

A Maryland Corporation
700 Canal Street, 3rd Floor
Stamford, Connecticut 06902

(646) 585-5591
https://golfentertainmentgroup.com/investors/

SIC Code: 7990

Quarterly Report

For the period ending September 30, 2026
(the "Reporting Period")

The number of shares outstanding of our Common Stock was 2,016,706 as of September 30, 2026

The number of shares outstanding of our Common Stock was 2,016,706 as of December 31, 2025

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☑

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period: Yes: ☐ No: ☑

Item 1: Exact name of the issuer and the address of its principal executive offices.

Golf Entertainment Group Inc. (f/k/a Drive Shack Inc. (2016-2025) and prior to that, Newcastle Investment Corp. (2002-2016))

The address of the issuer's principal executive offices:

700 Canal Street, 3rd Floor
Stamford, Connecticut, 06902
(646) 585-5591

http://golfentertainmentgroup.com
http://driveshack.com
http://puttery.com
http://www.americangolf.com

The name and email address of the issuer's investor relations contact:

Investor Relations
ir@golfentertainmentgroup.com

Item 2: Shares Outstanding

Common Stock

(i) Period end date: September 30, 2026
(ii) Number of shares authorized: 1,000,000,000
(iii) Number of shares outstanding: 2,016,706
(iv) Freely tradable shares (public float): 951,460
(v) Number of beneficial shareholders owning at least 100 shares: 565
(vi) Total number of shareholders of record: 40

9.75% Series B Cumulative Redeemable Preferred Stock

(i) Period end date: September 30, 2026
(ii) Number of shares authorized: 2,875,000
(iii) Number of shares outstanding: 1,347,321
(iv) Freely tradable shares (public float): 1,347,321
(v) Number of beneficial shareholders owning at least 100 shares: 415
(vi) Total number of shareholders of record: 8

8.05% Series C Cumulative Redeemable Preferred Stock

(i) Period end date: September 30, 2026
(ii) Number of shares authorized: 1,800,000
(iii) Number of shares outstanding: 496,000
(iv) Freely tradable shares (public float): 496,000
(v) Number of beneficial shareholders owning at least 100 shares: 222
(vi) Total number of shareholders of record: 7

8.375% Series D Cumulative Redeemable Preferred Stock

(i) Period end date: September 30, 2026
(ii) Number of shares authorized: 2,300,000
(iii) Number of shares outstanding: 620,000
(iv) Freely tradable shares (public float): 620,000
(v) Number of beneficial shareholders owning at least 100 shares: 272
(vi) Total number of shareholders of record: 7

List of securities offerings and shares issued for services in the past two years
None

Item 3: Interim Financial Statements

The Company has provided the following financial statements for the most recent fiscal quarter ended September 30, 2026 which are attached hereto as Exhibit A:

- Report of Independent Certified Public Accountants
- Consolidated Balance Sheets
- Consolidated Statements of Operations
- Consolidated Statements of Comprehensive Loss
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Notes to the Consolidated Financial Statements

Item 4: Management's Discussion and Analysis or Plan of Operation

The Company has provided the following Management's Discussion and Analysis or Plan of Operation for the most recent fiscal quarter ended September 30, 2026 which is attached hereto as Exhibit B and is hereby incorporated by reference.

Item 5: Legal Proceedings

The Company is party to an employee discrimination claim regarding a former employee from one of its golf courses, in which the lower end of the reasonably estimable range of losses is $2.0 million. This amount has been accrued in the accompanying financial statements. As of the date of this Quarterly Report, this matter is still pending. For additional detail, see Note 11 (Commitments and Contingencies) to the Consolidated Financial Statements included herein as Exhibit A.

Item 6: Defaults upon Senior Securities

As of September 30, 2026, $27.1 million of dividends on the Company’s cumulative preferred stock were unpaid and in arrears.

Item 7: Other Information

Current Reporting Obligations

On April 30, 2026, the Company ceased operations at a Drive Shack located in Orlando, Florida and entered into an agreement with the landlord to terminate the related lease prior to its contractual expiration date. In connection with the early termination, the Company was not required to pay a termination fee.

Item 8: Exhibits

None

EXHIBIT A

Item 3: Interim Financial Statements

Report of Independent Certified Public Accountants

Consolidated Balance Sheets as of September 30, 2026 (unaudited) and December 31, 2025

Consolidated Statements of Operations (unaudited) for the three and nine months ended September 30, 2026 and 2025

Consolidated Statements of Comprehensive loss (unaudited) for the three and nine months ended September 30, 2026 and 2025

Consolidated Statements of Changes in Equity (unaudited) for the three and nine months ended September 30, 2026 and 2025

Consolidated Statements of Cash Flows (unaudited) for the nine months ended September 30, 2026 and 2025

Notes to the Consolidated Financial Statements

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stockholders
Golf Entertainment Group Inc. and Subsidiaries

Results of review of interim financial information
We have reviewed the accompanying consolidated interim financial information of Golf Entertainment Group Inc. (a Maryland corporation) and subsidiaries (the "Company"), which comprise the consolidated balance sheet, and the related consolidated statements of operations, comprehensive loss, changes in equity, and cash flows, as of September 30, 2026 and for the three-month and nine-month periods ended September 30, 2026 and 2025, and the related notes (collectively referred to as the "interim financial information").

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

Basis for review results
We conducted our review in accordance with auditing standards generally accepted in the United States of America (US GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with US GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of management for the interim financial information
Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Report on consolidated balance sheet as of December 31, 2025
We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of the Company as of December 31, 2025, and the related consolidated statements of operations, comprehensive loss, changes in equity, and cash flows for the year then

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ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 31, 2026. In our opinion, the accompanying consolidated balance sheet of the Company as of December 31, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

Kansas City, Missouri
November 10, 2026

GOLF ENTERTAINMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	(unaudited) September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 40,747	$ 34,168
Restricted cash	6,765	4,220
Accounts receivable, net	13,781	8,661
Other current assets	15,794	18,262
Total current assets	77,087	65,311
Property and equipment, net of accumulated depreciation	119,924	137,397
Operating lease right-of-use assets	148,775	160,848
Intangibles, net of accumulated amortization	7,798	8,606
Other assets	3,974	4,862
Total assets	$ 357,558	$ 377,024
Liabilities and Equity		
Current liabilities		
Obligations under finance leases	$ 1,341	$ 1,997
Membership deposit liabilities	55,736	45,407
Accounts payable and accrued expenses	35,634	32,315
Management fee to affiliate	29,732	23,850
Deferred revenue	19,160	16,392
Credit facilities, net	40	—
Other current liabilities	22,783	22,845
Total current liabilities	164,426	142,806
Obligations under finance leases - noncurrent	1,160	1,942
Operating lease liabilities - noncurrent	152,695	171,642
Credit facilities, net - noncurrent	160	200
Junior subordinated notes payable	51,118	51,127
Membership deposit liabilities, noncurrent	104,894	110,294
Deferred revenue, noncurrent	24,360	21,646
Other liabilities	944	772
Total liabilities	$ 499,757	$ 500,429

Equity				
Preferred stock, $0.01 par value, 100,000,000 shares authorized, 1,347,321 shares of 9.75% Series B Cumulative Redeemable Preferred Stock (2,875,000 shares authorized), 496,000 shares of 8.05% Series C Cumulative Redeemable Preferred Stock (1,800,000 shares authorized), and 620,000 shares of 8.375% Series D Cumulative Redeemable Preferred Stock (2,300,000 shares authorized), liquidation preference $25.00 per share for all Series of shares, issued and outstanding as of September 30, 2026 and December 31, 2025	$	61,583	$	61,583
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 2,016,706 and 2,016,706 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively		20		20
Additional paid-in capital		3,250,811		3,250,791
Accumulated deficit		(3,455,741)		(3,438,403)
Total deficit of Golf Entertainment Group Inc.	$	(143,327)	$	(126,009)
Noncontrolling interest		1,128		2,604
Total deficit	$	(142,199)	$	(123,405)
Total liabilities and deficit	$	357,558	$	377,024

See notes to unaudited Consolidated Financial Statements.

GOLF ENTERTAINMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(Dollars in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Golf operations	$ 69,065	$ 68,860	$ 201,072	$ 195,363
Sales of food and beverages	19,790	21,293	60,157	62,564
Total revenues	88,855	90,153	261,229	257,927
Operating costs				
Operating expenses	74,923	70,891	210,195	200,821
Cost of sales - food and beverages	5,065	5,885	15,961	16,360
General and administrative expense	3,189	2,212	11,734	10,366
Management fee to affiliate	1,000	4,379	5,882	10,193
Depreciation and amortization	5,028	6,278	14,883	18,755
Loss on lease terminations and impairment	5,671	—	12,082	6,061
Total operating costs	94,876	89,645	270,737	262,556
Operating income (loss)	(6,021)	508	(9,508)	(4,629)
Other income (expenses)				
Interest and investment income	499	130	739	251
Interest expense	(3,287)	(3,239)	(9,772)	(10,144)
Other (expense) income, net	144	(119)	562	381
Total other (expense) income	(2,644)	(3,228)	(8,471)	(9,512)
Loss before income tax	(8,665)	(2,720)	(17,979)	(14,142)
Income tax expense (benefit)	244	109	674	539
Net loss	(8,908)	(2,829)	(18,653)	(14,681)
Less: net loss attributable to noncontrolling interest	(679)	(103)	(1,315)	(427)
Net loss attributable to the Company	(8,229)	(2,726)	(17,338)	(14,254)
Preferred dividends	(1,465)	(1,465)	(4,395)	(4,395)
Loss applicable to common stockholders	$ (9,694)	$ (4,191)	$ (21,733)	$ (18,649)
Loss applicable to common stock, per share				
Basic	$ (5.60)	$ (2.42)	$ (12.55)	$ (10.77)
Diluted	$ (5.60)	$ (2.42)	$ (12.55)	$ (10.77)
Weighted average number of shares of common stock outstanding				
Basic	1,732,214	1,732,214	1,732,214	1,732,214
Diluted	1,732,214	1,732,214	1,732,214	1,732,214

See notes to unaudited Consolidated Financial Statements.

GOLF ENTERTAINMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (unaudited)
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	$ (8,908)	$ (2,829)	$ (18,653)	$ (14,681)
Comprehensive loss attributable to noncontrolling interest	(679)	(103)	(1,315)	(427)
Comprehensive loss attributable to the Company	$ (8,229)	$ (2,726)	$ (17,338)	$ (14,254)

See notes to unaudited Consolidated Financial Statements.

GOLF ENTERTAINMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)
(Dollars in thousands, except share data)

	Golf Entertainment Group Inc. Stockholders							
	Preferred Stock		Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Noncontrolling Interest	Total Deficit
Equity (deficit) - December 31, 2025	2,463,321	$ 61,583	2,016,706	$ 20	$ 3,250,791	$ (3,438,403)	$ 2,604	$ (123,405)
Capital distribution	—	—	—	—	—	—	(140)	$ (140)
Net loss	—	—	—	—	—	(8,355)	(255)	(8,610)
Equity (deficit) - March 31, 2026	2,463,321	$ 61,583	2,016,706	$ 20	$ 3,250,791	$ (3,446,757)	$ 2,208	$ (132,155)
Other	—	—	—	—	20	—	—	20
Net loss	—	—	—	—	—	(755)	(380)	(1,135)
Equity (deficit) - June 30, 2026	2,463,321	$ 61,583	2,016,706	$ 20	$ 3,250,811	$ (3,447,512)	$ 1,828	(133,270)
Capital distribution	—	$ —	—	$ —	$ —	$ —	(21)	$ (21)
Net loss	—	$ —	—	$ —	$ —	$ (8,229)	$ (679)	$ (8,908)
Equity (deficit) - September 30, 2026	2,463,321	$ 61,583	2,016,706	$ 20	$ 3,250,811	$ (3,455,741)	$ 1,128	$ (142,199)

	Golf Entertainment Group Inc. Stockholders							
	Preferred Stock		Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Noncontrolling Interest	Total Deficit
Equity (deficit) - December 31, 2024	2,463,321	$ 61,583	1,994,426	$ 1,994	$ 3,248,748	$ (3,412,950)	$ 4,948	$ (95,677)
Net loss	—	—	—	—	—	(3,642)	(151)	$ (3,793)
Equity (deficit) - March 31, 2025	2,463,321	$ 61,583	1,994,426	$ 1,994	$ 3,248,748	$ (3,416,592)	$ 4,796	$ (99,471)
Net loss	—	—	—	—	—	$ (7,886)	$ (173)	$ (8,059)
Equity (deficit) - June 30, 2025	2,463,321	$ 61,583	1,994,426	$ 1,994	$ 3,248,748	$ (3,424,478)	$ 4,623	$ (107,530)
Net loss	—	$ —	—	$ —	$ —	$ (2,726)	$ (103)	$ (2,829)
Equity (deficit) - September 30, 2025	2,463,321	$ 61,583	1,994,426	$ 1,994	$ 3,248,748	$ (3,427,204)	$ 4,520	$ (110,360)

See notes to unaudited Consolidated Financial Statements.

