

TAX INFORMATION PER UNIT

First Quarter Report 2021

MONTHLY DISTRIBUTIONS PAID ON:

(\$/UNIT EXCEPT COST DEPLETION FACTORS)

	February 12, 2021	March 12, 2021	April 14, 2021	Total
Gross income.....	\$ 0.100116	\$ 0.114077	\$ 0.069194	\$ 0.283387
Less severance taxes.....	(0.021304)	(0.023075)	(0.013101)	(0.057480)
Interest income	0.000004	0.000004	0.000003	0.000011
Less administration expenses.....	(0.029548)	(0.004350)	(0.018795)	(0.052693)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution	<u>\$ 0.049268</u>	<u>\$ 0.086656</u>	<u>\$ 0.037301</u>	<u>\$ 0.173225</u>
Cost depletion factors:				
Texas - 90%.....	0.000740	0.002200	0.001618	0.004558
Oklahoma - 90%.....	0.012735	0.010485	0.007546	0.030766
New Mexico - 90%	0.012027	0.011801	0.005664	0.029492
Texas - 75%.....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 75%.....	0.000000	0.000000	0.000000	0.000000

Unit holders owning units in nominee name may obtain monthly tax information from the Trustee upon request or from the Trust's web site at www.cft-crosstimbers.com.

Cross Timbers Royalty Trust 2911 Turtle Creek Blvd, Ste 850, Dallas, TX 75219
855.588.7839 ■ Simmons Bank, Trustee ■ www.cft-crosstimbers.com



TO UNITHOLDERS:

For the quarter ended March 31, 2021, net profits income was \$1,355,441 compared to \$2,023,519 for first quarter 2020. This 33% decrease in net profits income is primarily the result of decreased oil production (\$0.6 million), decreased oil prices (\$0.5 million), increased taxes, transportation and other costs (\$0.3 million), partially offset by increased gas production (\$0.5 million) and increased gas prices (\$0.2 million).

After considering interest income of \$63 and administration expense of \$316,154, distributable income for the quarter ended March 31, 2021 was \$1,039,350, or \$0.173225 per unit of beneficial interest. Administration expense for the quarter increased \$97,276 from the prior year quarter, primarily related to the timing of receipt and payment of Trust expenses and terms of professional services. Changes in interest income are attributable to fluctuations in net profits income, expense reserve and interest rates. For first quarter 2020, distributable income was \$1,808,934, or \$0.301489 per unit. Distributions to unitholders for the quarter ended March 31, 2021 were:

Record Date	Payment Date	Distribution Per Unit
January 29, 2021	February 12, 2021	\$ 0.049268
February 26, 2021	March 12, 2021	0.086656
March 31, 2021	April 14, 2021	0.037301
		<u>\$ 0.173225</u>

This letter, and all communications to unitholders, includes information provided to the Trustee by XTO Energy Inc.

Cross Timbers Royalty Trust

By: Simmons Bank, Trustee



By: Nancy Willis

Vice President

CROSS TIMBERS ROYALTY TRUST FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS (UNAUDITED)

	March 31, 2021	December 31, 2020
ASSETS		
Cash and short-term investments	\$ 1,223,790	\$ 1,372,799
Interest to be received	16	23
Net profits interests in oil and gas properties – net	7,422,911	7,523,065
	<u>\$ 8,646,717</u>	<u>\$ 8,895,887</u>
LIABILITIES AND TRUST CORPUS		
Distribution payable to unitholders	\$ 223,806	\$ 372,822
Expense reserve ^(a)	1,000,000	1,000,000
Trust corpus (6,000,000 units of beneficial interest authorized and outstanding)	7,422,911	7,523,065
	<u>\$ 8,646,717</u>	<u>\$ 8,895,887</u>

^(a) Expense reserve allows the Trustee to pay its obligations should it be unable to pay them out of the net profits income. The reserve is currently funded at \$1,000,000.

CONDENSED STATEMENTS OF DISTRIBUTABLE INCOME (UNAUDITED)

	Three Months Ended March 31 2021	Three Months Ended March 31 2020
Net profits income	\$ 1,355,441	\$ 2,023,519
Interest income	63	4,293
Total income	1,355,504	2,027,812
Administration expense	316,154	218,878
Distributable income	\$ 1,039,350	\$ 1,808,934
Distributable income per unit (6,000,000 units)	<u>\$ 0.173225</u>	<u>\$ 0.301489</u>

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended March 31 2021	Three Months Ended March 31 2020
Trust corpus, beginning of period	\$ 7,523,065	\$ 8,161,795
Amortization of net profits interests	(100,154)	(303,163)
Distributable income	1,039,350	1,808,934
Distributions declared	(1,039,350)	(1,808,934)
Trust corpus, end of period	<u>\$ 7,422,911</u>	<u>\$ 7,858,632</u>

These Condensed Financial Statements should be read in conjunction with the Condensed Financial Statements and notes thereto included in the Trust's quarterly report on Form 10-Q for the quarter ended March 31, 2021.