

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Income Opportunity Realty Investors, Inc. Reports First Quarter 2021 Results

DALLAS (May 17, 2021) Income Opportunity Realty Investors, Inc. (NYSE MKT: IOR), a Dallas-based real estate investment company, today reported results of operations for the first quarter ended March 31, 2021.

For the three months ended March 31, 2021, the Company reported net income of \$1,352,000 or \$0.32 per share, as compared to net income of \$841,000 or \$0.20 per share for the same period ended 2020.

Our primary business is investing in real estate and mortgage note receivables.

Expenses

General and administrative expenses were \$188 thousand for the three months ended March 31, 2021. This represents an increase of \$49 thousand, compared to general and administrative expenses of \$139 thousand for the three months ended March 31, 2020. This increase was primarily due to an increase in various operating expenses.

Advisory fees were \$197 thousand for the three months ended March 31, 2021 compared to \$189 thousand for the same period in 2020 for an increase of \$8 thousand. Advisory fees are computed based on a gross asset fee of 0.0625% per month (0.75% per annum) of the average of the gross asset value.

Net income fee to related party was \$139 thousand for the three months ended March 31, 2021. This represents an increase of \$53 thousand, compared to the net income fee of \$86 thousand for the three months ended March 31, 2020. The net income fee paid to our Advisor is calculated at 7.5% of net income.

Other income (expense)

Interest income decreased to \$1.2 million for the three months ended March 31, 2021 compared to \$1.5 million for the same period in 2020. The decrease of \$300 thousand was primarily due to a decrease in the prime interest rate used to calculate interest on the receivable amount owed from our Advisor and other related parties.

Other income was \$1 million for the three months ended March 31, 2021 due to the collection of a note previously written off.

About Income Opportunity Realty Investors, Inc.

Income Opportunity Realty Investors, Inc., a Dallas-based real estate investment company, currently holds a portfolio of notes receivable. The Company invests in real estate through direct equity ownership and partnerships. For more information, visit the Company's website at www.incomeopp-realty.com.

INCOME OPPORTUNITY REALTY INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
	(dollars in thousands, except par value amount)	
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 12
Receivable and accrued interest from related parties	94,307	90,526
Total current assets	94,307	90,538
Non current assets		
Notes and interest receivable from related parties	11,503	13,930
Total non current assets	11,503	13,930
Total Assets	\$ 105,810	\$ 104,468
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable and other liabilities	\$ 2	\$ 12
Total liabilities	2	12
Shareholders' equity:		
Common stock, \$0.01 par value, authorized 10,000,000 shares; issued 4,173,675 and outstanding 4,168,414 shares in 2021 and 2020	42	42
Treasury stock at cost, 5,261 shares in 2021 and 2020	(39)	(39)
Paid-in capital	61,955	61,955
Retained earnings	43,850	42,498
Total shareholders' equity	105,808	104,456
Total liabilities and shareholders' equity	\$ 105,810	\$ 104,468

INCOME OPPORTUNITY REALTY INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

For the Three Months Ended March 31,

2021 **2020**

(dollars in thousands, except per share amounts)

Revenues:

Revenue from operations	\$ -	\$ -
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Expenses:

General and administrative (including \$107 and \$72 for the three months ended 2021 and 2020, respectively, to related parties)	188	139
Net income fee to related party	139	86
Advisory fee to related party	197	189
Total operating expenses	524	414
Net operating loss	(524)	(414)

Other income (expenses):

Interest income from related parties	1,218	1,479
Other income	1,017	-
Total other income	2,235	1,479
Income before taxes	1,711	1,065
Income tax expense	359	224
Net income	\$ 1,352	\$ 841

Earnings per share - basic and diluted

Net income	\$ 0.32	\$ 0.20
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Weighted average common shares used in computing earnings per share	4,168,414	4,168,414
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