



PO Box 157  
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February 3, 2023

Dear Shareholder:

We have completed the fourth quarter ending December 31, 2022.

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

	Q-4, 2022	Q-4, 2021	YTD 2022	YTD 2021
Net income/(loss)	\$ (195,656)	\$ (127,524)	\$ (1,954,158)	\$ 670,358

The comments below are based on the results for the full year of 2022.

The main storyline for 2022 was the downturn in the investment/equity markets. Our investment portfolio results were flat during the second half of 2022, but the damage done during the first half of the year heavily impacted the financial results for 2022. As I stated last quarter, these investments were made with a long-term outlook that we think will respond favorably as the markets recover.

The Textile Division generated a small profit that was higher than 2021 due to increased profit margins on lower sales volume.

Transportation Insight TopCo, L.P. (TI) earnings increased 3% as compared to 2021. As a reminder, due to our minority interest in TI, those earnings do not flow through our financial statements and any 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.

As we mentioned last quarter, the year-to-date results for 2021 were enhanced by two one-time events:

- A gain of approximately \$900,000 on the sale of assets. Most of that gain was due to the sale of ninety-five acres of land in Maiden, NC that was adjacent to the site of the former Plant 1 facility.
- A gain of \$219,000 related to the forgiveness of two Payroll Protection Program loans acquired during the early days of the COVID-19 pandemic.

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

As always, we appreciate your support.

Bryan E. Beal  
President and CEO

**CAROLINA MILLS, INC.**  
**CONSOLIDATED BALANCE SHEETS**

<b>ASSETS</b>	<b>12/31/2022</b>	<b>12/31/2021</b>	<b>LIABILITIES AND EQUITY</b>	<b>12/31/2022</b>	<b>12/31/2021</b>
<b>CURRENT ASSETS:</b>			<b>CURRENT LIABILITIES</b>		
Cash & marketable securities	\$ 5,472,160	\$ 7,832,677	Accounts Payable	18,957	71,115
Accounts receivable	188,350	601,819	PPP Loan	-	-
Inventories	1,473,599	798,872		<u>18,957</u>	<u>71,115</u>
Prepaid expenses	21,199	120,331			
			Accrued expenses:		
<b>TOTAL CURRENT ASSETS</b>	<u><b>7,155,308</b></u>	<u><b>9,353,699</b></u>	Wages	5,062	36,463
			Retirement plans	378,411	404,519
<b>NET PROPERTY &amp; EQUIPMENT</b>	<u><b>289,595</b></u>	<u><b>336,218</b></u>	Other	354,391	178,186
				<u>737,864</u>	<u>619,168</u>
<b>OTHER ASSETS</b>			<b>TOTAL CURRENT LIABILITIES</b>	<u><b>756,821</b></u>	<u><b>690,283</b></u>
Investment in Trans Insight TopCo L.P.	8,500,000	8,500,000			
Other long-term investments	170,000	254,292	Long-term retirement liability	1,948,067	2,072,724
	<u>8,670,000</u>	<u>8,754,292</u>			
			<b>TOTAL LIABILITIES</b>	<u><b>2,704,888</b></u>	<u><b>2,763,007</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 16,114,903</b></u>	<u><b>\$ 18,444,209</b></u>	<b>STOCKHOLDERS' EQUITY</b>	<u><b>13,410,015</b></u>	<u><b>15,681,202</b></u>
			<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>\$ 16,114,903</b></u>	<u><b>\$ 18,444,209</b></u>

**CAROLINA MILLS, INC.**  
**CONSOLIDATED INCOME STATEMENT**

	Q-4 2022	Q-4 2021	Year-to date 2022	Year-to date 2021
<b>SALES</b>	\$ 200,183	\$ 785,132	\$ 2,261,904	\$ 2,942,279
<b>COST OF SALES</b>	149,494	677,652	1,805,240	2,521,447
<b>GROSS PROFIT</b>	\$ 50,689	\$ 107,480	\$ 456,664	\$ 420,832
<b>OVERHEAD:</b>				
Employee compensation & benefits	181,113	173,224	738,690	764,953
Long-term retirement benefits	41,557	37,075	166,208	137,714
Legal & professional	33,941	29,022	123,607	123,385
Commercial insurance	15,503	14,969	58,267	54,168
Depreciation	12,360	12,192	48,506	46,511
Other overhead expense	58,318	37,918	173,393	145,176
	<u>342,792</u>	<u>304,400</u>	<u>1,308,671</u>	<u>1,271,907</u>
<b>OTHER INCOME (EXPENSES)</b>				
Gain/(Loss) on securities portfolio	79,027	(70,107)	(1,200,651)	288,349
Gain/(Loss) on sale of assets	(9,519)	-	(9,519)	901,465
Other income	26,939	139,503	108,019	331,619
	<u>96,447</u>	<u>69,396</u>	<u>(1,102,151)</u>	<u>1,521,433</u>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>(195,656)</b>	<b>(127,524)</b>	<b>(1,954,158)</b>	<b>670,358</b>
INCOME TAX EXPENSE	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>\$ (195,656)</b>	<b>\$ (127,524)</b>	<b>\$ (1,954,158)</b>	<b>\$ 670,358</b>