GOLF ENTERTAINMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Dollars in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash Flows From Operating Activities		
Net loss	(18,653)	(14,681)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	14,883	18,755
Amortization of discount and premium	143	194
Membership deposit liability accretion expense	7,129	7,161
Non-cash operating lease expense	12,074	11,177
Loss on lease terminations and impairment	12,082	6,061
Gain from insurance proceeds for property loss	(101)	(1,145)
Other losses (gains), net	26	1,332
Change in:		
Operating lease liability	(14,700)	(13,147)
Accounts receivable, net, other current assets and other assets - noncurrent	(1,764)	131
Accounts payable and accrued expenses, deferred revenue, other current liabilities and other liabilities - noncurrent	14,606	18,587
Net cash provided by operating activities	25,725	34,425
Cash Flows From Investing Activities		
Purchases of property and equipment and intangibles	(13,158)	(9,247)
Insurance proceeds for property loss	101	1,145
Net cash used in investing activities	(13,057)	(8,102)
Cash Flows From Financing Activities		
Repayments of debt obligations	(1,591)	(1,906)
Capital distribution paid	(161)	—
Other financing activities	(1,792)	(1,275)
Net cash used in financing activities	(3,544)	(3,181)
Net Increase (Decrease) in Cash and Cash Equivalents, and Restricted Cash	9,124	23,142
Cash and Cash Equivalents, and Restricted Cash, Beginning of Period	38,388	13,085
Cash and Cash Equivalents, and Restricted Cash, End of Period	$ 47,512	$ 36,227
Cash paid during the period for interest expense	$ 2,616	$ 2,807
Cash paid during the period for income taxes	$ 1,669	$ 136
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Preferred stock dividends accumulated but not paid	$ 4,395	$ 4,395
Additions to property and equipment under accounts payable	$ 224	$ 1,300

See notes to unaudited Consolidated Financial Statements.

1. ORGANIZATION

Golf Entertainment Group Inc. (f/k/a Drive Shack Inc.), and which is referred to in these consolidated financial statements, as GEG or the Company, is the owner and operator of golf-related leisure and entertainment venues focused on bringing people together through competitive socializing. The Company, a Maryland corporation, was formed in 2002, and its common stock is traded on the OTCMKTS under the symbol "GLFE," and formerly under the symbol "DSHKD," and previously under the symbol "DSHK".

The Company conducts its business through the following operating and reportable segments: (i) entertainment golf venues, (ii) traditional golf properties and (iii) corporate. For a further discussion of the reportable segments, see Note 4.

As of September 30, 2026, the Company operated three Drive Shack venues located in West Palm Beach, Florida, Raleigh, North Carolina, and Richmond, Virginia.

As of September 30, 2026, the Company operated ten leased Puttery venues located in The Colony, Texas; Charlotte, North Carolina; Washington, D.C.; Houston, Texas; Kansas City, Missouri; Minneapolis, Minnesota; Pittsburgh, Pennsylvania; Chicago, Illinois; Miami, Florida; and New York City, New York.

On April 30, 2026, the Company ceased operations at a Drive Shack located in Orlando, Florida and entered into an agreement with the landlord to terminate the related lease prior to its contractual expiration date. In connection with the early termination, the Company was not required to pay a termination fee.

The Company's traditional golf business operates golf courses and country clubs in the United States. As of September 30, 2026, the Company owned, leased or managed forty-two (42) properties across five states.

The corporate segment consists primarily of securities and other investments and executive management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) set by the Financial Accounting Standards Board ("FASB"). References to GAAP issued by the FASB in these notes are to the FASB Accounting Standards Codification ("FASB ASC"). The Consolidated Financial Statements include the accounts of the Company and its consolidated subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company consolidates those entities in which it has an investment of 50% or more and has control over significant operating, financial and investing decisions of the entity. The portions of equity in consolidated subsidiaries that are not attributable, directly or indirectly, to us are presented as noncontrolling interest.

Use of Estimates — Our estimates are based on information available to management at the time of preparation of the Consolidated Financial Statements, including the results of historical analysis, our understanding and experience of the Company's operations, our knowledge of the industry and market-participant data available to us. Actual results have historically been in line with management's estimates and judgments used in applying each of the accounting policies, and management periodically re-evaluates accounting estimates and assumptions. Actual results could differ from these estimates and materially impact our Consolidated Financial Statements. However, we do not expect our assessments and assumptions to materially change in the future.

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (ASU 2023-09), which includes amendments that further enhance income tax disclosures through the standardization and disaggregation of rate reconciliation categories and income taxes paid in both domestic and foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and is to be applied prospectively, with early adoption and retrospective application permitted. The Company has modified its disclosures in Note 12 to include the additional disclosures required by ASU 2023-09.

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses (DISE). This guidance requires disaggregated disclosure of income statement expenses for public business entities. ASU 2024-03 does not change the

expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. As revised by ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures, the provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, with early adoption permitted. Except for expanding disclosures to include more granular income statement expense categories, we do not expect the adoption of ASU 2024-03 to have a material effect on our consolidated financial statements taken as a whole.

In July 2025, the FASB issued ASU 2025-05, "Financial Instruments— Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" (ASU 2025-05), which includes amendments that further enhance estimating expected credit losses. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025 and is to be applied prospectively, with early adoption and retrospective application permitted. The adoption of ASU 2025-05 as of June 30, 2026 did not have a material effect on our consolidated financial statements taken as a whole.

REVENUE RECOGNITION

Golf Operations

Entertainment Golf — Revenue from bay play, gameplay, events, and other operating activities (consisting primarily of instruction and merchandise sales) is generally recognized at a point in time which is at the time of sale or when services are rendered and collectability is probable.

Traditional Golf — Revenue from green fees, cart rentals, merchandise sales and other operating activities (consisting primarily of range income, banquets and club amenities) is generally recognized at a point in time which is at the time of sale or when services are rendered and collectability is probable.

Revenue from membership dues for private club members and The Players Club members is recognized in the month earned. Membership dues received in advance are included in deferred revenue and recognized as revenue ratably over the appropriate period, which is generally twelve months or less for private club members and the following month for The Players Club members. The membership dues are generally structured to cover the club operating costs and membership services.

Private country club members generally pay an advance initiation fee upon their acceptance as a member to the respective country club. Initiation fees are non-refundable after the date of acceptance as a member. The initiation fee revenue is deferred and recognized in the Consolidated Statements of Operations on a straight-line basis over the expected life of an active membership, which is estimated to be seven years. The determination of the estimated average expected life of an active membership is based on company-specific historical data and involves judgment and estimation. Until 2021, private country club members generally paid an advance initiation deposit which was refundable 30 years after the date of acceptance as a member. The difference between the initiation deposit paid by the member and the present value of the refund obligation is deferred and recognized into revenue in the Consolidated Statements of Operations on a straight-line basis over the seven-year expected life of an active membership. The present value of the refund obligation is recorded as a membership deposit liability in the Consolidated Balance Sheets and accretes over a 30-year nonrefundable term using the effective interest method. This accretion is recorded as interest expense in the Consolidated Statements of Operations.

Revenue from the reimbursement of certain operating costs incurred at the Company’s managed traditional golf properties is recognized at the time the associated operating costs are incurred as collectability is probable per the terms of the management contracts and the repayment histories of the property owners.

The Company has elected to exclude from the measurement of the transaction price all taxes (e.g. sales, use, value-added) assessed by government authorities and collected from a customer. Therefore, revenue is recognized net of such taxes.

Seasonality

Seasonality can affect our results of operations. Our traditional golf business is subject to seasonal fluctuations as colder temperatures and shorter days reduce the demand for outdoor activities. As a result, the traditional golf business generates a disproportionate share of its annual revenue in the second and third quarters of each calendar year. In addition, our Drive Shack

and Puttery venues could be significantly impacted on a season-to-season basis, based on corporate event and social gathering volumes during holiday seasons and school vacation schedules.

Sales of Food and Beverages — Revenue from food and beverage sales is recorded at the time of sale, net of discounts.

Other (expense) income, net — These items are comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Insurance proceeds	$ —	$ —	$ 101	$ 1,145
Other (expense) income	144	(119)	461	(764)
Other (expense) income, net	$ 144	$ (119)	$ 562	$ 381

EXPENSE RECOGNITION

Operating Expenses — Operating expenses consist primarily of payroll, utilities, repairs and maintenance, supplies, advertising and marketing, technology support and operating lease rent expense. A majority of the properties and related facilities are leased under long-term operating leases. See Note 6 for additional information.

General and Administrative Expense — General and administrative expense consists of costs associated with corporate and administrative functions that support development and operations.

Management Fees — These represent amounts due to the Manager pursuant to the Management Agreement. For further information on the Management Agreement, see Note 14.

Pre-Opening Costs — Pre-opening costs are expensed as incurred and consist primarily of employee payroll, marketing expenses, operating lease costs, travel and related expenses, training costs, food, beverage and other restaurant operating expenses incurred prior to opening an entertainment golf venue.

Interest Expense, Net — The Company financed its operations using both fixed and floating rate debt and other financing vehicles. Certain of this debt has been issued at a discount. Discounts are accreted into interest expense on the effective yield or interest method, based upon a comparison of actual and expected cash flows, through the expected maturity date of the financing. See Note 8 for additional information. Until 2021, private country club members generally paid an advance initiation deposit upon their acceptance as a member to the respective country club that is refundable 30 years after the date of acceptance as a member. The difference between the initiation deposit paid by the member and the present value of the refund obligation is deferred and recognized into golf operations revenue in the Consolidated Statements of Operations on a straight-line basis over the expected life of an active membership, which is estimated to be seven years. The present value of the refund obligation is recorded as a membership deposit liability in the Consolidated Balance Sheets and accretes over a 30-year nonrefundable term using the effective interest method. This accretion is recorded as "Interest expense, net" in the Consolidated Statements of Operations. Financing lease liabilities are amortized using the effective interest method with the related expense recognized in "Interest expense, net" on the Consolidated Statements of Operation.

Stock-Based Compensation Expense — From 2018 through 2023, the Company maintained an equity incentive plan under which non-qualified stock options, incentive stock options, and restricted stock units or RSUs were granted to employees and non-employee directors. Stock options and RSUs are expensed based on the fair value on the date of grant and amortized on a straight-line basis over the requisite service period. The fair value of RSUs is determined using the stock price on the date of grant. The fair value of stock options is estimated on the grant date using the Black-Scholes option valuation model. Unvested stock options and RSUs are forfeited by non-employee directors upon their departure from the board of directors and forfeited by employees upon their termination. All stock-based compensation expense is recorded as general and administrative expense in the Consolidated Statements of Operations. As of May 9, 2024, the Company did not maintain an equity incentive plan. See Note 10 for additional information.

BALANCE SHEET MEASUREMENT

Property and Equipment, Net — Real estate related improvements and equipment are recorded at cost less accumulated depreciation. Costs that both materially add value to an asset and extend the useful life of an asset by more than a year are capitalized which may include significant renovations, remodels and major repairs. Costs that do not meet this criteria, such as minor repairs and routine maintenance, are expensed as incurred.

