Regency Affiliates, Inc. and Subsidiaries

Condensed Consolidated Financial Statements

June 30, 2026

Regency Affiliates, Inc. and Subsidiaries

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INDEPENDENT AUDITOR'S REVIEW REPORT

Board of Directors and Stockholders of
Regency Affiliates, Inc. and Subsidiaries

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated financial statements of Regency Affiliates, Inc. and Subsidiaries (the "Company") which comprise of the condensed consolidated balance sheet as of June 30, 2026, and the related condensed consolidated statements of operations and changes in equity for the three and six months ended June 30, 2026, and 2025, and cash flows for the three and six months ended June 30, 2026, and 2025, and the related notes (collectively referred to as the interim financial statements). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of condensed interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of condensed interim financial information is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, 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 Regency Affiliates, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relative 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 condensed 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 Condensed 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 Regency Affiliates, Inc. and Subsidiaries as of December 31, 2025, and the related consolidated statements of income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated March 31, 2026 we expressed an unmodified audit opinion on those audited consolidated financial statements. In our opinion, the accompanying condensed consolidated balance sheet of Regency Affiliates, Inc. and Subsidiaries as of December 31, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Rosenberg Rich Baker Berman, P.A.

Somerset, New Jersey
August 14, 2026

Regency Affiliates, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	As of	
	June 30, 2026 (unaudited)	December 31, 2025
Assets		
Current Assets:		
Cash and cash equivalents	$ 628,931	$ 603,322
Restricted cash	56,259	594,956
Short-term investments	7,135,937	3,472,905
Prepaid expenses and other current assets	187,509	203,910
Rent receivable	78,072	68,176
Total current assets	8,086,708	4,943,269
Real Estate		
Self-storage properties	35,889,887	35,882,272
Less accumulated depreciation	(8,049,326)	(7,641,230)
Real estate, net	27,840,561	28,241,042
Property and equipment, net	15,856	19,610
Investment in partnerships/LLC	48,960,976	49,059,239
Operating lease right-of-use asset	116,800	145,439
Other assets	190,220	10,638
Total assets	$ 85,211,121	$ 82,419,237
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 355,644	$ 150,923
Mortgage note payable, net of discount	-	23,003,406
Loan payable, net of discount	-	4,963,786
Deferred revenue	278,227	252,215
Operating lease liability, current	60,818	59,319
Dividends payable	232,737	232,737
Tenant security deposits	2,303	2,983
Total current liabilities	929,729	28,665,369
Non-current Liabilities:		
Mortgage note payable, net of discount	31,174,274	-
Operating lease liability, non-current	58,479	89,267
Total liabilities	32,162,482	28,754,636
Commitments and Contingencies (Notes 11 and 12)		
Shareholders' Equity		
Serial preferred stock, par value $0.10; 2,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, par value $0.01; 8,000,000 shares authorized; 4,281,156 and 4,308,157 shares issued and outstanding as of June 30, 2026 and December 31, 2025	42,812	43,082
Additional paid-in capital	12,191,574	12,191,574
Retained earnings	40,814,253	41,429,945
Total shareholders' equity	53,048,639	53,664,601
Total liabilities and shareholders' equity	$ 85,211,121	$ 82,419,237

Regency Affiliates, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Rental	$ 1,198,137	$ 1,118,790	$ 2,382,019	$ 2,239,027
Insurance, late fees and other income	135,264	111,600	265,580	217,493
Total revenue	1,333,401	1,230,390	2,647,599	2,456,520
Operating expenses:				
Self-storage cost of operations	449,008	404,697	954,283	822,520
Self-storage depreciation expense	202,106	196,905	408,096	401,815
General and administrative expenses	386,516	508,814	753,696	1,108,174
Total operating expenses	1,037,630	1,110,416	2,116,075	2,332,509
Income from operations	295,771	119,974	531,524	124,011
Other income (expense):				
Gain (loss) from equity investment in partnerships/LLC	11,846	(334,641)	(98,263)	(412,602)
Realized (loss) gain on sale of short-term investments	(390)	-	(110)	138
Interest income	47,752	47,317	79,212	97,239
Other income (expense)	11,941	(23,420)	(569)	(36,290)
Interest expense	(566,801)	(450,365)	(1,004,901)	(894,095)
Total other expense	(495,652)	(761,109)	(1,024,631)	(1,245,610)
Net loss before income taxes	(199,881)	(641,135)	(493,107)	(1,121,599)
Income tax expense	-	-	-	-
Net loss	$ (199,881)	$ (641,135)	$ (493,107)	$ (1,121,599)

See independent auditor's review report and notes to the condensed consolidated financial statements.

Regency Affiliates, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Equity
(unaudited)

	Preferred Stock		Common Stock			
	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
Balance as of January 1, 2025	-	$ -	4,483,557	$ 44,836	$ 12,191,574	$ 43,447,475	$ 55,683,885
Dividends declared	-	-	-	-	-	(349,717)	(349,717)
Net loss	-	-	-	-	-	(480,464)	(480,464)
Balance as of March 31, 2025	-	$ -	4,483,557	$ 44,836	$ 12,191,574	$ 42,617,294	$ 54,853,704
Net loss	-	-	-	-	-	(641,135)	(641,135)
Balance as of June 30, 2025	-	$ -	4,483,557	$ 44,836	$ 12,191,574	$ 41,976,159	$ 54,212,569
Balance as of January 1, 2026	-	$ -	4,308,157	$ 43,082	$ 12,191,574	$ 41,429,945	$ 53,664,601
Net loss	-	-	-	-	-	(293,226)	(293,226)
Balance as of March 31, 2026	-	$ -	4,308,157	$ 43,082	$ 12,191,574	$ 41,136,719	$ 53,371,375
Common stock repurchased and retired			(27,001)	(270)	-	(122,585)	(122,855)
Net loss	-	-	-	-	-	(199,881)	(199,881)
Balance as of June 30, 2026	-	$ -	4,281,156	$ 42,812	$ 12,191,574	$ 40,814,253	$ 53,048,639

See independent auditor's review report and notes to the condensed consolidated financial statements.

