



PO Box 157
Maiden, NC 28650-0157
(828) 428-9911

February 1, 2022

Dear Shareholder:

We have completed the fourth quarter ending December 31, 2021.

Earnings for the quarter and YTD vs. the prior year are shown below.

	Q-4, 2021	Q-4, 2020	YTD 2021	YTD 2020
Net income/(loss)	\$ (128,000)	\$ 525,000	\$ 670,000	\$ 370,000

- Comments on YTD 2021 results:
 - Our investment portfolio of equities and other investments had an approximate annualized return of 4% vs. approximately 17% during 2020.
 - The Textile Division posted a small profit as it continues to navigate changes in both how it sources yarn to provide our customers and changes in supply chain lead times.
 - Transportation Insight TopCo, L.P. (TI) had a record setting year in 2021 with earnings that were 62% higher than 2020. As a reminder, due to our minority interest in TI, any earnings and/or increase in the value of TI will not be realized by Carolina Mills until that investment is liquidated. We expect to realize a substantial gain when that occurs.

Enclosed with this letter are financial statements with more detail of the results of the Company.

As always, we appreciate your support.

A handwritten signature in black ink that reads "Bryan E. Beal".

Bryan E. Beal
President and CEO