Depreciation is calculated using the straight-line method based on the lesser of the estimated useful lives or the lease term:

Buildings and improvements	10-40 years
Finance leases - equipment	2-6 years
Furniture, fixtures, and equipment	2-7 years

The Company leases certain golf carts and other equipment that are classified as finance lease Right of Use ("ROU") assets. The value of finance leases is recorded as an asset on the balance sheet, along with a liability related to the present value of associated payments. Depreciation of finance lease assets is calculated using the straight-line method over the shorter of the estimated useful lives or the expected lease terms. The cost of equipment under finance leases is recorded in "Property and equipment, net of accumulated depreciation" on the Consolidated Balance Sheets. Payments under the leases are treated as reductions of the obligations under finance leases, with a portion being recorded as interest expense under the effective interest method.

Leasing Arrangements — The Company evaluates at lease inception whether an arrangement is or contains a lease by providing the Company with the right to control an asset. Operating leases are accounted for on the balance sheet with the ROU assets and lease liabilities recognized in "Operating lease right-of-use assets," "Other current liabilities" and "Operating lease liabilities - noncurrent" in the Consolidated Balance Sheets. Finance lease ROU assets, current lease liabilities and noncurrent lease liabilities are recognized in "Property and equipment, net of accumulated depreciation", "Obligations under finance leases" and "Obligations under finance leases - noncurrent" in the Consolidated Balance Sheets, respectively.

All lease liabilities are measured at the present value of the associated payments, discounted using the Company's incremental borrowing rate determined using a portfolio approach based on the rate of interest that the Company would pay to borrow an amount equal to the lease payments for a similar term and in a similar economic environment on a collateralized basis. ROU assets, for both operating and finance leases, are initially measured based on the lease liability, adjusted for initial direct costs, prepaid rent, and lease incentives received. Operating leases are subsequently amortized into lease cost on a straight-line basis. Depreciation of the finance lease ROU assets is subsequently calculated using the straight-line method over the shorter of the estimated useful lives or the expected lease terms and recorded in "Depreciation and amortization" on the Consolidated Statements of Operations. Financing lease liabilities are amortized using the effective interest method with the related expense recognized in "Interest expense, net" on the Consolidated Statements of Operations.

In addition to the fixed minimum payments required under the lease arrangements, certain leases require variable lease payments, which are payment of the excess of various percentages of gross revenue or net operating income over the minimum rental payments as well as payment of taxes assessed against the leased property. The leases generally also require the payment for the cost of insurance and maintenance. Variable lease payments are recognized when the associated activity occurs and the contingency is resolved.

The Company has elected to combine lease and non-lease components for all lease contracts. Additionally, the Company has elected to apply the short-term lease exception to all leases with a term of one year or less.

Intangibles, Net — Intangible assets consist primarily of management contracts, membership base and internally-developed software. The management contract intangible represents the Company's golf course management contracts for both leased and managed properties. The management contract intangible for leased and managed properties was valued using the discounted cash flow method under the income approach and is amortized over the term of the underlying lease or management agreements, respectively. The membership base intangible represents the Company's relationship with its private country club members. The membership base intangible was valued using the multi-period excess earnings method under the income approach and is amortized over the expected life of an active membership. Internally-developed software represents proprietary

software developed for the Company's exclusive use. Internally-developed software is amortized over the expected useful life of the software.

Amortization of intangible assets is included within Depreciation and amortization in the Consolidated Statements of Operations. Amortization of all intangible assets is calculated using the straight-line method based on the following estimated useful lives:

Trade name	30 years
Management contracts	15 - 26 years
Internally-developed software	5 - 10 years
Membership base	7 years
Liquor licenses	Indefinite

Impairment of Long-lived Assets — The Company periodically reviews the carrying amounts of its long-lived assets or asset groups, as well as finite-lived intangible assets and right-of-use assets, to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. The assessment of recoverability is based on management's estimates by comparing the sum of the estimated undiscounted cash flows generated by the underlying asset, or other appropriate grouping of assets, to its carrying value to determine whether an impairment existed at its lowest level of identifiable cash flows. If the carrying amount is greater than the expected undiscounted cash flows, the assets are considered impaired and an impairment is recognized to the extent the carrying value of such asset exceeds its fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate.

Membership Deposit Liabilities — Until 2021, private country club members generally paid an advance initiation deposit upon their acceptance as a member to the respective country club that is refundable 30 years after the date of acceptance as a member. The difference between the initiation deposit paid by the member and the present value of the refund obligation is deferred and recognized into golf operations revenue in the Consolidated Statements of Operations on a straight-line basis over the expected life of an active membership, which is estimated to be seven years. The present value of the refund obligation is recorded as a membership deposit liability in the Consolidated Balance Sheets and accretes over a 30-year nonrefundable term using the effective interest method. This accretion is recorded as "Interest expense, net" in the Consolidated Statements of Operations.

In 2002, American Golf Corporation ("AGC"), when it was owned by a previous owner, entered into a Restated Membership Deposit Assumption Agreement, with two trusts established by a previous owner of AGC (the "Trusts") under which the Trusts agreed to unconditionally assume the obligations of AGC to refund certain membership deposit liabilities ("MDLs") in exchange for consideration. The MDLs assumed were refundable 30 years from the date of acceptance of the member with the first liabilities assumed by the Trusts becoming refundable in 2020. The total redemption value of membership deposit liabilities assumed by the Trusts was $181.9 million. No asset was recorded at the time of our acquisition of AGC in recognition of this assumption agreement for the $181.9 million of liabilities assumed by the Trusts for the following reasons: 1) the substantial time period between the assumption of the liabilities and the first liabilities becoming refundable; 2) the inability of AGC to verify and monitor the assets of the Trusts to ensure the ability to perform under the terms of the assumption agreements; 3) the fact that the Trusts are not required to maintain any assets that would support such performance; 4) the Trust settlors were not required contractually to fund the Trusts; and 5) the Company does not have the ability to determine the likelihood that the Trusts will meet their obligations. In the event the Trusts are not able to fulfill their obligations, the Company would be responsible for refunding the outstanding balance of the MDL and therefore, recognizes these MDLs on its balance sheet.

Cash and Cash Equivalents and Restricted Cash — The Company considers all highly liquid short-term investments with maturities of 90 days or less when purchased to be cash equivalents. Substantially all amounts on deposit with major financial institutions exceed insured limits. The Company has not experienced any losses in the accounts and believe that the Company is not exposed to significant credit risk because the accounts are at major financial institutions.

Restricted cash is used as credit enhancement for the performance of lease agreements, and certain insurance claims. The below table reconciles Cash and Cash Equivalents and Restricted Cash to the comparable line item total on the Consolidated Statements of Cash Flows for the applicable periods.

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 40,747	$ 34,168
Restricted cash	6,765	4,220
Total Cash and cash equivalents, and Restricted cash	$ 47,512	$ 38,388

Accounts Receivable, Net — Accounts receivable are stated at amounts due from customers, net of an allowance for credit losses of $0.1 million and $0.1 million as of September 30, 2026 and December 31, 2025, respectively. The allowance for credit losses is based upon several factors including the length of time the receivables are past due, historical payment trends, current economic factors, and our expectations of future events that affect collectability. Collateral is generally not required.

Other Current Assets

The following table summarizes the Company's other current assets:

	September 30, 2026	December 31, 2025
Managed property receivables	$ 7,064	$ 5,920
Prepaid expenses	5,649	9,165
Inventory	3,081	3,177
Other current assets	$ 15,794	$ 18,262

Other Assets — The following table summarizes the Company's other assets:

	September 30, 2026	December 31, 2025
Deposits	$ 3,851	$ 4,633
Miscellaneous assets, net	123	229
Other assets	$ 3,974	$ 4,862

Deferred Revenue — Payments received in advance of the performance of services are recorded as deferred revenue until the performance obligation has been satisfied and includes event deposits, gift cards, game credits, prepaid membership dues, and initiation fees which are non-refundable (unless the related membership is transferred with various restrictions) and recorded as revenue over the expected seven-year life of an active membership. Current deferred revenue is recognized within 12 months of collection. Long-term deferred revenue relates to unrecognized initiation fees and prepaid marketing fees received under a private course agreement. The following table provides a reconciliation of the activity related to short-term and long-term deferred revenue for the periods presented:

	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
Balance as of beginning of period	$ 41,915	$ 38,037
Additions	20,754	59,453
Refunds	(50)	(184)
Revenue recognized	(19,181)	(53,608)
Reclassifications and other	82	(178)
Balance at end of period	$ 43,520	$ 43,520

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Balance as of beginning of period	$ 36,983	$ 33,515
Additions	13,121	36,882
Refunds	(41)	(224)
Revenue recognized	(15,527)	(35,865)
Reclassifications and other	4,965	5,192
Balance at end of period	$ 39,500	$ 39,500

Other Current Liabilities

The following table summarizes the Company's other current liabilities:

	September 30, 2026	December 31, 2025
Operating lease liabilities	$ 19,187	$ 18,704
Insurance financing	—	3,905
Miscellaneous current liabilities	3,596	236
Other current liabilities	$ 22,783	$ 22,845

3. REVENUES

The majority of the Company’s revenue is recognized at the point of sale to customers at the Company’s entertainment golf venues and traditional golf properties, including green fees, cart rentals, bay play, gameplay, events and sales of food, beverages and merchandise. Revenue from membership dues is recognized in the month earned. Membership dues received in advance are included in deferred revenue and recognized as revenue ratably over the appropriate period, which is generally twelve months or less for private club members and the following month for The Players Club members.

The Company’s revenue is all generated within the entertainment and traditional golf segments. The following table disaggregates revenue by category: entertainment golf venues, public and private golf properties (owned and leased) and managed golf properties.

	Three Months Ended September 30, 2026					Nine Months Ended September 30, 2026				
	Ent. golf venues	Public golf proper-ties	Private golf proper-ties	Managed golf proper-ties (A)	Total	Ent. golf venues	Public golf proper-ties	Private golf proper-ties	Managed golf proper-ties (A)	Total
Golf operations	$ 4,971	$ 40,087	$ 17,449	$ 6,558	$ 69,065	$ 15,890	$112,136	$ 54,808	$ 18,238	201,072
Sales of food and beverages	8,324	9,520	1,946	—	19,790	25,467	28,047	6,643		60,157
Total revenues	$ 13,295	$ 49,607	$ 19,395	$ 6,558	$ 88,855	$ 41,357	$140,183	$ 61,451	$ 18,238	$261,229

	Three Months Ended September 30, 2025					Nine Months Ended September 30, 2025				
	Ent. golf venues	Public golf proper-ties	Private golf proper-ties	Managed golf proper-ties (A)	Total	Ent. golf venues	Public golf proper-ties	Private golf proper-ties	Managed golf proper-ties (A)	Total
Golf operations	$ 6,198	$ 40,885	$ 14,957	$ 6,819	$ 68,860	$ 19,687	$108,375	$ 48,149	$ 19,152	$195,363
Sales of food and beverages	9,858	9,520	1,915	—	21,293	29,568	26,539	6,457	—	62,564
Total revenues	$ 16,056	$ 50,405	$ 16,872	$ 6,819	$ 90,153	$ 49,255	$134,914	$ 54,606	$ 19,152	$257,927

(A) Includes $6.1 million and $16.8 million for the three and nine months ended September 30, 2026, respectively, and $6.2 million and $17.3 million for the three and nine months ended September 30, 2025, respectively, related to management contract reimbursements reported under ASC 606.

4. SEGMENT REPORTING

The Company currently has three reportable segments: (i) entertainment golf venues, (ii) traditional golf properties, and (iii) corporate. The chief operating decision maker (“CODM”) for each segment is the Interim Chief Executive Officer, who reviews discrete financial information for each reportable segment to manage the Company, including resource allocation and performance assessment.

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is the segment measure of profit or loss reported to the CODM for purposes of assessing the segments' performance and making capital allocation decisions. Adjusted EBITDA is a non-GAAP financial measure that shows adjusted earnings before interest, taxes, depreciation, amortization, pre-opening costs, loss on lease terminations and impairment, interest and investment income and other (expense) income, net related to the strategic review of the Company. Management believes Adjusted EBITDA is a useful measure of Golf Entertainment Group Inc.’s operating results as presented below as it provides additional relevant and useful information to investors and other users of the Company’s financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance.

