UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

001-36312
(Commission file number)

POWER REIT
(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	**45-3116572** (I.R.S. Employer Identification No.)
301 Winding Road, Old Bethpage, NY (Address of principal executive offices)	**11804** (Zip Code)

(212) 750-0371
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	**PW**	**NYSE American, LLC**
7.75% Series A Cumulative Redeemable Perpetual Preferred Stock, Liquidation Preference $25 per Share	**PW.A**	**NYSE American, LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

3,389,661 common shares, $0.001 par value, outstanding at April 30, 2024.

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POWER REIT AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2024	December 31, 2023
ASSETS		
Land	$ 5,536,596	$ 5,604,097
Greenhouse cultivation and processing facilities, net of accumulated depreciation	12,297,866	12,901,450
Net investment in direct financing lease - railroad	9,150,000	9,150,000
Total real estate assets	26,984,462	27,655,547
Cash and cash equivalents	2,977,229	2,202,632
Restricted cash	1,444,559	1,902,252
Prepaid expenses and deposits	464,216	223,250
Intangible lease asset, net of accumulated amortization	2,447,549	2,504,421
Deferred rent receivable	540,565	438,994
Mortgage loan receivables	2,020,000	850,000
Assets held for sale	31,935,182	34,363,172
Other assets	64,566	69,972
TOTAL ASSETS	**$ 68,878,328**	**$ 70,210,240**
LIABILITIES AND EQUITY		
Accounts payable	$ 79,955	$ 58,773
Accrued expenses	1,434,768	770,472
Tenant security deposits	96,724	96,724
Prepaid rent	247,948	3,000
Other liabilities	217,075	57,675
Liabilities held for sale	2,231,531	2,727,051
Current portion of long-term debt, net of unamortized discount	15,044,484	15,043,632
Long-term debt, net of unamortized discount	20,616,322	20,682,869
TOTAL LIABILITIES	**39,968,807**	**39,440,196**
Series A 7.75% Cumulative Redeemable Perpetual Preferred Stock Par Value $ 25.00 (1,675,000 shares authorized; 336,944 issued and outstanding as of March 31, 2024 and December 31, 2023)	9,469,195	9,305,988
Equity:		
Common Shares, $0.001 par value (98,325,000 shares authorized; 3,389,661 shares issued and outstanding as of March 31, 2024 and December 31, 2023)	3,389	3,389
Additional paid-in capital	47,471,100	47,254,625
Accumulated deficit	(28,034,163)	(25,793,958)
Total Equity	19,440,326	21,464,056
TOTAL LIABILITIES AND EQUITY	**$ 68,878,328**	**$ 70,210,240**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POWER REIT AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2024	2023
REVENUE		
Lease income from direct financing lease – railroad	$ 228,750	$ 228,750
Rental income	260,639	694,692
Other income	45,223	81,290
TOTAL REVENUE	534,612	1,004,732
EXPENSES		
Amortization of intangible assets	56,872	56,872
General and administrative	453,653	427,284
Property expenses	384,895	525,712
Property taxes	57,668	72,232
Depreciation expense	488,197	604,708
Impairment expense	549,557	-
Interest expense	1,015,162	537,422
TOTAL EXPENSES	3,006,004	2,224,230
OTHER INCOME (EXPENSE)		
Gain on sale of properties	394,394	1,040,452
Loan modification expense	-	(160,000)
TOTAL OTHER INCOME	394,394	880,452
NET LOSS	(2,076,998)	(339,046)
Preferred Stock Dividends	(163,207)	(163,207)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (2,240,205)	$ (502,253)
Loss Per Common Share:		
Basic	$ (0.66)	$ (0.15)
Diluted	(0.66)	(0.15)
Weighted Average Number of Shares Outstanding:		
Basic	3,389,661	3,389,661
Diluted	3,389,661	3,389,661
Cash dividend per Series A Preferred Share	$ -	$ -
Accumulated dividend accrued per Series A Preferred Shares:	0.48	0.48

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POWER REIT AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Quarters Ended March 31, 2024 and 2023
(Unaudited)

	Common Shares: Shares	Common Shares: Amount	Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
Balance at December 31, 2023	3,389,661	$ 3,389	$ 47,254,625	$ (25,793,958)	$ 21,464,056
Net Loss	-	-	-	(2,076,998)	(2,076,998)
Accrued Dividends on Preferred Stock	-	-	-	(163,207)	(163,207)
Stock-Based Compensation	-	-	216,475	-	216,475
Balance at March 31, 2024	3,389,661	$ 3,389	$ 47,471,100	$ (28,034,163)	$ 19,440,326
Balance at December 31, 2022	3,389,661	$ 3,389	$ 46,369,311	$ (10,775,616)	$ 35,597,084
Net Loss	-	-	-	(339,046)	(339,046)
Accrued Dividends on Preferred Stock				(163,207)	(163,207)
Stock-Based Compensation	-		227,009	-	227,009
Balance at March 31, 2023	3,389,661	$ 3,389	$ 46,596,320	$ (11,277,869)	$ 35,321,840

The accompanying notes are an integral part of these unaudited consolidated financial statements.

POWER REIT AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2024	2023

Operating activities				
Net loss	$	(2,076,998)	$	(339,046)
Adjustments to reconcile net loss to net cash used in operating activities:				
Amortization of intangible lease asset		56,872		56,872
Amortization of debt costs		7,877		21,475
Loan modification expense		-		160,000
Stock-based compensation		216,475		227,009
Impairment expense		549,557		-
Depreciation		488,197		604,708
Gain on sale of properties		(394,394)		(1,040,452)
Changes in operating assets and liabilities				
Accounts receivable		-		61,946
Deferred rent receivable		(101,571)		(173,968)
Prepaid expenses and deposits		(304,813)		(39,980)
Other assets		-		(22,076)
Other liabilities		159,400		-
Accounts payable		16,246		(376,572)
Accrued expenses		766,041		20,405
Prepaid rent		214,948		(37,161)
Net cash used in operating activities		**(402,163)**		**(876,840)**
Investing activities				
Cash received for sale of properties		715,642		2,409,178
Cash received for mortgage loan receivables		80,000		-
Net cashed provided by investing activities		**795,642**		**2,409,178**
Principal payment on long-term debt		(76,575)		(73,545)
Net cash used in financing activities		**(76,575)**		**(73,545)**
Net increase in cash and cash equivalents and restricted cash		**316,904**		**1,458,793**
Cash and cash equivalents and restricted cash, beginning of period	**$**	**4,104,884**	**$**	**3,847,871**
Cash and cash equivalents and restricted cash, end of period	**$**	**4,421,788**	**$**	**5,306,664**
Supplemental disclosure of cash flow information:				
Interest paid	**$**	**350,594**	**$**	**487,906**
Reclass of deferred debt issuance costs to liability upon reduction of total loan commitment		**-**		**46,023**
Dividends accrued on preferred stock		**163,207**		**163,207**
Mortgage loan receivables entered into in connection with sale of properties		**1,250,000**		**-**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Notes to Unaudited Consolidated Financial Statements

1 – GENERAL INFORMATION

Power REIT (the "Registrant" or the "Trust", and together with its consolidated subsidiaries, "we", "us", or "Power REIT", unless the context requires otherwise) is a Maryland-domiciled, internally-managed real estate investment trust (a "REIT") that owns a portfolio of real estate assets related to transportation, energy infrastructure and Controlled Environment Agriculture ("CEA") in the United States.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, and with the rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Accordingly, these interim financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of the Trust, as defined below, these unaudited consolidated financial statements include all adjustments necessary to present fairly the information set forth herein. All such adjustments are of a normal recurring nature. Results for interim periods are not necessarily indicative of results to be expected for a full year.

These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements and notes included in our latest Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on March 29, 2024.

