

For Immediate Release

REGENCY AFFILIATES ANNOUNCES QUARTERLY DIVIDEND

Fourth Quarter Dividend Set At 7.8 Cents Per Common Share

New York, NY – December 19, 2024 ---- Regency Affiliates, Inc. (OTC Pink: RAFI) (“Regency”) today announced that it will pay a quarterly dividend of 7.8 cents per common share on January 7, 2025, to shareholders of record at the close of trading on December 31, 2024.

Management Comments

“We are pleased to declare a quarterly dividend of 7.8 cents per common share reflecting a 4% increase over the quarterly dividend paid in January 2024,” commented Laurence Levy, Chairman, CEO and CFO of Regency. “We continue to be comfortable with this dividend level particularly as we benefit from the cash flows generated by the portfolio of self-storage assets in and around Harrisburg, Pennsylvania, and our cash resources.”

“Regency owns five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity acquired for a total purchase price of \$35MM of which \$25.3MM was financed via a non-recourse ten-year debt financing, with a four-year interest only period that ended in May 2020 and thereafter a thirty-year amortization schedule. The debt financing has a fixed interest rate of 5% per annum and matures on May 6, 2026. We remain pleased with the continued stable occupancy and related cash flows at our self-storage facilities.”

“On October 8, 2024, a subsidiary of Regency borrowed \$5MM from an unrelated third-party, the proceeds of which were used to fund the acquisition of the minority partner’s interests in the aforementioned self-storage facilities, related expenses and for general corporate purposes, including the repurchase by Regency of shares of its outstanding common stock. The loan accrues interest, payable monthly, at the rate of 10% per annum, and is payable in full on May 7, 2026, or sooner under certain circumstances including upon repayment in full of the \$25.3MM bank note secured by the self-storage facilities. The \$5MM loan is prepayable at any time without premium or penalty, is secured by a pledge of Regency’s membership interests in its self-storage facility, and includes certain customary covenants, representations and events of default. In addition, while the loan remains outstanding, Regency agreed to first offer the lender the opportunity to purchase the self-storage facilities in the event that Regency determines to sell the properties.”

“Our Security West investment represents a 50% limited partnership interest in real estate previously occupied under a lease with the United States General Services Administration (“GSA”). On September 30, 2021, Security Land and Development Company Limited Partnership received a notice under GSA’s lease to terminate the lease and vacate the building effective November 1, 2023.”

“While the lease termination by GSA and subsequent vacancy creates uncertainty regarding the Security West property, we remain optimistic about this investment. At September 30, 2024, the partnership was debt free and held cash of over \$6.5MM, which provides significant financial flexibility. In addition, the partnership’s general partner has been evaluating a sale and other possible alternatives for the property, including the possibility of developing a data center on the site with significant power supply. In connection with these possible alternatives, the general partner has proposed modifications to the partnership agreement to, among other things, provide for a management fee payable to the general partner and the payment of incentive compensation to the general partner in the event certain property value thresholds are realized. While we view these developments as optimistic and continue to engage with the general partner on a partnership agreement amendment, there can be no assurance that any such alternatives for the property will be achieved or, if achieved, as to the benefits or value that would be derived by Regency.”

“We are continuing to review and evaluate further investment and cost reduction opportunities for Regency and intend to grow the company by acquiring or otherwise investing in other attractive long-term businesses that meet our investment characteristics and valuation criteria.”

In order to facilitate efficient processing of the dividend, management strongly suggests all shareholders with shares held in certificate form contact our transfer agent, Transfer Online, Inc. at (503) 227-2950 and confirm that the registration information is correct

About Regency Affiliates

Regency Affiliates, Inc. invests in businesses that generate attractive, predictable and sustainable returns on capital. We are currently invested in two assets:

1. A wholly owned portfolio of five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity comprising approximately 337,000 square feet of net rentable space in excess of 2,500 climate and non-climate-controlled storage units; and
2. A 50% limited partnership interest in the Security West Complex located on 34.3 acres in Woodlawn, Maryland.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are statements that are predictive in nature or depend on or refer to future events and can be identified by the words "may," "might," "will," "should," "anticipate," "believe," "expect," "intend," "estimate," "hope," or similar expressions. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or are otherwise beyond our control and some of which might not even be anticipated. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Future events and actual results affecting our strategic plan as well as our financial position, results of operations and cash flows, could differ materially from those described in or contemplated by the forward-looking statements. Important factors that contribute to such risks include, but are not limited to, a default or catastrophe involving the properties in which we invest, the extent to which we are able to raise additional capital, and competition for additional investment opportunities. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. For a more detailed description of these uncertainties and other factors, please see our website at www.regencyaffiliates.com.

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