

NEWS RELEASE

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Transcontinental Realty Investors, Inc. reports Earnings for Quarter Ended June 30, 2024

DALLAS (August 8, 2024) -- Transcontinental Realty Investors, Inc. (NYSE:TCI) is reporting its results of operations for the three months ended June 30, 2024. For the three months ended June 30, 2024, we reported net income attributable to common shares of \$1.5 million or \$0.17 per diluted share, compared to a net income of \$0.5 million or \$0.06 per diluted share for the same period in 2023.

Financial Highlights

- Total occupancy was 78% at June 30, 2024, which includes 93% at our multifamily properties and 49% at our commercial properties.
- On July 10, 2024, we replaced the existing loan on Forest Grove with a \$6.6 million loan that bears interest at SOFR plus 1.85% and matures on July 10, 2031.

Financial Results

Rental revenues decreased \$0.2 million from \$11.4 million for the three months ended June 30, 2023 to \$11.2 million for the three months ended June 30, 2024. The decrease in rental revenue is primarily due to an increase of \$0.3 million from our multifamily properties offset in part by a decrease of \$0.5 million from the commercial properties. The increase in revenue from the multifamily properties is primarily due to the lease-up of Landing on Bayou Cane.

Net operating loss decreased \$2.4 million from \$3.5 million for the three months ended June 30, 2023 to \$1.1 million for the three months ended June 30, 2024. The decrease in net operating loss is primarily due to a decrease in general and administrative expenses associated with our bonds payable, which were repaid in 2023.

Net income attributable to the Company increased \$1.0 million from \$0.5 million for the three months ended June 30, 2023 to \$1.5 million for the three months ended June 30, 2024. The increase in net income is primarily attributed to a decrease in general administrative expenses and loss on extinguishment in debt offset in part by a decrease in interest income.

About Transcontinental Realty Investors, Inc.

Transcontinental 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.

TRANSCONTINENTAL 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,	
	2024	2023	2024	2023
Revenues:				
Rental revenues	\$ 11,188	\$ 11,389	\$ 22,467	\$ 22,398
Other income	585	850	1,205	1,529
Total revenue	<u>11,773</u>	<u>12,239</u>	<u>23,672</u>	<u>23,927</u>
Expenses:				
Property operating expenses	6,624	7,031	13,258	13,137
Depreciation and amortization	3,137	3,200	6,309	6,302
General and administrative	1,414	3,521	2,675	6,404
Advisory fee to related party	1,680	2,000	3,845	4,170
Total operating expenses	<u>12,855</u>	<u>15,752</u>	<u>26,087</u>	<u>30,013</u>
Net operating loss	(1,082)	(3,513)	(2,415)	(6,086)
Interest income	5,200	8,494	11,327	17,322
Interest expense	(1,862)	(2,426)	(3,731)	(5,513)
Gain on foreign currency transactions	-	22	-	993
Loss on early extinguishment of debt	-	(1,710)	-	(1,710)
Equity in income from unconsolidated joint venture	109	25	544	713
Gain on sale or write-down of assets, net	-	188	-	188
Income tax provision	(669)	(204)	(1,272)	(1,316)
Net income	<u>1,696</u>	<u>876</u>	<u>4,453</u>	<u>4,591</u>
Net income attributable to noncontrolling interest	(198)	(346)	(406)	(544)
Net income attributable to the Company	<u>\$ 1,498</u>	<u>\$ 530</u>	<u>\$ 4,047</u>	<u>\$ 4,047</u>
Earnings per share				
Basic and diluted	<u>\$ 0.17</u>	<u>\$ 0.06</u>	<u>\$ 0.47</u>	<u>\$ 0.47</u>
Weighted average common shares used in computing earnings per share				
Basic and diluted	<u>8,639,316</u>	<u>8,639,316</u>	<u>8,639,316</u>	<u>8,639,316</u>