u>				
Amortization	1,846,229	545,958	1,846,229	545,958
Bad debt expense	2,560	757	1,220	361
Depreciation - federal	23,331,782	6,648,548	24,032,745	6,782,479
Deferred gain on disposal of rental property	32,847,128	9,713,389	32,847,128	9,713,389
Deferred revenue	11,693,391	3,457,911	11,229,694	3,320,790
Other	16,749,274	4,953,011	8,289,376	2,451,293
Unrealized gain on interest rate swap	855,091	252,863	667,098	197,271
Unrealized gain on marketable securities	67,272,385	14,799,926	71,016,643	15,623,662
	<u>154,597,840</u>	<u>40,372,363</u>	<u>149,930,133</u>	<u>38,635,203</u>
Net deferred tax liability	<u>\$ 118,879,431</u>	<u>\$ 35,079,696</u>	<u>\$ 119,541,884</u>	<u>\$ 34,205,352</u>

The above components of deferred tax assets and liabilities also include GAAP to tax differences from investments in real estate ventures.

12 – RELATED PARTY TRANSACTIONS

The Company manages various properties and several entities through which investments in real estate ventures are held. Management fees, leasing commissions, supervisory fees and other revenues earned from related parties for the nine months ended September 30, 2025 and 2024 were \$8,212,205 and \$6,062,369, respectively.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12 – RELATED PARTY TRANSACTIONS (Continued)

As of September 30, 2025 and December 31, 2024, the amount due from related parties for management fees, leasing commissions, supervisory fees and other charges was \$6,659,915 and \$2,858,404, respectively. These amounts are non-interest bearing and are due on demand.

Loans to employees for the purchase of membership interests in certain real estate ventures totaling \$3,117,787 and \$2,962,933 at September 30, 2025 and December 31, 2024, respectively, are included in receivables from employees on the consolidated balance sheets. The loans bear interest at 6%, and any unpaid balance, including accrued interest, is due within 12 months of termination of employment with the Company. The loans to employees are collateralized by the employees' respective ownership interest in these real estate ventures.

As of September 30, 2025 and December 31, 2024, the amount due to related parties was \$1,391,204 and \$2,192, respectively. Due to related parties consists of loans payable to real estate venture affiliates in the amount of \$755,795. These loans are unsecured, due on demand, and bear interest at 6.0%. For the nine months ended September 30, 2025, interest expense was \$5,795. Also included in due to related parties is an amount due to tenancy-in-common partners to cover operating cash shortfalls in the amount of \$635,409. These amounts are non-interest bearing and are due on demand.

13 – RETIREMENT PLAN

In 2024, the Company made matching contributions to a retirement plan equivalent to 50% of participants' contributions, not to exceed 2% of such employees' base compensation. As of January 1, 2025, the Company adjusted its matching contributions to the retirement plan to be equivalent to 100% of participants' contributions, not to exceed 4% of such employees' base compensation. Base compensation amounts used for the purpose of determining the Company's matching contributions are subject to annual maximum limits under the Internal Revenue Code of \$14,000 for 2025 and \$6,900 for 2024. The Company's matching contributions for the nine months ended September 30, 2025 and 2024 were \$153,336 and \$109,071, respectively.

14 – COMMITMENTS AND CONTINGENCIES

Guarantees and Indemnification

In April 2020, Herald Owners LLC ("Herald") obtained a mortgage loan of up to \$49,844,000, with a mortgage balance outstanding at September 30, 2025 in the amount of \$45,725,928 secured by a first mortgage lien on the property located at 1307 New York Avenue, NW, Washington, DC. Merchants is a limited guarantor on this loan. In addition, Merchants has provided Deferred Equity and Completion guarantees, an Environmental Indemnity Agreement and an Interest, Carry and Rebalancing Guaranty (the "Guaranty"). Among other requirements, the Guaranty will terminate upon the completion of construction work and achievement of an occupancy rate of 88% of net rentable square footage. In January 2022, the construction was completed. Management believes that there is no liability under the Guaranty at September 30, 2025 and December 31, 2024. The mortgage payable was set to mature in April 2023, required monthly interest only payments at the rate of 4.5% and contains two 12-month extension options, subject to Merchants meeting certain conditions. Herald exercised its extension options extending the maturity date to April 5, 2025. On April 4, 2025, the loan

was modified to extend the maturity date to April 5, 2027 and modify the interest rate to be equal to Term SOFR plus three hundred sixty basis points.

