

PALMETTO REAL ESTATE TRUST

To: Shareholders of Palmetto
Real Estate Trust

Dear Shareholders:

We are pleased to announce that your Trustees have declared a **.13 cents** per share cash dividend for the first quarter of 2023.

Due to Accountants 2022 adjustments, we will pay out **.153844**

Current Trustees

S. Hunter Howard, Chairman
C. Laney Younts, Treasurer
Rudy Ables, Secretary
James Boling, Jr. Compensation Chair
Billy Huskey, Trustee
Nancy Hobor, Trustee

Auditors

Forvis (Formerly Dixon Hughes Goodman)

BALANCE SHEET MARCH 2023 AND 2022		
ASSETS		
DEFERRED RENTAL PROPERTY	2023	2022
Land	\$3,099,615.06	\$3,099,615.06
Depreciable property	\$18,488,154.81	\$18,420,646.06
Personal Property	\$113,414.93	\$113,414.93
Less accumulated depreciation	-\$11,905,995.23	-\$11,485,210.86
Net developed real property	\$9,795,189.57	\$10,148,465.19
Cash	\$758,849.25	\$612,506.15
Restructure Account	\$0.00	\$1,875.57
Rents receivable	\$16,871.50	\$10,877.13
Deferred Rent	\$19,191.05	\$12,127.27
Schwab	\$192,591.06	\$193,851.06
Misc. Accounts Receivable	\$5,563.81	\$8,664.88
Prepaid Rent	-\$39,216.33	-\$26,156.24
Intangible asset	\$112,500.00	\$112,500.00
Prepaid Loan Expense	\$26,766.25	\$30,009.31
Accumulated Amortization	-\$112,987.00	-\$110,538.00
Undeveloped timberlands	\$14,864.20	\$14,864.20
Total Asset	\$10,790,183.36	\$11,009,046.52
LIABILITIES & EQUITY		
Liabilities		
Accounts payable & accrued expense	\$79,998.00	\$78,820.88
Security Deposits	\$73,855.00	\$68,355.00
Demand note payable	\$4,387,374.66	\$4,705,421.02
Provision for ICT	\$8,741.43	-\$2,437.57
Total liabilities	\$4,549,969.09	\$4,850,159.33
Capital		
Shares of beneficial interest	\$1,770,006.00	\$1,770,006.00
5,000,000 Authorized		
1,770,006 issued and outstanding		
Dividends	\$0.00	\$0.00
Additional paid in capital	\$498,733.98	\$498,733.98
Retained Earnings	\$3,680,679.40	\$3,600,684.87
Net Income	\$290,794.89	\$289,462.34
Total Capital	\$6,240,214.27	\$6,158,887.19
Total liabilities & shareholders equi	\$10,790,183.36	\$11,009,046.52

Unaudited for management purposes only

STATEMENT OF INCOME AND UNDISTRIBUTED EARNINGS For the Three Months ending March 2023 and 2022		
OPERATING REVENUES		
Rental Income	2023	2022
	\$674,359.72	\$657,747.39
Miscellaneous income	\$0.00	\$0.00
Total operating revenue	\$674,359.72	\$657,747.39
Operating expenses		
Amortization	\$2,051.07	\$3,780.33
Amortization Expense	\$487.00	\$1,461.00
Depreciation	\$104,210.96	\$106,058.01
Insurance	\$24,653.40	\$22,654.20
Interest Expense	\$42,938.71	\$47,030.50
Repairs & Maintenance	\$41,558.35	\$40,177.89
Taxes-property & other	\$79,218.00	\$79,817.88
Utilities-other	\$7,736.12	\$8,636.73
Administrative Expenses	\$63,694.10	\$56,490.73
Bad Debts	\$21,185.00	\$2,720.00
Total Operating Expenses	\$387,732.71	\$368,827.27
Net Operating Income	\$286,627.01	\$288,920.12
Other Income		
Dividend income	\$1,717.49	\$520.00
Interest Income	\$2,450.39	\$22.22
Gain on Sale		
Gain of Property Exchange		
Closing Costs		
Total Other Income	\$4,167.88	\$542.22
Income before taxes	\$290,794.89	\$289,462.34
Provision for Income Taxes	\$0.00	\$0.00
Net Income	\$290,794.89	\$289,462.34

Managing Agent

TBD

manager@palmetto-trust.com
864-233-6007

Transfer Agent

Diane Nesmejanow