

**BLUE RIDGE REAL ESTATE COMPANY
AND SUBSIDIARIES**

5 Blue Ridge Court
P O Box 707
Blakeslee, PA 18610

2026

THIRD QUARTER REPORT

As of July 31, 2026 (Unaudited) and October 31, 2025 (Audited)
and for the Three and Nine Months Ended July 31, 2026 and 2025 (Unaudited)

The accompanying financial statements have been prepared by the Company's management.
Independent auditors have conducted an audit of October 31, 2025 financial statements.

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

**BLUE RIDGE REAL ESTATE COMPANY
AND SUBSIDIARIES**
a Pennsylvania Corporation

5 Blue Ridge Court
P O Box 707
Blakeslee, PA 18610

Telephone: 570-443-8433
Website: www.brreco.com
Email: info@brreco.com
SIC code: 6500

Quarterly Report
For the Period Ending: July 31, 2026
(the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

2,408,426 as of July 31, 2026

2,408,599 as of October 31, 2025

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 of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

The name of the issuer is Blue Ridge Real Estate Company ("Blue Ridge", the "Company", "we", "our," or "us"). Blue Ridge Real Estate Company was incorporated in Pennsylvania on August 8, 1911 and its current standing in Pennsylvania is active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception: None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: None.

The address(es) of the issuer's principal executive office: 5 Blue Ridge Court, P O Box 707, Blakeslee, Pa 18610.

The address(es) 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: ☐

2) Security Information**Transfer Agent**

Name: American Stock Transfer & Trust Company, LLC

Phone: 800-937-5449 or 718-921-8124

Email: help@astfinancial.com

Address: Operations Center, 6201 15th Avenue, Brooklyn, NY 11219

Publicly Quoted or Traded Securities:

Trading Symbol:	BRRE
Exact title and class of securities outstanding:	Common Stock
CUSIP:	096005301
Par or Stated Value:	\$0.30 per share
Total shares authorized: 6,000,000	as of date: July 31, 2026
Total shares outstanding: 2,408,426	as of date: July 31, 2026
Total number of shareholders of record: 91	as of date: July 31, 2026

All additional class(es) of publicly quoted or traded securities (if any): None

Other classes of authorized or outstanding marketable securities: None.

Security Description:**1. For common marketable, describe any dividend, voting and preemption rights.**

Dividends. Holders of Common Stock are entitled to dividends when, as and if declared by the Company's Board of Directors (the "Board") out of funds legally available therefor. In the event of a liquidation, dissolution or winding-up of the affairs of the Company, holders of Common Stock will be entitled to share ratably in the assets of the Company remaining after provision for payment of amounts owed to creditors.

Voting. The Articles provide that every shareholder shall be entitled to one vote for every share standing in the name of the shareholder on the books of the corporation. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person to act for the shareholder by proxy.

Preemptive Rights. The holders of common shares do not have any preemptive or other preferential rights to purchase any marketable securities that we may issue in the future unless such rights are specifically granted to such holders.

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

No shares of preferred stock have been issued by the Company.

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

Meetings. Shareholders have the right to attend shareholder meetings. Written notice of every meeting of shareholders shall be given by, or at the direction of, the secretary of the corporation or other authorized person to each shareholder of record entitled to vote at the meeting.

Special meetings of the shareholders may be called at any time by the (i) board of directors or (ii) shareholders entitled to cast at least 20% of the votes that all shareholders are entitled to cast at the particular special meeting.

Right of Inspection by Shareholders. Every shareholder shall, upon written verified demand stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the share register, books and records of account, and records of the proceedings of the incorporators, shareholders and directors and to make copies or extracts therefrom.

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.

There have not been any material modifications to rights of holders of the Company's securities that have occurred over the reporting period covered by this report.

3) Issuance History

The Company has not issued any shares of the Company's common stock in exchange for services during the past two completed fiscal years or any subsequent interim period.

A. Changes to the Number of Outstanding Shares

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 as of November 1, 2023 Opening Balance: Common: 2,408,599 Preferred: 0									
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.
2/3/2026	Cancellation	37	Common						
5/21/2026	Cancellation	136	Common						
	Shares Outstanding on Date of This Report: July 31, 2026: <u>Ending Balance</u> Common: 2,408,426 Preferred: 0								

During the fiscal year ended October 31, 2025 no shares were repurchased. The Company repurchased 173 shares of its common stock during the Nine months ended July 31, 2026. Upon transfer, all shares were cancelled and returned to the status of authorized but unissued.

B. Convertible Notes

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 marketable 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.

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

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

Total Outstanding Balance: N/A

Total Shares: N/A

4) Issuer's Business, Products and Services

Blue Ridge Real Estate Company, or Blue Ridge, was incorporated in Pennsylvania on August 8, 1911. Blue Ridge owns investment properties in Eastern Pennsylvania.

Blue Ridge's year end date is October 31st.

Blue Ridge's primary SIC code is 6500.

The accompanying unaudited financial statements include the accounts of Blue Ridge Real Estate Company and its wholly-owned subsidiaries (Northeast Land Company, Jack Frost National Golf Course, Inc., Flower Fields Motel, LLC, Lake Mountain, LLC and Big Boulder Lake, LLC) (collectively "Blue Ridge").

Blue Ridge and its wholly-owned subsidiaries, operate through three business segments which consist of Resort Operations, Real Estate Management/Rental Operations and Land Resource Management. Our business segments were determined from our internal organization and management reporting, which are based primarily on differences in services we provide.

Additional information regarding the business of Blue Ridge's wholly-owned subsidiaries can be found under Item 5) Issuer's Facilities and in the Notes to the Audited Financial Statements.

Resort Operations (SIC Code 6512)

Resort Operations consists of: amenities surrounding Big Boulder Lake – Boulder View Tavern and Boulder Lake Club; the Jack Frost National Golf Course; and The Stretch fishing club.

Real Estate Management/Rental Operations (SIC Code 6519)

Real Estate Management/Rental Operations consists of: investment properties leased to others; services to the trusts that operate resort residential communities; and rental of signboards.

Land Resource Management (SIC Code 6552)

Land Resource Management consists of: land sales; land purchases; timbering operations; a real estate development division; and leasing of land and land improvements. Timbering operations consist of selective timbering on our land holdings. Contracts are entered into for parcels that have had the timber selectively marked. The real estate

development division is responsible for the residential land development activities which include overseeing the construction of single and multi-family homes and development of infrastructure.

5) Issuer's Facilities

At July 31, 2026, the properties of Blue Ridge and its subsidiaries consisted of 9,061 total acres of land owned by Blue Ridge, Northeast Land Company and Flower Fields Motel, LLC located in the Pocono Mountains of Eastern Pennsylvania. Of this acreage, 7,559 acres were held for investment, 1,429 acres were held for development and 73 acres were held for sale. Income is derived from these lands through leases, selective timbering by third parties, sales and other dispositions.

These properties included the Jack Frost National Golf Course, Boulder View Tavern, Boulder Lake Club, a commercial property comprised of 3 acres of vacant land, one single family home held for investment, two sewage treatment facilities, a member-only fly-fishing club, a corporate headquarters building and other miscellaneous facilities.

The majority of the Company's property located in the Pocono Mountains is leased to various hunting clubs.

