STRATUS®

STRATUS PROPERTIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2026

STRATUS PROPERTIES INC.
TABLE OF CONTENTS

	Page
Consolidated Statement of Net Assets in Liquidation (Unaudited)	3
Consolidated Statement of Changes in Net Assets in Liquidation (Unaudited)	4
Notes to Consolidated Financial Statements (Unaudited)	4

STRATUS PROPERTIES INC.
CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION (Unaudited)
(In Thousands)

	September 30, 2026
ASSETS	
Cash and cash equivalents	$ 49,941
Restricted cash	3,649
Real estate	530,718
Accounts and notes receivable	327
Total assets	$ 584,635
LIABILITIES	
Accounts payable and accrued expenses	$ 14,084
Debt	122,351
Liabilities for estimated costs in excess of estimated receipts during liquidation	66,530
Total liabilities	$ 202,965
Commitments and contingencies	
Net assets in liquidation	
Attributable to noncontrolling interests	$ 130,392
Attributable to common stockholders	251,278
Total net assets in liquidation	$ 381,670

The accompanying Notes to Consolidated Financial Statements (Unaudited) are an integral part of these consolidated financial statements.

STRATUS PROPERTIES INC.
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (Unaudited)
(In Thousands)

	For the Period from July 1, 2026 through September 30, 2026:		
	Attributable to Common Stockholders	Attributable to Noncontrolling Interests	Total Net Assets in Liquidation
Net assets in liquidation, beginning of period	$ 291,292	$ 129,904	$ 421,196
Changes in net assets in liquidation			
Liquidating distribution	(40,014)	—	(40,014)
Operating loan funded by noncontrolling interests	—	250	250
Remeasurement of net distributions to noncontrolling interests	—	238	238
Net assets in liquidation, end of period	$ 251,278	$ 130,392	$ 381,670

The accompanying Notes to Consolidated Financial Statements (Unaudited) are an integral part of these consolidated financial statements.

STRATUS PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. GENERAL

All references to "Stratus" refer to Stratus Properties Inc., a Delaware corporation, and its consolidated subsidiaries. The unaudited consolidated financial statements and the accompanying notes are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

On March 24, 2026, after concluding the strategic alternatives review announced in December 2025, Stratus' Board of Directors (Board) approved a plan of complete liquidation and dissolution of Stratus (Plan of Liquidation) and determined to submit it to Stratus' stockholders for approval. On June 1, 2026, Stratus' stockholders approved the Plan of Liquidation. The Plan of Liquidation provides that Stratus will be dissolved and will conduct an orderly sale of all or substantially all of its assets and distribute the net proceeds to Stratus' stockholders, subject to payment of or reasonable provision for Stratus' liabilities and obligations. On July 1, 2026, the Board declared an initial liquidating distribution, in the form of a special cash dividend, of $5.00 per share on Stratus' Common Stock, which was paid on July 20, 2026 to stockholders of record as of July 13, 2026.

Stratus' current activities are focused on managing and monetizing its remaining assets and completing its orderly liquidation. Prior to the approval of the Plan of Liquidation, Stratus was engaged primarily in the entitlement, development, management, leasing and sale of multi-family and single-family residential and commercial real estate properties in the Austin, Texas area and other select markets in Texas. Stratus owns two operating multi-family properties. In addition, Stratus owns approximately 1,500 acres of land, including one project under construction, for future commercial and residential projects.

Basis of Presentation. As defined in Accounting Standards Codification (ASC) 205-30, *Presentation of Financial Statements Liquidation Basis of Accounting*, an entity should apply the liquidation basis of accounting when liquidation is imminent, which means the likelihood is remote that the entity will return from liquidation. As a result of the Board's declaration of the initial liquidating distribution, Stratus determined that liquidation was imminent, as defined in ASC 205-30, and Stratus changed its basis of accounting from the going concern basis to the liquidation basis effective July 1, 2026.

The liquidation basis of accounting differs significantly from the going concern basis, as summarized below.

Under the liquidation basis of accounting, the consolidated statement of net assets in liquidation and the consolidated statement of changes in net assets in liquidation are the principal financial statements presented, and the consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of equity are no longer presented. The liquidation basis of accounting may only be applied prospectively from the day liquidation becomes imminent and the initial statement of changes in net assets in liquidation may present only changes in net assets that occurred during the period since that date.