The Company's entertainment golf segment, launched in 2018, is comprised of Drive Shack venues that feature tech-enabled hitting bays with in-bay dining, full-service restaurants, bars, and event spaces and Puttery venues that feature indoor putting courses anchored by bars and other social spaces as well as a full-service kitchen that serve to create engaging and fun experiences for guests. As of September 30, 2026, the Company owned or leased three Drive Shack venues across three states which are located in West Palm Beach, Florida, Raleigh, North Carolina, and Richmond, Virginia, and leased ten Puttery venues across eight states and the District of Columbia located in The Colony, Texas; Charlotte, North Carolina; Washington, D.C.; Houston, Texas; Kansas City, Missouri; Minneapolis, Minnesota; Pittsburgh, Pennsylvania; Chicago, Illinois; Miami, Florida; and New York City, New York.

The Company's traditional golf segment operates golf courses and country clubs in the United States. As of September 30, 2026, the Company owned, leased or managed 42 traditional golf properties across five states.

The corporate segment consists primarily of general and administrative expenses and interest expense on junior subordinated notes payables (Note 8).

Summary financial data on the Company's segments is given below, together with reconciliation to the same data for the Company as a whole:

Nine Months Ended September 30, 2026	Entertainment Golf	Traditional Golf	Corporate	Total
Revenues				
Golf operations	$ 15,890	$ 185,182	$ —	$ 201,072
Sales of food and beverages	25,467	34,690	—	60,157
Total Revenues	**$ 41,357**	**$ 219,872**	**$ —**	**$ 261,229**
Less:				
Operating expenses	39,219	170,976	—	210,195
Cost of sales - food and beverages	5,995	9,966	—	15,961
General and administrative expense	—	—	11,734	11,734
Management fee to affiliate	—	—	5,882	5,882
Segment Adjusted EBITDA	**$ (3,857)**	**$ 38,930**	**$ (17,616)**	**$ 17,457**
Reconciliation of Segment Adjusted EBITDA to Loss before income tax				
Depreciation and amortization				14,883
Loss on lease terminations and impairment				12,082
Interest and investment income				(739)
Interest expense (A)				9,772
Other income (expenses), net				(562)
Loss before income tax				**$ (17,979)**

Nine Months Ended September 30, 2025	Entertainment Golf	Traditional Golf	Corporate	Total
Revenues				
Golf operations	$ 19,687	$ 175,676	$ —	$ 195,363
Sales of food and beverages	29,568	32,996	—	62,564
Total Revenues	**$ 49,255**	**$ 208,672**	**$ —**	**$ 257,927**
Less:				
Operating expenses	40,289	160,532	—	200,821
Cost of sales - food and beverages	7,200	9,160	—	16,360
General and administrative expense	—	—	10,366	10,366
Management fee to affiliate	—	—	10,193	10,193
Segment Adjusted EBITDA	**$ 1,766**	**$ 38,980**	**$ (20,559)**	**$ 20,187**
Reconciliation of Segment Adjusted EBITDA to Loss before income tax				
Depreciation and amortization				18,755
Loss on lease terminations and impairment				6,061
Interest and investment income				(252)
Interest expense (A)				10,144
Other income (expenses), net				(381)
Loss before income tax				**$ (14,140)**

Three Months Ended September 30, 2026	Entertainment Golf	Traditional Golf	Corporate	**Total**
Revenues				
Golf operations	$ 4,971	$ 64,094	$ —	$ 69,065
Sales of food and beverages	8,324	11,466	—	19,790
Total Revenues	**$ 13,295**	**$ 75,560**	**$ —**	**$ 88,855**
Less:				
Operating expenses	12,597	62,326	—	74,923
Cost of sales - food and beverages	1,810	3,255	—	5,065
General and administrative expense	—	—	3,189	3,189
Management fee to affiliate	—	—	1,000	1,000
Segment Adjusted EBITDA	**$ (1,112)**	**$ 9,979**	**$ (4,189)**	**$ 4,678**
Reconciliation of Segment Adjusted EBITDA to Loss before income tax				
Depreciation and amortization				5,028
Loss on lease terminations and impairment				5,671
Interest and investment income				(499)
Interest expense (A)				3,287
Other income (expenses), net				(144)
Loss before income tax				**$ (8,665)**

Three Months Ended September 30, 2025	Entertainment Golf	Traditional Golf	Corporate	Total
Revenues				
Golf operations	$ 6,198	$ 62,662	$ —	$ 68,860
Sales of food and beverages	9,858	11,435	—	21,293
Total Revenues	**$ 16,056**	**$ 74,097**	**$ —**	**$ 90,153**
Less:				
Operating expenses	13,686	57,205	—	70,891
Cost of sales - food and beverages	2,540	3,345	—	5,885
General and administrative expense	—	—	2,212	2,212
Management fee to affiliate	—	—	4,379	4,379
Segment Adjusted EBITDA	**$ (170)**	**$ 13,547**	**$ (6,591)**	**$ 6,786**
Reconciliation of Segment Adjusted EBITDA to Loss before income tax				
Depreciation and amortization				6,278
Loss on lease terminations and impairment				—
Interest and investment income				(130)
Interest expense (A)				3,239
Other income (expenses), net				119
Loss before income tax				**$ (2,720)**

(A) Interest expense included the accretion of membership deposit liabilities in the amount of $2.4 million and $7.1 million for the three and nine months ended September 30, 2026, and $2.4 million and $7.2 million for the three and nine months ended September 30, 2025, respectively.

Assets for each of the Company's segments, together with reconciliation to the same data for the Company as a whole:

	September 30 2026	December 31 2025
Entertainment Golf	$ 84,238	$ 118,446
Traditional Golf	195,573	190,553
Corporate	77,747	68,025
Total Assets	$ 357,558	$ 377,024

Note 5. PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION

The following table summarizes the Company's property and equipment:

	September 30, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Value	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Value
Land	$ 6,771	$ —	$ 6,771	$ 6,771	$ —	$ 6,771
Buildings and improvements	163,826	(74,496)	89,330	176,741	(74,391)	102,350
Furniture, fixtures and equipment	79,095	(63,539)	15,556	76,025	(58,340)	17,685
Finance leases - equipment	8,083	(5,114)	2,969	13,266	(8,722)	4,544
Construction in progress	5,298	—	5,298	6,047	—	6,047
Total Property and Equipment	$ 263,073	$ (143,149)	$ 119,924	$ 278,850	$ (141,453)	$ 137,397

Note 6. LEASES

The Company's commitments under lease arrangements are primarily ground leases for entertainment golf venues and traditional golf properties and related facilities, office leases and leases for golf carts and equipment. The majority of lease terms for our entertainment golf venues and traditional golf properties and related facilities initially range from 10 to 20 years and include up to eight 5-year renewal options. In addition to minimum payments, certain leases require payment of the excess of various percentages of gross revenue or net operating income over the minimum rental payments. The leases generally require the payment of taxes assessed against the leased property and the cost of insurance and maintenance. Certain leases include scheduled increases or decreases in minimum rental payments at various times during the term of the lease.

Equipment and golf cart leases initially range from 24 to 66 months and typically contain renewal options which may be on a month-to-month basis.

An option to renew a lease is included in the determination of the ROU asset and lease liability when it is reasonably certain that the renewal option will be exercised.

Note 7. INTANGIBLES, NET OF ACCUMULATED AMORTIZATION

The following table summarizes the Company's intangible assets:

	September 30, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Trade name	$ 700	$ (297)	$ 403	$ 700	$ (280)	$ 420
Management contracts	18,212	(12,747)	5,465	18,212	(12,160)	6,052
Internally-developed software	1,166	(939)	227	1,168	(782)	386
Membership base	785	(346)	439	785	(301)	484
Non-amortizable liquor licenses	1,264	—	1,264	1,264	—	1,264
Total intangibles	$ 22,127	$ (14,329)	$ 7,798	$ 22,129	$ (13,523)	$ 8,606

Note 8. DEBT

The following table presents certain information regarding the Company's debt obligations excluding finance leases at September 30, 2026 and December 31, 2025:

		September 30, 2026							December 31, 2025	
Debt Obligation/Collateral	Month Issued	Outstanding Face Amount	Carrying Value	Final Stated Maturity	Weighted Average Coupon	Weighted Average Funding Cost (A)	Weighted Average Life (Years)	Face Amount of Floating Rate Debt	Outstanding Face Amount	Carrying Value
Vineyard II	Dec 1993	$ 200	$ 200	Dec 2043	3.45%	3.45%	17.25	$ 200	$ 200	$ 200
Junior subordinated notes payable (B)	Mar 2006	51,004	51,118	Apr 2036	SOFR+2.25%	7.54%	9.5	51,004	51,004	51,127
Total debt obligations		$ 51,204	$ 51,318						$ 51,204	$ 51,327
Less current portion of debt		(40)	$ (40)						—	—
Debt obligations - noncurrent		$ 51,164	$ 51,278						$ 51,204	$ 51,327

(A) Including the effect of deferred financing costs.
(B) Collateral for this obligation is the Company's general credit.

Vineyard II

Traditional golf is obligated under a $0.2 million loan with the City of Escondido, California ("Vineyard II"). The principal amount of the loan is payable in five equal installments upon reaching the "Achievement Date", which is the date on which the number of rounds of golf played on the property during the previous 36-month period equals or exceeds 240,000. As of September 30, 2026, the Achievement Date has been reached. The principal amount shall be paid in five equal installments of $40,000 each, commencing the first day of January of the year following the achievement date. The first installment of $40,000 is due to be paid in January 2027 and then annually thereafter. The interest rate is adjusted annually and is equal to 1% plus a short-term investment return, as defined in the loan agreement. As of September 30, 2026, the interest rate was 3.45%.

Junior subordinated notes payable

The Notes were issued pursuant to the Junior Subordinated Indenture, dated March 29, 2006, between the Company and The Bank of New York Mellon Trust Company, National Association ("BNYM"), as trustee (the "Indenture"). After an initial period expiring in April 2016, the Notes bear interest at a variable rate equal to the LIBOR (subsequently modified to Secured Overnight Financing Rate, or "SOFR") plus 2.25% annually and all principal repayment is due at maturity. At September 30, 2026, the interest rate was 6.35%.

Note 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurements

The fair value of financial instruments is categorized based on the priority of the inputs to the valuation technique and categorized into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Company follows this hierarchy for its financial instruments measured at fair value.

Level 1 - Quoted prices in active markets for identical instruments.
Level 2 - Valuations based principally on observable market parameters, including:

- quoted prices for similar assets or liabilities in active markets,
- inputs other than quoted prices that are observable for the asset or liability (such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads), and
- market corroborated inputs (derived principally from or corroborated by observable market data).

Level 3 - Valuations determined using unobservable inputs that are supported by little or no market activity, and that are significant to the overall fair value measurement.

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses, and certain other short-term liabilities approximate fair value due to their high liquidity and short-term nature, and are therefore categorized within Level 1 of the fair value hierarchy.

The following table summarizes the carrying values and estimated fair values of the Company's financial instruments at September 30, 2026 and December 31, 2025, including those measured at fair value on a recurring basis within the financial statements and fair value measurements requiring disclosure only:

	September 30, 2026			December 31, 2025	
	Carrying Value	Estimated Fair Value	Fair Value Method [(A)]	Carrying Value	Estimated Fair Value
Liabilities					
Junior subordinated notes payable	$ 51,118	$ 23,701	Pricing models - Level 3	$ 51,127	$ 25,909

(A) Pricing models are used for debt obligations which are private and untraded.

The Company's debt obligations are currently not traded in active markets and therefore have little or no price transparency. As a result, the Company has estimated the fair value of these illiquid instruments based on internal pricing models subject to the Company's controls.

Fair value measurements categorized within Level 3 are sensitive to changes in the assumptions or methodologies used to determine fair value and such changes could result in a significant increase or decrease in the fair value. For the Company's investments in real estate securities categorized within Level 3 of the fair value hierarchy, the significant unobservable inputs include the discount rates, assumptions relating to prepayments, default rates and loss severities. For the Company's debt obligations, the significant unobservable inputs include interest rates, the amount and timing of expected future cash flows, and market yields and the credit spread of the Company.