The Trust is structured as a holding company and owns its assets through twenty-four direct and indirect wholly-owned, special purpose subsidiaries that have been formed in order to hold real estate assets, obtain financing and generate lease revenue. As of March 31, 2024 the Trust's assets consisted of approximately 112 miles of railroad infrastructure and related real estate which is owned by its subsidiary Pittsburgh & West Virginia Railroad ("P&WV"), approximately 447 acres of fee simple land leased to a number of utility scale solar power generating projects with an aggregate generating capacity of approximately 82 Megawatts ("MW") and approximately 249 acres of land with approximately 2,112,000 square feet of existing or under construction CEA properties in the form of greenhouses.

During the three months ended March 31, 2024, the Trust accrued a quarterly dividend of approximately $ 163,000 ($0.484375 per share per quarter) on Power REIT's 7.75% Series A Cumulative Redeemable Perpetual Preferred Stock.

On January 8, 2024, two wholly owned subsidiaries of Power REIT, PW CO CanRE Sherman 6 LLC and PW CO CanRE MF LLC, sold two cannabis related greenhouse cultivation properties located in Ordway, Colorado to an affiliate of a tenant of one of the properties. The properties are described in prior filings as Sherman 6 (the tenant of which is affiliated with the tenant/purchaser) and Tamarack 14 which was vacant. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. The sale price was $1,325,000. As part of the transaction, a subsidiary of the Trust provided seller financing in the amount of $1,250,000 with an initial 10% interest rate that increases over time to 15% until maturity. The seller financing has a three-year maturity with a fixed amortization schedule of $75,000 for the first month, $40,000 for the second and third months, $45,000 for the fourth month and $15,000 per month thereafter until maturity. The note is secured by a first mortgage on the properties and certain corporate and personal guarantees.

On January 30, 2024, a wholly owned subsidiary of Power REIT, PW Salisbury Solar LLC, sold its interest in a ground lease related to utility scale solar farms located in Salisbury, Mass. for gross proceeds of $1.2 million. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. As part of the transaction, the existing municipal financing ("Municipal Debt") and the regional bank loan ("PWSS Term Loan") were paid off.

The Trust has elected to be treated for tax purposes as a REIT, which means that it is exempt from U.S. federal income tax if a sufficient portion of its annual income is distributed to its shareholders, and if certain other requirements are met. In order for the Trust to maintain its REIT qualification, at least 90% of its ordinary taxable annual income must be distributed to shareholders. As of December 31, 2022, the last tax return completed to date, the Trust has a net operating loss of $24.5 million, which may reduce or eliminate this requirement.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

The Trust considers all highly liquid investments with original maturity of three months or less to be cash equivalents. Power REIT places its cash and cash equivalents with high-credit quality financial institutions; however, amounts are not insured or guaranteed by the FDIC. Amounts included in restricted cash represents funds held by the Trust related to debt service payment reserve required by the lender for the loan secured by the greenhouse properties and the balance of the controlled cash account to pay for collateralized property related expenses. See Note 6 for further discussion of the debt service payment reserve requirement. The following table provides a reconciliation of the Trust's cash and cash equivalents and restricted cash that sums to the total of those amounts at the end of the periods presented on the Trust's accompanying Consolidated Statements of Cash Flow:

	March 31, 2024		December 31, 2023	
Cash and cash equivalents	$	2,977,229	$	2,202,632
Restricted cash		1,444,559		1,902,252
Cash and cash equivalents and restricted cash	$	4,421,788	$	4,104,884

Share Based Compensation Accounting Policy

The Trust records all equity-based incentive grants to Officers and non-employee members of the Trust's Board of Directors in general and administrative expenses in the Trust's Consolidated Statement of Operations based on their fair value determined on the date of grant. Stock-based compensation expense is recognized on a straight-line basis over the vesting term of the outstanding equity awards.

Basis of Presentation

These unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Principles of Consolidation

The accompanying consolidated financial statements include Power REIT and its wholly-owned subsidiaries. All intercompany balances have been eliminated in consolidation.

Loss per Common Share

Basic net loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per common share is computed similar to basic net loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The dilutive effect of the Trust's options is computed using the treasury stock method. As of March 31, 2024 and December 31, 2023, the total number of common stock equivalents was 197,500 and composed of stock options.

The following table sets forth the computation of basic and diluted loss per Share:

	Three Months Ended March 31,			
	2024		2023	
Numerator:				
Net loss	$	(2,076,998)	$	(339,046)
Preferred Stock Dividends		(163,207)		(163,207)
Numerator for basic and diluted EPS - loss available to common shareholders	$	(2,240,205)	$	(502,253)
Denominator:				
Denominator for basic and diluted EPS - Weighted average shares		3,389,661		3,389,661
Basic and diluted loss per common share	$	(0.66)	$	(0.15)

Real Estate Assets and Depreciation of Investment in Real Estate

The Trust expects that most of its transactions will be accounted for as asset acquisitions. In an asset acquisition, the Trust is required to capitalize closing costs and allocates the purchase price on a relative fair value basis. For the three months ended March 31, 2024 and 2023, there were no acquisitions. In making estimates of relative fair values for purposes of allocating purchase price, the Trust utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property, its own analysis of recently acquired and existing comparable properties in our portfolio and other market data. The Trust also considers information obtained about each property as a result of its pre-acquisition due diligence, marketing and leasing activities in estimating the relative fair value of the tangible acquired. The Trust allocates the purchase price of acquired real estate to various components as follows:

- Land – Based on actual purchase if acquired as raw land. When property is acquired with improvements, the land price is established based on market comparables and market research to establish a value with the balance allocated to improvements for the land.

- Improvements – When a property is acquired with improvements, the land price is established based on market comparables and market research to establish a value with the balance allocated to improvements for the land. The Trust also evaluates the improvements in terms of replacement cost and condition to confirm that the valuation assigned to improvements is reasonable. Depreciation is calculated on a straight-line method over the useful life of the improvements.

- Lease Intangibles – The Trust recognizes lease intangibles when there's an existing lease assumed with the property acquisitions. In determining the fair value of in-place leases (the avoided cost associated with existing in-place leases) management considers current market conditions and costs to execute similar leases in arriving at an estimate of the carrying costs during the expected lease-up period from vacant to existing occupancy. In estimating carrying costs, management includes reimbursable (based on market lease terms) real estate taxes, insurance, other operating expenses, as well as estimates of lost market rental revenue during the expected lease-up periods. The values assigned to in-place leases are amortized over the remaining term of the lease.

  The fair value of above-or-below market leases is estimated based on the present value (using an interest rate which reflected the risks associated with the leases acquired) of the difference between contractual amounts to be received pursuant to the leases and management's estimate of market lease rates measured over a period equal to the estimated remaining term of the lease. An above market lease is classified as an intangible asset and a below market lease is classified as an intangible liability. The capitalized above-market or below-market lease intangibles are amortized as a reduction of, or an addition to, rental income over the estimated remaining term of the respective leases.

  Intangible assets related to leasing costs consist of leasing commissions and legal fees. Leasing commissions are estimated by multiplying the remaining contract rent associated with each lease by a market leasing commission. Legal fees represent legal costs associated with writing, reviewing, and sometimes negotiating various lease terms. Leasing costs are amortized over the remaining useful life of the respective leases.

- Construction in Progress (CIP) - The Trust classifies greenhouses or buildings under development and/or expansion as construction-in-progress until construction has been completed and certificates of occupancy permits have been obtained upon which the asset is then classified as an Improvement. The value of CIP is based on actual costs incurred.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of 20 years for greenhouses and 39 years for auxiliary buildings, except for PW CA Canndescent, LLC which was determined the buildings have a useful life of 37 years. For each of the three months ended March 31, 2024 and 2023, approximately $488,000 and $605,000 depreciation expense was recorded, respectively.

Assets Held for Sale

Assets held for sale are measured at the lower of their carrying amount or estimated fair value less cost to sell. As of March 31, 2024 and December 31, 2023, the Trust has nine properties that are considered assets held for sale. See Note 7 for discussion of our assets held for sale.