Blue Ridge owns and leases to its wholly-owned subsidiary, Jack Frost National Golf Course, Inc., an 18-hole golf facility known as Jack Frost National Golf Club, which is located on 203 acres near White Haven, Carbon County, Pennsylvania. The golf course is managed by Jack Frost Golf Management, LLC, a subsidiary of Indigo Sports, LLC (formerly known as Antares Golf, LLC), an unaffiliated third-party operator. The golf course is a seasonal facility. Golf course operations generally occur between April and October.

Blue Ridge owns the Boulder View Tavern, which consists of 8,800 square feet and is located on the eastern shore of Big Boulder Lake, Kidder Township, Carbon County, Pennsylvania. Lake Mountain, LLC, a wholly owned subsidiary of Blue Ridge Real Estate Company, leases and operates the facility. The restaurant was managed by Boulder View Management, LLC, a subsidiary of Indigo Sports, LLC (formerly known as Antares Golf, LLC), an unaffiliated third-party operator. On November 1, 2022, the Company terminated its Management Agreement with Indigo Sports, LLC through its subsidiary Boulder View Management, LLC, for the management of Boulder View Tavern. On November 1, 2022, the Company entered into a Management Agreement with RealFood, LLC, a subsidiary of Troon Golf, LLC, an unaffiliated third-party operator, for the management of Boulder View Tavern. The restaurant has dining capacity for 200 patrons. The restaurant is open year-round.

Blue Ridge owns the Boulder Lake Club located in Kidder Township, Carbon County, Pennsylvania, which includes the 175-acre Big Boulder Lake, swimming pool, tennis courts, boat docks and accompanying buildings. Big Boulder Lake, LLC, a wholly owned subsidiary of Blue Ridge Real Estate Company, leases and operates the facility. Boulder Lake Club is a seasonal facility. Lake Club operations generally occur between May and September.

Blue Ridge owns one single family home held for investment.

Blue Ridge owns a sewage treatment facility that serves the resort housing at the Jack Frost Mountain Ski Area. The facility has the capacity of treating up to 400,000 gallons of wastewater per day.

Blue Ridge owns a sewage treatment facility that serves the resort housing at the Big Boulder Ski Area. The facility has the capacity of treating 225,000 gallons of wastewater per day.

Blue Ridge owns The Stretch, an exclusive member-only fly-fishing club, located along a two-mile stretch of the Tunkhannock Creek in Blakeslee, Pennsylvania. The Stretch is a seasonal facility. Fishing club operations generally occur between April and September.

Blue Ridge owns its corporate headquarters building which is located at 5 Blue Ridge Court in Blakeslee, Pennsylvania.

Northeast Land Company owns 89 acres of vacant land located in the Pocono Mountains, of which 3 acres of land are held for investment and 86 acres of land are held for development.

Flower Fields Motel, LLC owns approximately 3 acres of vacant commercial property located along Route 611 in Tannersville, Pennsylvania. The property was the former location of a motel and two cottage buildings which were demolished during the summer of 2008.

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

A. Names of Officers, Directors, and Control Persons.

The following sets forth the names of each of the executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the Company's marketable securities) of the Company as of the date of this information statement.

Individual Name (First, Last) or Entity Name (Includes 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)
Bruce Beaty	Chairman of the Board, President and Chief Executive Officer	Blakeslee, PA	0		0%
Paul A. Biddelman	Director	New York, NY	0		0%
Raymond Edwards	Director	Jericho, NY	0		0%
David Domb	Director	Jericho, NY	0		0%
Cynthia A. Van Horn	Chief Financial Officer and Treasurer	Blakeslee, PA	0		0%
KRSX Merge, LLC 500 North Broadway Suite 201, Jericho, NY 11753 Conor C. Flynn Glenn G. Cohen Ross Cooper	Principal Stockholder Director Director Director	Jericho, NY	1,425,153	Common	59.2%

7) Legal/Disciplinary History

A. During the past 10 years, none of the persons listed above have been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. 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, or banking activities;

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry 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.
5. 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.
6. 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.

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 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

Securities Counsel

Joanne R. Soslow, Esquire
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921
(215) 963-5000

Accountant or Auditor

Frank Eick
Kronick Kalada Berdy & Co.
190 Lathrop Street
Kingston, PA 18704
(570) 283-2727

Investor Relations

Not Applicable

All other means of Investor Communication:

Twitter: None

Discord: None

LinkedIn: None

Facebook: None

(Other): None

9) Disclosure & Financial Statements

A. This Disclosure Statement was prepared by:

Name: Cynthia A. Van Horn

Title: Chief Financial Officer and Treasurer

Relationship to Issuer: Principal Financial Officer

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

☐ IFRS

☒ U.S. GAAP

C. The following financial statements were prepared by:

Name: Cynthia A. Van Horn

Title: Chief Financial Officer and Treasurer

Relationship to Issuer: Principal Financial Officer

Describe the qualifications of the person or persons who prepared the financial statements: Cynthia A. Van Horn has served as the Company's Chief Financial Officer ("CFO") and Treasurer since January 1, 2012. Mrs. Van Horn previously served as the Company's Controller beginning in October 1996. From November 1995 until October 1996 Mrs. Van Horn served as the Company's Accounting Manager. Mrs. Van Horn holds a Bachelor of Science Degree in Accounting from Pennsylvania State University.

The following financial statements of the Company are included in this Quarterly Report at the pages noted below:

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10) Issuer Certification

Principal Executive Officer:

I, Bruce Beaty certify that:

1. I have reviewed this Disclosure Statement for Blue Ridge Real Estate Company;
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.

Date: September 14, 2026

/s/ Bruce Beaty

Bruce Beaty

Chief Executive Officer and President

Principal Financial Officer:

I, Cynthia A. Van Horn certify that:

1. I have reviewed this Disclosure Statement for Blue Ridge Real Estate Company;
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.

Date: September 14, 2026

/s/ Cynthia A. Van Horn

Cynthia A. Van Horn

Chief Financial Officer and Treasurer

(Principal Financial Officer)

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES**BALANCE SHEETS**

	(UNAUDITED)	(AUDITED)
	7/31/2026	10/31/2025
ASSETS:		
Land and land development costs (1,429 acres per land ledger)	\$7,334,603	\$6,758,521
Land improvements, buildings and equipment, net	3,104,214	2,634,487
Land held for investment, principally unimproved (7,559 acres per land ledger)	1,515,342	1,515,342
Long-lived assets held for sale (73 acres per land ledger)	16,946	27,142
Cash and cash equivalents	4,505,357	7,618,870
Marketable securities	4,522,131	3,168,141
Cash held in escrow	0	545
Prepaid expenses and other assets	593,717	559,320
Accounts receivable	78,819	58,723
Total assets	<u>\$21,671,129</u>	<u>\$22,341,091</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Debt	\$139,922	\$28,065
Accounts payable	696,459	312,879
Accrued liabilities	403,199	575,073
Deferred income	483,721	176,746
Deferred income taxes, net	84,114	303,003
Accrued pension expense	0	358,542
Total liabilities	<u>1,807,415</u>	<u>1,754,308</u>
SHAREHOLDERS' EQUITY:		
Capital stock, without par value, stated value \$0.30 per share, Blue Ridge authorized 6,000,000 shares, issued and outstanding 2,408,426 and 2,408,599 respectively	722,528	722,580
Capital in excess of stated value	18,002,264	18,003,861
Earnings retained in the business	1,138,922	2,914,545
Accumulated other comprehensive loss	0	(1,054,203)
Total shareholders' equity	<u>19,863,714</u>	<u>20,586,783</u>
Total liabilities and shareholders' equity	<u>\$21,671,129</u>	<u>\$22,341,091</u>

See accompanying notes to unaudited financial statements.