All of the inputs used have some degree of market observability, based on the Company's knowledge of the market, relationships with market participants, and use of common market data sources. Collateral prepayment, default and loss severity projections are in the form of "curves" or "vectors" that vary for each monthly collateral cash flow projection. Methods used to develop these projections vary by asset class but conform to industry conventions. The Company uses assumptions that generate its best estimate of future cash flows of each respective security.

Non-recurring Fair Value Measurements

We measure certain property and equipment, operating lease right-of use assets, and non-amortizing intangible assets at fair value on a non-recurring basis if impairment indicators are present. These assets are written down to fair value when they are classified as held for sale or determined to be impaired. During the three and nine months ended September 30, 2026, property and equipment and operating lease right of use assets with carrying amounts totaling $5.7 million and $16.8 million, respectively, were written down to their fair value of $0.0 million and $0.5 million, respectively, based on Level 3 measurements. This resulted in an impairment charge of $5.7 million and $16.3 million during the three and nine months ended September 30, 2026, respectively, which is included in earnings (see Note 13). During the three and nine months ended September 30, 2025, property and equipment and operating lease right-of-use assets with a carrying amount totaling $7.2 million were written down to the fair value of $1.1 million based on Level 3 measurements, resulting in an impairment charge of $6.1 million which is included in earnings (see Note 13).

Note 10. EQUITY AND EARNINGS PER SHARE

Stock Split

At a Special Meeting on October 30, 2025, the Company's shareholders approved a reverse stock split of our common stock at a ratio of 1-for-100. The reverse stock split went effective December 8, 2025. The split affected all holders of our common stock uniformly and did not alter any shareholder's percentage of ownership interest in the Company, except that shareholders otherwise entitled to receive a fractional share had such fractional interest rounded up to the next whole share.

In accordance with ASC 260, Earnings Per Share, the stock split has been retroactively applied to all share and per share data presented in these consolidated financial statements for all periods presented. All references to share amounts, per share data, and related information in the accompanying consolidated financial statements and notes thereto have been retroactively adjusted to reflect the stock split.

Earnings per Share

The Company is required to present both basic and diluted earnings per share ("EPS"). The following table shows the amounts used in computing basic and diluted EPS:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator for basic and diluted earnings per share:				
Loss applicable to common stockholders	(9,694)	(4,191)	(21,733)	(18,649)
Denominator:				
Denominator for basic earnings per share - weighted average shares	1,732,214	1,732,214	1,732,214	1,732,214
Effect of dilutive securities				
RSUs	—	—	—	—
Denominator for diluted earnings per share - adjusted weighted average shares	1,732,214	1,732,214	1,732,214	1,732,214
Basic earnings per share:				
Loss applicable to common stock, per share	$ (5.60)	$ (2.42)	$ (12.55)	$ (10.77)
Diluted earnings per share:				
Loss applicable to common stock, per share	$ (5.60)	$ (2.42)	$ (12.55)	$ (10.77)

Basic EPS is calculated by dividing net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding during each period. Diluted EPS is calculated by dividing net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding plus the additional dilutive effect of dilutive securities during each period. The Company's dilutive securities are its options, RSUs, and restricted stock. The Company had the following potentially dilutive securities outstanding during the periods noted which were excluded from our calculation of diluted EPS as their effect would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Options	—	—	—	—
RSUs	119	119	119	119
Restricted Stock	284,492	284,492	284,492	284,492
Total potentially dilutive securities	284,611	284,611	284,611	284,611

Common Stock Issuances

All outstanding shares of our Common Stock are duly authorized, fully paid and nonassessable. Holders of our Common Stock are entitled to receive, when, as and if declared by the board of directors, dividends out of assets legally available for the payment of dividends. They are also entitled to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up, after payment of or adequate provision for all of our known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our stock.

Each outstanding share of Common Stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our Common Stock will possess exclusive voting power. There is no cumulative voting in the election of directors, and directors are elected by a plurality of votes cast.

Holders of our Common Stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities. All shares of Common Stock will have equal dividend, liquidation and other rights.

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our charter provides that these matters may be approved by a majority of all of the votes entitled to be cast on the matter.

Restricted Stock Units (RSUs)

The following is a summary of the changes in the Company's RSUs for the nine months ended September 30, 2026.

	Number of RSUs	Weighted Average Grant Date Fair Value (per unit)
Balance at December 31, 2025	119	0.05
Granted	—	—
Vested	—	—
Forfeited (A)	—	—
Balance at September 30, 2026	119	0.05

(A) Unvested RSUs are forfeited by non-employee directors upon their departure from the board of directors and generally forfeited by employees upon their termination.

The Company generally grants RSUs to the non-employee directors as part of their annual compensation. The RSUs are subject to a two-year vesting period. From time to time, the Company also grants RSUs to the employees. These RSUs vest in equal annual installments on each of the first three anniversaries of the grant date. During the quarter ended September 30, 2026, there was no RSU activity.

Stock-based compensation expense is recognized on a straight-line basis through the vesting date of the RSUs in general and administrative expense on the Consolidated Statements of Operations. There was no stock-based compensation expense related to RSUs.

There was no unrecognized stock-based compensation expense related to the unvested RSUs as of September 30, 2026.

Restricted Stock

The following is a summary of the changes in the Company's restricted stock for the quarter ended September 30, 2026:

	Shares of restricted stock	Weighted Average Grant Date Fair Value (per share)
Balance at December 31, 2025	284,492	0.0021
Granted	—	—
Vested	—	—
Forfeited (A)	—	—
Outstanding at September 30, 2026	284,492	0.0021

On January 1, 2024, the Company granted 199,492 shares of restricted common stock, par value $0.01 per share ("Restricted Shares"), to Wesley Edens and 85,000 Restricted Shares to Michael Compton. The terms of the Restricted Shares contain a performance condition requiring that the Company's stock price increase at least 66.00% from the date of grant in order to vest, measured on a total return basis (taking into account any dividend payments). No stock compensation expense has been recognized related to these performance-based grants as the achievement of the performance condition is not considered probable.

The Restricted Shares are generally subject to performance-based cliff vesting, are not subject to accelerated vesting upon a termination of employment and are not transferable prior to the vesting date. The grants are entitled to voting and dividend rights prior to vesting, subject to clawback in the event the performance condition is not met.

Preferred Stock

Dividends totaling $1.4 million were paid on January 31, 2023 to holders of record of preferred stock on January 2, 2023, in an amount equal to $0.609375, $0.503125 and $0.523438 per share on the 9.750% Series B, 8.050% Series C and 8.375% Series D preferred stock, respectively. As of September 30, 2026, $27.1 million of dividends on the Company's cumulative preferred stock were unpaid and in arrears.

The Series B Preferred, Series C Preferred and Series D Preferred are non-voting, have a $25 per share liquidation preference, no maturity date and no mandatory redemption. The Company has the option to redeem the Series B Preferred, the Series C Preferred and the Series D Preferred, at their liquidation preference. The terms of the Series C Preferred and Series D Preferred each provide that if they cease to be listed on the NYSE or the AMEX, or quoted on the NASDAQ, and the Company is not subject to the reporting requirements of the Exchange Act, the shares of the Series C Preferred and Series D Preferred shall accrue cumulative distributions at the special rate of 9.05% and 9.375% per year, respectively. The special rate has been in effect since January 2, 2023, which is the effective date of the Company's filing on Form 15, effecting deregistration under the Exchange Act and termination of the reporting requirements of the Exchange Act, and delisting from NYSE.

Non-Controlling Interests

On July 12, 2021, the Company entered into an investment agreement among the Company and Symphony Ventures, which we refer to as Symphony, a company organized under the laws of Ireland, in which the Company agreed to sell to Symphony 10% of the partnership interests in each of the wholly owned subsidiary limited partnerships, which we refer to as "SLPs", formed by the Company to hold certain of the Company's Puttery venues, in exchange for an amount in cash equal to 10% of the total cost to build the Puttery venue owned by such SLP. Symphony's purchase price in each such SLP will be fully committed on the date the certificate of occupancy for the Puttery venue is received, up to a total commitment of $10 million. During the year ended December 31, 2023, in accordance with options in the original investment agreements, Symphony increased its ownership in two SLPs, those for the Puttery locations in The Colony, Texas, and Charlotte, North Carolina, to 20% in exchange for cash equal to an additional 10% of the total cost to build each location.

We control through a wholly owned subsidiary all general partnership interests and 80% or 90% of the limited partnership interests in the SLP, thus retaining all rights, powers and authority that govern the partnership and, as a result, we consolidate the financial results of this SLP, and report the noncontrolling interest representing the economic interest in the SLP held by Symphony. Currently the Company and Symphony are party to six SLPs, for the Puttery locations in The Colony, Texas, Charlotte, North Carolina, Washington, D.C., Houston, Texas, Chicago, Illinois and Pittsburgh, Pennsylvania.

Tax Benefits Preservation Plan

The Company is party to the Tax Benefits Preservation Plan dated May 22, 2022, as amended on June 4, 2023, and as

amended and restated in its entirety on May 3, 2024 (the "Plan"), with American Stock Transfer & Trust Company, LLC, as rights agent (the "Rights Agent"). The Plan is intended to help protect the Company's ability to use its tax net operating losses and certain other tax assets ("Tax Benefits") by deterring an "ownership change" as defined under Section 382 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (the "Code").

Pursuant to the Plan, each registered holder of outstanding shares of common stock, par value $0.01 per share (the "Common Stock"), received rights to purchase from the Company a unit consisting of one one-thousandth of a share (a "Unit") of Series E Junior Participating Preferred Stock, par value $0.01 per share (the "Series E Preferred Stock"), at a purchase price of $5.00 per Unit, subject to adjustment (the "Purchase Price"). The Company deems these rights to purchase immaterial as of September 30, 2026.

The Rights are attached to all Common Stock certificates representing shares outstanding, and no separate rights certificates ("Rights Certificates") were distributed. Subject to certain exceptions specified in the Plan, the Rights will separate from the Common Stock then outstanding and a distribution date (the "Distribution Date") will occur upon the earlier of (i) 10 business days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has become the beneficial owner of 4.9% or more of the shares of the Common Stock (the "Stock Acquisition Date") and (ii) 10 business days (or such later date as the Board shall determine) following the commencement of a tender offer or exchange offer that would result in a person or group becoming an Acquiring Person.

Note 11. COMMITMENTS AND CONTINGENCIES

Litigation — The Company is and may become, from time to time, involved in legal actions in the ordinary course of business, including governmental and administrative investigations, inquiries and proceedings concerning employment, labor, environmental and other claims. As of September 30, 2026, the Company is involved in a legal proceeding regarding employee discrimination from one of our courses. We have determined it is probable a loss has been incurred and have estimated the lower end of the reasonably estimable range of losses to be $2.0 million, which is included in "Accounts payable and accrued expenses" on the Consolidated Balance Sheets. Although management is unable to predict with certainty the eventual outcome of any legal action, management believes the ultimate liability arising from such actions, individually and in the aggregate, which existed at September 30, 2026, will not materially affect the Company's consolidated results of operations, financial position or cash flow. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on our financial results.

Environmental Costs — As a commercial real estate owner, the Company is subject to potential environmental costs. At September 30, 2026, management of the Company is not aware of any environmental concerns that would have a material adverse effect on the Company's consolidated financial position or results of operations.

Surety Bonds — The Company is required to maintain bonds under certain third-party agreements, as requested by certain utility providers, and under the rules and regulations of licensing authorities and other governmental agencies. The Company had bonds outstanding of approximately $0.0 million and $0.3 million as of September 30, 2026 and December 31, 2025, respectively.

Month-to-Month Leases — Traditional golf has seven month-to-month property leases which are cancellable by the parties with written notice. Traditional golf also has various month-to-month operating leases for carts and equipment. Lease expense is recorded in operating expenses.

Membership Deposit Liability — In the traditional golf business, until 2021 private country club members generally paid an advance initiation deposit upon their acceptance as a member to the respective country club. Initiation deposits are refundable 30 years after the date of acceptance as a member. As of September 30, 2026, the total face amount of initiation fee deposits was approximately $242.0 million with annual maturities through 2052.