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 – COMMITMENTS AND CONTINGENCIES (Continued)

Guarantees and Indemnification (continued)

The Company has signed limited suretyship and guarantee agreements with the mortgagees of one and two investees as of September 30, 2025 and December 31, 2024, respectively, which own rental real properties with mortgages outstanding of approximately \$16,000,000 as of September 30, 2025 and December 31, 2024. In addition, the Company has provided indemnification for any environmental issues to the lenders of these investees. Management believes that there is no liability under these guarantees as of September 30, 2025 and December 31, 2024.

Employment Agreement

In October 2024, the Company amended and restated its employment agreement with the CEO, extending the expiration date to August 10, 2028 with automatic extensions for successive one year periods, pursuant to which the Company agreed to pay a base annual salary of \$750,000, with an annual increase of the lesser of the increase in the consumer price index or 3% per year. The CEO also became eligible for an annual performance bonus award providing a target bonus opportunity of not less than 75% of the current base salary. The Company also granted the CEO a new long-term cash incentive of \$1,200,000, which shall vest on the fourth anniversary of the August 11, 2024 Award Date, subject to the CEO's continued employment through the vesting date. The Company also granted the CEO a restricted stock award covering 100 shares per year, totaling 400 shares of the Company's common stock (the "LT Stock Incentive"), which shall vest on the fourth anniversary of the August 11, 2024 Award Date, subject to the CEO's continued employment through the vesting date.

For the nine months ended September 30, 2025, the CEO's total cash and accrued compensation was \$1,506,340, which consisted of \$562,500 for base salary, a \$562,500 bonus accrual, a \$131,087 stock grant accrual and a \$250,253 long-term cash incentive accrual. For the nine months ended September 30, 2024, the CEO's total compensation was \$2,055,143, which consisted of \$528,453 for base salary, a \$528,750 bonus accrual, a \$591,600 stock grant and a \$406,250 long-term cash incentive (including an additional \$200,000 payment approved by the Board on the CEO's expiring August 2020 employment agreement).

Stock compensation is measured based on the fair value of the equity instrument at issuance and is amortized over the vesting period.

In addition, when the Company enters into new investments, as defined in the CEO's employment agreement, the CEO is required to make a personal investment at the level of 5% of the Company's investment. The funds for such personal investments are loaned by the Company on a non-recourse basis, with interest at 6% a year, using the acquired equity as collateral. Any unpaid balance, including accrued interest, is due within 12 months of termination of employment with the Company. At September 30, 2025 and December 31, 2024, the loan balance, including accrued interest, was \$2,517,106 and \$2,352,927, respectively. This loan balance is included in receivables from employees on the accompanying consolidated balance sheets.

Capital Calls and Investment Funding

In the normal course of business, the Company may be requested to make additional capital contributions to its real estate investments. As of the date of this report, the Company has not received any capital calls from its real estate investments that have not been fully funded.

14 – COMMITMENTS AND CONTINGENCIES (Continued)

Litigation

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In the normal course of business, the Company is a party to various legal claims, actions and complaints relating to its real estate activities. Management does not expect that the results of any of these proceedings will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Tax Examinations

Merchants, Marx, Guest, Rier and Maryland file combined income tax returns for New York State and are currently undergoing an audit for the years 2020, 2021 and 2022. The outcome of the examination has yet to be determined.

15 – LEASES (AS LESSEE)

The Company leases office space from 708 Third Avenue Holdings, LLC, in which it has an investment. The lease expires on January 23, 2029. For the nine months ended September 30, 2025 and 2024, the operating lease cost was \$174,420 and \$172,194, respectively, and is included in the consolidated statements of operations.