Regency Affiliates, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Six Months Ended June 30, 2026	2025
Cash Flows From Operating Activities		
Net loss	$ (493,107)	$ (1,121,599)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash expenses		
Depreciation and amortization	411,850	407,759
Loss from equity investment in partnerships/LLCs	98,263	412,602
Realized loss (gain) on sale of short-term investments	111	(138)
Unrealized gain on derivative instrument	(3,082)	-
Loss on extinguishment of debt	569	-
Amortization of right of use asset	31,915	31,732
Amortization of debt discount	66,077	57,926
Accretion of discount on short-term investments	(79,202)	(77,069)
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	16,401	442,578
Rent receivable	(9,896)	17,242
Other assets	500	175
Accounts payable and accrued expenses	204,721	123,298
Deferred revenue	26,012	10,751
Operating lease liability	(32,565)	(31,479)
Tenant security deposits	(680)	(165)
Total adjustments	730,994	1,395,212
Net cash provided by operating activities	237,887	273,613
Cash Flows From Investing Activities		
Purchase of short-term investments	(7,194,576)	(4,684,200)
Purchase of equipment	(7,615)	(198,606)
Proceeds from sale of land parcel for self-storage properties	-	30,900
Proceeds from sale of short-term investments	3,610,635	5,428,299
Purchase of interest rate cap	(177,000)	-
Distribution of earnings from partnerships	-	19,000
Net cash (used in) provided by investing activities	(3,768,556)	595,393
Cash Flows From Financing Activities		
Proceeds from loan payable, net of debt issuance costs	31,148,054	-
Repayment of mortgage note payable	(23,007,618)	(223,951)
Repayment of loan payable	(5,000,000)	-
Repurchase and retirement of common stock	(122,855)	-
Dividends paid to common shareholders	-	(699,435)
Net cash provided by (used in) financing activities	3,017,581	(923,386)
Net decrease in cash and cash equivalents and restricted cash	(513,088)	(54,380)
Cash and cash equivalents and restricted cash - beginning	1,198,278	1,049,951
Cash and cash equivalents and restricted cash - ending	$ 685,190	$ 995,571
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for:		
Interest	$ 789,148	$ 836,169
Income taxes	$ -	$ -

See independent auditor's review report and notes to the condensed consolidated financial statements.

Note 1. Liquidity

The Company's principal sources of cash have been, and will continue to be, from property operations and borrowings. The Company's principal liquidity needs are to fund normal recurring expenses and capital expenditures, and to meet the periodic interest payment requirements and balloon payment obligation upon maturity under the debt agreement. The Company anticipates that its cash and cash equivalents and short-term investments as of June 30, 2026, along with cash that is expected to be generated in 2026 will be sufficient to meet all of its cash requirements one year from the date these financial statements are available to be issued.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements are presented on an accrual basis in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") as defined in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") for interim financial information. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America. However, in the opinion of management of the Company, all adjustments necessary for a fair presentation of the financial position and operating results have been included in these statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report for the fiscal year ended December 31, 2025, as posted with OTC Markets on March 31, 2026. Operating results for the three and six months ended June 30, 2026 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2026.

Nature of Operations

Regency Affiliates, Inc. ("Regency" or the "Company") invests in assets that generate attractive, predictable and sustainable returns on capital. The Company's objective is to generate long-term value for its shareholders. Management seeks sound investment opportunities to meet its business characteristics and valuation criteria.

The Company holds a limited partnership interest in Security Land and Development Company Limited Partnership ("Security Land"), which owns, for future development, 34.3 acres of land in Woodlawn, Maryland. In November 2000, the Company acquired a 5% limited partnership interest in 1500 Woodlawn Limited Partnership, the general partner of Security Land ("Woodlawn") (see Note 5).

Note 2. Summary of Significant Accounting Policies (continued)

Nature of Operations (continued)

In April 2016, Regency formed a new, wholly owned subsidiary, RSS Investments LLC (“RSS”). RSS acquired a majority ownership (80%) of SSCP Harrisburg Holdings, LLC, a Delaware limited liability company (“Harrisburg Holdings”). Harrisburg Holdings is the sole member of SSCP Harrisburg Intermediate Holdings, LLC, a Delaware limited liability company (“Intermediate Holdings”). Simultaneously with RSS’s investment in Harrisburg Holdings, Intermediate Holdings acquired a portfolio of five self-storage facilities in Harrisburg, Pennsylvania (“SSCP Harrisburg Properties”). Subsequently, on October 7, 2024, RSS acquired the remaining balance of the membership interests (20%) of Harrisburg Holdings for an aggregate purchase price of $3,090,205, including transaction costs. Through the Company’s 100% ownership of Harrisburg Holdings, the Company is focused on the ownership, operation, and acquisition of self-storage properties located within the Harrisburg, Pennsylvania area.

Principles of Consolidation

These condensed consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries, RSS and Harrisburg Holdings. All intercompany balances and transactions have been eliminated in consolidation.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents represent cash and short-term highly liquid investments with original maturities of three months or less. Cash equivalents consist of interest-bearing bank accounts. The Company places its cash and cash equivalents with high credit quality financial institutions that may exceed federally insured amounts at times. The self-storage properties hold escrow funds in a bank account for real estate taxes, insurance, and replacement reserves disbursements to be paid when due, pursuant to the terms of the bank financing agreement, which are included in restricted cash on the Company’s condensed consolidated balance sheets.

The following table provides a reconciliation of cash and restricted cash to the total amount shown in the condensed consolidated statements of cash flows as of:

	June 30, 2026	June 30, 2025
Cash and cash equivalents	$ 628,931	$ 378,553
Restricted cash	56,259	617,018
Total cash and cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 685,190	$ 995,571

Note 2. Summary of Significant Accounting Policies (continued)

Short-Term Investments

Short-term investments consist of treasury bills and notes with original maturity dates greater than three months and less than one year at the date of purchase. The Company classifies its treasury instruments as held to maturity, as the Company believes they have the intent and ability to hold them until their maturity. The short-term investments are held at amortized cost. The Company has evaluated and determined that expected credit losses are zero, given that the Company's short-term investments consist of U.S. government securities. As of June 30, 2026 and December 31, 2025, the Company's short-term investments, at amortized cost, were $7,135,937 and $3,472,905, respectively, net of discount. The Company recognizes interest income over the life of the treasury bills and notes based on the effective interest method.

Self-Storage Properties

Self-storage properties are carried at historical cost less accumulated depreciation and any impairment losses. Major replacements and betterments, which improve or extend the life of an asset, are capitalized. Expenditures for ordinary repairs and maintenance are expensed as incurred and are included in self-storage cost of operation. Estimated depreciable lives of self-storage properties are determined by considering the age and other indicators about the condition of the assets at their respective dates of acquisition, resulting in an estimated useful life for assets within each category. All self-storage property assets are depreciated using the straight-line method. Buildings and improvements are depreciated over an estimated useful life of 39 years; furniture and equipment are depreciated over an estimated useful life of 7 years. The cost of the land is not depreciated. Repair and maintenance costs are expensed as incurred.

