

**NEWS RELEASE**

**Contact:**

**FOR IMMEDIATE RELEASE**

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### **Income Opportunity Realty Investors, Inc. Reports Third Quarter 2021 Results**

DALLAS (November 10, 2021) - Income Opportunity Realty Investors, Inc. (NYSE American: IOR), a Dallas-based real estate investment company, today reported results of operations for the quarter ended September 30, 2021.

During the three months ended September 30, 2021, the Company reported net income of \$712,000 thousand or \$0.17 per diluted share, as compared to net income of \$761,000 thousand or \$0.18 per diluted 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 \$88,000 thousand for the three months ended September 30, 2021. This represents a decrease of \$6,000 thousand, compared to general and administrative expenses of \$94,000 thousand for the three months ended September 30, 2020. This decrease was primarily driven by a decrease in cost reimbursements to our Advisor of approximately \$5,000 thousand.

Advisory fees were \$201,000 thousand for the three months ended September 30, 2021, compared to \$194,000 thousand for the same period in 2020 for an increase of \$7,000 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 \$56,000 thousand for the three months ended September 30, 2021. This represents an increase of \$5,000 thousand, compared to the net income fee of \$51,000 thousand for the three months ended September 30, 2020. The net income fee paid to our Advisor is calculated at 7.5% of net income.

#### **Other income (expense)**

Interest income decreased to \$1,248 thousand for the three months ended September 30, 2021, compared to \$1.302 thousand for the same period in 2020. The decrease of \$54,000 thousand was primarily due to a decrease in interest recognized due to some notes being paid off in 1Q 2021.

Other income was \$1,179 thousand for the nine months ended September 30, 2021, due to the collection of a note previously written off. Other income of \$742 thousand for the nine months ended September 30, 2020, was due to a tax increment reimbursement from the City of Farmers Branch, Texas for previous infrastructure development performed by the Company.

***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](http://www.incomeopp-realty.com).

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**INCOME OPPORTUNITY REALTY INVESTORS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
	(dollars in thousands, except per share amounts)		(dollars in thousands, except per share amounts)	
<b>Revenues:</b>				
Revenue from operations	\$ —	\$ —	\$ —	\$ —
<b>Expenses:</b>				
General and administrative (including \$220 and \$190 for the nine months ended 2021 and 2020, respectively, to related parties)	88	94	376	361
Net income fee to related party	56	51	250	249
Advisory fee to related party	201	194	599	574
Total operating expenses	<u>345</u>	<u>339</u>	<u>1,225</u>	<u>1,184</u>
Net operating loss	(345)	(339)	(1,225)	(1,184)
<b>Other income (expenses):</b>				
Interest income from related parties	1,248	1,302	3,697	4,071
Other income	—	—	1,179	742
Total other income	<u>1,248</u>	<u>1,302</u>	<u>4,876</u>	<u>4,813</u>
Income before taxes	903	963	3,651	3,629
Income tax expense	191	202	768	762
Net income	<u>\$ 712</u>	<u>\$ 761</u>	<u>\$ 2,883</u>	<u>\$ 2,867</u>
<b>Earnings per share - basic and diluted</b>				
Net income	<u>\$ 0.17</u>	<u>\$ 0.18</u>	<u>\$ 0.69</u>	<u>\$ 0.69</u>
Weighted average common shares used in computing earnings per share	4,168,414	4,168,414	4,168,414	4,168,414

The accompanying notes are an integral part of these consolidated financial statements.

**INCOME OPPORTUNITY REALTY INVESTORS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

	<u>September 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	(dollars in thousands, except par value amount)	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 13	\$ 12
Receivable and accrued interest from related parties	95,827	90,526
<b>Total current assets</b>	<u>95,840</u>	<u>90,538</u>
<b>Non current assets</b>		
Notes and interest receivable from related parties	11,510	13,930
<b>Total non current assets</b>	<u>11,510</u>	<u>13,930</u>
<b>Total Assets</b>	<u>\$ 107,350</u>	<u>\$ 104,468</u>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities:</b>		
Accounts payable and other liabilities	\$ 11	\$ 12
<b>Total liabilities</b>	<u>11</u>	<u>12</u>
<b>Shareholders' equity:</b>		
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	45,381	42,498
<b>Total shareholders' equity</b>	<u>107,339</u>	<u>104,456</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 107,350</u>	<u>\$ 104,468</u>

The accompanying notes are an integral part of these consolidated financial statements.