

TAX INFORMATION PER UNIT

Third Quarter Report 2023

	MONTHLY DISTRIBUTIONS PAID ON: (\$/UNIT EXCEPT COST DEPLETION FACTORS)			
	August 14, 2023	September 15, 2023	October 16, 2023	Total
Gross income.....	\$ 0.225989	\$ 0.168238	\$ 0.118479	\$ 0.512706
Less severance taxes.....	(0.023802)	(0.024584)	(0.018291)	(0.066677)
Interest income.....	0.000945	0.000843	0.000978	0.002766
Less administration expenses.....	(0.009573)	(0.020255)	(0.010435)	(0.040263)
Reconciling items.....	0.000000	0.000000	0.000000	0.000000
Net cash distribution.....	\$ 0.193559	\$ 0.124242	\$ 0.090731	\$ 0.408532
Cost depletion factors:				
Texas - 90%.....	0.003532	0.019773	0.010360	0.033665
Oklahoma - 90%.....	0.012105	0.013291	0.003288	0.028684
New Mexico - 90%.....	0.004436	0.004880	0.005877	0.015193
Texas - 75%.....	0.000000	0.000000	0.000000	0.000000
Oklahoma - 75%.....	0.031390	0.001755	0.004614	0.037759

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.ctf-crossstimbers.com.

Cross Timbers Royalty Trust 3838 Oak Lawn Ave, Suite 1720, Dallas, TX 75219-4518
855.588.7839 ■ Argent Trust Company, Trustee ■ www.ctf-crossstimbers.com



TO UNITHOLDERS:

For the quarter ended September 30, 2023, net profits income was \$2,676,180 compared to \$3,817,493 for third quarter 2022. This 30 percent decrease in net profits income is primarily the result of lower oil and gas prices (\$2.2 million), partially offset by increased oil and gas production (\$0.7 million), net excess costs activity (\$0.2 million), decreased taxes, transportation and other costs (\$0.1 million), and decreased development costs (\$0.1 million).

After considering interest income of \$16,596 and administration expense of \$241,584, distributable income for the quarter ended September 30, 2023, was \$2,451,192, or \$0.408532 per unit of beneficial interest. Administration expense for the quarter increased \$155,556 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 third quarter 2022, distributable income was \$3,736,260, or \$0.622710 per unit.

Distributions to unitholders for the quarter ended September 30, 2023, were:

Record Date	Payment Date	Distribution Per Unit
July 31, 2023	August 14, 2023	\$ 0.193559
August 31, 2023	September 15, 2023	0.124242
September 29, 2023	October 16, 2023	0.090731
		<u>\$ 0.408532</u>

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

Cross Timbers Royalty Trust

By: Argent Trust Company, Trustee



By: Nancy Willis
Vice President

CROSS TIMBERS ROYALTY TRUST FINANCIAL STATEMENTS

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

	September 30, 2023	December 31, 2022
ASSETS		
Cash and short-term investments	\$ 1,538,517	\$ 1,898,638
Interest to be received	5,869	3,372
Net profits interests in oil and gas properties – net	2,732,623	2,961,955
	<u>\$ 4,277,009</u>	<u>\$ 4,863,965</u>
LIABILITIES AND TRUST CORPUS		
Distribution payable to unitholders	\$ 544,386	\$ 902,010
Expense reserve ^(a)	1,000,000	1,000,000
Trust corpus (6,000,000 units of beneficial interest authorized and outstanding)	2,732,623	2,961,955
	<u>\$ 4,277,009</u>	<u>\$ 4,863,965</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 September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net profits income	\$ 2,676,180	\$ 3,817,493	\$ 9,751,943	\$ 9,536,782
Interest income	16,596	4,795	47,943	5,737
Total income	2,692,776	3,822,288	9,799,886	9,542,519
Administration expense	241,584	86,028	668,882	562,331
Distributable income	\$ 2,451,192	\$ 3,736,260	\$ 9,131,004	\$ 8,980,188
Distributable income per unit (6,000,000 units)	<u>\$ 0.408532</u>	<u>\$ 0.622710</u>	<u>\$ 1.521834</u>	<u>\$ 1.496698</u>

CONDENSED STATEMENTS OF CHANGES IN TRUST CORPUS (UNAUDITED)

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Trust corpus, beginning of period	\$ 2,787,638	\$ 3,096,807	\$ 2,961,955	\$ 3,266,356
Amortization of net profits interests	(55,015)	(70,992)	(229,332)	(240,541)
Distributable income	2,451,192	3,736,260	9,131,004	8,980,188
Distributions declared	(2,451,192)	(3,736,260)	(9,131,004)	(8,980,188)
Trust corpus, end of period	<u>\$ 2,732,623</u>	<u>\$ 3,025,815</u>	<u>\$ 2,732,623</u>	<u>\$ 3,025,815</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 September 30, 2023.