Under the liquidation basis of accounting, Stratus' assets are measured at their estimated net realizable value, or liquidation value, (which represents the estimated amount of cash proceeds or other consideration from liquidation that Stratus expects to collect upon the disposal of assets as it carries out the Plan of Liquidation), which are based on current contracts, estimates, including from third-party appraisals conducted by independent appraisal firms, which were primarily retained by Stratus' lenders as required under its financing arrangements, and other indications of sales value. All estimates by nature involve a large degree of judgment and sensitivity to the underlying assumptions. The liquidation values of Stratus' assets are required to be presented on an undiscounted basis. Liabilities are generally carried at their contractual amounts due or estimated amounts to be paid.

Stratus accrues costs and income that it expects to incur and earn as it carries out its liquidation activities through the end of the projected liquidation period to the extent it has a reasonable basis for estimation. These amounts are classified within *Liabilities for estimated costs in excess of estimated receipts during liquidation* on the *Consolidated Statement of Net Assets in Liquidation.* The valuation of these amounts represents estimates based on present facts and circumstances of the net realizable value of the costs and income associated with carrying out the Plan of Liquidation. Actual costs and income may differ materially from amounts reflected in the consolidated financial statements because of the inherent uncertainty in estimating future events. Refer to Note 2 for additional information.

Net assets in liquidation at September 30, 2026 represent the estimated liquidation value attributable to common stockholders and noncontrolling interests upon liquidation. It is not possible to predict with certainty the timing or aggregate amount which may ultimately be distributed to our stockholders and no assurance can be given that the distributions will equal or exceed the estimate presented in these consolidated financial statements. This amount does not represent cash currently available for distribution and is not intended to be a forecast or guarantee of the amount or timing of future liquidating distributions. The aggregate amount of future liquidating distributions may differ materially from the net assets in liquidation attributable to common stockholders reported in these consolidated financial statements.

The valuation of Stratus' assets and liabilities, as described above, represents estimates, based on present facts and circumstances, of the net realizable value of the assets and costs associated with carrying out the Plan of Liquidation. The actual values and costs associated with carrying out the Plan of Liquidation may differ from amounts reflected in the accompanying consolidated financial statements because of the Plan of Liquidation's inherent uncertainty. These differences may be material. In particular, these estimates will vary with the length of time necessary to complete the Plan of Liquidation.

Stratus' estimates will be periodically reviewed and adjusted as appropriate. There can be no assurance that these estimated values will be realized.

Real Estate. Real estate primarily includes wholly-owned real estate, real estate owned through limited partnerships Stratus controls, estimated value of future projects and expected reimbursements from municipal utility districts (MUDs). Upon adoption of the liquidation basis of accounting, Stratus' real estate was adjusted to its estimated net realizable value, or liquidation value. The liquidation value represents the estimated amount of cash that Stratus expects to receive through the disposal of its assets as it carries out the Plan of Liquidation. Previously, under going concern basis of accounting, real estate was primarily stated at cost less accumulated depreciation. Real estate is no longer depreciated. Subsequent to July 1, 2026, all changes in the estimated liquidation values of real estate are reflected as a change to our net assets in liquidation.

Accrued Expenses. Accrued expenses include accrued income taxes of $0.8 million and accrued property taxes of $3.6 million. During third-quarter 2026, Stratus made a federal income tax estimated payment of $4.5 million.

2. LIABILITIES FOR ESTIMATED COSTS IN EXCESS OF ESTIMATED RECEIPTS DURING LIQUIDATION

The liquidation basis of accounting requires Stratus to estimate net cash flows from operations and to accrue all costs associated with implementing and completing the Plan of Liquidation. As of September 30, 2026, Stratus estimated that it would have costs in excess of estimated receipts during the liquidation period. These amounts can vary significantly due to, among other things, estimates of occupancy of multi-family projects, estimates for capital expenditures, the timing and prices of property sales, estimates of direct costs to be incurred to complete the sales, the timing and estimated amounts associated with discharging known and contingent liabilities, the estimated costs associated with the winding up of operations and other costs that Stratus may incur which are not currently foreseeable. These costs are estimated and are anticipated to be paid over the liquidation period based on the estimated disposal date of each asset; however, no assurance can be provided that the dates used in the estimates will be achieved. These accruals represent revenue and costs not yet earned or incurred and, therefore, include amounts not reflected in accounts and notes receivable or accounts payable and accrued expenses. These amounts will be adjusted periodically as projections and assumptions change.

