



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

February 3, 2026

Dear Shareholder:

We have completed the fourth quarter ending December 31, 2025.

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

	Q-4 2025	Q-4 2024	YTD 2025	YTD 2024
Net Income/(Loss)	\$ (83,733)	\$ (43,605)	\$ 641,538	\$ (137,064)

The comments below are based on the results for the full year of 2025.

- During 2025, we were successful in closing the sale of the remaining office/warehouse property in Maiden, NC which generated a gain of \$956,023. In addition to the sale proceeds, this transaction will reduce operating and capital expense in the future.
- Our investment/equity portfolio generated a gain of \$225,229 during 2025 compared to a gain of \$518,850 for 2024.
- A combination of increased revenue and cost reductions helped the Textile Division post a profit of \$85,866 in 2025 versus a loss of \$45,218 during 2024.
- Other income in 2024 benefitted from one-time Employee Retention Credits (COVID-19) refunds in the net amount of \$71,000. There were no such credits during 2025.

Included with this letter are summary financial statements as of December 31, 2025.

Thank you for your continued support.

A handwritten signature in black ink that reads "Bryan E. Beal". The signature is written in a cursive, flowing style.

Bryan E. Beal  
President and CEO



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

<b>ASSETS</b>	<b>12/31/2025</b>	<b>12/31/2024</b>
<b>CURRENT ASSETS:</b>		
Cash & marketable securities	\$ 5,406,948	\$ 4,634,240
Accounts receivable	76,108	52,299
Inventories	807,416	1,058,050
Prepaid expenses	15,847	18,505
<b>TOTAL CURRENT ASSETS</b>	<b><u>6,306,319</u></b>	<b><u>5,763,094</u></b>
<b>NET PROPERTY &amp; EQUIPMENT</b>	<b><u>871</u></b>	<b><u>205,379</u></b>
<b>OTHER ASSETS</b>		
Investment in Trans Insight TopCo L.P.	8,500,000	8,500,000
Other long-term investments	120,000	120,000
	<u>8,620,000</u>	<u>8,620,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 14,927,190</u></b>	<b><u>\$ 14,588,473</u></b>

<b>LIABILITIES AND EQUITY</b>	<b>12/31/2025</b>	<b>12/31/2024</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	<u>7,872</u>	<u>46,223</u>
	<u>7,872</u>	<u>46,223</u>
Accrued expenses:		
Wages	71,526	-
Retirement plans	349,680	349,680
Other	11,726	11,726
	<u>432,932</u>	<u>361,406</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>440,804</u></b>	<b><u>407,629</u></b>
Long-term retirement liability	1,524,036	1,655,183
<b>TOTAL LIABILITIES</b>	<b><u>1,964,840</u></b>	<b><u>2,062,812</u></b>
<b>STOCKHOLDERS' EQUITY</b>	<b><u>12,962,350</u></b>	<b><u>12,525,661</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$ 14,927,190</u></b>	<b><u>\$ 14,588,473</u></b>

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

	Q-4 2025		Q-4 2024		Year-to date 2025		Year-to date 2024	
<b>SALES</b>	\$	207,164	\$	230,891	\$	1,304,091	\$	1,211,987
<b>COST OF SALES</b>		150,540		155,402		960,174		925,672
						-		-
<b>GROSS PROFIT</b>	\$	56,624	\$	75,489	\$	343,917	\$	286,315
<b>OVERHEAD:</b>								
Employee compensation & benefits		90,963		145,246		489,264		581,924
Long-term retirement benefits		47,636		46,927		190,887		187,675
Legal & professional		21,730		23,336		84,030		95,234
Commercial insurance		8,734		14,125		41,665		51,498
Depreciation		423		8,700		13,565		38,579
Other overhead expense		43,223		38,254		158,584		165,024
		212,709		276,588		977,995		1,119,934
<b>OTHER INCOME (EXPENSES)</b>								
Gain/(Loss) on securities portfolio		58,438		90,008		225,229		518,850
Gain on sale of assets		-		(2,501)		956,023		(2,501)
Other income		13,914		69,987		94,364		180,206
		72,352		157,494		1,275,616		696,555
<b>INCOME (LOSS) BEFORE TAXES</b>		(83,733)		(43,605)		641,538		(137,064)
<b>INCOME TAX EXPENSE</b>		-		-		-		-
<b>NET INCOME (LOSS)</b>	\$	(83,733)	\$	(43,605)	\$	641,538	\$	(137,064)