The following summarizes the line items in the consolidated balance sheets which include amounts for the operating lease:

	September 30, 2025 (unaudited)	December 31, 2024 (audited)
Operating right-of-use asset	\$ 716,453	\$ 866,103
Current maturities of operating lease liability	\$ 103,170	\$ 204,528
Operating lease liability, less current maturities	626,904	678,259
Total operating lease liability	\$ 730,074	\$ 882,787

Additional disclosures regarding the Company's lease as lessee are as follows:

	Nine Months Ended September 30, 2025 (unaudited)	September 30, 2024 (unaudited)
Cash paid for amounts included in the measurement of lease liability	\$ 174,420	\$ 172,194
Weighted average remaining lease term	3.3 years	4.3 years
Weighted average discount rate	3.55%	3.55%

15 – LEASES (AS LESSEE) (Continued)

MERCHANTS' NATIONAL PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The minimum operating lease obligations as of September 30, 2025 were as follows:

Year Ending December 31,	
2025	\$ 58,140
2026	232,560
2027	232,560
2028	232,560
2029	19,380
Total lease payments	775,200
Less: interest	45,126
Present value of lease liability	<u>\$ 730,074</u>

16 – SUBSEQUENT EVENTS

These consolidated financial statements were approved by management and available for issuance on November 14, 2025. Management has evaluated subsequent events through this date.