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES**STATEMENTS OF OPERATIONS****for the Three and Nine Months Ended July 31, 2026 and 2025 (UNAUDITED)**

	Three Months Ended		Nine Months Ended	
	7/31/2026	7/31/2025	7/31/2026	7/31/2025
Revenues:				
Resort operations revenue	\$2,389,584	\$2,260,215	\$3,525,600	\$3,436,255
Real estate management revenue	223,808	211,616	635,407	586,110
Land resource management revenue	157,571	37,745	353,170	455,218
Rental income revenue	24,023	20,976	72,373	64,310
Total revenues	2,794,986	2,530,552	4,586,550	4,541,893
Costs and expenses:				
Resort operations costs	1,865,797	1,696,560	3,748,026	3,520,464
Real estate management costs	197,460	198,382	633,249	587,658
Land resource management costs	142,428	105,230	352,898	430,267
Rental income costs	12,722	10,833	45,386	36,467
General and administration expense	437,662	403,041	1,340,958	1,186,788
Total costs and expenses	2,656,069	2,414,046	6,120,517	5,761,644
Operating profit (loss) before other income and (expense)	138,917	116,506	(1,533,967)	(1,219,751)
Other income and (expense):				
Gain (loss) on sale of assets	0	(950)	1,000	(950)
Interest and other income	0	11,968	19,161	29,835
Interest expense	(2,673)	(72)	(2,673)	(240)
Interest and dividends on marketable securities, net	79,494	117,384	256,435	355,970
Realized gain (loss) on marketable securities	0	0	2,193	2,305
Unrealized gain (loss) on marketable securities	(1,245)	17,824	(33,500)	(38,726)
Pension expense	0	(46,251)	(1,099,272)	(138,752)
Total other income (expense)	75,576	99,903	(856,656)	209,442
Profit (loss) from operations before income taxes	214,493	216,409	(2,390,623)	(1,010,309)
Benefit (provision) for income taxes	56,000	54,000	(615,000)	(262,000)
Net income (loss)	\$158,493	\$162,409	(\$1,775,623)	(\$748,309)
Basic income (loss) per weighted average share	\$0.06	\$0.07	(\$0.74)	(\$0.31)

See accompanying notes to unaudited financial statements

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES**STATEMENTS OF COMPREHENSIVE LOSS****for the Nine Months Ended July 31, 2026 and 2025 (UNAUDITED)**

	7/31/2026	7/31/2025
Net loss	(\$1,775,623)	(\$748,309)
Defined benefit pension		
Net (loss) gain arising during the period	613,994	0
Amortization of net loss included in net periodic pension cost	836,320	0
Deferred tax benefit (expense)	(396,111)	0
Other comprehensive (loss) income	1,054,203	0
Total comprehensive loss	(\$721,420)	(\$748,309)

Deferred tax provision on net gain arising during the period was (\$167,695) and \$0 for the nine months ended July 31, 2026 and 2025, respectively.

Deferred tax expense on amortization of net loss included in net periodic pension cost was (\$228,416) and (\$0) for the nine months ended July 31, 2026 and 2025, respectively.

The accompanying notes are an integral part of the financial statements

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the Nine Months Ended July 31, 2026 (UNAUDITED)**

	Capital Stock (1)		Capital in	Earnings	Accumulated	
	Shares	Amount	Excess of	Retained in	Other	Total
			Stated Value	the Business	Comprehensive	
					Loss	
Balance, October 31, 2025	2,408,599	\$722,580	\$18,003,861	\$2,914,545	(\$1,054,203)	\$20,586,783
Cancellation of shares purchased in buyback program	(173)	(\$52)	(\$1,597)			(1,649)
Net Loss				(1,775,623)		(1,775,623)
Other comprehensive income					1,054,203	1,054,203
Balance, July 31, 2026	2,408,426	\$722,528	\$18,002,264	\$1,138,922	\$0	\$19,863,714

(1) Capital stock, at stated value of \$0.30 per common share

See accompanying notes to unaudited financial statements

BLUE RIDGE REAL ESTATE COMPANY and SUBSIDIARIES**STATEMENTS OF CASH FLOWS****for the Nine Months Ended July 31, 2026 and 2025 (UNAUDITED)**

	7/31/2026	7/31/2025
Cash Flows from Operating Activities:		
Net loss	(\$1,775,623)	(\$748,309)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	353,185	349,561
Amortization of investment premiums	2,678	2,965
Realized gain on marketable securities	(2,193)	(2,305)
Unrealized loss on equity securities	33,500	38,726
Deferred income taxes, net	835,314	(262,000)
(Gain) loss on sale of assets	(1,000)	950
Changes in operating assets and liabilities:		
Accounts receivable	(20,096)	(37,510)
Prepaid expenses and other assets	(34,397)	(38,650)
Land and land development costs	(586,278)	12,088
Long-lived assets held for sale	20,392	0
Accounts payable and accrued liabilities	(146,836)	81,310
Deferred income	306,975	367,042
Net cash used in operating activities	(1,014,379)	(236,132)
Cash Flows from Investing Activities:		
Purchases of marketable securities	(3,066,664)	(1,005,607)
Proceeds from maturities and sales of marketable securities	1,678,689	500,000
Proceeds from disposition of assets	1,000	500
Additions to properties	(822,912)	(563,508)
Net cash used in investing activities	(2,209,887)	(1,068,615)
Cash Flows from Financing Activities:		
Proceeds from debt	140,490	0
Payment of debt	(28,633)	(8,102)
Purchase of common stock	(1,649)	0
Net cash provided by (used in) financing activities	110,208	(8,102)
Net decrease in cash and cash equivalents and restricted cash	(3,114,058)	(1,312,849)
Cash and cash equivalents and restricted cash, beginning of period	7,619,415	9,654,231
Cash and cash equivalents and restricted cash, ending of period	\$4,505,357	\$8,341,382

See accompanying notes to unaudited financial statements

NOTES TO UNAUDITED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited financial statements include the accounts of Blue Ridge Real Estate Company and its wholly-owned subsidiaries (Northeast Land Company, Jack Frost National Golf Course, Inc., Flower Fields Motel, LLC, Lake Mountain, LLC and Big Boulder Lake, LLC) (collectively “Blue Ridge”).

The balance sheet as of October 31, 2025, which has been derived from audited financial statements, and the financial statements as of and for the nine-month periods ended July 31, 2026 and 2025, which are unaudited, are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. They do not include all information and footnotes required by GAAP for complete financial statements. Accordingly, these financial statements should be read in conjunction with the combined financial statements and notes thereto contained in the Company’s 2025 Annual Report filed with OTC Markets on January 29, 2026. In the opinion of management, the accompanying financial statements reflect all adjustments (which are of a normal recurring nature) necessary for a fair statement of the results for the interim periods. All significant intercompany accounts and transactions are eliminated.

Due to intermittent revenues from land resource management, the results of operations for any interim period are not necessarily indicative of the results expected for the full fiscal year.

2. Significant Accounting Policies

Use of Estimates and Assumptions:

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. For example, unexpected changes in market conditions or a continued or further downturn in the economy could adversely affect actual results. Estimates are used in accounting for, among other things, land development costs, asset fair value calculations, accounts, marketable securities and accounts and notes receivables, legal liability, insurance liability, depreciation, employee benefits, taxes, and contingencies. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period in which the revisions are determined.

