

For Immediate Release

REGENCY AFFILIATES ANNOUNCES BUYOUT OF SELF-STORAGE MINORITY PARTNER

New York, NY – October 9, 2024 ---- In 2016, Regency purchased five stand-alone self-storage facilities via a joint venture with SSCP Management LLC (“SSCP”) in the Harrisburg, Pennsylvania area. The portfolio was 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, which is secured by the self-storage facilities, has a fixed interest rate of 5% per annum and matures on May 6, 2026. Pursuant to the terms of the joint venture, Regency owned 97% of the common equity and SSCP owned 3% of the common equity. Shareholders earned a 7.5% per annum preferred distribution on their capital contributions. Surplus cash flow after the preferred distribution was allocated 80% to Regency and 20% to SSCP.

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 3% SSCP membership interests for \$3MM and to pay related expenses. The remaining funds are available for general corporate purposes. The \$5MM 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 loan secured by the self-storage facilities. The loan is prepayable at any time without premium or penalty, is secured by a pledge of Regency’s membership interests in the self-storage facility, and includes certain customary covenants, representations and events of default. In addition, while the loan remains outstanding, the lender is afforded the opportunity to purchase the self-storage facilities in the event that Regency elects to sell the properties. As a result of the SSCP membership interest acquisition, Regency now owns 100% of the equity interests in the five self-storage facilities.

Laurence Levy, CEO and CFO of Regency commented “We are excited about this acquisition for Regency and we believe the transaction terms are favorable. Regency will also benefit from the additional liquidity and flexibility of the loan proceeds remaining post-acquisition.”

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 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. The facility was occupied under a lease with the United States General Services Administration until November 1, 2023, since which the facility has been vacant.

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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