Upon transition to the liquidation basis of accounting on July 1, 2026, Stratus accrued the following estimated revenues and expenses not yet earned or incurred and, therefore, not reflected in accounts and notes receivable

and accounts payable and accrued expenses that are expected to be received or incurred during the liquidation period (in thousands):

	July 1, 2026
Rental property revenues	$ 9,724
Property operating expenses	(5,572)
General and administrative expenses	(28,236)
Ground rent and master lease payments	(973)
Interest income	4,262
Interest expense	(5,424)
Capital expenditures	(9,497)
Liquidation costs [a]	(33,148)
Income and real estate taxes	(10,315)
Total liabilities for estimated costs in excess of estimated receipts during liquidation	$ (79,179)

a. Includes estimated disposal costs related to the sale of Stratus' assets, severance costs and advisory costs related to the Plan of Liquidation.

The change in the liabilities for estimated costs in excess of estimated receipts during liquidation for the period from July 1, 2026 through September 30, 2026 is as follows (in thousands):

	July 1, 2026	Revenue Recognized/ Cost Incurred	September 30, 2026
ASSETS			
Estimated net inflows from real estate [a]	$ 4,152	$ (1,265)	$ 2,887
Interest income	4,262	(588)	3,674
Total estimated assets	8,414	(1,853)	6,561
LIABILITIES			
General and administrative expenses	28,236	(6,321)	21,915
Ground rent and master lease payments	973	(240)	733
Interest expense	5,424	(1,881)	3,543
Capital expenditures	9,497	(4,749)	4,748
Liquidation costs	33,148	(496)	32,652
Income and real estate taxes	10,315	(815)	9,500
Total estimated liabilities	87,593	(14,502)	73,091
Total	$ (79,179)	$ 12,649	$ (66,530)

a. Estimated net inflows from real estate include estimated future rental property revenues during liquidation less estimated future property operating expenses during liquidation.

3. LIMITED PARTNERSHIPS

Stratus has entered into strategic partnerships for certain development projects. Stratus, through its subsidiaries, is a partner in the following limited partnerships:

Partnership	Indirect Equity Interest
Holden Hills, L.P.	50.00 %
Holden Hills Phase 2, L.P.	50.00 %
Stratus Block 150, L.P.	31.00 %
Stratus Kingwood Place, L.P. [a]	60.00 %
The Saint George Apartments, L.P.	10.00 %
The Saint June, L.P.	34.13 %

a. Kingwood Place was sold in January 2026. Refer to Note 4 for further discussion.

Stratus Kingwood Place, L.P. As discussed further in Note 4, the Stratus Kingwood Place, L.P. (Kingwood L.P.) sold Kingwood Place in January 2026. In connection with the sale, Stratus received $16.2 million from Kingwood L.P. and $10.6 million of the net proceeds were distributed to the noncontrolling interest holders, including $1.8 million to each of LCHM Holdings, LLC (LCHM) and JBM Trust, which are related parties as a result of LCHM's representation on Stratus' Board of Directors.

Operating Loans and Advances; Distributions from Partnerships. As of September 30, 2026, Stratus and its Class B limited partners have the following outstanding operating loans to Stratus Block 150, L.P. and The Saint June, L.P. (The Saint June partnership) and advances to The Saint George Apartments, L.P. (in thousands):

	Amounts	
Partnership	Stratus	Class B Limited Partner
Stratus Block 150, L.P. [a]	$ 9,625	$ 500
The Saint June, L.P. [a]	962	493
The Saint George Apartments, L.P.	2,027	—

a. The operating loans bear interest at one-month Term Secured Overnight Financing Rate (SOFR) plus 5.00 percent.

Operating loans or advances have been made to the partnerships to facilitate the partnerships' ability to pay ongoing costs of the projects, including debt service and, for The Saint George Apartments, L.P., costs of $1.0 million related to damage remediation and repairs for a water leak that occurred in April 2025. In fourth-quarter 2026, Stratus converted the advances of $2.0 million made to The Saint George Apartments, L.P. into an operating loan and made an additional operating loan of $4.0 million in connection with the extension of the maturity of The Saint George construction loan discussed below in Note 5. The operating loans bear interest at one-month SOFR plus 5.00 percent. Except as described below with respect to The Saint June, the operating loans are subordinate to the project loans and must be repaid before distributions may be made to the partners.

In third-quarter 2025, The Saint June partnership was amended to allow for up to $3.0 million of distributions to the partners prior to the repayment of the operating loans. In first-quarter 2026, The Saint June partnership made distributions of approximately $118 thousand and $61 thousand to the Class B limited partner and Stratus, respectively. In fourth-quarter 2026, The Saint June partnership made distributions of approximately $176 thousand and $91 thousand to the Class B limited partner and Stratus, respectively.

