March 28, 2022

Dear Regional Brands Inc. Stockholders:

Regional Brands continued to generate value for shareholders in 2021. Our only subsidiary, BR Johnson ("BRJ"), showed significant improvement, reporting $28.6 million of revenues and $3.7 million of subsidiary-level EBITDA (versus $2.1 million in 2020) for the year-ended December 31, 2021. Regional Brands continued to generate cash flow from its investment in BRJ and had $10.3 million (approximately $8.50 per share) in cash and short-term investments on the balance sheet at the end of 2021. We were happy to pay out a $2.50 per share cash dividend in Q1 2022 with some of this excess cash. In addition, during 2021 we repurchased an additional 15,818 shares (1.3%) of our outstanding common stock and BRJ completely paid off its revolving credit line, leaving BRJ with only $2 million of external debt payable to its former shareholders. All of these events should be accretive to longer term value.

Our continued investment of cash flow from BRJ has increased value over the last several years. Additionally, we started to see the effects of the operational changes the new BRJ management team began to put in place upon taking over in 2020. A combination of focus on higher margin work and tight SG&A control counterbalanced a very difficult supply chain environment which resulted in a number of job delays. The BRJ management team are great partners with vast industry experience and they deserve credit for dealing very professionally with a number of serious headwinds since our investment in late 2016 including: 1.) A flawed growth strategy driven by our former partners (2016-2020); 2.) A global pandemic beginning right as they took control of the business (2020-present); 3.) Global supply chain pressures (2021-present); and 4.) Rampant inflation (2021-present). We are hopeful that when a normalized business environment returns the BRJ team can drive even better results. 2022 will continue to be challenging as supply chain problems persist. That being said, one of the major challenges since our investment in late 2016 has been the loss of energy cost mitigation work in BRJ's windows division as low energy prices have caused that work to be less viable. With the recent dramatic rise in energy costs we are beginning to see more of that work in BRJ's backlog, which should be helpful to both the top-line and margins. Management is focused on holding the line on margins and executing jobs effectively in 2022.

We believe management has been successful in returning BRJ to what it was 5 years ago – a high quality, customer oriented, highly profitable business with real expertise in its core divisions. The next step is to optimize the performance of each division. While BRJ's aftermarket and specialty divisions have been largely optimized, the door division and window division both have upside. The door division has historically run at very low gross margin and 2021 was again no exception as gross margins came in at 22%, well below the company average. However, this was a material increase over 2020 and multiple initiatives are in place that suggest that number will improve. First, the division has been focused on operational improvements that we believe will begin to bear fruit in 2022. Additionally, new contracts are only being signed if they have attractive pricing and BRJ will not just take any job. The window division improvement is more of an external issue regarding the energy efficiency projects discussed in the prior paragraph. If that work continues to come back consistent with what we have seen in Q4 2021 and Q1 2022, it bodes well in terms of revenue and gross profits of the division in the coming years. If both of these improvement possibilities come to fruition over the next couple of years we could see meaningful improvement in our financial results.

Key Metrics

	2017	2018	2019	2020	2021
Net Sales	$36,927	$39,988	$40,953	$36,977	$28,603
Gross Profit	$11,587	$11,207	$10,801	$8,374	$8,514
Gross Profit as % of Sales	*31.4%*	*28.0%*	*26.4%*	*22.6%*	*29.8%*
Operating Income (Loss)	$1,324	$1,496	$94	-$298	$2,018
Net Income	$861	$1,080	$24	$257	$1,981
BR Johnson EBITDA	$3,560	$3,359	$2,084	$2,119	$3,754
BR Johnson EBITDA as % of Sales	*9.6%*	*8.4%*	*5.1%*	*5.7%*	*13.1%*

	Close of Transaction (2016)	December 31, 2021	% Improvement
Shares Outstanding	1,274,603	1,211,939	-4.9%
Regional % Ownership of BRJ	74%	100%	26.0%
Cash & STI (1)	$5,833,396	$7,328,154	25.6%
Cash & STI/Share (1)	$4.58	$6.05	32.1%
Net Working Capital (1)	$8,670,780	$11,653,966	34.4%
Net Working Capital/Share (1)	$6.80	$9.62	41.4%
Debt Outstanding	$7,498,524	$2,000,000	-73.3%
Tangible Book Value	$6,356,462	$12,482,994	96.4%
Tangible Book Value/Share	$4.99	$10.30	106.5%
Total Dividends Paid Since Inception	$0	$3,029,848	N/M
Total Dividends Paid Since Inception Per Share	0	$2.50	N/M
Tangible Book Value Plus Dividends Paid	$6,356,462	$15,512,842	144.0%
Tan Book Value Plus Cum Dividends Paid Per Share	$4.99	$12.80	156.7%