Impairment of Long-Lived Assets

Real estate investments and related intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the property might not be recoverable, which is referred to as a "triggering event." A property to be held and used is considered impaired only if management's estimate of the aggregate future cash flows, less estimated capital expenditures, to be generated by the property, undiscounted and without interest charges, are less than the carrying value of the property. This estimate takes into consideration factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors.

If there is a triggering event in relation to a property to be held and used, the Trust will estimate the aggregate future cash flows, less estimated capital expenditures, to be generated by the property, undiscounted and without interest charges. In addition, this estimate may consider a probability weighted cash flow estimation approach when alternative courses of action to recover the carrying amount of a long-lived asset are under consideration or when a range of possible values is estimated.

The determination of undiscounted cash flows requires significant estimates by management, including the expected course of action at the balance sheet date that would lead to such cash flows. Subsequent changes in estimated undiscounted cash flows arising from changes in the anticipated action to be taken with respect to the property could impact the determination of whether an impairment exists and whether the effects could materially affect the Trust's net income. To the extent estimated undiscounted cash flows are less than the carrying value of the property, the loss will be measured as the excess of the carrying amount of the property over the estimated fair value of the property.

While the Trust believes its estimates of future cash flows are reasonable, different assumptions regarding a number of factors, including market rents, listing prices, economic conditions, and occupancies, could significantly affect these estimates. When impairment exists, the long-lived asset is adjusted to an estimate of fair value. In estimating fair value, the Trust uses the sales comparable, income or cost approach methodology where applicable within appraisal reports. The Trust will record an impairment charge if it believes that there is other than temporary decline in market value below the carrying value of the investment. During the three months ended March 31, 2024, an impairment charge was expensed in the amount of approximately $549,600 for assets considered held for sale. There are no impairment indicators for long-lived assets held for use. There was no impairment charge of long-lived assets during the three months ending March 31, 2023.

Any decline in the estimated fair values of our assets could result in impairment charges in the future. It is possible that such impairments, if required, could be material.

Revenue Recognition

The Railroad Lease ("P&WV Lease") is treated as a direct financing lease. As such, income to P&WV under the Railroad Lease is recognized when received.

Lease revenue from solar land and CEA properties are accounted for as operating leases. Any such leases with rent escalation provisions are recorded on a straight-line basis when the amount of escalation in lease payments is known at the time Power REIT enters into the lease agreement, or known at the time Power REIT assumes an existing lease agreement as part of an acquisition (e.g., an annual fixed percentage escalation) over the initial lease term, subject to a collectability assessment, with the difference between the contractual rent receipts and the straight-line amounts recorded as "deferred rent receivable" or "deferred rent liability". Collectability is assessed at quarter-end for each tenant receivable using various criteria including past collection issues, the current economic and business environment affecting the tenant and guarantees. If collectability of the contractual rent stream is not deemed probable, revenue will only be recognized upon receipt of cash from the tenant. During the three months ended March 31, 2024 and 2023, the Trust did not write off any straight-line rent receivable against rental income. These tenants' rent payments will be recorded as rental revenue on a cash basis. Expenses for which tenants are contractually obligated to pay, such as maintenance, property taxes and insurance expenses are not reflected in the Trust's consolidated financial statements unless paid by the Trust.

Lease revenue from land that is subject to an operating lease without rent escalation provisions is recorded on a straight-line basis.

Intangibles

A portion of the acquisition price of the assets acquired by PW Regulus Solar, LLC ("PWRS") have been allocated on The Trust's consolidated balance sheets between Land and Intangibles' fair values at the date of acquisition. The total amount of in-place lease intangible assets established was approximately $4,714,000, which is amortized over a 20.7-year period. For each of the three months ended March 31, 2024 and 2023, approximately $56,900 of the intangibles was amortized.

Intangible assets are evaluated whenever events or circumstances indicate the carrying value of these assets may not be recoverable. There were no impairment charges recorded for the three months ended March 31, 2024 and 2023.

The following table provides a summary of the Intangible Assets and Liabilities:

	For the Three Months Ended March 31, 2024			
	Cost	Accumulated Amortization Through 12/31/23	Accumulated Amortization 2024	Net Book Value
Asset Intangibles - PWRS	$ 4,713,548	$ 2,209,127	$ 56,872	$ 2,447,549

The following table provides a summary of the current estimate of future amortization of Intangible Assets for the subsequent years ending December 31:

2024 (Nine months remaining)	$ 170,616
2025	$ 227,488
2026	$ 227,488
2027	$ 227,488
2028	$ 227,488
Thereafter	1,366,981
Total	$ 2,447,549

Net Investment in Direct Financing Lease – Railroad

P&WV's net investment in its leased railroad property, recognizing the lessee's perpetual renewal options, was estimated to have a current value of $9,150,000, assuming an implicit interest rate of 10%.

Fair Value

Fair value represents the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Trust measures its financial assets and liabilities in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – valuations for assets and liabilities traded in active exchange markets, or interest in open-end mutual funds that allow a company to sell its ownership interest back at net asset value on a daily basis. Valuations are obtained from readily available pricing sources for market transactions involving identical assets, liabilities or funds.

- Level 2 – valuations for assets and liabilities traded in less active dealer, or broker markets, such as quoted prices for similar assets or liabilities or quoted prices in markets that are not active. Level 2 includes U.S. Treasury, U.S. government and agency debt securities, and certain corporate obligations. Valuations are usually obtained from third party pricing services for identical or comparable assets or liabilities.

- Level 3 – valuations for assets and liabilities that are derived from other valuation methodologies, such as option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining fair value, the Trust utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considering counterparty credit risk.

The carrying amounts of Power REIT's financial instruments, including cash and cash equivalents, prepaid expenses, and accounts payable approximate fair value because of their relatively short-term maturities. The carrying value of long-term debt approximates fair value since the related rates of interest approximate current market rates. There are no financial assets and liabilities carried at fair value on a recurring basis as of March 31, 2024 and December 31, 2023.

Other Income

Other income included in Total Revenue for the three months ended March 31, 2024 and 2023 is approximately $ 45,000 and approximately $81,000 respectively which consists of interest income and forgiveness of accounts payable.

Other Assets

Other assets as of March 31, 2024 and December 31, 2023 is approximately $ 65,000 and approximately $70,000 respectively, which represents a tractor purchased by PW MillPro NE on August 21, 2023 for use at the Nebraska greenhouse.

Other Liabilities

Other liabilities as of March 31, 2024 and December 31, 2023 is approximately $ 217,000 and approximately $58,000, respectively, which includes the finance loan agreement of approximately $58,000 for the tractor used at the Nebraska greenhouse for both years. The loan is payable annually over five years with a 1.9% interest rate and matures on August 21, 2028. The additional amount in 2024 reflects a finance agreement for a property insurance policy for properties in CO and MI.

Mortgage Loan Receivables

PW ME CanRE SD LLC ("PW SD") issued seller financing in connection with the sale of the two Maine properties in the form of an $ 850,000 note with an 8.5% interest rate that will accrue until maturity on October 30, 2025. The note is secured by a second mortgage on the property and certain corporate and personal guarantees. PW SD assessed the collectivity and deemed no allowance is needed as of March 31, 2024.

PW CO CanRE MF LLC ("PW MF") provided seller financing in conjunction with selling the Sherman 6 and Tamarack 14 properties in the amount of $1,250,000 with an initial 10% interest rate that increases over time to 15% until maturity. The seller financing has a three-year maturity with a fixed amortization schedule of $75,000 for the first month, $40,000 for the second and third months, $45,000 for the fourth month and $15,000 per month thereafter until maturity. The note is secured by a first mortgage on the properties and certain corporate and personal guarantees. PW MF assessed the collectivity and deemed no allowance is needed as of March 31, 2024.

3 – GOING CONCERN

The Trust's objectives when managing its capital are to seek to ensure that there are adequate capital resources to safeguard the Trust's ability to continue operating and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders. The Trust's management evaluates whether there are conditions or events, considered in aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the financial statements are issued.