Operating loans from Class B limited partners are presented in net assets in liquidation attributable to noncontrolling interests in the Consolidated Statement of Net Assets in Liquidation.

Potential Returns. The following table presents the distribution percentages for the limited partnerships in which Stratus' potential returns may increase above its relative equity interest if certain hurdles are achieved.

	Distribution Percentages							
	Holden Hills, L.P.		Stratus Kingwood Place, L.P.		The Saint George Apartments, L.P.		The Saint June, L.P.	
	Stratus	Third-party Class B Limited Partner	Stratus	Third-party Class B Limited Partners	Stratus	Third-party Class B Limited Partner	Stratus	Third-party Class B Limited Partner
Until all partners have received a return of their capital contributions and a 9.00 percent cumulative return;	50.00 %	50.00 %	60.00 %	40.00 %	10.00 %	90.00 %	34.13 %	65.87 %
Until all partners have received an 11.00 percent cumulative return;	—	—	68.00	32.00	—	—	—	—
Until the Class B limited partner has received a 12.00 percent cumulative return;	55.00	45.00	—	—	20.00	80.00	44.13	55.87
Until the Class B limited partner has received an 18.00 percent cumulative return;	—	—	—	—	30.00	70.00	—	—
Thereafter	65.00	35.00	76.00	24.00	50.00	50.00	54.13	45.87

Accounting for Limited Partnerships. Stratus has performed evaluations and concluded that all of these limited partnerships are variable interest entities (VIEs) and that Stratus is the primary beneficiary of each VIE. Accordingly, the partnerships' financial statements are consolidated in Stratus' financial statements. Stratus will continue to re-evaluate which entity is the primary beneficiary of these partnerships in accordance with applicable accounting guidance.

As of September 30, 2026, cash and cash equivalents totaling $3.0 million held at certain of these limited partnerships are subject to restrictions on distribution to Stratus pursuant to the individual partnership loan agreements.

4. ASSET SALES AND LIQUIDATION ACTIVITIES

Jones Crossing – Retail. In June 2026, College Station 1892 Properties, L.L.C. sold Jones Crossing – Retail for $46.5 million. The sale generated pre-tax net cash proceeds of approximately $21.7 million, after selling costs and payment of the $24.0 million project loan. In connection with the sale, the purchaser also assumed Stratus's rights and obligations as tenant under the ground leases underlying the property. Following the sale, Stratus retains the 21-acre multi-family component of Jones Crossing, including the ground lease underlying the multi-family property. Refer to Note 7 for additional information.

Kingwood Place. In January 2026, Stratus Kingwood Place, L.P. sold Kingwood Place for $60.8 million. The sale generated pre-tax net cash proceeds of approximately $27.0 million, after selling costs and payment of the $33.0 million project loan. After establishing a reserve for remaining costs of the partnership, Stratus received a distribution of $16.2 million from the partnership in connection with the sale, and $10.6 million of the net proceeds were distributed to the noncontrolling interest holders. In connection with the sale, H-E-B Grocery earned a profit participation of $78 thousand.

Amarra Villas. In second-quarter 2026, Stratus sold the final two Amarra Villas homes for a total of $7.1 million.

Holden Hills Phase 1. Holden Hills Phase 1 is developing 36 residential home sites on Vivier Drive in the Barton Creek community (the Vivier home sites). In third-quarter 2026, Stratus sold its first Vivier home site for $2.0 million. As of October 30, 2026, four Vivier home sites were under contract to sell for a total of $8.2 million, subject to satisfaction or waiver of closing conditions.

New Caney. In March 2026, Stratus entered into a contract to sell the New Caney land for approximately $12.7 million, which is subject to satisfaction or waiver of closing conditions.

Lantana Place – The Saint Julia. In September 2026, Stratus entered into a contract to sell The Saint Julia land, subject to satisfaction or waiver of closing conditions. If the sale is completed, it is expected to generate estimated pre-tax net cash proceeds of approximately $13.1 million, after selling costs.

5. DEBT

The components of Stratus' debt follow (in thousands):

	September 30, 2026
Fifth Third Bank revolving credit facility	$ —
Holden Hills Phase 2 credit facility	4,522
The Annie B land loan	11,321
Construction loans:	
The Saint George	56,800
The Saint June	32,883
Holden Hills Phase 1	16,825
Total debt	$ 122,351

Fifth Third Bank revolving credit facility. As of September 30, 2026, the maximum amount that could be borrowed under the Fifth Third Bank (formerly Comerica Bank) revolving credit facility was $23.5 million, with no amount outstanding.

