

For Immediate Release

REGENCY AFFILIATES ANNOUNCES QUARTERLY DIVIDEND

First Quarter Dividend Set At 7.25 Cents Per Common Share

New York, NY – March 20, 2023 ---- Regency Affiliates, Inc. (OTC Pink: RAFI) (“Regency”) today announced that it will pay a quarterly dividend of 7.25 cents per common share on April 6, 2023, to shareholders of record at the close of trading on March 31, 2023.

Management Comments

“We are pleased to declare a quarterly dividend of 7.25 cents per common share reflecting a 3.7% increase over the quarterly dividend declared in March 2022,” 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 our ongoing management fee from Security West and our distributions from the portfolio of self-storage assets in and around Harrisburg, Pennsylvania.”

“Our Security West investment represents a 50% limited partnership interest in real estate occupied by a lease with the United States General Services Administration. The lease commenced on November 1, 2018, with an initial annual rental payment of approximately \$11.75MM per annum. On September 30, 2021, Security Land and Development Company Limited Partnership received a notice under GSA's lease for the Security West building to terminate the lease and vacate the building effective November 1, 2023.”

“While the termination notice from GSA creates uncertainty about Regency's investment in Security West, we have several reasons to be optimistic about this investment. We have over 7 months to evaluate alternative uses for the facility before GSA vacates the building. At the lease termination date of November 1, 2023, management estimates that the facility will be almost debt free which provides significant financial flexibility. Security West's manager has expressed confidence that, based on current markets conditions and other factors, there should be demand for Security West's space either from other government departments represented by GSA or from private sector tenants or investors. Moreover, a new long-term tenant could facilitate obtaining new financing on the facility. We will keep our shareholders updated about future developments at Security West.”

“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. The facilities were purchased via a joint venture with SSCP Management LLC (“SSCP”). Pursuant to the terms of the joint venture, Regency earns a 7.5% per annum preferred distribution on its \$11.2MM capital contribution. Surplus cash flow after the preferred distribution is allocated 80% to Regency and 20% to SSCP. Regency received a distribution from the joint venture in the first quarter of 2023 in the amount of \$210,576 reflecting the 7.5% per annum preferred distribution driven by the strong ongoing operating performance of the investment. Surplus cash over and above the 7.5% per annum preferred distribution is currently retained within the venture. We remain pleased with the continued strong occupancy and related cash flows at our self-storage facilities.”

“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 50% limited partnership interest in the Security West Complex located on 34.3 acres in Woodlawn, Maryland. The facility is occupied under a lease with the United States General Services Administration. On September 30, 2021, Security Land and Development Company Limited Partnership received a notice under GSA's lease for the Security West building to terminate the lease and vacate the building effective November 1, 2023; and
2. A majority joint-venture interest in a 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.

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.

CONTACT:

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