These items consist of the following as of:

	June 30, 2026	December 31, 2025
Land	$ 4,729,602	$ 4,729,602
Building and improvements	31,011,798	31,004,183
Furniture and equipment	148,487	148,487
	35,889,887	35,882,272
Less: Accumulated depreciation	(8,049,326)	(7,641,230)
Self-Storage Properties, net	$ 27,840,561	$ 28,241,042

Depreciation expense on these properties was $204,048 and $200,907 for the three months ended June 30, 2026 and 2025, respectively. Depreciation expense on these properties was $408,096 and $401,815 for the six months ended June 30, 2026 and 2025, respectively.

Note 2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method as follows: machinery and equipment - 7 years. Repair and maintenance costs are expensed as incurred as these costs do not extend the life or functionality of the asset.

These items consist of the following as of:

	June 30, 2026	December 31, 2025
Machinery and equipment	$ 85,212	$ 85,212
Less: Accumulated depreciation	(69,356)	(65,602)
Property and equipment, net	$ 15,856	$ 19,610

Depreciation expense for machinery and equipment was $1,812 and $1,942 for the three months ended June 30, 2026 and 2025, respectively. Depreciation expense for machinery and equipment was $3,754 and $5,944 for the six months ended June 30, 2026 and 2025, respectively.

Evaluation of Long-Lived Assets

Long-lived assets are assessed for recoverability whenever events or changes in circumstances indicate that the carrying amount of the asset or asset group may not be recoverable. When such events occur, the Company compares the carrying amount of the asset or asset group to the undiscounted expected future cash flows. If this comparison indicates that the asset or asset group is impaired, the amount of impairment is measured as the difference between the carrying amount and fair value of the asset or asset group.

Derivative Instruments

The Company enters into derivative instruments for risk management purposes to mitigate its exposure to changes in interest rates on its variable-rate loan. The Company records derivative instruments at fair value on the accompanying condensed consolidated balance sheets. Changes in fair value of derivative instruments that are not designated as hedging instruments or do not qualify for hedge accounting treatment are recognized as unrealized gains or losses on derivative instruments and are included in interest expense within the accompanying condensed consolidated statements of operations.

Income Taxes

The Company utilizes FASB ASC 740-10, “Income Taxes”, which requires an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those temporary differences that have future tax consequences using the current enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. In some situations, FASB ASC 740-10 permits the recognition of expected benefits of utilizing net operating loss and tax credit carryforwards. Valuation allowances are established based upon management’s estimate, if necessary. Income tax expense (benefit) is the current tax payable or refund for the period plus or minus the net change in the deferred tax assets and liabilities.

Note 2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and also affect the amounts of revenues and expenses reported for each period. Actual results could differ from those estimates. Management utilizes various other estimates, including but not limited to, assessing the collectability of rents receivable, determining the estimated lives of long-lived assets, the recognition of revenue, and other legal claims and contingencies. The results of any changes in accounting estimates are reflected in the financial statements in the period in which the changes become evident. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period that they are determined to be necessary.

Revenue Recognition

The Company recognizes rental income revenue in accordance with ASC Topic 842, Leases. As such, the revenue from these leases is outside of the scope of FASB ASC Topic 606, Revenue from Contracts with Customers. Substantially all leases may be terminated on a month-to-month basis and rental income is recognized ratably over the lease term using the straight-line method. Rents received in advance are deferred and recognized on a straight-line basis over the related lease term associated with the prepayment. Promotional discounts and other incentives are recognized as a reduction to rental income over the applicable lease term. Other property related revenue consists of ancillary revenues such as tenant insurance, related access fees and commissions and sales of storage supplies which are recognized in the period earned.

For insurance income, the Company acts as an agent and recognizes revenue for only its commission on the arrangement. The Company has a contract with the insurance carrier for acting as an agent, with a fixed commission amount. The performance obligation is satisfied, and revenue is earned at a point in time, which is when the Company sells a policy to a customer. There is no variable consideration for this revenue stream.

Expense Recognition

Property tax expense is based on actual amounts billed. Cost of operations, general and administrative expense and interest expense are expensed as incurred.

Advertising Expenses

The Company expenses advertising costs when incurred. Advertising and marketing costs totaled $57,856 and $50,847 for the three months ended June 30, 2026 and 2025, respectively. Advertising and marketing costs totaled $101,635 and $90,140 for the six months ended June 30, 2026 and 2025, respectively.

Common Stock Repurchase for Retirement

The Company accounts for the retirement of the repurchased common stock under ASC Topic 505, Equity, and charges the entire cost of such retirement, which is in excess of par value, to retained earnings.

Note 2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

The carrying amounts of cash and cash equivalents, restricted cash, prepaid expenses and other current assets, accounts payable, accrued liabilities, deferred revenue, and other liabilities approximate their fair value due to the short-term nature of these instruments.

ASC Topic 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Fair value is defined as an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 Significant unobservable inputs that cannot be corroborated by market data.

The fair value of the interest rate cap is determined using a valuation model that incorporates the contractual terms of the instrument, including the strike rate and remaining term, as well as observable market inputs. The valuation model considers market-based assumptions, including interest rate curves and implied volatility, to estimate the expected future cash flows of the instrument, which are discounted to present value. Based on the use of observable market inputs, the Company has classified the interest rate cap as a Level 2 measurement within the fair value hierarchy.

Limitations on the Use of Fair Value Estimates

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial statements. These estimates are subjective in nature, involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 2. Summary of Significant Accounting Policies (continued)

Segment Reporting

ASC Topic 280, Segment Reporting, establishes standards for the manner in which companies report information about operating segments. The Company is an internally managed real estate company that acquires, owns, invests in, and manages a portfolio of commercial real estate. The Company primarily engages in leasing activities that generate revenues and incur operating expenses in addition to investing in property development. The Company aggregates these investments for reporting purposes and operates in one reportable segment.

The Company's chief operating decision maker ("CODM") is the Company's chief executive officer. The CODM uses net (loss) income, as reported on the condensed consolidated statements of operations to measure segment operating performance and allocate resources. The Company's significant expenses that are reviewed regularly by the CODM include self-storage cost of operations, self-storage depreciation expense, general and administrative expenses and loss from equity investment in partnerships/LLC. The measure of segment assets is reported on the Company's condensed consolidated balance sheets as total assets.