The Trust's cash and cash equivalents and restricted cash totaled $ 4,421,788 as of March 31, 2024, an increase of $ 316,904 from December 31, 2023. During the three months ended March 31, 2024, the increase in cash was primarily due to the sale of properties.

The Trust's current loan liabilities totaled approximately $ 15 million as of March 31, 2024. The current loan liabilities include approximately $ 14.4 million of a bank loan secured by the majority of the greenhouse portfolio (the "Greenhouse Loan") and which is non-recourse to the Trust.

Of the total amount of cash, approximately $ 3.0 million is non-restricted cash available for general corporate purposes and $ 1.4 million is restricted cash related to the Greenhouse Loan.

For the three months ended March 31, 2024, the Trust determined that there was substantial doubt as to its ability to continue as a going concern as a result of current liabilities that far exceed current assets, net losses incurred, expected reduced revenue and increased property expenses related to the greenhouse portfolio.

In early 2024, the Trust sold three properties which is expected to help with liquidity. The net proceeds from the sale of the Salisbury, MA property was approximately $662,000 of unrestricted cash and the approximately $ 456,000 loan was retired at closing and is eliminated from current liabilities. The sale of two greenhouse properties in Colorado produced approximately $53,000 of restricted cash and should generate cash flow from the seller financing provided that should provide cash to help service the Greenhouse Loan.

The Greenhouse Loan is in default and the subject of litigation (see Note 6 – LONG-TERM DEBT). Power REIT continues to try to work with the lender to establish a path forward. However, the Greenhouse Loan is non-recourse to Power REIT which means that in the event it cannot resolve issues with the lender and they foreclose on the properties, Power REIT should be able to continue as a going concern albeit with a smaller portfolio of assets. In addition, it is possible that the Greenhouse Loan will lead to distressed sales including possibly through foreclosures, which would have a negative impact on our prospects. A forbearance agreement with the lender for the Greenhouse Loan was effective on May 10, 2024, which provides additional time to retire the loan. The expiration date of the forbearance agreement is September 30, 2024. There can be no assurance that our efforts to sell, re-lease or recapitalize the assets secured by the Greenhouse Loan will ultimately retire the loan per the requirements of the forbearance agreement.

As of the filing date, The Trust's current liabilities far exceed current assets. If the Trust's plan to focus on selling properties, entering into new leases, improving cash collections from existing tenants and raising capital in the form of debt or equity is effectively implemented, the Trust's plan could potentially provide enough liquidity. However, the Trust cannot predict, with certainty, the outcome of its actions to generate liquidity.

Power REIT's cash outlays at the parent company level consist principally of professional fees, consultant fees, NYSE American listing fees, legal, insurance, shareholder service company fees, auditing costs, and general and administrative expenses. The Trust's cash outlays related to our various property-owning subsidiaries consist principally of principal and interest expense on debts property maintenance, property taxes, insurance, legal as well as other property related expenses that are not covered by tenants. To the extent the Trust needs to raise additional capital to meet its obligations, there can be no assurance that financing on favorable terms will be available when needed. If Power REIT is unable to sell certain assets when anticipated at prices anticipated, we may not have sufficient cash to fund operations and commitments.

4 – ACQUISITION AND DISPOSITION

2024 Disposition

On January 8, 2024, two wholly owned subsidiaries of Power REIT, PW CO CanRE Sherman 6 LLC and PW CO CanRE MF LLC, sold two cannabis related greenhouse cultivation properties located in Ordway, Colorado to an affiliate of a tenant of one of the properties. The properties are described in prior filings as Sherman 6 (the tenant of which is affiliated with the tenant/purchaser) and Tamarack 14 which was vacant. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. The sale price was $1,325,000. As part of the transaction, a subsidiary of the Trust provided seller financing in the amount of $1,250,000 with an initial 10% interest rate that increases over time to 15% until maturity. The seller financing has a three-year maturity with a fixed amortization schedule of $75,000 for the first month, $40,000 for the second and third months, $45,000 for the fourth month and $15,000 per month thereafter until maturity. The note is secured by a first mortgage on the properties and certain corporate and personal guarantees. The gain on sale recognized was approximately $213,000.

Sherman 6 Property:

Land	150,000
Improvements	823,922
Total real estate investment	973,922
Less accumulated depreciation	(253,922)
Net book value of property upon sale	720,000

Tamarack 14 Property:

Land	67,500
Improvements	351,529
Total real estate investment	419,029
Less accumulated depreciation	(27,163)
Net book value of property upon sale	391,866

On January 30, 2024, a wholly owned subsidiary of Power REIT, PW Salisbury Solar LLC, sold its interest in a ground lease related to utility scale solar farms located in Salisbury, Mass. for gross proceeds of $1.2 million. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. As part of the transaction, the Municipal Debt and the PWSS Term Loan were paid off. The gain on sale recognized was approximately $181,000 and the net book value of land upon sale was approximately $ 1,006,000.

2023 Disposition

On January 6, 2023, a wholly owned subsidiary of Power REIT, sold its interest in five ground leases related to utility scale solar farms located in Tulare County, California for gross proceeds of $2,500,000. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. The properties were acquired by Power REIT in 2013 for $1,550,000 and recognized a gain on sale of approximately $ 1,040,000.

Land	1,312,529
Acquired lease intangible assets	237,471
Total real estate investments	1,550,000
Less acquired lease intangible amortization	(91,349)
Net book value of property upon sale	1,458,651

5 – DIRECT FINANCING LEASES AND OPERATING LEASES

Information as Lessor Under ASC Topic 842

To generate positive cash flow, as a lessor, the Trust leases its facilities to tenants in exchange for payments. The Trust's leases for its railroad, solar farms and greenhouse cultivation facilities have lease terms ranging between 5 and 99 years. Payments from the Trust's leases are recognized on a straight-line basis over the terms of the respective leases or on a cash basis for tenants with collectability issues. During the three months ended March 31, 2024 and 2023, the Trust wrote off a net amount of $0 in straight-line rent receivable against rental income. Total revenue from its leases recognized for the three months ended March 31, 2024 and 2023 is approximately $489,000 and $923,000, respectively.

Due to significant price compression in the wholesale cannabis market, many of our cannabis related tenants are currently experiencing severe financial distress. Unfortunately, starting in 2022, collections from the CEA portfolio has diminished to a nominal amount. The Trust is exploring strategic alternatives with respect to the CEA portfolio and has listed some of the assets for sale and may list additional assets.

Historically, the Trust's revenue has been concentrated to a relatively limited number of investments, industries and lessees. During the three months ended March 31, 2024, Power REIT collected approximately 81% of its consolidated revenue from two properties. The tenants were Norfolk Southern Railway and Regulus Solar, LLC which represent 43% and 38% of consolidated revenue respectively. Comparatively, during the three months ended March 31, 2023, Power REIT collected approximately 92% of its consolidated revenue from three properties. The tenants were NorthEast Kind Assets, LLC ("Sweet Dirt"), Norfolk Southern Railway, and Regulus Solar, LLC which represent 46%, 25% and 21% of consolidated revenue respectively.

The following is a schedule by years of minimum future rentals on non-cancelable operating leases as of March 31, 2024 for assets and assets held for sale where revenue recognition is considered on a straight-line basis:

	Assets	Assets Held for Sale
2024 (Nine months left)	704,733	-
2025	811,802	-
2026	820,004	-
2027	828,155	-
2028	836,388	-
Thereafter	5,155,262	-
Total	$ 9,156,344	$ -

6 – LONG-TERM DEBT

On December 31, 2012, as part of the Salisbury land acquisition, PW Salisbury Solar, LLC ("PWSS") assumed existing municipal financing ("Municipal Debt"). The Municipal Debt has approximately 9 years remaining. The Municipal Debt has a simple interest rate of 5.0% that is paid annually, due on February 1 of each year. The balance of the Municipal Debt as of March 31, 2024 and December 31, 2023 is approximately $ 0 and $51,000 respectively. On January 30, 2024, the PWSS property was sold and the loan was paid off.