In 2002, AGC, when it was owned by a previous owner, entered into a Restated Membership Deposit Assumption Agreement, with two Trusts under which the Trusts agreed to unconditionally assume the obligations of AGC to refund certain MDLs in exchange for consideration. The MDLs assumed were refundable 30 years from the date of acceptance of the member with the first liabilities assumed by the Trusts becoming refundable in 2020. The total redemption value of membership deposit liabilities assumed by the Trusts was $181.9 million. No asset was recorded at the time of our acquisition of AGC in recognition of this assumption agreement for the $181.9 million of liabilities assumed by the Trusts for the following reasons: 1) the substantial time period between the assumption of the liabilities and the first liabilities becoming refundable; 2) the inability of AGC to verify and monitor the assets of the Trusts to ensure the ability to perform under the terms of the assumption agreements; 3) the fact that the Trusts are not required to maintain any assets that would support such performance; 4) the Trust settlors were not required contractually to fund the Trusts; and 5) the Company does not have the ability to determine the likelihood that the Trusts will meet their obligations. In the event the Trusts are not able to fulfill their obligations, the Company would be responsible for refunding the outstanding balance of the MDL and therefore, recognizes these MDLs on its balance sheet. Though the Trusts initially assumed $181.9 million of MDLs the balance of related MDLs carried on the books of AGC, as of September 30, 2026, has been reduced to an undiscounted nominal value of $112.0 million through various assignments to third parties and partial membership refunds due to membership transfers. To date, the Trusts have met all of their obligations that have come due for which the Trusts assumed responsibility under the Restated Membership Deposit Assumption Agreement. During the nine months ended September 30, 2026, the Trusts refunded a total of $1.7 million of MDLs, all of which they were obligated to pay under the terms of the assumption agreements.

Preferred Dividends in Arrears - As of September 30, 2026, $27.1 million of dividends on the Company's cumulative preferred stock were unpaid and in arrears.

Note 12. INCOME TAXES

The Company's income tax provision (benefit) for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period.

The Company's income tax provision was $0.2 million and $0.7 million for the three and nine months ended September 30, 2026, respectively, and $0.1 million and $0.5 million for the three and nine months ended September 30, 2025, respectively.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible.

As of September 30, 2026, the Company recorded a full valuation allowance against its net deferred tax assets as management does not believe that it is more likely than not that the net deferred tax assets will be realized.

The Company and its subsidiaries file U.S. federal and state income tax returns in various jurisdictions. As of September 30, 2026 the Company is under examination by the Internal Revenue Service (IRS) for the tax year 2022. Based on currently available information, the Company does not expect a significant change in its unrecognized tax benefits or other income tax contingencies within the next 12 months due to the audit. The Company believes that its tax positions are appropriately supported and that any adjustments resulting from the examination will not have a material impact on its consolidated financial statements.

The Company has assessed its tax positions for all open years. As of September 30, 2026, the Company reported a total of $0.5 million of unrecognized tax benefits which, if recognized, would affect the Company’s effective tax rate. The Company does not believe that it is reasonably possible that the total amount of unrecognized tax benefits will significantly change within the next twelve months.

Note 13. LOSS ON LEASE TERMINATIONS AND IMPAIRMENT

The following table summarizes the amounts the Company recorded in the Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Gain on lease terminations	—	—	(4,247)	—
Impairment on entertainment golf properties	5,671	$ —	16,329	6,061
Total Loss on Lease Terminations and Impairment	$ 5,671	$ —	$ 12,082	$ 6,061

During the nine months ended September 30, 2026, the Company recorded a gain on lease terminations of $4.2 million in relation to the closure of the Drive Shack located in Orlando, Florida. On April 30, 2026 the Company ceased operations and entered into an agreement with the landlord to terminate the related lease prior to its contractual expiration date. During the three and nine months ended September 30, 2026, the Company recorded impairment charges of $5.7 million and $16.3 million, respectively, in the entertainment golf business related to an underperforming Drive Shack location in Orlando, Florida, and underperforming Puttery locations in Houston, Texas; Kansas City, Missouri; Miami, Florida; New York City, New York; Pittsburgh, Pennsylvania; and Washington, D.C. The impaired assets consisted of improvements to the building and leased space, furniture and fixtures, supporting hardware and software for the venue and signage for the venue. During the nine months ended September 30, 2025, the Company recorded impairment charges of $6.1 million in the entertainment golf business related to an underperforming Puttery location in Miami, Florida.

Note 14. RELATED PARTY TRANSACTIONS

Management Agreement

The Company is a party to a Management and Advisory Agreement, dated March 31, 2025, as amended (the "Management Agreement") with an entity controlled by Wesley Edens, the Chairman of the Board, pursuant to which such entity serves as the manager of the Company (the "Manager"). The Management Agreement will continue in effect until the earlier of (i) the date on which Mr. Edens ceases to own, directly or indirectly at least 25% of the Company's outstanding common stock and (ii) the date of a sale or other disposition of the Company or substantially all of its assets to a person not affiliated with Mr. Edens (unless Mr. Edens owns at least 25% of the voting power or common equity in the acquiring entity). The Management Agreement may also be terminated on or after March 31, 2028 with the approval of at least a majority of the Company's independent directors upon written notice to the Manager, with such termination to become effective six months following such notice. The Management Agreement may also be terminated by the Company for cause, including in the event of fraud, gross negligence, willful misconduct, or material breach by the Manager, or by the Manager upon a material breach by the Company of its obligations under the Management Agreement.

Pursuant to the Management Agreement, the Manager provides for a management team and other professionals who are responsible for implementing the Company's business strategy, subject to the supervision of the Board. For performing these services, the Company pays the Manager an annual incentive fee equal to 33% of the EBITDA of the Company in excess of a $5.735 million hurdle (the "Management Fee"). Certain affiliates of the Manager have agreed to reinvest a portion of the Management Fee to purchase shares of the Company's common or preferred stock for an aggregate purchase price equal to 80% of the value of the most recent Management Fee payments during the applicable measuring period (net of all taxes, required withholdings, and certain other expenses). The obligation is suspended if the Volume-Weighted Average Price of the Company's common stock or preferred stock, as applicable, has met certain specified levels, as may be adjusted from time to time for reverse stock splits. Shares acquired pursuant to this arrangement are subject to certain resale restrictions while the arrangement is in effect.

The following table summarizes the amounts the Company recorded in the Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Management fee	$ 1,000	$ 4,040	$ 5,882	$ 8,687
Expense reimbursement to the manager	—	339	—	1,506
Total Management fee to affiliate	$ 1,000	$ 4,379	$ 5,882	$ 10,193

As of September 30, 2026, all management fees to affiliate are unpaid. Effective January 1, 2026, the Manager waived its rights to deem expenses related to executive and administrative personnel provided to the Company as reimbursements when calculating EBITDA under the terms of the Management Agreement. The Manager may revoke this waiver at any time upon written notice to the Company; provided, however, that any such revocation shall operate prospectively only and shall not have any retroactive effect. Certain employees of the Company perform services for portfolio companies of the Manager. These costs are recorded as receivables of the Company. The outstanding receivables were $0.1 million and $0.1 million at September 30, 2026 and December 31, 2025, respectively.

Note 15. CORRECTION OF AN IMMATERIAL ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the third quarter of 2026, the Company became aware of an error in reporting of Common stock within the Consolidated Balance Sheets and Consolidated Statements of Changes in Equity as a result of the Company's 1-for-100 reverse stock split not being recorded properly. The error originated in the fiscal year ended December 31, 2025 through the quarter ended June 30, 2026, resulting in a corresponding overstatement of Common stock and an understatement of Additional paid-in Capital for each of the affected periods (the "Error"). The Company evaluated the Error under ASC 250 and SAB Topics 1.M and 1.N (ASC 250-10-S99), and concluded it was not material to any previously issued annual or interim financial statements, individually or in the aggregate. We have corrected the reporting for all prior periods presented by revising the consolidated financial statements appearing herein. Periods not presented herein will be revised, as applicable, in future filings. The revisions had no impact on total assets, total liabilities, total deficit, net loss or the cash flow statement.

For the period ending December 31, 2025, the Error decreases Common Stock by $1.97 million, adjusting the amount previously reported of $1.99 million for Common Stock to $0.02 million. The Error increases Additional paid-in Capital by $1.97 million, adjusting the amount previously reported of and $3,248.8 million for Additional paid-in Capital to $3,250.8 million.

For the period ending March 31, 2026, the Error decreases Common Stock by $1.97 million, adjusting the amount previously reported of $1.99 million for Common Stock to $0.02 million. The Error increases Additional paid-in Capital by $1.97 million, adjusting the amount previously reported of and $3,248.8 million for Additional paid-in Capital to $3,250.8 million.

For the period ending June 30, 2026, the Error decreases Common Stock by $1.97 million, adjusting the amount previously reported of $1.99 million for Common Stock to $0.02 million. The Error increases Additional paid-in Capital by $1.97 million, adjusting the amount previously reported of and $3,248.8 million for Additional paid-in Capital to $3,250.8 million.

Accordingly, the previously issued financial statements continue to be reliable, this correction does not represent a restatement, no Form 10-K/A or 10-Q/A is required, and the auditors' prior reports are not affected. Prior-period amounts are not labeled "restated."

Note 16. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 10, 2026 and has identified no events that occurred that would require adjustments to our disclosures in the consolidated financial statements.

Exhibit B

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion provides information and analysis of the Company's results of operations and its liquidity and capital resources, and should be read in conjunction with the Company's Consolidated Financial Statements and the other financial information included in Exhibit A and elsewhere in this Quarterly Report. This discussion contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of any number of factors.

GENERAL

The Company is an owner and operator of golf-related leisure and entertainment venues focused on bringing people together through competitive socializing. Our common stock is traded on the OTCMKTS under the symbol "GLFE."

The Company conducts its business through two primary operating segments:

Entertainment Golf Business | *Drive Shack and Puttery*

Drive Shack offers competitive, social entertainment through its golf-related leisure and large-format entertainment venues with gaming and premier golf technology, a chef-inspired menu, craft cocktails, and engaging social events throughout the year. Each Drive Shack venue features expansive, climate-controlled, suite style bays with lounge seating; augmented-reality golf games and virtual course play; a restaurant and multiple bars; an outdoor patio with lawn games; and arcade games.

As of September 30, 2026, the Company operated three Drive Shack venues located in West Palm Beach, Florida, Raleigh, North Carolina, and Richmond, Virginia. Drive Shack venues are freestanding, 50,000 - 60,000 square feet, open-air venues built on approximately 12 acres.

This segment also includes the Company's indoor entertainment golf brand, Puttery, a modern spin on putting, re-defining the game within an immersive experience as guests move from one course to the next. With a high-energy atmosphere that combines plentiful curated culinary offerings and inventive craft cocktails centered around a lively bar area with great music, guests can relax and enjoy their evening before, during and after their tee time. Puttery venues range in size from 15,000 to 20,000 square feet and feature indoor putting courses anchored by bars and other social spaces that serve to create engaging and fun experiences for guests.

The Company launched its first Puttery venue in September 2021 in The Colony, Texas. As of September 30, 2026, the Company operated ten leased Puttery venues located in The Colony, Texas; Charlotte, North Carolina; Washington, D.C.; Houston, Texas; Kansas City, Missouri; Minneapolis, Minnesota; Pittsburgh, Pennsylvania; Chicago, Illinois; Miami, Florida; and New York City, New York. Puttery venues are indoor venues typically located in urban and suburban dining and entertainment districts.

Traditional Golf Business

American Golf, acquired by the Company in December 2013, is one of the largest operators of traditional golf properties in the United States. As an owner, lessee and manager of golf courses and country clubs for over 45 years, we believe American Golf is one of the most experienced operators in the traditional golf industry. As of September 30, 2026, we owned, leased or managed forty-two (42) properties across five states. Two leased public courses were added to the portfolio on October 1, 2025, while the management contract for one public location expired on November 30, 2025, and was not renewed.

American Golf is focused on delivering lasting experiences for our guests, with over 35,500 members and over 2,166,114 rounds played at our properties during the nine months ended September 30, 2026.