Accounting Pronouncements Not Yet Adopted

In December 2025, the FASB issued ASU 2025-11 – Interim Reporting (Topic 270) – Narrow-Scope Improvements, which improves the guidance in Interim Reporting (Topic 270) by improving the navigability of the required interim disclosures and clarifying when that guidance is applicable. The standard is effective for public business entities for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is available. The Company is still evaluating the full extent of the potential impact of the adoption of ASU 2025-11.

In November 2024, the FASB issued ASU 2024-03 – Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures, which enhances the disclosures for various types of expenses. The standard is effective for public companies for annual periods beginning after December 15, 2026. Early adoption is available. The Company is still evaluating the full extent of the potential impact of the adoption of ASU 2024-03.

Note 3. Fair Value Measurements

The fair value of the Company's financial instruments are as follows:

As of June 30, 2026				
Security Type	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Treasury Bills	$ -	$ 7,133,489	$ -	$ 7,133,489
Interest Rate Cap	-	180,082	-	180,082
Total	$ -	$ 7,313,571	$ -	$ 7,313,571

As of December 31, 2025				
Security Type	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Quoted Prices for Similar Assets or Liabilities in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Treasury Bills	$ -	$ 3,474,774	$ -	$ 3,474,774
Total	$ -	$ 3,474,774	$ -	$ 3,474,774

Note 4. Marketable Securities

The tables below summarize the cost and fair values of marketable securities:

As of June 30, 2026								
Security Type		Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses		Fair Value
U.S. Treasury Bills	$	7,135,937	$	23	$	(2,471)	$	7,133,489
Total	$	7,135,937	$	23	$	(2,471)	$	7,133,489

As of December 31, 2025								
Security Type		Amortized Cost		Gross Unrealized Gains		Gross Unrealized Losses		Fair Value
U.S. Treasury Bills	$	3,472,905	$	1,869	$	-	$	3,474,774
Total	$	3,472,905	$	1,869	$	-	$	3,474,774

Accrued interest receivable as of June 30, 2026 and December 31, 2025 was $0.

As of June 30, 2026 and December 31, 2025, the Company held nine and zero securities in an unrealized loss position, respectively. The aggregate fair value of securities held by the Company in an unrealized loss position for less than twelve months as of June 30, 2026 was $6,559,782, in which the Company had the intent and ability to hold such securities until recovered. Based on the applicable credit-risk assessment, the Company determined that expected credit losses on its U.S. government securities were zero. Accordingly, the Company did not record any charges for credit-related impairments for its marketable debt securities for the three and six months ended June 30, 2026.

Note 5. Investment in Security Land and Development Company Limited Partnership

The Company owns a limited partnership interest in Security Land, which owns a parcel of land on which stood previously an office complex (the "Security West Building"). The Company has limited voting rights and is entitled to certain allocations of the profit and loss and operating cash flow distributions of Security Land.

Partnership Agreement

On December 6, 2018, Security Land entered into a second amended and restated limited partnership agreement (the "Amended Partnership Agreement") with Regency, Woodlawn and other limited partners. Among other things, the Amended Partnership Agreement allowed Security Land to enter into a new agreement with the United States General Services Administration and refinance its debt, as described below. As part of the Amended Partnership Agreement, the income allocated to the Company was reduced from 95% to 48.969%.

In May 2025, Security Land entered into a third amendment of its partnership agreement with Regency, Woodlawn and other limited partners (the "Third Amended Partnership Agreement") to include a market-based management fee and incentive compensation arrangement to be paid to the general partner. The limited partners, including Regency, receive a priority return of 8% per annum before the general partner is entitled to a catch-up return and certain incentive compensation. The incentive compensation is structured as a carried interest of 20-30% (depending on the timing of a sale of the property) of the amount by which the subject property is sold in excess of $27 million (with the higher level of incentive compensation applying to proceeds in excess of $67.5 million).

Note 5. Investment in Security Land and Development Company Limited Partnership (continued)

Management Agreement

On December 6, 2018, Security Land entered into an agreement ("Management Agreement") with Woodlawn and the Company. Pursuant to the Management Agreement, there is an asset management fee payable to the Company at a rate of 1.3% of monthly rental income in the applicable period, payable monthly through the date of sale of the property. For the three and six months ended June 30, 2026 and 2025, no fees were recognized under the management fee agreement, as the subject property has since been vacated and demolished.

During May 2025, Security Land entered into an agreement with a development manager (the "Management Development Agreement") to provide services in connection with the development of a proposed data center. Fees under the Management Development Agreement were $630,000, which is capitalized and included within real estate, net in the summarized balance sheet for Security Land below.

For the three months ended June 30, 2026 and 2025, the Company recognized income of $11,368 and a loss of $321,128, respectively, from its equity investment in Security Land. For the six months ended June 30, 2026 and 2025, the Company recognized losses of $94,295 and $395,941, respectively, from its equity investment in Security Land. There were no distributions paid to the Company during the three and six months ended June 30, 2026. The Company was paid $19,000 in distributions during the three and six months ended June 30, 2025.

The Company also owns a 5% limited partnership interest in 1500 Woodlawn Limited Partnership, the general partner of Security Land. The Company recognized income of $478 and a loss of $13,513 for the three months ended June 30, 2026 and 2025, respectively, from this investment. For the six months ended June 30, 2026 and 2025, the Company recognized losses of $3,968 and $16,661, respectively, from this investment. There were no distributions paid to the Company during the three or six months ended June 30, 2026 and 2025.

Note 5. Investment in Security Land and Development Company Limited Partnership (continued)

Security West Building Redevelopment

The Security West Building's last tenant vacated the building effective November 1, 2023. Demolition of the Security West Building commenced in May 2025.

On April 20, 2026, Security Land entered into a loan agreement in the amount of $8,000,000, primarily to fund the $6,650,000 purchase price of a 5.93 acre property located adjacent to the Security West Building site (the "Whitehead Court Property") and to fund initial costs associated with the redevelopment of the Whitehead Court Property and Security West Building site for the development of a data processing center. The loan bears interest at a fixed rate of 6.75% per annum, payable monthly, with interest-only payments required through maturity. The loan matures on April 20, 2028 with an option to extend the maturity date for an additional six month, subject to certain conditions. The loan is secured by a priority blanket lien and security interest on all of Security West's assets and other collateral pursuant to related security agreements.

On June 17, 2026, Security West signed a Purchase and Sale Agreement ("Purchase Agreement") with a real estate development company that contemplates a possible sale of the Security West Building. The Purchase Agreement is subject to numerous conditions including Maryland lifting its moratorium on the construction of data centers. There can be no assurance the conditions to the transaction closing will be satisfied, that the transaction will close, or, if it does close, the timing of the closing or the ultimate amount of proceeds that would be paid and available to Regency.