In July 2013, PWSS borrowed $750,000 from a regional bank (the "PWSS Term Loan"). The PWSS Term Loan carries a fixed interest rate of 5.0% for a term of 10 years and amortizes based on a 20-year principal amortization schedule. The loan is secured by PWSS' real estate assets and a parent guarantee from the Trust. The balance of the PWSS Term Loan as of March 31, 2024 and December 31, 2023 is approximately $0 and $456,000 (net of approximately $0 of capitalized debt costs), respectively. On January 30, 2024 the PWSS property was sold and the loan was paid off.

On November 6, 2015, PWRS entered into a loan agreement (the "2015 PWRS Loan Agreement") with a certain lender for $ 10,150,000 (the "2015 PWRS Loan"). The 2015 PWRS Loan is secured by land and intangibles owned by PWRS. PWRS issued a note to the benefit of the lender dated November 6, 2015 with a maturity date of October 14, 2034 and a 4.34% interest rate. As of March 31, 2024 and December 31, 2023, the balance of the 2015 PWRS Loan was approximately $6,944,000 (net of unamortized debt costs of approximately $230,000) and $6,957,000 (net of unamortized debt costs of approximately $235,000), respectively.

On November 25, 2019, Power REIT, through a newly formed subsidiary, PW PWV Holdings LLC ("PW PWV"), entered into a loan agreement (the "PW PWV Loan Agreement") with a certain lender for $15,500,000 (the "PW PWV Loan"). The PW PWV Loan is secured by pledge of PW PWV's equity interest in P&WV, its interest in the Railroad Lease and a security interest in a deposit account (the "Deposit Account") pursuant to a Deposit Account Control Agreement dated November 25, 2019 into which the P&WV rental proceeds is deposited. Pursuant to the Deposit Account Control Agreement, P&WV has instructed its bank to transfer all monies deposited in the Deposit Account to the escrow agent as a dividend/distribution payment pursuant to the terms of the PW PWV Loan Agreement. The PW PWV Loan is evidenced by a note issued by PW PWV to the benefit of the lender for $15,500,000, with a fixed interest rate of 4.62% and fully amortizes over the life of the financing which matures in 2054 (35 years). The balance of the loan as of March 31, 2024 and December 31, 2023 is $14,359,000 (net of approximately $273,000 of capitalized debt costs) and $14,412,000 (net of approximately $276,000 of capitalized debt costs).

On December 21, 2021, a wholly-owned subsidiary of Power REIT ("PW CanRE Holdings") entered into a debt facility with initial availability of $ 20 million (the "Greenhouse Loan"). The facility is non-recourse to Power REIT and has perfected liens against all of Power REIT CEA portfolio properties except for the property located in Vinita, OK. The Greenhouse Loan had a 12 month draw period and then converts to a term loan that is fully amortizing over five years. The interest rate on the Greenhouse Loan was 5.52% with a default interest rate of $5.0% and throughout the term of the loan, a debt service coverage ratio of equal to or greater than 2.00 to 1.00 must be maintained. On October 28, 2022, the terms of the Greenhouse Loan were amended such that the amortization period was extended from 5 years to 10 years for the calculation of debt service coverage ratio and a 6-month debt service payment reserve requirement of $1 million was established. On March 13, 2023 the Greenhouse Loan entered into an additional modification of which the terms are summarized as follows:

- The total commitment is reduced from $20 million to $16 million.
- The interest rate is changed to the greater of: (i) 1% above the Prime rate and (ii) 8.75%.
- Monthly payments on the Greenhouse Loan will be interest only until maturity.
- A portion of the proceeds from the sale of assets within the Borrowing Base for the Greenhouse Loan will be required to pay the outstanding loan amount.
- The maturity date of the Greenhouse Loan is changed to December 21, 2025.
- The Debt Service Coverage ratio will be 1.50 to 1.00 and the test will be performed on an annual basis and is eliminated until the calendar year 2024.
- The definition of assets included in the Borrowing Base for the Greenhouse Loan no longer eliminates assets where tenants are in default for failure to make timely rent payments.
- An agreed upon minimum liquidity amount shall be maintained in the amount of $1 million.
- A $160,000 fee will be charged by the bank for the modification.

Debt issuance expenses of $0 have been capitalized during the three months ended March 31, 2024 and 2023, respectively. Amortization of approximately $0 and $13,000 has been recognized for the three months ended March 31, 2024 and 2023, respectively and $ 0 and approximately $46,000 deferred debt issuance costs were re-classed as contra liability upon the loan commitment reduction for the three months ended March 31, 2024 and 2023. The balance of the loan as of March 31, 2024 and December 31, 2023 is approximately $14,358,000 (net of approximately $0 of debt costs). During the three months ended March 31, 2024 and 2023, the Trust also recognized $0 and $160,000, respectively of loan modification expense in connection with the March 13, 2023 modification.

As of March 31, 2024, PW CanRe Holdings, LLC has an outstanding balance on the Greenhouse Loan of $ 14,358,000. The lender has declared a default of the loan which allows for the acceleration of the Greenhouse Loan which is being treated as a current debt obligation. On March 13, 2024, East West Bank ("EWB") initiated a complaint in the Superior Court of California, County of Los Angeles (Case 24STCV06180) against PW CanRE Holdings, LLC, PW CanRE of Colorado Holdings LLC, PW ME CanRE SD LLC, PW CO CanRE Walsenburg LLC, PW Co CanRE JKL LLC, PW CO CanRE JAB LLC, PW CO CanRE Tam 19 LLC, PW CO CanRE Mav 14 LLC, PW CO CanRE Gas Station LLC, PW CO CanRE Grail LLC, PW CO CanRE Tam 7 LLC, PW CO CanRE Cloud Nine LLC, PW CO CanRE Apotheke LLC, PW CO CanRE Mav 5 LLC, PW CO CanRE MF LLC, PW MillPro NE LLC, PW CA CanRE Canndescent LLC and PW MI CanRE Marengo LLC. The litigation relates to a loan secured by various properties held by PW CanRE Holdings, LLC through its ownership of the various subsidiaries that are also named in the complaint. The complaint is seeking (i) Judicial Foreclosure (ii) Specific Performance (iii) Appointment of Receiver; (iv) Injunctive Relief; (v) Breach of Contract (Security Agreement); (vi) Breach of Contract (Guaranty); (vii) Money Due; and (viii) Account Stated. There can be no assurance that PW CanRe, LLC Holdings will be able to satisfy the requirements of the lender which could result in the foreclosure of collateral. Although the Greenhouse Loan is non-recourse to Power REIT, foreclosure of properties would result in a decrease in assets and potential income to Power REIT. On May 10, 2024, the Greenhouse Loan entered into an additional modification and forbearance agreement to allow more time for the repayment of the loan. There can be no assurance that our efforts to sell, re-lease or recapitalize the assets secured by the Greenhouse Loan will ultimately retire the loan per the requirements of the forbearance agreement.

The amount of principal payments remaining on Power REIT's long-term debt as of March 31, 2024 including the modified repayment schedule for the Greenhouse Loan is as follows:

2024 (Nine months remaining)	14,993,630
2025	749,218
2026	791,212
2027	835,036
2028	880,909
Thereafter	17,913,996
Long term debt	$ 36,164,001

7 – IMPAIRMENT AND ASSET HELD FOR SALE

For the three months ended March 31, 2024, the Trust concluded that an impairment of value of certain assets within its greenhouse portfolio was appropriate based on lower listing prices due to challenging market conditions for two assets held for sale. During the three months ended March 31, 2024, the Trust recorded approximately $549,600 of a non-cash impairment charge, all on assets held for sale. There was $ 0 non-cash impairment charge during the three months ended March 31, 2023. Any decline in the estimated fair values of our assets could result in impairment charges in the future. It is possible that such impairments, if required, could be material.