Market Considerations

Our ability to execute our business strategy, particularly to expand the number of venues in our entertainment and traditional portfolios, depends to a degree on our ability to optimize our existing entertainment and traditional golf businesses and obtain additional capital. We last raised capital through the equity markets in September 2023, and rising interest rates or stock market volatility could impair our future ability to raise equity capital on attractive terms.

Our ability to generate income is dependent on, among other factors, our ability to raise capital and finance properties on favorable terms, deploy capital on a timely basis at attractive returns, and exit properties at favorable yields. Market conditions outside of our control, such as interest rates, inflation, consumer discretionary spending and stock market volatility affect these objectives in a variety of ways.

Entertainment Golf Business

Our ability to open additional entertainment golf-related venue formats in 2026 and beyond will depend on many factors, including our ability to identify sites that meet our requirements and negotiate acceptable purchase or lease terms. There is competition within the bid process, and land development and construction are subject to obtaining the necessary regulatory approvals. Delays in these processes, as well as completing construction and recruiting and training the necessary talent, could impact our business.

Trends in consumer spending, as well as climate and weather patterns, could have an impact on the markets in which we currently, or will in the future operate. In addition, our entertainment golf business could be impacted on a season-to-season basis, based upon corporate events and social gatherings during peak and off-peak times.

Traditional Golf Business

Our traditional golf business is subject to trends in consumer discretionary spending, as well as climate and weather patterns, which has a significant impact on the markets in which we operate. Traditional Golf is generally subject to seasonal fluctuations caused by significant reductions in golf activities due to shorter days and colder temperatures in the first and fourth quarters of each year. Consequently, a significantly larger portion of our revenue from our traditional golf operations is earned in the second and third quarters of our fiscal year. In addition, severe weather patterns can also negatively impact our results of operations.

Trends in consumer spending, as well as climate and weather patterns, could have an impact on the markets in which we currently, or will in the future, operate. We believe growth in related industries, including leisure, fitness and entertainment, may positively impact our traditional golf business.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Management’s discussion and analysis of financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Our estimates are based on information available to management at the time of preparation of the Consolidated Financial Statements, including the result of historical analysis, our understanding and experience of the Company’s operations, our knowledge of the industry and market-participant data available to us.

Actual results have historically been in line with management’s estimates and judgments used in applying each of the accounting policies described below, and management periodically re-evaluates accounting estimates and assumptions. Actual results could differ from these estimates and materially impact our Consolidated Financial Statements. However, the Company does not expect our assessments and assumptions below to materially change in the future.

Recent Accounting Pronouncements

The Company adopted ASU 2025-05, "Financial Instruments— Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" as of June 30, 2026, it did not have a material effect on our consolidated financial statements taken as a whole.

RESULTS OF OPERATIONS

The following tables summarize our results of operations for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Revenues				
Golf operations (A)	69,065	$ 68,860	205	0.3 %
Sales of food and beverages	19,790	21,293	(1,503)	(7.1)%
Total revenues	88,855	90,153	(1,298)	(1.4)%
Operating costs				
Operating expenses (A)	74,923	70,891	4,032	5.7 %
Cost of sales - food and beverages	5,065	5,885	(820)	(13.9)%
General and administrative expense	3,189	2,212	977	44.2 %
Depreciation and amortization	5,028	6,278	(1,250)	(19.9)%
Management fee to affiliate	1,000	4,379	(3,379)	(77.2)%
Loss on lease terminations and impairment	5,671	—	5,671	100.0 %
Total operating costs	94,876	89,645	5,231	5.8 %
Operating income (loss)	(6,021)	508	(6,529)	(1,285.2)%
Other income (expenses)				
Interest and investment income	499	130	369	283.8 %
Interest expense, net	(3,287)	(3,239)	(48)	(1.5)%
Other (expense) income, net	144	(119)	263	221.0 %
Total other income (expenses)	(2,644)	(3,228)	584	18.1 %
Loss before income tax	$ (8,665)	(2,720)	$ (5,945)	(218.6)%

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Revenues				
Golf operations (A)	$ 201,072	$ 195,363	5,709	2.9 %
Sales of food and beverages	60,157	62,564	(2,407)	(3.8)%
Total revenues	261,229	257,927	3,302	1.3 %
Operating costs				
Operating expenses (A)	210,195	200,821	9,374	4.7 %
Cost of sales - food and beverages	15,961	16,360	(399)	(2.4)%
General and administrative expense	11,734	10,366	1,368	13.2 %
Depreciation and amortization	14,883	18,755	(3,872)	(20.6)%
Management fee to affiliate	5,882	10,193	(4,311)	(42.3)%
Loss on lease terminations and impairment	12,082	6,061	6,021	99.3 %
Total operating costs	270,737	262,556	8,181	3.1 %
Operating income (loss)	(9,508)	(4,629)	(4,879)	(105.4)%
Other income (expenses)				
Interest and investment income	739	251	488	194.4 %
Interest expense, net	(9,772)	(10,144)	372	3.7 %
Other (expense) income, net	562	381	181	47.5 %
Total other income (expenses)	(8,471)	(9,512)	1,041	10.9 %
Loss before income tax	$ (17,979)	$ (14,142)	$ (3,837)	(27.1)%

(A) Includes $6.1 million and $16.8 million for the three and nine months ended September 30, 2026, and $6.2 million and $17.3 million for the three and nine months ended September 30, 2025, related to management contract reimbursements reported under ASC 606.

Revenues from Golf Operations

Revenues from golf operations consist principally of: (1) daily green fees, golf cart rentals, and The Players Club membership dues at American Golf's public properties, (2) initiation fees, membership dues and guest fees at American Golf's private properties, (3) management fees and reimbursed operating expenses at American Golf's managed courses, and (4) bay play and game play at Drive Shack and Puttery locations.

Given the discretionary nature of our products, trends in consumer spending will impact our revenue from golf operations on a quarter-by-quarter basis and, particularly in traditional golf as an outdoor activity, and seasonal weather patterns have a significant impact.

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Golf operations	$ 69,065	$ 68,860	$ 205	0.3 %
Percentage of total revenue	*77.7 %*	*76.4 %*		

Revenue from golf operations increased from $68.9 million in the third quarter of 2025 to $69.1 million in the third quarter of 2026. The $0.2 million increase was attributable primarily to an increase in member dues totaling $2.2 million, partially offset by a decline in bay play revenue of $1.0 million, a reduction in cart fees of $0.7 million, a decrease in range revenue of $0.2 million, and a diminution in green fees of $0.1 million.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Golf operations	$ 201,072	$ 195,363	$ 5,709	2.9 %
Percentage of total revenue	*77.0 %*	*75.7 %*		

Revenue from golf operations increased from $195.4 million for the nine months ended 2025 to $201.1 million for the nine months ended 2026. The $5.7 million increase was attributable primarily to an increase in member dues of $5.8 million and an increase in cart fees of $3.3 million, partially offset by decline in bay play revenue of $3.5 million and a reduction in event sales of $0.4 million within the Entertainment Golf segment.

Sales of Food and Beverages

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Sales of food and beverages	$ 19,790	$ 21,293	$ (1,503)	(7.1)%
Percentage of total revenue	*22.3 %*	*23.6 %*		

Sales of food and beverages decreased from $21.3 million in the third quarter of 2025 to $19.8 million in the third quarter of 2026. The $1.5 million decrease was attributable primarily to a decrease in beverage sales of $0.9 million and a diminution in food and non-alcoholic beverage sales of $0.6 million within the Entertainment Golf segment.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Sales of food and beverages	$ 60,157	$ 62,564	$ (2,407)	(3.8)%
Percentage of total revenue	*23.0 %*	*24.3 %*		

Sales of food and beverages decreased from $62.6 million for the nine months ended September 30, 2025 to $60.2 million for the nine months ended September 30, 2026. The $2.4 million decrease was primarily driven by a decrease in beverage sales of $2.8 million and a diminution in food and non-alcoholic beverage sales of $1.3 million within the Entertainment Golf segment, partially offset by an increase in food and non-alcoholic beverage sales of $1.2 million within the Traditional Golf segment.

Operating Expenses

Operating expenses consist of course and venue level payroll and payroll-related (including hourly and salary wages, bonuses and commissions, health benefits, and payroll taxes), occupancy (including rent, property tax, and common area maintenance), and other course and venue level operating expenses (including utilities, repairs and maintenance, and marketing), excluding pre-opening costs, which are recorded separately. Operating expenses also include course level operating costs for our traditional golf managed courses, for which the Company is reimbursed.

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Operating expenses	$ 74,923	$ 70,891	$ 4,032	5.7 %
Percentage of total revenue	*84.3 %*	*78.6 %*		

Operating expenses increased from $70.9 million in the third quarter of 2025 to $74.9 million in the third quarter of 2026. The net increase of $4.0 million is attributable primarily to an increase in utilities expenditures of $2.1 million, an increase in employee related costs of $1.3 million, and an increase in repairs and maintenance costs of $0.6 million.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Operating expenses	$ 210,195	$ 200,821	$ 9,374	4.7 %
Percentage of total revenue	*80.5 %*	*77.9 %*		

Operating expenses increased from $200.8 million for the nine months ended September 30, 2025 to $210.2 million for the nine months ended September 30, 2026. The net increase of $9.4 million is attributable primarily to an increase in employee related costs of $4.8 million, an increase in utilities expenditures of $2.9 million, an increase in general and other insurance costs of $0.8 million, an increase in repairs and maintenance of $0.7 million, and an increase in legal and professional fees of $0.7 million, partially offset by a reduction in course management fees of $0.5 million.

Cost of Sales - Food and Beverages

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Cost of sales - food and beverages	$ 5,065	$ 5,885	$ (820)	(13.9)%
Percentage of total revenue	*5.7 %*	*6.5 %*		

Cost of sales - food and beverages totaled $5.9 million in the third quarter of 2025 compared to $5.1 million in the third quarter of 2026. The net decrease of $0.8 million was attributable primarily to a reduction in food and non-alcoholic beverage costs of $0.5 million, and a diminution in alcoholic beverage costs of $0.3 million within the Entertainment Golf segment.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Cost of sales - food and beverages	$ 15,961	$ 16,360	$ (399)	(2.4)%
Percentage of total revenue	*6.1 %*	*6.3 %*		

Cost of sales - food and beverages was $16.4 million for the nine months ended 2025 compared to $16.0 million for the nine months ended 2026. The net decrease of $0.4 million was attributable primarily to a decrease in alcoholic beverage costs of $0.7 million and a reduction in food and non-alcoholic beverage costs of $0.5 million within the Entertainment Golf segment, partially offset by an increase in food and non-alcoholic beverage costs of $0.9 million within the Traditional Golf segment.

General and Administrative Expense

General and administrative expense consists of costs associated with our corporate support and administrative functions that support development and operations and includes stock-based compensation.

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
General and administrative expense	$ 3,189	$ 2,212	$ 977	44.2 %
Percentage of total revenue	*3.6 %*	*2.5 %*		

General and administrative expense increased from $2.2 million in the third quarter of 2025 to $3.2 million in the third quarter of 2026. The $1.0 million increase is attributable primarily to an increase in management reimbursable expenses of $0.3 million, an increase in bonus expense of $0.2 million in 2026, coupled with insurance proceeds of $0.8 million received in 2025, partially offset by reduction in legal fees of $0.6 million in 2026.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
General and administrative expense	$ 11,734	$ 10,366	$ 1,368	13.2 %
Percentage of total revenue	*4.5 %*	*4.0 %*		

General and administrative expense increased from $10.4 million for the nine months ended September 30, 2025 to $11.7 million for the nine months ended September 30, 2026. The $1.4 million increase is attributable primarily to a rise in management reimbursable expenses of $1.5 million, an increase in bonus expense of $0.6 million in 2026, coupled with insurance proceeds of $1.4 million received in 2025, partially offset by a reduction in legal fees of $1.6 million, a decrease in professional fees of $0.4 million, and a diminution in rent expense of $0.3 million in 2026.

Depreciation and Amortization

Depreciation and amortization consists of depreciation on property and equipment and financing lease assets, as well as amortization of intangible assets.