The principal outstanding under this loan was $8,000,000 as of June 30, 2026 and is included within mortgage note payable on the summarized balance sheet below. During the three months ended June 30, 2026 and 2025, Security Land incurred costs related to the redevelopment of the Security West Building of $764,349 and $1,015,000, respectively. During the six months ended June 30, 2026 and 2025, Security Land incurred costs related to the redevelopment of the Security West Building of $969,053 and $1,015,000, respectively. These costs were charged to work in process and are included within real estate, net on the Summarized Balance Sheet.

Real estate, net on the Summarized Balance Sheet below consists of the following as of:

	June 30, 2026	December 31, 2025
Land	$ 8,916,154	$ 2,151,154
Work in process	4,290,703	3,321,650
Real estate, net	$ 13,206,857	$ 5,472,804

Note 5. Investment in Security Land and Development Company Limited Partnership (continued)

Summarized Balance Sheet information for Security Land is as follows:

	As of	
	June 30, 2026	December 31, 2025
Balance Sheet Data		
Cash and cash equivalents	$ 2,933,299	$ 2,553,210
Real estate, net	13,206,857	5,472,804
Prepaid expenses and other receivables	173,509	31,851
Other assets	-	245,000
Total Assets	$ 16,313,665	$ 8,302,865
Accounts payable and accrued expenses	$ 316,164	$ 112,926
Mortgage loan payable	8,000,000	-
Total Liabilities	8,316,164	112,926
Partners' capital:		
Total Partners' Capital	7,997,501	8,189,939
Total Liabilities and Partners' Capital	$ 16,313,665	$ 8,302,865

Summarized Statements of Net Loss information for Security Land is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	$ 36,363	$ 57,477	$ 56,701	$ 121,873
Expenses	(13,167)	(712,840)	(249,139)	(929,915)
Net Income (Loss)	$ 23,196	$ (655,363)	$ (192,438)	$ (808,042)

Note 6. Related Party Transactions

In connection with the Company's investment in Security Land, the Company also holds a 5% interest in Woodlawn. Security Land entered into an agreement with TCG Properties Corporation, an affiliate of Woodlawn, to provide management services, including payroll and other administrative services. For the three months ended June 30, 2026 and 2025, Woodlawn recorded total TCG Properties Corporation fees charged to Security Land of $70,363 and $62,858, respectively. For the six months ended June 30, 2026 and 2025, Woodlawn recorded total TCG Properties Corporation fees charged to Security Land of $155,857 and $162,141, respectively.

Note 7. Mortgage Note Payable

On April 18, 2016, SSCP Harrisburg Properties obtained a $25,250,000 bank note to fund the acquisition of the self-storage properties (the “Mortgage Note Payable”). The Mortgage Note Payable was a non-recourse debt financing with a ten-year term, 4.95% fixed interest rate, and was scheduled to mature on May 6, 2026. The Company paid $126,250 in fees for underwriting the Mortgage Note Payable, which were recorded as a debt discount and amortized over the life of the Mortgage Note Payable.

On May 5, 2026, the outstanding balance under the Mortgage Note Payable was repaid in connection with the 2026 Mortgage Loan, which refinanced this obligation (see Note 9).

The principal outstanding under this loan was $0 and $23,007,618 as of June 30, 2026 and December 31, 2025, respectively. The Company incurred interest expense of $193,312 and $294,834 for the three months ended June 30, 2026 and 2025, respectively. The Company incurred interest expense of $477,592 and $584,710 for the six months ended June 30, 2026 and 2025, respectively. Accrued interest was $0 as of June 30, 2026 and December 31, 2025.

Amortization expense of the debt discount was $1,056 and $3,156 for the three months ended June 30, 2026 and 2025. Amortization expense of the debt discount was $4,212 and $6,312 for the six months ended June 30, 2026 and 2025. The unamortized debt discount as of June 30, 2026 and December 31, 2025, was $0 and $4,212, respectively.

Note 8. Loan Payable

On October 8, 2024, RSS borrowed $5,000,000 from an unrelated third-party (the "2024 Loan Agreement"), the proceeds of which were used to fund the acquisition of the Harrisburg Holdings membership interests (and related expenses) and are otherwise available for general corporate purposes. The loan accrued interest, payable monthly, at the rate of 10% per annum, and was scheduled to mature on May 7, 2026. The Company incurred $164,251 in legal fees in connection with the issuance of the 2024 Loan Agreement, which were recorded as debt issuance costs and were amortized over the life of this loan.

On May 5, 2026, the outstanding balance under the 2024 Loan Agreement was repaid in connection with the 2026 Mortgage Loan, which refinanced this obligation (see Note 9). The Company recognized a loss on debt extinguishment of $569, which is included in other income (expense) in the condensed consolidated statements of operations.

The principal outstanding under this loan was $0 and $5,000,000 as of June 30, 2026 and December 31, 2025, respectively. The Company incurred interest expense of $51,389 and $126,424 for the three months ended June 30, 2026 and 2025, respectively. The Company incurred interest expense of $176,389 and $251,459 for the six months ended June 30, 2026 and 2025, respectively. Accrued interest was $0 as of June 30, 2026 and December 31, 2025.

Amortization expense of the debt issuance cost was $9,981 and $25,950 for the three months ended June 30, 2026 and 2025, respectively. Amortization expense of the debt issuance cost was $35,645 and $51,614 for the six months ended June 30, 2026 and 2025, respectively. The unamortized debt issuance cost as of June 30, 2026 and December 31, 2025 was $0 and $36,214, respectively.

Note 9. 2026 Mortgage Loan

On May 5, 2026, SSCP Harrisburg Properties entered into a mortgage loan agreement in the amount of $32,000,000 (the "2026 Mortgage Loan"), primarily to refinance the Mortgage Note Payable and the 2024 Loan Agreement, which matured on May 7, 2026. The 2026 Mortgage Loan bears interest at a variable interest rate based upon the monthly SOFR rate administered by CME Group Benchmark Administration Limited, subject to a SOFR floor of 3.0% per annum, plus a spread of 205 basis points and matures on June 1, 2031. The 2026 Mortgage Loan is guaranteed by the owners of SSCP Harrisburg Properties and is secured by all assets of SSCP Harrisburg Properties. The loan requires monthly interest payments during the term, with the outstanding principal balance due in full upon maturity in June 2031. The Company is required to maintain an interest rate cap agreement pursuant to the terms of the 2026 Mortgage Loan (see Note 10).