The Trust has aggregated and classified the assets and liabilities of properties to be sold as held for sale in our Consolidated Balance Sheets as of March 31, 2024 since all criteria under ASC 360-10-45-9 were met. The prior period comparative balance sheet as of December 31, 2023 is recast to achieve comparability. The balance sheet as of December 31, 2023 also included the Salisbury and Sherman 6 properties which were sold during the first quarter of 2024 and therefore removed from the March 31, 2024 column. The assets and liabilities of assets held for sale were as follows:

	March 31, 2024	December 31, 2023
ASSETS		
Land	1,660,193	2,815,730
Greenhouse cultivation and processing facilities, net of accumulated depreciation	30,209,685	31,532,816
Prepaid Expense	65,304	1,457
Deferred rent receivable	-	13,169
TOTAL ASSETS - Held for sale	31,935,182	34,363,172
LIABILITIES		
Accounts payable	787,733	792,669
Tenant security deposits	895,492	895,492
Prepaid rent	-	30,000
Accrued expenses	548,306	501,767
Current portion of long-term debt, net of unamortized discount	-	462,411
Long-term debt, net of unamortized discount	-	44,712
TOTAL LIABILITIES - Held for sale	2,231,531	2,727,051

8 – EQUITY AND LONG-TERM COMPENSATION

Summary of Stock Based Compensation Activity

Power REIT's 2020 Equity Incentive Plan, which superseded the 2012 Equity Incentive Plan, was adopted by the Board on May 27, 2020 and approved by shareholders on June 24, 2020. It provides for the grant of the following awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards. The Plan's purpose is to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Trust and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the common Stock through the granting of awards. As of March 31, 2024, the aggregate number of shares of Common Stock that may be issued pursuant to outstanding awards is currently 1,925,002 which is subject to adjustment per the Plan.

Summary of Stock Based Compensation Activity – Options

On July 15, 2022, the Trust granted non-qualified stock options ("options") to acquire 205,000 shares of common stock at a price of $ 13.44 to its independent trustees, officers and an employee. The term of each option is 10 years. The options vest over three years as follows: in a series of thirty-six (36) equal monthly installments measured from the Vesting Commencement Date on the same date of the month as the Vesting Commencement Date which is August 1, 2022.

The Trust accounts for share-based payments using the fair value method. The Trust recognizes all share-based payments in our financial statements based on their grant date fair values and market closing price, calculated using the Black-Scholes option valuation model.

The following assumptions were made to estimate fair value:

Expected Volatility	63%
Expected Dividend Yield	0%
Expected Term (in years)	5.8
Risk Free Rate	3.05%
Estimate of Forfeiture Rate	0%

The Trust uses historical data to estimate dividend yield and volatility and the "simplified method" as described in the SEC Staff Accounting Bulletin #110 to determine the expected term of the option grants. The risk-free interest rate for the expected term of the options is based on the U.S. treasury yield curve on the grant date. The Trust does not have historical data of forfeiture and used a 0% forfeiture rate in calculating unrecognized share-based compensation expense and will account for forfeitures as they occur. On January 31, 2023, 6,250 options were forfeited by an employee who is no longer employed by the Trust.

The summary of stock-based compensation activity for the three months ended March 31, 2024, with respect to the Trust's stock options, is as follows:

Summary of Activity - Options

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance as of December 31, 2023	**197,500**	**$ 13.44**	**-**
Options Forfeited	**-**		
Balance as of March 31, 2024	**197,500**	**13.44**	**-**
Options exercisable as of March 31, 2024	**109,722**	**$ 13.44**	**-**

The weighted average remaining term of the options is 8.29 years.

Summary of Stock Based Compensation Activity – Restricted Stock

The summary of stock-based compensation activity for the three months ended March 31, 2024, with respect to the Trust's restricted stock, was as follows:

Summary of Activity - Restricted Stock

	Number of Shares of Restricted Stock	Weighted Average Grant Date Fair Value
Balance as of December 31, 2023	13,415	18.50
Plan Awards	-	-
Restricted Stock Forfeited	-	-
Restricted Stock Vested	(3,375)	25.46
Balance as of March 31, 2024	**10,040**	16.17

Stock-based Compensation

During the three months ended March 31, 2024, the Trust recorded approximately $ 86,000 of non-cash expense related to restricted stock and approximately $131,000 of non-cash expense related to options granted compared to approximately $ 95,000 of non-cash expense related to restricted stock and approximately $132,000 of non-cash expense related to options granted for the three months ended March 31, 2023. As of March 31, 2024, there was approximately $162,000 of total unrecognized share-based compensation expense for restricted stock and approximately $ 690,000 of total unrecognized share-based expense for options, which expense will be recognized through the third quarter of 2025. The Trust does not currently have a policy regarding the repurchase of shares on the open market related to equity awards and does not currently intend to acquire shares on the open market.

Preferred Stock Dividends

During the three months ended March 31, 2024, the Trust accrued a total of approximately $ 163,000 of dividends to holders of Power REIT's Series A Preferred Stock.

9 – RELATED PARTY TRANSACTIONS

Power REIT has a relationship with Millennium Sustainable Ventures Corp., formerly Millennium Investment and Acquisition Company Inc. ("MILC'). David H. Lesser, Power REIT's Chairman and CEO, is also Chairman and CEO of MILC. MILC, through subsidiaries or affiliates, established cannabis and food crop cultivation projects and entered into leases related to the Trust's Oklahoma, Michigan and Nebraska properties and MILC is a lender to the tenant of one of the Trust's Colorado properties. As of March 31, 2024, these properties are currently not operational and the Trust is evaluating alternatives related thereto. Total rental income recognized for the three months ended March 31, 2024 and 2023 is $0 from the tenants that are affiliated with MILC in Colorado, Oklahoma, Michigan and Nebraska. Power REIT retained former employees of MILC to maintain and upkeep the property in Nebraska. The MILC employees were initially paid through a payroll service used by a subsidiary of MILC and a subsidiary of Power REIT reimbursed MILC for the actual expenses related hereto. For the three months ended March 31, 2023, total payments to MILC for payroll is $50,456. This arrangement ended in January 2024.

Effective March 1, 2022, the Sweet Dirt Lease was amended (the "Sweet Dirt Lease Second Amendment") to provide funding in the amount of $3,508,000 to add additional items to the property improvement budget for the construction of a Cogeneration / Absorption Chiller project to the Sweet Dirt Property. A portion of the property improvement budget, amounting to $2,205,000, was to be supplied by IntelliGen Power Systems LLC ("IntelliGen") which is owned by Hudson Bay Partners ("HBP"), an affiliate of David Lesser, Power REIT's Chairman and CEO. As of March 31, 2024 and December 31, 2023, $1,102,500 and $1,102,500 has been paid to IntelliGen Power Systems LLC for equipment supplied. On January 23, 2023, the Sweet Dirt lease was amended to reduce the amount of improvements to be funded by PW SD to eliminate the remaining funding to IntelliGen Power Systems with a corresponding reduction in lease payments to maintain the same overall yield.

Under the Trust's Declaration of Trust, the Trust may enter into transactions in which trustees, officers or employees have a financial interest, provided however, that in the case of a material financial interest, the transaction is disclosed to the Board of Trustees or the transaction shall be fair and reasonable. After consideration of the terms and conditions of the transaction with HBP, IntelliGen Power Systems and the lease transactions with subsidiaries and affiliates of MILC, the independent trustees approved such arrangements having determined such arrangement are fair and reasonable and in the interest of the Trust.

10 – CONTINGENCIES

The Trust's wholly-owned subsidiary, P&WV, is subject to various restrictions imposed by the Railroad Lease with NSC, including restrictions on share and debt issuance, including guarantees.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "believe," "expect," "will," "anticipate," "intend," "estimate," "project," "plan," "assume" or other similar expressions, or negatives of those expressions, although not all forward-looking statements contain these identifying words. All statements contained in this Report regarding our future strategy, future operations, projected financial position, estimated future revenues, projected costs, future prospects, the future of our industries and results that might be obtained by pursuing management's current or future plans and objectives are forward-looking statements.