Management believes that its accounting policies regarding revenue recognition, land development costs, long lived assets, deferred income and income taxes among others, affect its more significant judgments and estimates used in the preparation of its financial statements. For a description of these critical accounting policies and estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. There were no significant changes in the Company’s critical accounting policies or estimates since the Company’s fiscal year ended October 31, 2025 (“Fiscal 2025”). Material subsequent events are evaluated and disclosed through the issuance date of this Quarterly Report.

Statements of Cash Flows:

For purposes of reporting cash flows, the Company considers cash equivalents to be all highly liquid investments with maturities of three months or less when acquired.

Cash Concentration of Credit Risk:

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of temporary cash investments. The Company’s temporary cash investments are held by financial institutions. The Company has not experienced any losses related to these investments. At July 31, 2026, the Company had \$37,015 working cash on deposit in excess of the FDIC insured limit of \$250,000, and also had \$4,016,910 invested in money market and mutual funds at July 31, 2026, which are not insured by the FDIC.

Cash Equivalents and Restricted Cash:

Cash, cash equivalents and restricted cash as of July 31, 2026 and 2025 consist of the following:

	2026	2025
Cash and cash equivalents	\$4,505,357	\$8,340,842
Cash held in escrow	0	540
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$4,505,357	\$8,341,382

Restricted cash represents cash held in a real estate escrow account. In the nine months ended July 31, 2026 the real estate escrow account has been closed as we no longer hold the real estate brokers license in escrow.

Marketable Securities:

Marketable securities held by the Company have readily determinable fair values and are reported at fair value. Realized gains and losses are determined by using the specific identification method. Both realized and unrealized gains and losses on marketable securities are reported in net income.

Marketable securities consist of investments in preferred stocks (20 positions of financial services, insurance and real estate investment trusts), 4 positions of government bonds, and two certificates of deposit at July 31, 2026. Marketable securities consist of investments in preferred stocks (17 positions of financial services, insurance and real estate investment trusts), 4 positions of government bonds, a bond mutual fund, a fixed income exchange traded products fund and two certificates of deposit at October 31, 2025. Investments in preferred stocks are stated at fair value. Investments in preferred stocks are not purchased with the intent of selling in the near term. However, from time to time, the Company may decide to sell certain securities for liquidity, tax planning and other business purposes. The cost of securities sold is determined by the specific identification method. Unrealized and realized gains and losses on investments in preferred stocks and government bonds are recorded monthly. Since these investments are in marketable securities with a readily determinable fair value, unrealized and realized gains and losses are recorded in other income. Purchases and sales of securities are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date and interest is recorded when earned.

Fair value is the price we would receive to sell an asset in an orderly transaction with a market participant at the measurement date.

New Accounting Pronouncements:

The FASB issued ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures, effective for years beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not been made available for issuance. The Company is evaluating the impact the pronouncement may have on the financial statements. We do not anticipate the adoption to have a material effect on our financial statements.

In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842): Common Control Arrangements, in response to private company stakeholder concerns about applying Topic 842 to related party arrangements between entities under common control. The Company adopted the standard effective November 1, 2024. The adoption did not have a material effect on our financial statements.

3. Segment Reporting

The Company currently operates in three business segments, which consist of Resort Operations, Real Estate Management/Rental Operations and Land Resource Management.

4. Income Taxes

The provision and benefit for income taxes for the nine months ended July 31, 2026 and 2025, were estimated using an estimated annual effective tax rate of 25.74%.

The Company's practice is to recognize interest and/or penalties related to income tax matters as income tax expense in its financial statements. As of and for the nine months ended July 31, 2026, no interest and penalties have been accrued in the balance sheet and no expense is reflected in the statement of operations. At July 31, 2026, federal and state tax returns for years ending October 31, 2022 and later are subject to future examination by the respective tax authorities.

5. Land and Land Development Costs

Land and improvements in progress held for development consist of the following:

	7/31/2026	10/31/2025
Land unimproved designated for development	\$1,979,205	\$1,979,222
Residential development	5,142,018	4,565,919
Infrastructure development	213,380	213,380
Total Land and Land Development Costs	<u>\$7,334,603</u>	<u>\$6,758,521</u>

6. Land Held for Investment

	7/31/2026	10/31/2025
Land – Unimproved	\$1,370,556	\$1,370,556
Land – Commercial rental properties	144,786	144,786
Total Land held for investment	<u>\$1,515,342</u>	<u>\$1,515,342</u>

7. Marketable Securities

The cost and fair value of marketable securities are as follows:

	July 31, 2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Preferred marketable securities	\$870,444	\$15,927	(\$50,749)	\$835,622
Bond mutual fund (Sold March, 2026)	0	53,810	(53,810)	0
Exchange traded fund (Sold March, 2026)	0	22,742	(22,910)	0
Government bonds	3,276,107	13,664	(2,332)	3,287,439
Certificate of deposit	400,000	238	(1,168)	399,070
Total marketable securities	<u>\$4,546,551</u>	<u>\$106,381</u>	<u>(\$130,969)</u>	<u>\$4,522,131</u>

The cost of the Mauch Chunk Trust certificate of deposit at July 31, 2026 was \$150,000 maturing on February 11, 2028. The cost of the JPMorgan Chase Bank certificate of deposit at July 31, 2026 was \$250,000 maturing on September 9, 2027. The preferred stocks include investments in 20 public companies in various industries with the largest investment, at market value, in a single company of \$177,846. For the nine months ended July 31, 2026, there were sales of marketable securities resulting in \$9,775 realized gains and \$7,582 realized losses on the sale of marketable securities.

	October 31, 2025			Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
Preferred marketable securities	\$780,445	\$26,311	(\$25,227)	\$781,529
Bond mutual fund	87,129	47,058	(39,447)	94,740
Exchange traded fund	88,431	14,760	(19,591)	83,600
Government bonds	1,803,224	4,880	0	1,808,104
Certificate of deposit	400,000	168	0	400,168
Total marketable securities	<u>\$3,159,229</u>	<u>\$93,177</u>	<u>(\$84,265)</u>	<u>\$3,168,141</u>

The cost of the Mauch Chunk Trust certificate of deposit at October 31, 2025 was \$150,000 maturing on February 11, 2026. The cost of the JPMorgan Chase Bank certificate of deposit at October 31, 2025 was \$250,000 maturing on September 9, 2027. The preferred stocks include investments in 17 public companies in various industries with the largest investment, at market value, in a single company of \$185,588. For the year ended October 31, 2025, there were realized gains of \$2,305 and realized losses of \$0 on the sale of marketable securities.

8. Pension Benefits

Components of Net Periodic Pension Cost:

	Three Months Ended		Nine Months Ended	
	7/31/2026	7/31/2025	7/31/2026	7/31/2025
Interest Cost	\$0	\$71,750	\$323,247	\$215,250
Expected return on plan assets	0	(73,000)	(277,375)	(219,000)
Amortization of accumulated loss	0	47,501	836,320	142,502
Recognized actuarial loss due to settlements	0	0	217,080	0
Total net periodic pension cost	\$0	\$46,251	\$1,099,272	\$138,752

At the February 2025 Board of Directors meeting a resolution was approved for the termination of the Defined Benefit Pension Plan. A qualified buy-out of the group annuity contract with United of Omaha Life Insurance Company was effective February 5, 2026 with an initial premium of \$5,279,198 funded from the plan and the assumption of the liability effective March 1, 2026.