The Company incurred $851,946 in financing costs in connection with the issuance of the 2026 Mortgage Loan. These costs were recorded as debt issuance costs and are amortized over the term of the loan. Amortization expense of the debt issuance cost was $26,220 for the three and six months ended June 30, 2026. The unamortized debt issuance cost as of June 30, 2026 was $825,726.

The principal outstanding under the 2026 Mortgage Loan was $32,000,000 as of June 30, 2026. The Company incurred interest expense of $287,925 related to the loan for the three and six months ended June 30, 2026. Accrued interest was $151,212 as of June 30, 2026.

The following is a schedule of future principal payments due under the 2026 Mortgage Loan as of June 30, 2026:

2026 (remainder of the year)	$	-
2027		-
2028		-
2029		-
2030		-
Thereafter		32,000,000
Less: Debt discount		(825,726)
Subtotal	$	31,174,274
Mortgage note payable, net of discount	$	31,174,274

Note 10. Derivative Instruments

In accordance with the requirements of the 2026 Mortgage Loan, the Company purchased an interest rate cap for $177,000 to mitigate its exposure to increases in interest rates on the variable rate 2026 Mortgage Loan. The fair value of the interest rate cap is primarily impacted by interest rates, market expectations about interest rates, and the remaining life of the instrument. In general, increases in interest rates, or anticipated increases in interest rates, will increase the value of interest rate caps. As the remaining life of an interest rate cap decreases, the value of the instrument will generally decrease towards zero.

The interest rate cap was not designated as a hedging instrument. As of June 30, 2026, the interest rate cap had a notional amount of $32.0 million, a strike rate of 4.00%, and a maturity date of June 1, 2028. The notional amount is an indication of the extent of the Company's involvement in the instrument, but does not represent exposure to credit, interest rate or market risks.

As of June 30, 2026, the interest rate cap had a fair value of $180,082 and was included within other assets in the condensed consolidated balance sheets. The Company recorded a change in the fair value of the derivative of $3,082 for the three and six months ended June 30, 2026.

The following table summarizes the effect of the derivative instrument on the Company's condensed consolidated statements of operations:

	For the Three Months Ended June 30, 2026	For the Six Months Ended June 30, 2026
Derivative not designated as hedging instruments		
Unrealized gain on interest rate cap	$ 3,082	$ 3,082
Gain on derivative instrument	$ 3,082	$ 3,082

Note 11. Contingencies, Risks, and Uncertainties

The Company is subject to numerous contingencies, risks and uncertainties including, but not limited to, the following that could have a severe impact on the Company:

Royalty, an affiliate of the Company's management, beneficially owns approximately 52.7% of the Company's common stock. As a result, Royalty has the ability to control the outcome of all matters requiring shareholder approval, including the election and removal of directors and any merger, consolidation or sale of all or substantially all of the Company's assets.

There are many public and private companies that are also searching for operating businesses and other business opportunities as potential acquisition or merger candidates. The Company will be in direct competition with these other companies in its search for business opportunities. Many of these entities have significantly greater financial and personnel resources than the Company.

The Company and the general partner of Security Land were in disagreement as to the manner in which taxable income of Security Land was to be allocated pursuant to the partnership agreement and applicable law, and for years 2004 through 2018, the Company reported taxable income (loss) from Security Land in a manner the Company believes is proper, but which was different than the manner reported by Security Land (see Note 5). In February 2016, the Company obtained an insurance policy to protect against such losses, however, it may not be sufficient under all circumstances to cover all potential losses to the Company in the event of any such adverse determinations. From time to time and as recently as December 2024, the Company and the general partner of Security Land have engaged in discussions intended to settle the foregoing tax dispute and any related liability for unpaid taxes (and interest and penalties). No such settlement has been achieved to date and no assurance can be given that the parties will ever reach a settlement of the dispute.

In September 2016 and 2017, the Company received Internal Revenue Service letters indicating its 2014 and 2015 Federal Forms 1120, respectively, were selected for examination. Management has submitted all documentation requested. As of June 30, 2026 and December 31, 2025, management does not believe that the Company has any material uncertain tax positions that would require it to measure and reflect the potential lack of sustainability of a position on audit in its financial statements. The Company's policy is to recognize interest and penalties related to uncertain tax positions in the provision for income taxes. The Company will continue to evaluate its uncertain tax positions in future periods to determine if measurement and recognition in its financial statements is necessary. The Company does not believe there will be any material changes in its unrecognized tax positions over the next year.

The Company's operations may be affected from time to time by health pandemics, geopolitical unrest (such as in Europe or in the Middle East), actions taken by the United States government and the impact of elevated interest rates and inflation. These factors may have an adverse impact on the Company's financial position, operations, and cash flows, or on the financial markets, potentially impacting the cost of its capital or the ability to raise capital at a point when raising capital might be appropriate for the Company. The Company is monitoring these and other risks on all aspects of its business.

Note 12. Lease Commitments

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments. The Company generally uses its incremental borrowing rate as the discount rate for leases unless an interest rate is implicitly stated in the lease. The Company's incremental borrowing rate used for all leases under ASC 842 was 5.00%, the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The lease term for the Company's leases includes the noncancellable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise, or an option to extend the lease controlled by the lessor. ROU assets, once recorded, are reviewed annually for impairment.

In April 2023, Regency paid a $10,638 security deposit and entered into a new, five-year office lease agreement for a 432 square foot space for its New York location. Base rental payments under this agreement are $5,066 per month for the first year, $5,247 per month for the second year and $5,428 per month for the remaining term.

Rent expense for the three months ended June 30, 2026 and 2025 was $15,957 and $15,956, respectively. Rent expense for the six months ended June 30, 2026 and 2025 was $31,914 and $31,914, respectively.

Other information related to leases is presented below:

	As of June 30, 2026
Other information	
Weighted-average discount rate – operating lease	5.00 %
Weighted-average remaining lease term – operating lease (in months)	23

		As of June 30, 2026
Operating lease liability, current		60,818
Operating lease liability, non-current		58,479
Total	$	119,297

As of June 30, 2026, future minimum payments under this operating lease are as follows:

For the Years Ended December 31,		
2026 (remainder of the year)	$	32,565
2027		65,130
2028		27,138
Total future minimum lease payments, undiscounted		124,833
Less: Imputed interest for leases in excess of one year		(5,536)
Total	$	119,297

Note 13. Dividends

The Board of Directors has a dividend policy whereby the Board expects to declare a quarterly dividend to common shareholders provided that the determination to pay any cash dividends for any quarterly period will be made at the applicable time by the Board, in the Board's sole discretion, in compliance with the requirements of applicable law, and with consideration of the Company's future earnings and financial condition and other factors as may be deemed appropriate for consideration by the Board. The dividend policy will remain in effect until the Board determines, in its sole discretion, that it is in the best interests of the Company and its common shareholders to terminate the dividend policy.