You should not place undue reliance on any forward-looking statements because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond our control, including those identified below, under Part II, Item 1A. "Risk Factors" and elsewhere in this Report, and those identified under Part I, Item 1A of the Annual Report on Form 10-K for the year ended December 31, 2023 that we filed with the Securities and Exchange Commission on March 29, 2024 (the "2023 10-K"). Our forward-looking statements are based on the information currently available to us and speak only as of the date of the filing of this Report. New risks and uncertainties arise from time to time, and it is impossible for us to predict these matters or how they may affect us. Over time, our actual results, performance, financial condition or achievements may differ from the anticipated results, performance, financial condition or achievements that are expressed or implied by our forward-looking statements, and such differences may be significant and materially adverse to our security holders. Our forward-looking statements contained herein speak only as of the date hereof, and we make no commitment to update or publicly release any revisions to forward-looking statements in order to reflect new information or subsequent events, circumstances or changes in expectations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

We are a Maryland-domiciled, internally-managed real estate investment trust (a "REIT") that owns a portfolio of real estate assets related to transportation, energy infrastructure and Controlled Environment Agriculture ("CEA") in the United States.

We are structured as a holding company and owns our assets through twenty-four direct and indirect wholly-owned, special purpose subsidiaries that have been formed in order to hold real estate assets, obtain financing and generate lease revenue. As of March 31, 2024, the Trust's assets consisted of approximately 112 miles of railroad infrastructure and related real estate which is owned by its subsidiary Pittsburgh & West Virginia Railroad ("P&WV"), approximately 447 acres of fee simple land leased to a number of utility scale solar power generating projects with an aggregate generating capacity of approximately 82 Megawatts ("MW") and approximately 249 acres of land with approximately 2,112,000 square feet of existing or under construction CEA properties in the form of greenhouses.

During the three months ended March 31, 2024, the Trust accrued a quarterly dividend of approximately $163,000 ($0.484375 per share per quarter) on Power REIT's 7.75% Series A Cumulative Redeemable Perpetual Preferred Stock.

Our primary objective is to maximize the long-term value of the Trust for our shareholders. To that end, our business goals are to obtain the best possible rental income at our properties in order to maximize our cash flows, net operating income, funds from operations, funds available for distribution to shareholders and other operating measures and results, and ultimately to maximize the values of our properties.

To achieve this primary goal, we have developed a business strategy focused on increasing the values of our properties, and ultimately of the Trust, which includes:

- Raising capital by monetizing the embedded value in our portfolio to improve our liquidity position and, as appropriate reducing debt levels to strengthen our balance sheet;
- Selling off non-core properties and underperforming assets;
- Seeking to re-lease properties that are vacant or have non-performing tenants
- Raising the overall level of quality of our portfolio and of individual properties in our portfolio;
- Improving the operating results of our properties; and
- Taking steps to position the Company for future growth opportunities.

Recent Developments

On January 8, 2024, two wholly owned subsidiaries of Power REIT, PW CO CanRE Sherman 6 LLC and PW CO CanRE MF LLC, sold two cannabis related greenhouse cultivation properties located in Ordway, Colorado to an affiliate of a tenant of one of the properties. The properties are described in prior filings as Sherman 6 (the tenant of which is affiliated with the tenant/purchaser) and Tamarack 14 which was vacant. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. The sale price was $1,325,000. As part of the transaction, a subsidiary of the Trust provided seller financing in the amount of $1,250,000 with an initial 10% interest rate that increases over time to 15% until maturity. The seller financing has a three-year maturity with a fixed amortization schedule of $75,000 for the first month, $40,000 for the second and third months, $45,000 for the fourth month and $15,000 per month thereafter until maturity. The note is secured by a first mortgage on the properties and certain corporate and personal guarantees.

On January 30, 2024, a wholly owned subsidiary of Power REIT, PW Salisbury Solar LLC, sold its interest in a ground lease related to utility scale solar farms located in Salisbury, Mass. for gross proceeds of $1.2 million. The purchaser is an unaffiliated third party and the price was established based on an arm's length negotiation. As part of the transaction, the Municipal Debt and the PWSS Term Loan were paid off.

Our wholly owned subsidiary, PW MillPro NE LLC, ("PW MillPro"), owns a 1,121,513 square foot greenhouse cultivation facility (the "MillPro Facility") on an approximately 86-acre property and a separate approximately 4.88-acre property with a 21-room employee housing building (the "Housing Facility") located in O'Neill, Nebraska (collectively the "Property"). Unfortunately, the market for tomatoes compressed and the original tenant was unable to meet its financial obligations and vacated the property. In February of 2024, PW MillPro entered into a 20-year triple-net lease with an initial rent of $1 million per year after a 6-month deferred rent period along with a Letter of Intent to purchase the property for $9.2 million with a deadline of December 31, 2024. There can be no assurance that the tenant will perform on either the Lease or Purchase.

Improving Our Balance Sheet by Reducing Debt and Leverage; Maintaining Liquidity

Leverage

We continue to seek ways to reduce our debt and debt leverage by improving our operating performance and through a variety of other means available to us. These means might include leasing vacant properties, selling properties, raising capital or through other actions.

Capital Recycling

In the later part of 2022, we commenced property reviews to establish a plan for the portfolio and, where appropriate, have been disposing of and seeking to dispose of properties that we do not believe meet financial and strategic criteria given economic, market and other circumstances. Disposing of these properties can enable us to redeploy or recycle our capital to other uses, such as to repay debt, to reinvest in other real estate assets and development and redevelopment projects, and for other corporate purposes. Along these lines, in 2023 and 2024 we completed sales of assets for total gross proceeds of approximately $9.81 million which included $2.1 million of seller financing provided to the buyers. We also have several properties that we are marketing for sale and/or lease which have been classified as "Assets Held for Sale."

Improving Our Portfolio

We are currently seeking to refine our property holdings by selling properties and/or re-leasing them in an effort to improve the overall performance going forward.

Taking Steps to Position the Company for Future Growth Opportunities

We are taking steps designed to position the Trust to create shareholder value. In connection therewith, we have implemented processes designed to ensure strong internal discipline in the use, harvesting and recycling of our capital, and these processes will be applied in connection with seeking to reposition properties.

We may continue to seek to acquire, in an opportunistic, selective and disciplined manner, properties that have operating metrics that are better than or equal to our existing portfolio averages, and that we believe have strong potential for increased cash flows and appreciation in value. Taking advantage of any acquisition opportunities would likely involve some use of debt or equity capital. We will pursue transactions that we expect can meet the financial and strategic criteria we apply, given economic, market and other circumstances. In addition, we are exploring the potential to use our existing corporate structure for strategic transactions including potentially merging assets or companies with the Trust.