9. Accumulated Other Comprehensive Loss

The following table presents the changes in the accumulated other comprehensive loss for the nine months ended July 31, 2026 and the twelve months ended October 31, 2025:

	Nine Months Ended 7/31/2026	
	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	(\$1,054,203)	(\$1,054,203)
Current period other comprehensive income	1,054,203	1,054,203
Ending balance	<u>\$0</u>	<u>\$0</u>

	Twelve Months Ended 10/31/2025	
	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Beginning balance	(\$795,625)	(\$795,625)
Current period other comprehensive loss	(258,578)	(258,578)
Ending balance	<u>(\$1,054,203)</u>	<u>(\$1,054,203)</u>

The other comprehensive income (loss) is reported net of tax.

10. Fair Value of Financial Instruments and Impairment

The Company uses ASC 820, “Fair Value Measurements” (“ASC 820”), to measure the fair value of certain assets and liabilities. ASC 820 provides a framework for measuring fair value in accordance with GAAP, establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and requires certain disclosures about fair value measurements.

The fair value hierarchy is summarized below:

- Level 1: Fair value determined based on quoted prices in active markets for identical assets or liabilities.
- Level 2: Fair value determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities or quoted prices in markets that are not active.
- Level 3: Fair value determined using significant unobservable inputs, such as pricing models, discounted cash flows, or similar techniques.

The estimated recurring fair values of the Company’s financial instruments at July 31, 2026 and October 31, 2025 are as follows:

	7/31/2026		10/31/2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
ASSETS:				
Cash and cash equivalents and cash held in escrow	\$4,505,357	\$4,505,357	\$7,619,415	\$7,619,415
Marketable securities	4,522,131	4,522,131	3,168,141	3,168,141
Accounts receivable	78,819	78,819	58,723	58,723
LIABILITIES:				
Accounts payable	696,459	696,459	312,879	312,879
Accrued liabilities	403,199	403,199	575,073	575,073
Debt	139,922	142,568	28,065	24,416

Fair Values were determined as follows:

Cash and cash equivalents and cash held in escrow, accounts receivable, accounts payable and accrued liabilities: The carrying amounts approximate fair value because of the short-term maturity of these instruments.

Marketable securities consist of preferred stocks, government bonds, and certificates of deposit at July 31, 2026. Marketable securities at October 31, 2025 consisted of all the aforementioned plus a bond mutual fund, and a fixed marketable exchange traded fund. Fair value of preferred stocks, a bond mutual fund, a fixed marketable exchange traded fund and certificate of deposit is determined using unadjusted quoted prices in active markets for identical assets – Level 1 hierarchy. Fair value of government bonds is determined using pricing models maximizing the use of observable inputs for similar securities – Level 2 hierarchy.

Debt: The fair value of debt is estimated using discounted cash flows based on current borrowing rates available to the Company for similar types of borrowing arrangements - Level 2 hierarchy.

Marketable securities: The fair value of marketable securities is determined by the value at the closing price reported on the active markets on which the individual securities are traded.

The following tables set forth by level within the fair value hierarchy the Company’s marketable securities asset at fair value as of July 31, 2026 and October 31, 2025.

Investment Assets at Fair Value as of July 31, 2026				
	Level 1	Level 2	Level 3	Total
Preferred stocks:				
Real estate investment trust	\$177,940			\$177,940
Finance	649,468			649,468
Insurance	8,213			8,213
Government bonds		3,287,440		3,287,440
Certificates of Deposit	399,070			399,070
Total marketable securities	\$1,234,691	\$3,287,440		\$4,522,131
Investment Assets at Fair Value as of October 31, 2025				
	Level 1	Level 2	Level 3	Total
Preferred Stocks:				
Real estate investment trust	\$183,575			\$183,575
Finance	588,923			588,923
Insurance	9,030			9,030
Government bonds		\$1,808,104		1,808,104
Bond Mutual fund	94,741			94,741
Exchange traded fund	83,600			83,600
Certificates of Deposit	400,168			400,168
Total marketable securities	\$1,360,037	\$1,808,104		\$3,168,141

As of July 31, 2026, the carrying amount net of prior period impairments for land and land development costs is \$7,334,603. The carrying amount net of prior period impairments for land improvements, buildings and equipment is \$3,104,214. The carrying amount net of prior period impairments for land held for investment is \$1,515,342. The carrying amount for long-lived assets held for sale is \$16,946. There was no impairment expense in the nine months ended July 31, 2026.

As of October 31, 2025, the carrying amount net of prior period impairments for land and land development costs is \$6,758,521. The carrying amount net of prior period impairments for land improvements, buildings and equipment is \$2,634,487. The carrying amount net of prior period impairments for land held for investment is \$1,515,342. The carrying amount for long lived assets held for sale is \$27,142. There was no impairment expense in Fiscal 2025.

As of July 31, 2026, the carrying amount net of prior period impairments for land and land development costs is \$7,334,603. The carrying amount net of prior period impairments for land improvements, buildings and equipment is \$3,104,214. The carrying amount net of prior period impairments for land held for investment is \$1,515,342. The carrying amount for long-lived assets held for sale is \$16,946. There was no impairment expense in the nine months ended July 31, 2026.

As of October 31, 2025, the carrying amount net of prior period impairments for land and land development costs is \$6,758,521. The carrying amount net of prior period impairments for land improvements, buildings and equipment is \$2,634,487. The carrying amount net of prior period impairments for land held for investment is \$1,515,342. The carrying amount for long lived assets held for sale is \$27,142. There was no impairment expense in Fiscal 2025.

11. Per Share Data

Earnings per share (“EPS”) is based on the weighted average number of common shares outstanding during the period. The calculation of diluted EPS assumes weighted average options have been exercised to purchase shares of common stock in the relevant period, net of assumed repurchases using the treasury stock method. For the three and nine months ended July 31, 2026 and 2025, there were no unexercised stock options. As a result, the calculation of diluted EPS has been excluded from the table below since diluted EPS for these periods is equal to EPS.

Weighted average basic shares, taking into consideration shares issued, weighted average options, if any, used in calculating EPS, treasury shares repurchased, shares cancelled and basic loss per weighted average share for the three and nine months ended July 31, 2026 and 2025 are as follows:

	Three Months Ended		Nine Months Ended	
	7/31/2026	7/31/2025	7/31/2026	7/31/2025
Weighted average shares of common stock outstanding used to compute basic earnings per share	2,408,426	2,408,599	2,408,529	2,408,599
Basic income (loss) per weighted average share is computed as follows:				
Net income (loss)	\$158,493	\$162,409	(\$1,775,623)	(\$748,309)
Weighted average share of common stock outstanding	2,408,426	2,408,599	2,408,529	2,408,599
Basic income (loss) per weighted average share	\$0.06	\$0.07	(\$0.74)	(\$0.31)

12. Supplemental Disclosure to Statements of Cash Flows

The following are supplemental disclosures to the statements of cash flows for the nine months ended July 31, 2026 and 2025:

	7/31/2026	7/31/2025
Cash paid during the period for:		
Interest	\$2,673	\$240
Income taxes	\$3,000	\$9,000
Non cash		
Reclassification from land & land development costs to long-lived assets held for sale	\$10,196	\$0
Reclassification from land held for investment, principally unimproved to long-lived assets held for sale	\$0	\$16,946

13. Business Segment Information

The following information is presented in accordance with the accounting pronouncement regarding disclosures about segments of an enterprise and related information. The Company’s business segments were determined from the Company’s internal organization and management reporting, which are based primarily on differences in services.