(1) Excludes cash used to fund dividend payable at 2021 year-end

We are beginning to see evidence of success in the new strategy implemented in 2020. Revenue has declined in part by design and in part due to supply chain constraints, but BRJ's gross margin percentage has increased dramatically, leading to higher profitability and better balance sheet efficiency. We reversed the increasing SG&A trend in 2020 and the gross profit margin percentage declines reversed in 2021. We are now focused on maintaining BRJ's SG&A and gross margin levels while increasing revenues back into the mid-$30 million range per annum. This is expected to drive a sustainable $3-$4 million per year of EBITDA. While 2022 may be problematic due to persistent supply chain issues, we feel BRJ is on the right course and feel very good about the strategy.

Despite the myriad of challenges BRJ has faced since 2016, the business has been resilient. We have generated over $10 per share of cash since our investment in November 2016. Relative to the private placement done at $13.50, we are happy with this result. We have used the cash for a variety of purposes including to buyout our former private equity partner, repurchase shares, pay down debt and pay shareholders a special dividend. Below is an outline of the uses of cash:

Cash Generation/Utilization Since Close of Transaction	
Increase in Cash & STI	$1,494,758
Cash Used in Stock Buyback	$1,076,324
Cash Used in Debt Paydown	$5,498,524
Cash Used to Pay Dividends	$3,029,848
Cash Used to Buyout Lorraine	$1,642,196
Total Cash	$12,741,650
Per Share	$10.51

Additionally, probably the best measure of value generation from a balance sheet perspective is the increase in tangible book value combined with dividends paid over the life of investment. This measures the net hard assets of the business plus dividends paid to shareholders. This combined per share amount has increased to $12.80 per share from a starting point of $4.99. The IRR on that growth works out to 21% per year. Considering we hold the majority of the debt in the BRJ capital structure and did not leverage our return using a large amount of debt, we are happy with this figure.

We cannot say enough about the management team and the entire staff at BRJ. Bill Harfosh and Mike Howard have been exactly the right team to turn the situation around and the leadership and experience they have provided has been invaluable. Meghan Larson has been a very valuable CFO and has been integral from a financial and operational perspective in making sure the company stays lean through some very difficult times. The recent promotion of Ralph Corliss to President is also a big win for all of us. Ralph is a lifetime BRJ employee whose father also was a long-time BRJ staff member. Ralph has run the aftermarket division very well for a long period of time and his knowledge and history at BRJ along with his thoughtful, charismatic personality make him a great next generation leader of the Company. We have also been extremely pleased with the efforts of divisional and functional management, including Ron Fiorentino, Jerry Anderson, Jason Dutton and Adam Dean who all bring great skills and industry knowledge to the table that leave us in competent hands managing the day-to-day challenges of the business. We have said this in prior letters but we still feel, from a cultural standpoint, it is a great fit as the BRJ folks are all good, honest, hardworking people which is what we pride ourselves on as well. We couldn't have a better group of people to work with. We continue to believe we will have a strong, long-term partnership with this management team.

Sanjay Singh has been working with Ralph Corliss and Adam Dean throughout 2021 to bring some new thoughts to the challenges at BRJ's door division. Sanjay has enjoyed these sessions and believes they will begin to have some impact in 2022. His insight and thoughtfulness is a great resource for BRJ and should continue to add value for the BRJ team in 2022.

If you have any questions don't hesitate to call Fred DiSanto or Brian Hopkins at 216-825-4000.

Best,

Sanjay Singh, Chairman

Brian Hopkins, CEO

Fred DiSanto, Director

Carl Grassi, Director

Forward-Looking Statements

This letter contains statements about future events and expectations that are characterized as "forward-looking statements". Forward-looking statements are based upon management's beliefs, assumptions and expectations. Forward-looking statements involve risks and uncertainties, including those described in our other disclosures and stockholder communications, that may cause actual results, performance and financial condition to be materially different from the expectations expressed or implied in such forward-looking statements. You are cautioned to not put undue reliance on forward-looking statements. We disclaim any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.