Addendum B

Property	CITY	Building Type	Land (Acres) - Approx.	Building (square ft) - Approx.	MNP Interest ¹	Occupancy %	% VACANT	SF LEASED	SF VACANT	# of In-place Tenants	Primary Tenants
ALABAMA											
1301 N MEMORIAL PKWY, HUNTSVILLE	HUNTSVILLE	RETAIL/BILLBOARD SIGN	1.4	10,832	53.4%	100.00%	0.00%	10,832	-	2	Bridgestone, Lamar Advt.
CALIFORNIA											
17220-230 S. LAKEWOOD, BELLFLOWER	BELLFLOWER	SHOPPING CENTER	11.1	130,934	17.4%	100.00%	0.00%	130,934	-	6	Kimco Realty, Denny's, Ellie & Emma, Farnam Ahmadi Moshtaghin Dental, Sunrise Beauty, LA Pro Nail, Ateef Naem
CONNECTICUT											
98,102, 108 GREENWICH AVENUE	GREENWICH	MIXED-USE		19,727	57.9%	100.00%	0.00%	19,727	-	7	Sweetgreen, Maman Bakery, KarpReilly, Spencer Trask, Night Owl, Resi Penthouse
DISTRICT OF COLUMBIA											
2200 P STREET NW, DC	WASHINGTON, DC	RETAIL/GAS STATION	0.4	2,100	100.0%	100.00%	0.00%	2,100	-	1	Consolidated Petroleum
819 7TH ST., NW, WASHINGTON, DC	WASHINGTON, DC	RETAIL/OFFICE		7,857	90.7%	0.00%	100.00%	-	7,857		
819 7TH ST., NW, WASHINGTON, DC	WASHINGTON, DC	OFFICE		5,115	66.5%	0.00%	100.00%	-	5,115	-	
1307 NEW YORK AVE NW, WASH., DC	WASHINGTON, DC	OFFICE		120,460	28.5%	71.83%	28.17%	86,525	33,935	9	CCGN, Barbara Bush Fdn., Scott Circle, EIG, Society of Industrial Realtors, Locust Street Group, Proper Cloth, Auburn University, August Strategies
2121 WISCONSIN AVE, NW, WASH., DC	WASHINGTON, DC	OFFICE		105,722	72.2%	65.77%	34.23%	69,532	36,190	8	Nexstar Media, Perfect Fit, CommuniKids, George Sexton, Liles Parker, Wine Rack, Elite PT, Dispatch Health
GEORGIA											
207-211 PEACHTREE STREET, ATLANTA	ATLANTA	1-4 STORY+1-1 STORY BLDG	0.4	42,451	26.8%	90.13%	9.87%	38,261	4,190	3	Red Phone Booth, Saito Bar
MASSACHUSETTS											
349-365 WASHINGTON STREET, BOSTON ²	BOSTON	4 BUILDING ASSEMBLAGE MIXED USE	0.5	64,811	31.8%	1.98%	98.02%	1,282	63,529	2	Cingular, Kung Fu
BROMFIELD & BOSWARTH ST, BOSTON ²	BOSTON	3 BUILDING ASSEMBLAGE MIXED USE	0.1	37,575	29.7%	38.17%	61.83%	14,341	23,234	9	Drinkmaster, Clothing from Italy, Instatrac, Neurable, Bay State Coin, Cimulate, Team Work
NEW JERSEY											
460 WEST ROUTE 70, MARLTON	MARLTON	RETAIL	1.4	9,000	34.9%	100.00%	0.00%	9,000	-	1	Enterprise Car Rental
240 WEST PWY, PEQUANNOCK	POMPTON PLAINS	WAREHOUSE	6.9	127,800	22.6%	100.00%	0.00%	127,800	-	1	Strong Man Building Products
1218 HOOPER AVE (& BEY AVE)	TOMS RIVER	RETAIL + VACANT LAND	27.2		30.1%	100.00%	0.00%	-	-	3	Target, Chilli's, Exxon (All ground-leased)
3607 BERGENLINE, UNION CITY	UNION CITY	RETAIL	0.3	26,647	100.0%	100.00%	0.00%	26,647	-	1	ABC Bargain Stores
2125 FLETCHER AVENUE, FORT LEE ²	FORT LEE	RETAIL	2.1	32,725	30.0%	100.00%	0.00%	32,725	-	1	Metropolitan Plant Exchange
NEW YORK											
KNOLLS COOP SOCIETY, BRONX ⁴	BRONX	RESIDENTIAL			100.0%	100.00%	0.00%			1	Knolls Cooperative Section No. 1
3965 HEMPSTEAD BLVD., BETHPAGE ⁴	BETHPAGE	RETAIL/GAS STATION	1.3	6,929	95.7%	100.00%	0.00%	6,929	-	1	QuickChek Corp.
89-17/23 QUEENS BLVD., ELMHURST	ELMHURST	RETAIL	0.3	8,625	12.7%	100.00%	0.00%	8,625	-	4	JP Morgan Chase, Rakuzen, Halal Republic, Smoke Shop
222 ELMIRA RD, ITHACA	ITHACA	SHOPPING CENTER	6.9	46,375	21.0%	100.00%	0.00%	46,375	-	14	Wild Vines, Five Guys, Taco Bell, DiBellas Sub, Cold Stone
201 EAST 57TH STREET, NYC ¹	NEW YORK	SHOW ROOM	0.2	29,617	23.3%	100.00%	0.00%	29,617	-	3	TD Bank, Design Within Reach, Mansour Rugs, Kiro
532 MADISON AVENUE, NYC	NEW YORK	RETAIL/OFFICE	0.04	15,347	10.4%	57.45%	42.55%	8,817	6,530	3	Smilers, Less is More, T-Mobile