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Depreciation and amortization	$ 5,028	$ 6,278	$ (1,250)	(19.9)%
Percentage of total revenue	*5.7 %*	*7.0 %*		

Depreciation and amortization decreased from $6.3 million in the third quarter of 2025 to $5.0 million in the third quarter of 2026. The decrease of $1.3 million is primarily due to a reduction in the fixed asset carrying values.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	**2026**	**2025**	**Amount**	**%**
Depreciation and amortization	$ 14,883	$ 18,755	$ (3,872)	(20.6)%
Percentage of total revenue	*5.7 %*	*7.3 %*		

Depreciation and amortization decreased from $18.8 million for the nine months ended September 30, 2025 to $14.9 million for the nine months ended September 30, 2026. The decrease of $3.9 million is primarily due to a reduction in the fixed asset carrying values.

Interest and Investment Income

Interest and investment income consists primarily of interest earned on cash balances.

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	2026	2025	Amount	%
Interest and investment income	$ 499	$ 130	$ 369	283.8 %
Percentage of total revenue	*0.6 %*	*0.1 %*		

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	2026	2025	Amount	%
Interest and investment income	$ 739	$ 251	$ 488	194.4 %
Percentage of total revenue	*0.3 %*	*0.1 %*		

Interest Expense, Net

Interest expense, net, consists primarily of interest expense on the accretion of membership deposit liabilities, on the Company's junior subordinated notes payable, and on financing lease obligations, offset by amounts capitalized into construction in progress during the construction and development of new venues.

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	2026	2025	Amount	%
Interest expense, net	$ (3,287)	$ (3,239)	$ (48)	(1.5)%
Percentage of total revenue	*(3.7)%*	*(3.6)%*		

Interest expense increased from $3.2 million in the third quarter of 2025 to $3.3 million in the third quarter of 2026.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	2026	2025	Amount	%
Interest expense, net	$ (9,772)	$ (10,144)	$ 372	3.7 %
Percentage of total revenue	*(3.7)%*	*(3.9)%*		

Interest expense decreased from $10.1 million for the nine months ended September 30, 2025 to $9.8 million for the nine months ended September 30, 2026. The net decrease of $0.4 million is primarily due to a reduction in interest expense on the Company's junior subordinated notes payable of $0.2 million and a diminution in interest on finance leases for carts of $0.1 million.

Other (Expense) Income, Net

	Three Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	2026	2025	Amount	%
Other (expense) income, net	$ 144	$ (119)	$ 263	221.0 %
Percentage of total revenue	*0.2 %*	*(0.1)%*		

Other (expense) income increased from $0.1 million of expense in the third quarter of 2025 to $0.1 million of income in the third quarter of 2026. The increase of $0.3 million is primarily due to an increase in gains on membership deposit liabilities extinguishments of $0.1 million.

	Nine Months Ended September 30,		Increase (Decrease)	
(dollar amounts in thousands)	2026	2025	Amount	%
Other (expense) income, net	$ 562	$ 381	$ 181	47.5 %
Percentage of total revenue	*0.2 %*	*0.1 %*		

Other (expense), income increased from $0.4 million for the nine months ended September 30, 2025 to $0.6 million for the nine months ended September 30, 2026. The net increase of $0.2 million is primarily due to gains on membership deposit liabilities extinguishments of $1.3 million partially offset by lower insurance proceeds received of $1.0 million.

SEGMENT RESULTS

Entertainment Golf

(dollar amounts in thousands)	Three Months Ended September 30, 2026	2025	Increase (Decrease) Amount
Revenues			
Golf operations	$ 4,971	$ 6,198	$ (1,227)
Sales of food and beverages	8,324	9,858	(1,534)
Total Revenues	13,295	16,056	(2,761)
Total operating costs	14,407	16,226	(1,819)
Operating income (loss)	$ (1,112)	$ (170)	$ (942)

Total revenues

The decrease in total Entertainment Golf revenues during the three months ended September 30, 2026 compared to the three months ended September 30, 2025 was primarily due to soft consumer demand, increased competition in several markets and lower foot traffic in our Entertainment Golf locations.

Operating income (loss)

The decrease in total Entertainment Golf operating income (loss) during the three months ended September 30, 2026 compared to the three months ended September 30, 2025 was primarily due to soft consumer demand, increased competition in several markets and lower foot traffic in our Entertainment Golf locations, partially offset by a reduction in employee-related costs of $0.3 million and merchant and bank fees of $0.2 million.

(dollar amounts in thousands)	Nine Months Ended September 30, 2026	2025	Increase (Decrease) Amount
Revenues			
Golf operations	$ 15,890	$ 19,687	$ (3,797)
Sales of food and beverages	25,467	29,568	(4,101)
Total Revenues	41,357	49,255	(7,898)
Total operating costs	45,214	47,489	(2,275)
Operating income (loss)	$ (3,857)	$ 1,766	$ (5,623)

Total revenues

The decrease in total Entertainment Golf revenues during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to soft consumer demand, increased competition in several markets, a decrease in events and event spending, and lower foot traffic in our Entertainment Golf locations.

Operating income (loss)

The decrease in total Entertainment Golf operating income (loss) during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to soft consumer demand, increased competition in several markets, a decrease in events and event spending, and lower foot traffic in our Entertainment Golf locations, partially offset by a reduction in merchant and bank fees of $0.7 million.

Traditional Golf

(dollar amounts in thousands)	Three Months Ended September 30, 2026	2025	Increase (Decrease) Amount
Revenues			
Golf operations	$ 64,094	$ 62,662	$ 1,432
Sales of food and beverages	11,466	11,435	31
Total Revenues	75,560	74,097	1,463
Total operating costs	65,581	60,550	5,031
Operating income	$ 9,979	$ 13,547	$ (3,568)

Total revenues

The increase in Traditional Golf revenues during the three months ended September 30, 2026 compared to the three months ended September 30, 2025 was primarily due to an increase in member dues of $2.2 million partially offset by a decrease in cart fees of $0.7 million, a decrease in range revenue of $0.2 million, and a decrease in green fees of $0.1 million.

Operating income

The decrease in Traditional Golf operating income during the three months ended September 30, 2026 compared to the three months ended September 30, 2025 was primarily due to an increase in utilities of $2.1 million, employee related costs of $2.1 million and repairs and maintenance costs of $0.6 million partially offset by an increase in member dues revenue of $2.2 million.

(dollar amounts in thousands)	Nine Months Ended September 30, 2026	2025	Increase (Decrease) Amount
Revenues			
Golf operations	$ 185,182	$ 175,676	$ 9,506
Sales of food and beverages	34,690	32,996	1,694
Total Revenues	219,872	208,672	11,200
Total operating costs	180,942	169,692	11,250
Operating income	$ 38,930	$ 38,980	$ (50)

Total revenues

The increase in Traditional Golf revenues during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to an increase in member dues of $5.8 million, cart fees of $3.3 million and food and non-alcoholic beverage sales of $1.2 million.

Operating income

Traditional Golf operating income during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 remained stable at $38.9 million.

Corporate

(dollar amounts in thousands)	Three Months Ended September 30, 2026	2025	Increase (Decrease) Amount
Revenues			
Golf operations	$ —	$ —	$ —
Sales of food and beverages	—	—	—
Total Revenues	—	—	—
Total operating costs	4,189	6,591	(2,402)
Operating loss	$ (4,189)	$ (6,591)	$ 2,402

Operating loss

The decrease in Corporate operating loss during the three months ended September 30, 2026 compared to the three months ended September 30, 2025 is primarily due to a decrease in management fees to affiliate of $3.4 million and a decrease in legal fees of $0.6 million partially offset by an increase in insurance proceeds of $0.8 million, increase in management reimbursable expenses of $0.3 million, and increase in bonus expense of $0.2 million.

(dollar amounts in thousands)	Nine Months Ended September 30, 2026	2025	Increase (Decrease) Amount
Revenues			
Golf operations	$ —	$ —	$ —
Sales of food and beverages	—	—	—
Total Revenues	—	—	—
Total operating costs	17,616	20,559	(2,943)
Operating loss	$ (17,616)	$ (20,559)	$ 2,943

Operating loss

The decrease in Corporate operating loss during the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 is primarily due to a decrease in management fees to affiliate of $4.3 million, a decrease in legal fees of $1.6 million, a decrease in professional fees of $0.4 million, and a decrease in rent of $0.3 million partially offset by an increase in management reimbursable expenses of $1.5 million, an increase in insurance proceeds of $1.4 million, and an increase in bonus expense of $0.6 million .

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our primary sources of liquidity are our current balances of cash and cash equivalents that are generated from operations. As of September 30, 2026, the Company had $40.7 million of available cash.

Our primary cash needs are remodeling and maintaining existing facilities, funding working capital, operating lease and finance lease obligations, servicing our debt obligations, paying dividends on our preferred stock, and for general corporate purposes.

The Company’s growth strategy is capital intensive and our ability to execute is dependent upon many factors, including the current and future operating performance of our entertainment golf venues and traditional golf properties, the pace of expansion, real estate markets, site locations, our ability to raise financing and the nature of the arrangements negotiated with landlords. Based upon current levels of operations and anticipated growth, we expect that cash flows from operations, combined with other financing alternatives in place or available will be sufficient to meet our working capital and capital expenditure requirements for the foreseeable future.

Summary of Cash Flows

The following table and discussion summarize our key cash flows from operating, investing and financing activities:

	Nine Months Ended September 30,	
	2026	2025
Net cash provided by (used in):		
Operating activities	$ 25,725	$ 34,425
Investing activities	(13,057)	(8,102)
Financing activities	(3,544)	(3,181)
Net Increase (Decrease) in Cash and Cash Equivalents, and Restricted Cash	$ 9,124	$ 23,142

Operating Activities

Cash flows used in operating activities consist primarily of net losses adjusted for certain items including depreciation and amortization of assets, amortization of prepaid golf member dues, impairment losses, other gains and losses from the sale of assets, stock-based compensation expense, and the effect of changes in operating assets and liabilities.

Net cash provided by operating activities was $25.7 million for the nine months ended September 30, 2026, and $34.4 million for the nine months ended September 30, 2025.

The $8.7 million decrease in cash was primarily due to a decrease in accounts payable, accrued expenses and deferred revenue of $4.0 million, a decrease in depreciation and amortization of assets of $3.9 million and an unfavorable net loss which was partially offset by an increase in losses on lease terminations and impairment of $6.0 million.

Investing Activities

Cash flows from investing activities primarily relate to cash flows used in investing activities such as capital expenditures for the construction and development of entertainment golf venues and renovations of existing facilities, as well as renovations and maintenance for the Traditional Golf facilities.

Net cash used in investing activities was $13.1 million during the nine months ended September 30, 2026 and $8.1 million during the nine months ended September 30, 2025. The increase of $5.0 million in cash used was primarily due to an increase in capital expenditures for our Traditional Golf venues and fewer insurance proceeds received.

Financing Activities

Cash flows used in or provided by financing activities consist primarily of cash from the borrowing or repayment of debt obligations, deposits received on golf memberships, payment of preferred dividends, and the issuance of common stock.

Net cash used in financing activities was $3.5 million during the nine months ended September 30, 2026 and $3.2 million for the nine months ended September 30, 2025. The increase of $0.3 million in cash used was primarily due to other financing activities of $0.5 million and capital distributions paid of $0.1 million partially offset by fewer debt obligation payments made of $0.3 million.

Off-Balance Sheet Arrangements

There have been no significant changes to our off-balance sheet arrangements as disclosed in our Annual Report for the fiscal year ended December 31, 2025.

CONTRACTUAL OBLIGATIONS

During the nine months ended September 30, 2026, we had all of the material contractual obligations referred to in our Annual Report for the year ended December 31, 2025.

Item 9. Issuer's Certifications

I, Michael Compton, certify that:

1. I have reviewed this quarterly disclosure statement of Golf Entertainment Group 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 the disclosure statement.

GOLF ENTERTAINMENT GROUP INC.

/s/ Michael Compton

Interim Chief Executive Officer

November 10, 2026

Principal Financial Officer:

I, Vipin Tehlan, certify that:

1. I have reviewed this quarterly disclosure statement of Golf Entertainment Group 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 the disclosure statement.

GOLF ENTERTAINMENT GROUP INC.

/s/ Vipin Tehlan

Controller

November 10, 2026