In first-quarter 2026, Stratus entered into an amendment to its revolving credit facility that extended the maturity date to March 27, 2028.

Holden Hills Phase 1 construction loan. In second-quarter 2026, Stratus modified the loan to extend the maturity to August 8, 2027, and to increase the principal amount of the loan by approximately $9.9 million. The partnership repaid advances from Stratus of $2.0 million.

Holden Hills Phase 2 credit facility. In third-quarter 2026, Holden Hills Phase 2, L.P. (the Holden Hills Phase 2 partnership), a Texas limited partnership and subsidiary of Stratus, entered into a $10.0 million credit facility agreement with Fifth Third Bank to finance the approved operating budget and fund future partnership activities approved by the partners. The Holden Hills Phase 2 partnership also used the facility to repay advances from Stratus of $3.9 million. The facility matures on January 2, 2028 and bears interest at one-month Term Secured Overnight Financing Rate (SOFR) plus 3.00 percent, with Term SOFR subject to a 3.50 percent floor.

The Saint George construction loan. In third-quarter 2026, Stratus modified The Saint George construction loan with Fifth Third Bank to provide a short-term extension of the maturity date to October 17, 2026, while a longer-term extension was negotiated with the lender. In fourth-quarter 2026, Stratus modified the loan to extend the maturity until April 17, 2027. In connection with the modification, a principal payment of $3.5 million was made on the loan and Stratus deposited $2.8 million of cash collateral and an interest reserve of $0.4 million with the lender.

In third-quarter 2026, the guaranties for The Annie B land loan, the Holden Hills Phase 2 credit facility and The Saint George and the Holden Hills Phase 1 construction loans were modified to permit Stratus to make liquidating distributions to shareholders in connection with the Plan of Liquidation without Fifth Third Bank's prior written consent.

6. SHARE REPURCHASE PROGRAM

Stratus' share repurchase program, which was terminated in second-quarter 2026, authorized Stratus, in management's and the Capital Committee of the Board's discretion, to repurchase up to $25.0 million of Stratus' common stock from time to time, subject to market conditions and other factors. In first-quarter 2026, Stratus acquired 18,886 shares of its common stock for a total cost of $0.5 million at an average price of $25.88 per share. Through the date the program was terminated, Stratus had acquired 235,421 shares of its common stock for a total cost of $5.2 million at an average price of $22.14 per share.

7. COMMITMENTS AND CONTINGENCIES

Letters of Credit. Stratus has issued $3.2 million of letters of credit, secured by cash collateral held at Fifth Third Bank, of which $2.3 million secure Stratus' obligations, which are subject to certain conditions, to construct and pay

for certain utility infrastructure in Lakeway, Texas, which is expected to be utilized by the planned multi-family project on Stratus' remaining land in Lakeway.

Change of Control Agreements with Executive Officers. Stratus previously entered into change of control and severance agreements (the COC Agreements) with its chief executive officer and its chief financial officer that entitle each executive to receive additional benefits in the event of the termination of his or her employment under certain circumstances, including a termination by the executive with good reason following a change of control. The approval of the Plan of Liquidation by Stratus' stockholders at its annual meeting of stockholders held on June 1, 2026 constituted a change of control under the COC Agreements, and the effectiveness of the deregistration of Stratus' common stock under Section 12(g) of the Securities Exchange Act of 1934, as amended, on November 8, 2026, provided each executive with good reason to terminate employment with Stratus and receive the severance benefits due under the COC Agreements. Stratus is currently working with the executives to ensure an orderly transition during the liquidation process and expects to pay these severance benefits at some point in the future. Assuming the severance benefits are calculated as of December 31, 2026, the aggregate cash payments to the executives under the COC Agreements are estimated to total approximately $8.0 million. This amount is estimated based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, and does not reflect other compensation actions that may occur prior to the payment date. Accordingly, the actual amounts to be paid to the executives may differ materially from the aggregate estimate set forth herein.

Ground Lease. Stratus has a 99-year ground lease for approximately 21 acres of land designated for multi-family use at Jones Crossing in College Station, Texas. Future lease obligations for our ground lease are included in *Liabilities for estimated costs in excess of estimated receipts during liquidation* on the *Consolidated Statement of Net Assets in Liquidation.*

8. SUBSEQUENT EVENTS

Stratus evaluated events after September 30, 2026, and through the date the financial statements were issued, and determined any events or transactions occurring during this period that would require recognition or disclosure are appropriately addressed in these financial statements.