545 MADISON AVENUE, NYC ¹	NEW YORK	RETAIL/OFFICE	-	138,428	23.3%	63.16%	36.84%	87,431	50,997	13	Wells Fargo, Maman, Orangewood Partners, Ogden CAP Properties, Helix Partners, GTS Group, TruArc Partners, Kohlberg, Galaxy US, Baccarat
605-9 WEST 181st STREET, NYC	NEW YORK	RETAIL	0.2	23,897	100.0%	100.00%	0.00%	23,897	-	1	Foot Locker
712 THIRD AVENUE, NYC	NEW YORK	RETAIL/OFFICE BUILDING	0.1	9,869	17.9%	100.00%	0.00%	9,869	-	3	Wendy's, Dunkin Donuts, Haufbrau
140 7TH AVE S PARCEL, NYC	NEW YORK	21sf LAND PARCEL			100.0%	100.00%	0.00%	-	-	1	Ark Seventh Ave South
135 BOWERY ST., NYC	NEW YORK	RETAIL/OFFICE BUILDING		21,308	46.5%	58.21%	41.79%	12,403	8,905	5	Hiyake Japanese BBQ, Martin Liu, Bad Dog, Easyrent
3639 MERRICK RD. SEAFORD	SEAFORD	FREESTANDING BUILDING	0.3	4,620	22.7%	100.00%	0.00%	4,620	-	1	Funstuff
2800 HYLAN BLVD., STATEN ISLAND ⁴	STATEN ISLAND	BANK BLDG/FAST FOOD RESTAURANT	1.3	7,147	0.7%	100.00%	0.00%	7,147	-	2	Starbucks, Bank of America
79-83 MAMARONECK AVE. W.PLAINS	WHITE PLAINS	1 STORY + PARTIAL BSMT	0.1	4,449	94.6%	100.00%	0.00%	4,449	-	2	Salon, US Army
10 GRAND CENTRAL, 155 E 44TH STREET	NEW YORK	RETAIL/OFFICE BUILDING	0.4	425,698	35.7%	84.60%	15.40%	360,153	65,545	46	ANA, Benenson, UNOPS, Wheelock, Mass Mutual, Crux, Little Collins, Sweetgreen, Cava, Future US, Maman Bakery, LIV Golf, HLTH, ZEFR, Agence France-Presse, Mission of Panama, Metrowall, Green Street Advisors, LeafFilter, Lewis Baach, Teledoc, FC Opco
CROSS COUNTY SHOPPING CTR.	YONKERS	SHOPPING CENTER	71.3	1,140,150	37.6%	94.58%	5.42%	1,078,310	61,840	84	Macy's, Target, Westchester Comm College, Stop&Shop, Zara, H&M, Hyatt, Victoria's Secret, Gap, Old Navy, Ulta, Multiplex, Olive Garden, Savage X Fenty
92 PRINCE STREET, NEW YORK ²	NEW YORK	RETAIL	0.1	6,290	20.7%	100.00%	0.00%	6,290	-	1	Ferrari
85 NORTH 3RD ST. WILLIAMSBURG, BKLYN ²	BROOKLYN	RETAIL		27,111	40.6%	100.00%	0.00%	27,111	-	16	Sola Salon, Ralph Lauren, Crème Design, Kula Yoga, Aesop, Slowear, Hotovelli, Tailgate Clothing
478 W. BROADWAY, NEW YORK ²	NEW YORK	RETAIL		2,327	19.7%	100.00%	0.00%	2,327	-	1	Lumas/Avenso Photo Art
430 PARK AVENUE, NEW YORK ^{3,6}	NEW YORK	OFFICE BUILDING	0.3	296,147	8.2%	99.36%	0.64%	294,258	1,889	22	WeWork, TD, Cellini, Wainwright, Withers, Molo, Engel & Volkers, Savanna, TIAA, Midwood, Oestreicher, Joe & Juice,
124 HUDSON STREET, NEW YORK	RETAIL	RETAIL/OFFICE		11,892	19.4%	100.00%	0.00%	11,892	-	3	Portfolio School, Warburg Realty, Maris Edge
2320 OCEAN AVENUE, FARMINGVILLE ²	FARMINGVILLE	SHOPPING CENTER	40.6	280,482	12.3%	97.57%	2.43%	273,680	6,802	30	Stop&Shop, LA Fitness, Burlington, American Thrift, Dress for Less, Five Below, Skechers, Sola Salon, Relaxation Spa, City MD, JPM, BK, GNC, Starbucks
VIRGINIA											
7717 RICHMOND HWY, ALEXANDRIA	ALEXANDRIA	VACANT LAND	0.1	-	42.6%	0.00%	0.00%	-	-	-	Vacant, available for lease or sale
7704 RICHMOND HWY, ALEXANDRIA	ALEXANDRIA	SHOPPING CENTER	2.8	13,330	42.6%	100.00%	0.00%	13,330	-	6	Verizon, Vitamin Shoppe, Pollo Campero, Dunkin Donuts, Monarch Paint, Paisano's
7508 RICHMOND HWY, ALEXANDRIA ⁵	ALEXANDRIA	RETAIL	1.1	7,920	7.9%	56.86%	43.14%	4,503	3,417	2	Sherwin Williams, Hangry Joe's
5025 WELLINGTON RD, GAINESVILLE	GAINESVILLE	FREESTANDING BUILDING	0.7	2,126	49.0%	100.00%	0.00%	2,126	-	1	Chipotle
			179.96	3,273,840		88.39%	11.61%	2,893,865	379,975		

¹ Includes interest owned indirectly through MNP's 23.3333% ownership in Joseph E. Marx Co., Inc.

² Managed by Midwood Management

³ Leasehold Interest

⁴ Ground Leased

⁵ Subject to Potential Taking

⁶ Managed by Oestreicher Properties, Inc.