

NEWS RELEASE***FOR IMMEDIATE RELEASE*****Contact:**
American Realty Investors, Inc.
Investor Relations
Erik Johnson (469) 522-4200
investor.relations@americanrealtyinvest.com**American Realty Investors, Inc. reports Earnings for Quarter Ended September 30, 2022**

DALLAS (November 10, 2022) -- American Realty Investors, Inc. (NYSE:ARL) is reporting its results of operations for the quarter ended September 30, 2022. For the three months ended September 30, 2022, we reported net income attributable to the Company of \$302.3 million or \$18.72 per diluted share, compared to net income of \$19.4 million or \$1.20 per diluted share for the same period in 2021.

Financial Highlights

- We collected approximately 99% of our rents for the three months ended September 30, 2022, comprised of approximately 98% from multifamily tenants and approximately 99% from office tenants.
- Total stabilized occupancy was 94% at September 30, 2022, which includes 96% at our multifamily properties and 68% at our commercial properties.
- On September 16, 2022, VAA completed the sale of 45 properties for \$1.8 billion, resulting in gain on sale of \$738.7 million to the joint venture. In connection with sale, we received an initial distribution of \$182.8 million from VAA. We plan to use our share of the proceeds to invest in income-producing real estate, pay down debt and for general corporate purposes.
- In connection with the VAA sale, we sold Sugar Mill Phase III, a 72 unit multifamily property in Baton Rouge, Louisiana for \$11.8 million, resulting in gain on sale of \$1.9 million. We used the proceeds to pay off the \$9.6 million mortgage note payable on the property and for general corporate purposes.

Financial Results

Rental revenues decreased \$2.1 million from \$9.6 million for the three months ended September 30, 2021 to \$7.6 million for the three months ended September 30, 2022. The decrease in rental revenue is primarily due to the sale of 600 Las Colinas in 2021 and the sale of Toulon in the first quarter of 2022.

Net operating loss decreased \$2.0 million from \$5.2 million for three months ended September 30, 2021 to \$3.2 million for the three months ended September 30, 2022. The decrease in net operating loss is primarily due to a reduction of legal costs related to the Clapper litigation and arbitration settlement in 2021 offset in part by net operating profit from the sale of 600 Las Colinas in 2021.

Net income attributable to the Company increased \$282.9 million from \$19.4 million for the three months ended September 30, 2021 to \$302.3 million for the three months ended September 30, 2022. The increase in net income is primarily attributed to our share of the gain on the sale of the 45 properties by VAA, offset in part by the tax expense from the sale.

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.
Investor Relations
Erik Johnson (469) 522-4200
Investor.relations@americanrealtyinvest.com

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|-------------------|--------------------------|-------------------|
| | September 30, | | September 30, | |
| | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | |
| Rental revenues | \$ 7,570 | \$ 9,628 | \$ 22,310 | \$ 30,183 |
| Other income | 749 | 866 | 1,925 | 3,242 |
| Total revenue | <u>8,319</u> | <u>10,494</u> | <u>24,235</u> | <u>33,425</u> |
| Expenses: | | | | |
| Property operating expenses | 4,701 | 5,610 | 12,541 | 16,500 |
| Depreciation and amortization | 2,193 | 2,935 | 6,840 | 9,473 |
| General and administrative | 3,042 | 3,698 | 7,956 | 12,799 |
| Advisory fee to related party | 1,571 | 3,419 | 7,614 | 11,594 |
| Total operating expenses | <u>11,507</u> | <u>15,662</u> | <u>34,951</u> | <u>50,366</u> |
| Net operating loss | (3,188) | (5,168) | (10,716) | (16,941) |
| Interest Income | 9,482 | 6,128 | 25,683 | 17,388 |
| Interest expense | (6,491) | (7,057) | (19,047) | (22,476) |
| Gain (loss) on foreign currency transactions | 1,533 | (1,639) | 19,437 | 1,185 |
| Loss on extinguishment of debt | (1,166) | 1,451 | (2,805) | (1,451) |
| Equity in income from unconsolidated joint ventures | 464,143 | 3,543 | 471,385 | 11,451 |
| Gain on sale or write-down of assets, net | 1,539 | 31,312 | 16,580 | 24,265 |
| Income tax provision | (81,548) | (605) | (81,616) | 1,196 |
| Net income | <u>384,304</u> | <u>25,063</u> | <u>418,901</u> | <u>14,617</u> |
| Net income attributable to noncontrolling interest | (82,015) | (5,652) | (88,986) | (4,466) |
| Net income attributable to the Company | <u>\$ 302,289</u> | <u>\$ 19,411</u> | <u>\$ 329,915</u> | <u>\$ 10,151</u> |
| Earnings per share | | | | |
| Basic and diluted | <u>\$ 18.72</u> | <u>\$ 1.20</u> | <u>\$ 20.43</u> | <u>\$ 0.63</u> |
| Weighted average common shares used in computing earnings | | | | |
| per share | | | | |
| Basic and diluted | <u>16,512,043</u> | <u>16,152,043</u> | <u>16,152,043</u> | <u>16,152,043</u> |