Resort Operations

Resort Operations consists of: amenities surrounding Big Boulder Lake – Boulder View Tavern and Boulder Lake Club; the Jack Frost National Golf Course; and The Stretch fishing club.

Real Estate Management/Rental Operations

Real Estate Management/Rental Operations consists of investment properties leased to others; services to the trusts that operate resort residential communities; and rental of signboards.

Land Resource Management

Land Resource Management consists of land sales; land purchases; timbering operations; a real estate development division; and leasing of land and land improvements. Timbering operations consist of selective timbering on our land holdings. The real estate development division is responsible for the residential land development activities which include overseeing the construction of single and multi-family homes and development of infrastructure.

13. Business Segment Information

Information by business segment is as follows:

	Three months ended		Nine months ended	
	7/31/2026	7/31/2025	7/31/2026	7/31/2025
Revenues from operations:				
Resort operations	\$2,389,584	\$2,260,215	\$3,525,600	\$3,436,255
Real estate management/rental operations	247,831	232,592	707,780	650,420
Land resource management	157,571	37,745	353,170	455,218
Total revenues from operations	\$2,794,986	\$2,530,552	\$4,586,550	\$4,541,893
Operating income (loss) from operations, excluding general and administrative expenses:				
Resort operations	\$523,787	\$563,655	(\$222,426)	(\$84,209)
Real estate management/rental operations	37,649	23,377	29,145	26,295
Land resource management	15,143	(67,485)	272	24,951
Total operating income (loss), excluding general and administrative expenses	\$576,579	\$519,547	(\$193,009)	(\$32,963)
General and administrative expenses:				
Resort operations	\$374,181	\$359,984	\$1,030,771	\$897,886
Real estate management/rental operations	38,807	37,045	206,932	169,954
Land resource management	24,674	6,012	103,255	118,948
Total general and administrative expenses	\$437,662	\$403,041	\$1,340,958	\$1,186,788
Interest expense:				
Resort operations	\$2,673	\$72	\$2,673	\$240
Total Interest expense	\$2,673	\$72	\$2,673	\$240
Other income (expense), net, excluding interest expense	\$78,249	\$99,975	(\$853,983)	\$209,682
Income (loss) before income taxes	\$214,493	\$216,409	(\$2,390,623)	(\$1,010,309)

Identifiable assets, net of accumulated depreciation at July 31, 2026 and October 31, 2025 and depreciation expense and capital expenditures for nine months ended July 31, 2026 and the fiscal year ended October 31, 2025 by business segment are as follows:

July 31, 2026	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Resort operations	\$3,092,661	\$242,393	\$582,806
Real estate management/rental income	3,875,502	85,732	39,779
Land resource management	13,339,675	8,935	156,651
Other corporate	1,346,345	16,125	43,676
Assets held for sale	16,946	0	0
Total Assets	\$21,671,129	\$353,185	\$822,912

October 31, 2025	Identifiable Assets	Depreciation and Amortization Expense	Capital Expenditures
Resort operations	\$3,244,004	\$312,663	\$605,939
Real estate management/rental income	4,405,680	121,129	28,515
Land resource management	13,896,724	22,563	133,655
Other corporate	767,541	19,193	62,624
Assets held for sale	27,142	0	0
Total Assets	\$22,341,091	\$475,548	\$830,733

14. Contingencies and Uncertainties

The Company is party to various legal proceedings incidental to its business. Certain claims, suits and complaints arising in the ordinary course of business are possible of assertion against the Company.

15. Subsequent Events

The Company has evaluated and disclosed subsequent events from July 31, 2026 through the issuance date of the financial statements.

On August 20, 2026, a second amendment for the solar energy ground lease was signed.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the Financial Statements of Blue Ridge (the "Company") and related notes thereto.

Overview

Over the past 40 years, we have developed resort residential communities adjacent to the Jack Frost Mountain and Big Boulder Ski Areas located in Lake Harmony, Kidder Township, Pennsylvania. These communities are located in the Pocono Mountains of Pennsylvania, a popular recreation destination for local and regional visitors, especially from the New York City and Philadelphia metropolitan areas. The scenic hills and valleys of the Pocono Mountains offer many opportunities to enjoy outdoor activities such as golfing, fishing, hunting, skiing, snowboarding and other sports.

At July 31, 2026, we owned 9,061 acres of land in Northeastern Pennsylvania. Of these land holdings, we designated 7,559 acres as held for investment, 1,429 acres as held for development and 73 acres as held for sale. It is expected that all of our planned developments will either be subdivided and sold as parcels of land, or be developed into single and multi-family housing.

The real estate industry is cyclical and is subject to numerous economic factors including general business conditions, changes in interest rates, inflation and oversupply of properties. Any sustained period of weakening business or economic conditions will impact the demand for the type of properties we intend to develop. Management continues to monitor the progress of residential home sales within the Northeast.

In the ever-challenging economic environment, we will continue to evaluate our strategic plan and our master development plan. We have reviewed the Company's land inventory, oil, gas and mineral rights and development portfolio with a view to maximize shareholder value. As in the past, we will continue to consider opportunistic asset sales of non-core investment properties as a means of funding future operations.

We monitor opportunities for selective timbering of our land. We rely on the advice of our forester, who is engaged on a consulting basis and who receives a commission on each stumpage contract, for the timing and selection of certain parcels for timbering. Our forester gives significant attention to protecting the environment and maximizing the value of these parcels for future timber harvests.

Boulder View Tavern, Boulder Lake Club and The Stretch fishing club are a significant portion of our Resort Operations revenue. We remain vigilantly focused on these operations and improvements to the facilities as they continue to provide valuable amenities to the surrounding land.

The Jack Frost National Golf Course is managed by Jack Frost Golf Management, LLC, a subsidiary of Indigo Sports, LLC (formerly known as Antares Golf, LLC), a nationally recognized golf course management company. With a continued emphasis on course maintenance, along with the natural maturation of the fairways, Jack Frost National has become one of the premier golf facilities in Northeastern Pennsylvania.

As a result of the Company's focus on real estate activities, we present our balance sheet in an unclassified presentation using the alternate format in order to reflect our assets and liabilities in order of their importance.

Recent Developments

On July 22, 2026 the Company closed on the sale of Lot 444 located in Laurelwoods III Community.

On July 22, 2026 the Board of Directors approved a Corporate Resolution for the Appointment of Committees and Officers.

On July 23, 2026, Quit Claim Deeds were executed between Blue Ridge Real Estate Company and the Borough of Lehighton for the conveyance of two parcels totaling 4.3291 acres in exchange for \$9,500.00.

Results of Operations for the Nine Months Ended July 31, 2026 and 2025

Operations for the nine months ended July 31, 2026 resulted in a net loss of (\$1,775,623), or (\$0.74) per share respectively, compared to a net loss of (\$748,309), or (\$0.31) per share respectively, for the nine-month period ended July 31, 2025.

