

NEWS RELEASE

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American Realty Investors, Inc. reports Earnings for Quarter Ended June 30, 2025

DALLAS (August 7, 2025) -- American Realty Investors, Inc. (NYSE:ARL) is reporting its results of operations for the three months ended June 30, 2025. For the three months ended June 30, 2025, we reported net income attributable to common shares of \$2.8 million or \$0.18 per diluted share, compared to \$1.2 million or \$0.07 per diluted share for the same period in 2024.

Financial Highlights

- Total occupancy was 82% at June 30, 2025, which includes 94% at our multifamily properties and 57% at our commercial properties.
- During the three months ended June 30, 2025, we sold 30 single family lots from our holdings in Windmill Farms for \$1.4 million, resulting in a gain on sale of \$1.1 million.
- On May 30, 2025, we paid off the \$10.8 million loan on 770 South Post Oak with cash on hand.

Financial Results

Rental revenues increased \$0.3 million from \$11.2 million for the three months ended June 30, 2024 to \$11.5 million for the three months ended June 30, 2025. The increase in rental revenue is primarily due to an increase in occupancy at Stanford Center.

Net operating loss decreased \$0.3 million from \$1.3 million for the three months ended June 30, 2024 to \$1.0 million for the three months ended June 30, 2025. Our decrease in net operating loss was due to a \$0.1 million decrease in operating expenses. The decrease in operating expenses is primarily due to a decrease in the cost of insurance and property taxes for the three months ended June 30, 2025.

Net income attributable to common shares increased \$1.7 million from \$1.2 million for the three months ended June 30, 2024 to \$2.8 million for the three months ended June 30, 2025. The increase in net income is primarily attributed to a decrease in interest income and an increase in tax provision for the three months ended June 30, 2025 offset in part by an increase in gain on real estate transactions.

About American Realty Investors, Inc.

American Realty Investors, Inc., a Dallas-based real estate investment company, holds a diverse portfolio of equity real estate located across the U.S., including office buildings, apartments, shopping centers, and developed and undeveloped land. The Company invests in real estate through direct

ownership, leases and partnerships and invests in mortgage loans on real estate. The Company also holds mortgage receivables. The Company's primary asset and source of its operating results is its investment in Transcontinental Realty Investors, Inc. (NYSE:TCI). For more information, visit the Company's website at www.americanrealtyinvest.com.

AMERICAN REALTY INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenues:				
Rental revenues	\$ 11,510	\$ 11,188	\$ 22,937	\$ 22,467
Other income	650	585	1,231	1,205
Total revenue	<u>12,160</u>	<u>11,773</u>	<u>24,168</u>	<u>23,672</u>
Expenses:				
Property operating expenses	6,535	6,624	12,512	13,258
Depreciation and amortization	3,062	3,137	5,945	6,309
General and administrative	1,534	1,552	3,026	2,960
Advisory fee to related party	2,042	1,737	4,511	3,939
Total operating expenses	<u>13,173</u>	<u>13,050</u>	<u>25,994</u>	<u>26,466</u>
Net operating loss	(1,013)	(1,277)	(1,826)	(2,794)
Interest income	3,353	4,794	7,363	10,527
Interest expense	(1,777)	(1,913)	(3,597)	(3,835)
Equity in income from unconsolidated joint ventures	19	501	(140)	984
Gain on real estate transactions	947	-	4,838	-
Income tax provision	1,335	(614)	189	(1,089)
Net income	<u>2,864</u>	<u>1,491</u>	<u>6,827</u>	<u>3,793</u>
Net income attributable to noncontrolling interest	(37)	(324)	(1,035)	(875)
Net income attributable to the common shares	<u>\$ 2,827</u>	<u>\$ 1,167</u>	<u>\$ 5,792</u>	<u>\$ 2,918</u>
Earnings per share				
Basic and diluted	<u>\$ 0.18</u>	<u>\$ 0.07</u>	<u>\$ 0.36</u>	<u>\$ 0.18</u>
Weighted average common shares used in computing earnings per share				
Basic and diluted	<u>16,152,043</u>	<u>16,152,043</u>	<u>16,152,043</u>	<u>16,152,043</u>