On June 17, 2025, the Board of Directors approved the suspension of the Company's quarterly dividend and a stock buyback (see Note 14) in continued efforts to increase shareholder value and earnings per share.

The Company records as dividends payable a portion of declared dividends for certain stockholders who could not be located by the Company's transfer agent. As of June 30, 2026 and December 31, 2025, there was $232,737 of returned dividends included in dividends payable on the Company's condensed consolidated balance sheets.

Note 14. Common Stock Buyback

On June 17, 2025, the Board of Directors approved the adoption of a common stock buyback (the "Buyback") of up to $1,000,000 through open market purchases, privately negotiated transactions and block trades. The Buyback commenced after June 26, 2025 and will be in effect until such time as the Board of Directors determines that it is in the best interests of the Company and its shareholders to terminate the Buyback.

On April 15, 2026, pursuant to the Buyback, the Company repurchased a total of 27,001 shares of Regency's outstanding common stock for a purchase price of $122,855, or $4.55 per share. On the date of the repurchase, the Company retired the repurchased shares and charged the cost of repurchase, which was in excess of par value to retained earnings.

There were no stock Buybacks during the three and six months ended June 30, 2025.

Note 15. Income Taxes

As referred to in Note 2, the Company accounts for income taxes under FASB ASC Topic 740-10, Income Taxes. The deferred taxes are the result of temporary differences between financial reporting and tax reporting for depreciation, earnings from the Company's partnership investment in Security Land and the recognition of income tax carry-forward items.

The Company files consolidated income tax returns with its wholly owned subsidiary. As of December 31, 2014, for regular federal and state income tax purposes, the Company has utilized all of its net operating loss ("NOL") carryforwards. The Company believes it is no longer subject to income tax examinations for years prior to 2014 by the respective taxing authorities.

The Company and the general partner of Security Land are in disagreement as to the manner in which taxable income of Security Land was to be allocated pursuant to the partnership agreement and applicable law, and for years 2004 through 2018, the Company has reported taxable income and loss from Security Land in a manner it believes is proper, but which was different than the manner reported by Security Land. An investigation or other action by the applicable tax authorities to resolve this difference could have an adverse impact on the Company's operations and financial results.

The Company's 2014 and 2015 tax returns are under examination by the Internal Revenue Service ("IRS").

To safeguard itself from any possible negative impact, in February 2016, the Company purchased an insurance policy and binder to insure against the negative tax consequences should any arise from the disagreement with Security Land regarding reported taxable income allocations. In 2016, the Company paid $633,900 for the policy and binder which provides coverage of up to $10 million for negative income tax consequences which might arise over the seven year period following the purchase of the insurance policy in the event the IRS or a state taxing authority were to investigate and reject the Company's tax positions taken. The policy is subject to certain limitations, exclusions, and retentions.

In July 2025, U.S. tax legislation known as the "One Big Beautiful Bill Act", or OBBBA, was signed into law which makes permanent many of the tax provisions enacted in 2017 as part of the TCJA that were set to expire at the end of 2025. In addition, the OBBBA makes changes to certain U.S. corporate tax provisions, many of which were made effective on January 1, 2026. The OBBBA did not have a material effect on the Company's condensed consolidated financial statements for the three and six months ended June 30, 2026.

The Company's effective income taxes rates were 0% and 0% for the three and six months ended June 30, 2026 and 2025, respectively, as the Company incurred a book and tax loss for each period and maintains a full valuation allowance against its deferred tax assets because it is not more likely than not that the related tax benefits will not be realized. Accordingly, no income tax benefit was recognized for the three and six months ended June 30, 2026 and 2025.

Note 16. Simplified Employee Pension- Individual Retirement Account (SEP-IRA)

The Company adopted a SEP-IRA Plan in 2004. During the three months ended June 30, 2026 and 2025, the Company expensed contributions of $0 to the SEP-IRA Plan. During the six months ended June 30, 2026 and 2025, the Company expensed contributions of $97,918 and $95,066, respectively, to the SEP-IRA Plan. The SEP-IRA Plan covers all employees who receive compensation from the Company during the year. Employer contributions are discretionary and determined annually. In addition, the SEP-IRA Plan allows participants to make elective deferral contributions through payroll deductions.

Note 17. Subsequent Event

On July 17, 2026, pursuant to the Buyback, the Company repurchased a total of 7,000 shares of Regency's outstanding common stock for a purchase price of $32,200, or $4.60 per share. On the date of the repurchase, the Company retired the repurchased shares and charged the cost of repurchase, which was in excess of par value to retained earnings.

The Company has evaluated subsequent events through August 14, 2026, which is the date these financial statements were available to be issued.

Regency Affiliates, Inc. and Subsidiary

1890 Palmer Avenue, Suite 303 Larchmont, NY 10538

(212)-644-3450
http://www.regencyaffiliates.com/
info@regencyaffiliates.com

Quarterly Report

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

Outstanding Shares
The number of shares outstanding of our Common Stock was:

4,281,156 as of June 30, 2026 *(Current Reporting Period Date or More Recent Date)*

4,308,157 as of December 31, 2025 *(Most Recent Completed Fiscal Year End)*

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[5] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

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

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

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

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

Regency Affiliates, Inc. and Subsidiary
1890 Palmer Avenue, Suite 303 Larchmont, NY 10538

Current State and Date of Incorporation or Registration: Delaware, November 25, 2003
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
N/A
Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

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

Dividends Declared:

On June 17, 2025, the Board of Directors approved the suspension of the Company's quarterly dividend and a stock buyback (see below) in continued efforts to increase shareholder value and earnings per share.

Stock Buyback:

On June 17, 2025, the Board of Directors approved the adoption of a common stock buyback (the "Buyback") of up to $1,000,000 through open market purchases, privately negotiated transactions and block trades. The Buyback commenced after June 26, 2025 and will be in effect until such time as the Board of Directors determines that it is in the best interests of the Company and its shareholders to terminate the Buyback. During the year ended December 31, 2025, pursuant to the Buyback, the Company repurchased and retired a total of 175,400 shares of Regency's outstanding common stock for an aggregate purchase price of $794,170, or an average of $4.53 per share.

On April 15, 2026, pursuant to the Buyback, the Company repurchased a total of 27,001 shares of Regency's outstanding common stock for a purchase price of $122,855, or $4.55 per share. On the date of the repurchase, the Company retired the repurchased shares and charged the cost of repurchase, which was in excess of par value to retained earnings.