Revenues

Revenues of \$4,586,550 for the nine months ended July 31, 2026 represent an increase of \$44,657, or less than 1% compared to the nine months ended July 31, 2025. Resort operations revenue increased \$89,345, or 3% for the nine months ended July 31, 2026. Real Estate Management Operations/Rental Income revenue increased \$57,360 or 9% compared to the nine months ended July 31, 2025. Land Resource Management revenue decreased (\$102,048), or (22%) for the nine months ended July 31, 2026 compared to the nine months ended July 31, 2025.

Resort Operations

Resort operations consist of the Boulder View Tavern, Boulder Lake Club, Jack Frost National Golf Course, and The Stretch fishing club. Resort operations revenue for the nine months ended July 31, 2026 was \$3,525,600 as compared to \$3,436,255 for the nine months ended July 31, 2025 an increase of \$89,345 or 3%. This was primarily the result of increased revenues at Jack Frost National Golf Course of \$190,290, or 16%, The Boulder Lake Club of \$4,598, or 1%, The Stretch of \$1,972, or 1%. These increases were partially offset by a \$107,515 decrease at Boulder View Tavern.

Real Estate Management/Rental Income

Real Estate Management Operations / Rental Income revenue was \$707,780 for the nine months ended July 31, 2026, compared to \$650,420 for the nine months ended July 31, 2025, which resulted in an increase of \$57,360. Real Estate Management revenue for the nine months ended July 31, 2026 increased to \$635,407 as compared to \$586,110 for the nine months ended July 31, 2025, an increase of \$49,297. This was primarily the result of increased trust revenues from the trust services. Rental revenue increased \$8,063 primarily resulting from increased leased property revenues.

Land Resource Management

For the nine months ended July 31, 2026, Land Resource Management revenues decreased to \$353,170 compared to \$455,218 for the nine months ended July 31, 2025, a decrease of (\$102,048). This was primarily the result of decreased land sales revenue.

Resort Operations

Operating costs associated with Resort Operations for the nine months ended July 31, 2026 increased to \$3,748,026 compared to \$3,520,464 for the nine months ended July 31, 2025, an increase of \$227,562, or 6%. This was primarily related to increased repairs & maintenance at Jack Frost National Golf Course and increased payroll at Boulder Lake Club and Jack Frost National Golf Course.

Real Estate Management/Rental Income

Operating costs associated with Real Estate Management Operations/Rental Income for the nine months ended July 31, 2026 increased to \$678,635 compared to \$624,125 for the nine months ended July 31, 2025, an increase of \$54,510, or 9%. This increase was primarily attributed to increased management fees in the property management/trust services division.

Land Resource Management

Operating costs associated with Land Resource Management for the nine months ended July 31, 2026 decreased to \$352,898 compared to \$430,267 for the nine months ended July 31, 2025, a decrease of (\$77,369), or (18%). This decrease was primarily due to decreased expenses around research & development.

General and Administration

General and administration costs for the nine months ended July 31, 2026 increased to \$1,340,958 as compared to \$1,186,788 for the nine months ended July 31, 2025, an increase of \$154,170, or 13%. This increase was primarily related to the increase in legal expenses and salaries.

Other Income and Expense

Interest expense for the nine months ended July 31, 2026 increased to \$2,673 compared to \$240 for the nine months ended July 31, 2025, an increase of \$2,433.

Interest and dividends on marketable securities, net was \$256,435 for the nine months ended July 31, 2026 compared to \$355,970 for the nine months ended July 31, 2025, a decrease of (\$99,535). Realized gains on disposition of marketable securities were \$2,193 for the nine months ended July 31, 2026 compared to \$2,305 in the nine months ended July 31, 2025. Unrealized losses on marketable securities were (\$33,500) for the nine months ended July 31, 2026, compared to (\$38,726) for the nine months ended July 31, 2025.

Pension expense for the nine months ended July 31, 2026 increased to \$1,099,272 compared to \$138,752 for the nine months ended July 31, 2025, an increase of \$960,520, or greater than 100%. The increase is due to the termination of the defined benefit pension plan.

Tax Rate

The tax rate specific to federal taxes for the three and nine months ended July 31, 2026 and 2025 was 21%. The effective rate for the nine months ended July 31, 2026 and 2025 was 25.74%.

Liquidity and Capital Resources

As reflected in the Statements of Cash Flows, net cash used in operating activities was \$1,014,379 for the nine months ended July 31, 2026 versus net cash used in operating activities was \$236,132 for the nine months ended July 31, 2025.

There were no material non-recurring cash items for the nine months ended July 31, 2026 and 2025.

The Company's investment portfolio includes marketable securities with a goal to provide current income with capital preservation over a 3 to 5-year time horizon. At July 31, 2026, the Company's cash and marketable securities totaled \$9,027,488 compared to cash and marketable securities of \$10,787,011 at October 31, 2025.

On May 27, 2026, the Company entered into an agreement with DLL Finance, LLC for the procurement of 5 pieces of mower equipment for Jack Frost National Golf Course in the amount of \$149,867. The obligation is due and payable in 24 non-consecutive monthly installments in the months of May through October, through October 1, 2029. The interest is a fixed rate of 6.086%.

On October 8, 2024, Blue Ridge Real Estate Company entered into an installment loan with Kubota Credit Corporation in the amount of \$35,081 for the purchase of a backhoe. The loan is payable in 60 monthly installments of \$585 from November 2024 to October 2029. The loan has a 0% interest rate and includes property insurance coverage on the equipment for the term of the loan.

On March 21, 2023, the Company entered into an agreement with PNC Equipment Finance, LLC for the procurement of a utility vehicle for the Jack Frost National Golf Course in the amount of \$22,323. The obligation is due and payable in 24 non-consecutive monthly installments in the months of May through October, through October 20, 2025. The interest is a fixed rate of 5.65%. This debt was paid in full October 2025, the remaining impact in current report is comparative 2025 interest expense.

The Company has one certificate of deposit with Mauch Chunk Trust Company. The \$150,000 certificate of deposit with Mauch Chunk Trust had a term of 22 months with a maturity date of February 11, 2026. Subsequently upon maturity the certificate yielded interest of \$12,721 and the Company reinvested the \$150,000 with a new maturity date of February 11, 2028. The Company also has one certificate of deposit with JP Morgan Chase Bank which is included in the Fidelity investment portfolio in the amount of \$250,000 with a maturity date of September 9, 2027. The bank certificates are included in marketable securities, which approximates fair value.

The following table sets forth the Company's significant contractual cash obligations for the items indicated as of July 31, 2026, and their expected year of payment or expiration.

Contractual Obligations:	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Debt	\$139,922	\$39,662	\$100,260	\$0	\$0
Fixed Rate Interest	13,103	6,421	6,682	0	0
Total Contractual Cash Obligations	\$153,025	\$46,083	\$106,942	\$0	\$0

We currently anticipate that the funds needed for future operations and to implement our land development strategy will be satisfied through operating cash, marketable securities, borrowed funds, public offerings or private placements of debt or marketable and reinvested profits from sales.

Critical Accounting Policies and Significant Judgments and Estimates

We have identified the most critical accounting policies upon which our financial reporting depends. The critical policies and estimates were determined by considering accounting policies that involve the most complex or subjective decisions or assessments. The most critical accounting policies identified relate to deferred tax liabilities, the valuation of land development costs and long-lived assets, and revenue recognition.

Revenues are derived from a wide variety of sources, including sales of real estate, management of investment properties, operation of a restaurant, a recreational lake club facility and a fly-fishing club, property management services, golf activities, timbering, home construction and leasing activities. Generally, revenues are recognized as services are performed, except as noted below.

