

For Immediate Release

REGENCY AFFILIATES ANNOUNCES STOCK BUYBACK AND DIVIDEND SUSPENSION

Stock Buyback of Up To \$1 Million Announced

New York, NY – June 25, 2025 ---- Regency Affiliates, Inc. (OTC Pink: RAFI) (“Regency”) today announced that it will begin a stock buyback of up to \$1 million and has suspended its quarterly dividend. The buyback, which will not commence before June 26, 2025, will be implemented by way of open-market purchases or through privately negotiated transactions. Laurence Levy, Chairman, CEO and CFO of Regency, stated: “Today’s announced stock buyback program is a continuation of our efforts to increase shareholder value and shareholders’ earnings per share. The Board believes a stock buyback is, at the present time, a more effective use of Regency’s cash resources for such purposes than continuation of the quarterly dividend program in effect over the past several years.”

Business Update

Harrisburg Self-Storage Facility

Regency owns five stand-alone self-storage facilities in the Harrisburg, Pennsylvania vicinity acquired for a total purchase price of \$35 million of which \$25.3 million 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. Mr. Levy commented: “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 \$5 million 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 completed in October 2024. The loan accrues interest, payable monthly, at a 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 bank note secured by the self-storage facilities. The \$5 million 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. Based on initial conversations with potential lenders Regency expects that it will be able to refinance its existing mortgage and the aforementioned third-party debt prior to the May 2026 maturity date.

Security West Property

Regency also owns a 50% limited partnership interest in the Security West Complex located on 34.3 acres in Woodlawn, Maryland. The property, which was previously leased to the United States General Services Administration, has been vacant since November 1, 2023. As previously announced, Security West management has been working with a team of professional real estate advisors to evaluate alternative uses for the facility and real estate, including the possibility of developing a data center on the site with significant power supply. In connection with these possible alternatives, in May 2025, Regency concluded a negotiation with the General Partner of Security West to amend the Security West partnership agreement to include, among other things, a market-based management fee and incentive compensation to the General Partner. The Limited Partners, including Regency, receive a priority return of 8% per annum before the General Partner is entitled to a catch-up and incentive compensation. The incentive compensation is structured as a carried interest of 20-30% (depending on the timing of a sale of the property) of the amount by which the property is sold in excess of \$27 million (with the higher level of incentive compensation applying to proceeds in excess of \$67.5 million). The General Partner has received positive assurances from a local utility for the supply of 150 MW of power to the Security

West site and has commenced marketing the site as a data center through a national real estate firm. While initial indications of the marketing process are favorable and encouraging, there can be no assurance that any such redevelopment alternatives for the property will be achieved or, if achieved, as to the benefits or value that would be derived by Regency.

At March 31, 2025, the Security West partnership was debt free and held cash of over \$6.0 million.

As previously disclosed, Regency and the general partner of the Security West partnership have been in a disagreement as to the way taxable income of the partnership was allocated to the partners of the partnership. An Internal Revenue Service examination ensued, and a proposed adjustment was issued. In December 2024, the partnership filed a petition in the United States Tax Court for reconsideration of the proposed adjustments. Regency elected to be a party to the case in March 2025 and submitted an amendment to the petition filed by the partnership setting forth its position in the case. The Commissioner of the Internal Revenue Service issued an answer to the petition and Regency filed a Reply. Regency intends to continue to vigorously advocate for its position in the case and has insured against an adverse decision.

About Regency Affiliates

Regency Affiliates, Inc. invests in businesses that generate attractive, predictable and sustainable returns on capital. Regency is 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.

Management intends to continue reviewing and evaluating further investment and cost reduction opportunities for Regency and intends to grow the company by acquiring or otherwise investing in other attractive long-term businesses that meet management's investment characteristics and valuation criteria.

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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