On July 17, 2026, pursuant to the Buyback, the Company repurchased a total of 7,000 shares of Regency's outstanding common stock for a purchase price of $32,200, or $4.60 per share. On the date of the repurchase, the Company retired the repurchased shares and charged the cost of repurchase, which was in excess of par value to retained earnings.

Address of the issuer's principal executive office:

1890 Palmer Avenue, Suite 303 Larchmont, NY 10538
Address of the issuer's principal place of business:
☒ *Check if principal executive office and principal place of business are the same address:*

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

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

_____

2) Security Information

Transfer Agent

Name: Transfer Online
Phone: (503) 227-2950
Email: info@transferonline.com
Address: 512 SE Salmon Street, Portland, OR 97214

Publicly Quoted or Traded Securities:

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

Trading symbol:	RAFI	
Exact title and class of securities outstanding:	Common	
CUSIP:	758847305	
Par or stated value:	$0.01	
Total shares authorized:	8,000,000	as of date: June 30, 2026
Total shares outstanding:	4,281,156	as of date: June 30, 2026
Total number of shareholders of record:	93	as of date: June 30, 2026

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

_____

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

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

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

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

_____

Security Description:

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

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

   Holders of common equity are entitled to one vote per share and are eligible for dividends when and as declared by the Company's Board of Directors. The Company's certificate of incorporation does not provide for any preemptive rights.

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

   The Company's Board of Director has the authority to designate material rights of preferred stock when issued. There is no preferred stock issued as of June 30, 2026 and as a result the preferred stock has no current rights.

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

   N/A

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

   N/A

3) Issuance History

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

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

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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding Opening Balance:	
Date 01/01/2024 Common: 4,815,057 Preferred: ______	*Right-click the rows below and select "Insert" to add rows as needed.

Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued ($/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
10/17/2024	Repurchased shares retired	331,500	Common	N/A	N/A	N/A	N/A	N/A	N/A
10/15/2025	Repurchased shares retired	150,400	Common	N/A	N/A	N/A	N/A	N/A	N/A
10/24/2025	Repurchased shares retired	25,000	Common	N/A	N/A	N/A	N/A	N/A	N/A
4/15/2026	Repurchased shares retired	27,001	Common	N/A	N/A	N/A	N/A	N/A	N/A
7/17/2026	Repurchased shares retired	7,000	Common	N/A	N/A	N/A	N/A	N/A	N/A
Shares Outstanding on Date of This Report: Ending Balance: Date 8/14/2026 Common: 4,274,156 Preferred: ______									

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

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

____

B. Convertible Debt

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

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

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

						Issued Upon Conversion[6]		

Total Outstanding Balance: **Total Shares:**

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

____

4) Issuer's Business, Products and Services

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

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

The Company invests in assets that generate attractive, predictable and sustainable returns on capital. The Company's objective is to generate long-term value for its shareholders. Management seeks sound investment opportunities to meet its business characteristics and valuation criteria.

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

- Security Land and Development Company Limited Partnership
- RSS Investments LLC
- SSCP Harrisburg Holdings, LLC
- SSCP Harrisburg Intermediate Holdings, LLC
- 1500 Woodlawn Limited Partnership

C. Describe the issuers' principal products or services.

Real estate investment

5) Issuer's Facilities

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

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

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

Through its 100% interest in SSCP Harrisburg Holdings, LLC, the Company owns and operates a portfolio of five self-storage facilities in the Harrisburg, Pennsylvania area. The Company also holds a 49% limited partnership interest in Security Land and Development Company Limited Partnership, which owns and operates 34.3 acres of land in Woodlawn, Maryland.

6) All Officers, Directors, and Control Persons of the Company

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

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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

Individual Name (First, Last) or **Entity Name** (Include names of control person(s) if a corporate entity)	**Position/Company Affiliation** (ex: CEO, 5% Control person)	**City and State** (Include Country if outside U.S.)	**Number of Shares Owned** (List common, preferred, warrants and options separately)	**Class of Shares Owned**	**Percentage of Class of Shares Owned** (undiluted)
Laurence Levy	Chairman, CEO, CFO	Scarsdale, NY	2,720,602	Common Stock	63.5%
Anthony Brittan	Director	London, UK	0	N/A	N/A
Errol Glasser	Director	Savannah, GA	19,875	Common Stock	<1%
Royalty Holdings, LLC (Control Person: Laurence Levy)	Owner of more than 5%	Larchmont, NY (Control Person Address: Scarsdale, NY)	2,362,736	Common Stock	55.2%

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

7) Legal/Disciplinary History

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

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

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

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

No

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

No

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

No

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

No

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

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Todd J. Emmerman
Firm: Brown Rudnick LLP
Address 1: 7 Times Square, New York, NY 10036
Address 2: _____
Phone: (212) 209-4888
Email: temmerman@brownrudnick.com

Accountant or Auditor

Name: Rob Quick
Firm: RRBB Accountants & Advisors
Address 1: 265 Davidson Avenue, Suite 201 Somerset, NJ 08873-4120
Address 2: _____
Phone: 908-231-1000
Email: rquick@rrbb.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

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

Name: Sharon Kim
Firm: Financial Consulting Strategies, LLC

Nature of Services: Consulting
Address 1: 1300 Route 17 North, Suite 1 #1038 Ramsey, NJ 07446
Address 2: _____
Phone: 201-857-5165
Email: skim@fcstrategiesllc.com

9) Disclosure & Financial Information

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

Name: **Sharon Kim**
Title: **Accounting Manager**
Relationship to Issuer: **Consultant**

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

☐ IFRS
☒ U.S. GAAP

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

Name: **Sharon Kim**
Title: **Accounting Manager**
Relationship to Issuer: **Consultant**
Describe the qualifications of the person or persons who prepared the financial statements:[7] Consultant at Financial Consulting Strategies, LLC that has experience in the preparation of financial statements.

Provide the following qualifying financial statements:

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

Financial Statement Requirements:

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

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

10) Issuer Certification

Principal Executive Officer:

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

The certifications shall follow the format below:

I, Laurence S. Levy, certify that:

1. I have reviewed this Disclosure Statement for Regency Affiliates, Inc.;

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

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

August 14, 2026

/s/ Laurence S. Levy (Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Laurence S. Levy, certify that:

1. I have reviewed this Disclosure Statement for Regency Affiliates, Inc.;

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

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

August 14, 2026

/s/ Laurence S. Levy (Digital Signatures should appear as "/s/ [OFFICER NAME]")