We recognize income on the disposition of real estate using the full accrual method. The full accrual method is appropriate at closing when the sales contract has been signed, the buyer has arranged permanent financing and the risks and rewards associated with ownership have been transferred to the buyer. In the few instances that the Company finances the sale, a minimum 20% down payment is required from the buyers. The remaining financed purchase price is not subject to subordination. Down payments of less than 20% are accounted for as deposits.

The costs of developing land for resale as resort homes and the costs of constructing certain related amenities are allocated to the specific parcels to which the costs relate. Such costs, as well as the costs of construction of the resort homes, are charged to operations as sales occur. Land held for resale and resort homes under construction are stated at lower of cost or net realizable value.

Timbering revenues from stumpage contracts are recognized at the time a stumpage contract is signed. At the time a stumpage contract is signed, the risk of ownership is passed to the buyer at a fixed, determinable cost. There is no transfer of title in connection with these contracts. Reasonable assurance of collectability is determined by the date of signing and, at that time, the obligations of the Company are satisfied. Therefore, full accrual recognition at the time of contract execution is appropriate.

Deferred income consists of rents, dues and deposits on land or home sales. These rents, which are not yet earned, are rents from the Company's commercial properties that have been paid in advance. Dues are dues paid in advance related to memberships in the Company's hunting, fishing and lake clubs, and golf course memberships paid. Revenues related to the hunting, fishing and lake clubs and golf course memberships are recognized over the seasonal period that the dues cover. We recognize revenue related to the lake club over a five-month period from

May through September, fishing club over a six-month period from April through September, and the golf course over a seven-month period, from April through October. Deposits are required on land and home sales.

Management's estimate of deferred tax assets and liabilities is primarily based on the difference between the tax basis and financial reporting basis of depreciable assets, pension, like-kind exchanges of assets, net operating losses and accruals. Valuation allowances are established, when necessary, to reduce tax assets to the amount expected to be realized.

Real estate development projects are stated at cost unless an impairment exists, in which case the project is written down to fair value in accordance with GAAP. We capitalize as land and land development costs, the original acquisition cost, direct construction and development costs, property taxes, interest incurred on costs related to land under development and other related costs (engineering, surveying, landscaping, etc.) until the property reaches its intended use. Because the development projects are considered as long-lived assets under GAAP, we are required to regularly review the carrying value of each of the projects and write down the value of those projects when we believe the values are not recoverable. The cost of sales for individual parcels of real estate or condominium units within a project is determined using the relative sales value method. Revenue is recognized upon signing of the applicable closing documents, at which time a binding contract is in effect, the buyer has arranged for permanent financing and the Company is assured of payment in full. In addition, at the time of closing, the risks and rewards associated with ownership have been transferred to the buyer. Selling expenses are recorded when incurred.

Long-lived assets, namely properties, are recorded at cost. Depreciation and amortization are provided principally using the straight-line method over the estimated useful life of the asset. Upon sale or retirement of the asset, the cost and related accumulated depreciation are removed from the related accounts, and resulting gains or losses are reflected in income. We test our long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In that event, we utilize either or both a discounted cash flow method or comparable sale pricing method to determine a fair market value. If our use of one or both of these methods indicates that the carrying value of the asset is not recoverable, an impairment loss is recognized in operating income. An impairment loss is the difference between the carrying value and the fair value of the asset less cost to sell. An impairment loss is recognized during the period in which the impairment is determined to be probable and reasonably estimable.

Assets are classified as long-lived assets held for sale when they are expected to be sold within the next year.

Significant judgment is applied in assessing the realizability of gross deferred tax assets. In accordance with GAAP, a valuation allowance is established against a deferred tax asset if, based on the available evidence, it is more-likely-than-not that such asset will not be realized. The realization of a deferred tax asset ultimately depends on the existence of sufficient taxable income in either the carryback or carryforward periods under tax law. We assess the need for valuation allowances for deferred tax assets based on GAAP's "more-likely-than-not" realization threshold criteria. In our assessment, appropriate consideration is given to all positive and negative evidence related to the realization of gross deferred tax assets. Forming a conclusion that a valuation allowance is not needed is difficult when there is significant negative evidence such as cumulative losses in recent years. This assessment considers, among other matters, the nature, consistency and magnitude of current and cumulative income and losses, forecasts of future profitability, the duration of statutory carryback or carryforward periods, our experience with operating loss and tax credit carryforwards being used before expiration, and tax planning alternatives.

Our assessment of the need for a valuation allowance on our gross deferred tax assets includes assessing the likely future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. Changes in existing tax laws or rates could affect our actual tax results and our future business results may affect the amount of our gross deferred tax liabilities or the valuation of our gross deferred tax assets over time. Our accounting for gross deferred tax assets represents our best estimate of future events.

Due to uncertainties in the estimation process, particularly with respect to changes in facts and circumstances in future reporting periods (carryforward period assumptions), actual results could differ from the

estimates used in our analysis. Our assumptions require significant judgment because the residential home building industry and land sales are cyclical and highly sensitive to changes in economic conditions. If our results of operations are less than projected and there is insufficient objectively verifiable positive evidence to support the “more-likely-than-not” realization of our deferred tax assets, a valuation allowance would be required to reduce or eliminate our deferred tax assets.

Our gross deferred tax assets consist principally of the recognition of losses primarily driven by recognition of net operating losses, defined benefit pension, fixed assets and inventory impairments. In accordance with GAAP, we assessed whether a valuation allowance should be established based on our determination of whether it was “more-likely-than-not” that some portion of all of the deferred tax assets would not be realized. We recorded valuation allowances against our state net operating loss carryforwards for the amount not expected to be used.

Interest, real estate taxes, and insurance costs, including those costs associated with holding unimproved land, are normally charged to expense as incurred. Interest cost incurred during construction of facilities is capitalized as part of the cost of such facilities. Maintenance and repairs are charged to expense, and major renewals and betterments are added to property accounts.

We had previously sponsored a defined benefit pension plan. The accounting for pension costs was determined by specialized accounting and actuarial methods using numerous estimates, including discount rates, expected long-term investment returns on plan assets, employee turnover, mortality and retirement ages, and future salary increases. Changes in these key assumptions could have had a significant effect on the pension plan’s impact on the Company’s financial statements. We engaged the services of an independent actuary and investment consultant to assist us in determining these assumptions and in calculating pension income. Future benefit accruals under the pension plan ceased as of August 31, 2010. The Company did not make any contribution to the pension plan in the fiscal year ended October 31, 2025 (“Fiscal 2025”). At the February 2025 Board of Directors meeting a resolution was approved for the termination of the Defined Benefit Pension Plan. A qualified buy-out of the group annuity contract with United of Omaha Life Insurance Company was effective February 5, 2026, with an initial premium of \$5,279,198 utilizing all of the plan assets paid from the plan and the assumption of the liability effective March 1, 2026. The Company also has a 401(k) plan that is available to all full-time employees. The Company matches 100% of employee salary deferral contributions up to 5% of their pay for each payroll period.

The Company recognizes as compensation expense an amount equal to the grant date fair value of the stock options issued over the required service period, if any. Compensation cost was measured using the modified prospective approach.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Legal Proceedings

We are presently a party to certain lawsuits arising in the ordinary course of our business. We believe that none of our current legal proceedings will be material to our business, financial condition or results of operations.