

For Immediate Release

REGENCY AFFILIATES ANNOUNCES QUARTERLY DIVIDEND

Third Quarter Dividend Set At 7 Cents Per Common Share

New York, NY – September 22, 2021 ---- Regency Affiliates, Inc. (OTC Pink: RAFI) (“Regency”) today announced that it will pay a quarterly dividend of 7 cents per common share on October 7, 2021, to shareholders of record at the close of trading on September 30, 2021.

Management Comments

“We are pleased to declare a quarterly dividend of 7 cents per common share reflecting a 3.7% increase over the quarterly dividend paid in October 2020,” 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 pursuant to a lease with the United States General Services Administration expiring in October 2028. The lease commenced on November 1, 2018, with an initial annual rental payment of approximately \$11.75MM per annum. At any time on or after November 1, 2021, the GSA may partially terminate the lease and vacate up to 266,353 square feet by providing 12 months written notice. On or after November 1, 2023, the GSA may terminate the entire lease upon 24 months written notice. No termination notice has been issued by the GSA. A new \$30MM mortgage loan was entered into in order to refinance existing indebtedness as well as to finance \$17MM of capital improvements and reserves. The balance of the mortgage loan proceeds was distributed to the Security West partners, including a distribution to Regency of over \$1.2MM. The new mortgage balance will be amortized down to a balance of \$10MM over the first five years of the lease. On April 9, 2021, Regency received a distribution from Security West of about \$1.275MM due to the release of a capital improvement reserve that was no longer required by the partnership.”

“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 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 third quarter of 2021 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 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 expiring in October 2028 with the United States General Services Administration, subject to a partial termination right starting at the end of the third year of the lease and a whole termination right starting at the end of the fifth year of the lease; 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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