The following table is a summary of the Trust’s properties as of March 31, 2024:

Property Type/Name	Acres	Size[1]	Gross Book Value[3]
Railroad Property			
P&WV - Norfolk Southern		112 miles	**$ 9,150,000**
Solar Farm Land			
California			
PWRS	447	82	9,183,548
Solar Total	447	82	**$ 9,183,548**
Greenhouse - Cannabis			
Ordway, Colorado			
Maverick 1 [4,6,7]	5.20	16,416	1,594,582
Tamarack 18[4,6]	2.11	12,996	1,075,000
Maverick 14[4,6,7]	5.54	26,940	1,908,400
Tamarack 7[4,6]	4.32	18,000	1,364,585
Tamarack 7 (MIP)[5]			636,351
Tamarack 19[4,6]	2.11	18,528	1,311,116
Tamarack 8 - Apotheke [5,6]	4.31	21,548	2,061,542
Tamarack 13[4,6,7]	2.37	9,384	1,031,712
Tamarack 3[4,6]	2.20	24,512	2,080,414
Tamarack 27 and 28[4,6]	4.00	38,440	1,872,340
Sherman 21 and 22 [2,4,6,7]	10.00	24,880	1,782,136
Maverick 5 - Jacksons Farms [5,6]	5.20	15,000	1,358,634
Tamarack 4 and 5[4,6,7]	4.41	27,988	2,239,870
Walsenburg, Colorado [4,6,7]	35.00	102,800	4,219,170
Desert Hot Springs, California[5,6,7]	0.85	37,000	7,685,000
Vinita, Oklahoma[4,6,7]	9.35	40,000	2,593,313
Marengo Township, Michigan[4,7]	61.14	556,146	24,171,151
Greenhouse - Food Crop			
O’Neill, Nebraska	90.88	1,121,153	9,350,000
Greenhouse Total	**248.99**	**2,111,731**	**$ 68,335,316**
Total Portfolio (Real Estate Owned)			**$ 86,668,864**
Mortgage Loan[8]			**$ 850,000**
Mortgage Loan[9]			**1,170,000**
Impairment			**18,358,668**
Depreciation and Amortization			**7,008,307**
Net Book Value Net of Impairment, Depreciation and Amortization			**$ 63,321,889**

[1] Solar Farm Land size represents Megawatts and CEA property size represents greenhouse square feet
[2] Building structure construction incomplete
[3] Gross Book Value for our Greenhouse Portfolio represents purchase price (excluding capitalized acquisition costs) plus improvements costs
[4] Property is vacant
[5] Tenant is not current on rent/in default
[6] An impairment has been taken against this asset
[7] Asset held for sale
[8] Loan secured by a second mortgage (Maine) excluding accrued interest sold in 2023
[9] Loan secured by a first mortgage (Ordway properties) sold on January 8, 2024

Critical Accounting Estimates

The consolidated financial statements are prepared in conformity with U.S. GAAP, which requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses in the periods presented. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, due to inherent uncertainties in making estimates, actual results may differ from the original estimates, requiring adjustments to these balances in future periods. The critical accounting estimates that affect the consolidated financial statements and the judgments and assumptions used are consistent with those described under Part II, Item 7 of the 2023 10-K.

Results of Operations

Three Months Ended March 31, 2024 and 2023

Revenue during the three months ended March 31, 2024 and 2023 was $534,612 and $1,004,732, respectively. Revenue during the three months ended March 31, 2024, consisted of revenue from lease income from direct financing lease of $228,750, total rental income of $260,639, and other income of $45,223. The decrease in total revenue was primarily related to a $434,053 decrease in rental income from the cannabis tenants due to defaulted leases related to the challenges within the cannabis industry and a decrease in other income of $36,067. Expenses for the three months ended March 31, 2024 compared to 2023 increased by $781,774 primarily due to a non-cash impairment expense on two properties of $549,557 and an increase in interest expense of $477,740 due to the default interest accrual for the Greenhouse Loan. The difference is also due to a decrease in depreciation expense of $116,511 as many of the properties are considered held for sale, a decrease in property expense of $140,817, a decrease of $14,564 in property tax offset by an increase in general and administrative expenses of $26,369. Other income decreased by $486,058 due to a smaller gain of on the disposal of two properties in January, 2024. Net loss attributable to common shares during the three months ended March 31, 2024 and 2023 was 2,240,205 and $502,253, respectively. Net loss attributable to common shares increased by $1,737,952.

For the three months ended March 31, 2024 and 2023, we accrued a cash dividend to our holders of Series A Preferred Stock of $163,207 and $163,207, respectively.

Liquidity and Capital Resources

Our cash and cash equivalents and restricted cash totaled $4,421,788 as of March 31, 2024, an increase of $316,904 from December 31, 2023. During the three months ended March 31, 2024, the increase in cash was primarily due to the sale of properties.

Our current loan liabilities totaled approximately $15 million as of March 31, 2024. The current loan liabilities include approximately $14.4 million of a bank loan secured by the majority of the greenhouse portfolio (the “Greenhouse Loan”) and which is non-recourse to the Trust.

Of the total amount of cash, approximately $3.0 million is non-restricted cash available for general corporate purposes and $1.4 million is restricted cash related to the Greenhouse Loan.

For the three months ended March 31, 2024, the Trust determined that there was substantial doubt as to its ability to continue as a going concern as a result of current liabilities that far exceed current assets, net losses incurred, expected reduced revenue and increased property expenses related to the greenhouse portfolio.

In early 2024, the Trust sold three properties which should help with liquidity. The net proceeds from the sale of the Salisbury, MA property was approximately $662,000 of unrestricted cash and the approximately $456,000 loan was retired at closing and is eliminated from current liabilities. The other sale produced approximately $53,000 of restricted cash and should generate cash flow from the seller financing provided that should help with liquidity to service the Greenhouse Loan.

The Greenhouse Loan is in default and in March 2024, the lender filed a litigation seeking among other things, foreclosure and appointment of a receiver. Since the Greenhouse Loan is non-recourse to Power REIT which means that in the event it cannot resolve issues with the lender and they foreclose on the properties, Power REIT should be able to continue as a going concern albeit with a smaller portfolio of assets. However, if we cannot resolve matters with the lender, it may lead to distressed sales which would have a negative impact on our prospects. A forbearance agreement with the lender for the Greenhouse Loan was effective on May 10, 2024, which provides additional time to retire the loan. The expiration date of the forbearance agreement is September 30, 2024. There can be no assurance that our efforts to sell, re-lease or recapitalize the assets secured by the Greenhouse Loan will ultimately retire the loan per the requirements of the forbearance agreement.

As of the filing date, The Trust’s current liabilities far exceed current assets. If the Trust’s plan to focus on selling properties, entering into new leases, improving cash collections from existing tenants and raising capital in the form of debt or equity is effectively implemented, the Trust’s plan could potentially provide enough liquidity. However, the Trust cannot predict, with certainty, the outcome of its actions to generate liquidity.

Our cash outlays at Power REIT (parent company) consist principally of professional fees, consultant fees, NYSE American listing fees, legal, insurance, shareholder service company fees, auditing costs and general and administrative expenses. Our cash outlays related to our various property-owning subsidiaries consist principally of principal and interest expense on debts, property maintenance, property taxes, insurance, legal as well as other property related expenses that are not covered by tenants. To the extent we need to raise additional capital to meet our obligations, there can be no assurance that financing on favorable terms will be available when needed. If we are unable to sell certain assets when anticipated at prices anticipated, we may not have sufficient cash to fund operations and commitments.

FUNDS FROM OPERATIONS – NON-GAAP FINANCIAL MEASURES

We assess and measure our overall operating results based upon an industry performance measure referred to as Core Funds From Operations (“Core FFO”) which management believes is a useful indicator of our operating performance. Core FFO is a non-GAAP financial measure. Core FFO should not be construed as a substitute for net income (loss) (as determined in accordance with GAAP) for the purpose of analyzing our operating performance or financial position, as Core FFO is not defined by GAAP. The following is a definition of this measure, an explanation as to why we present it and, at the end of this section, a reconciliation of Core FFO to the most directly comparable GAAP financial measure. Management believes that alternative measures of performance, such as net income computed under GAAP, or Funds From Operations computed in accordance with the definition used by the National Association of Real Estate Investment Trusts (“NAREIT”), include certain financial items that are not indicative of the results provided by our asset portfolio and inappropriately affect the comparability of the Trust’s period-over-period performance. These items include non-recurring expenses, such as one-time upfront acquisition expenses that are not capitalized under ASC-805 and certain non-cash expenses, including stock-based compensation expense, amortization and certain up front financing costs. Therefore, management uses Core FFO and defines it as net income excluding such items. We believe that Core FFO is a useful supplemental measure for the investing community to employ, including when comparing us to other REITs that disclose similarly Core FFO figures, and when analyzing changes in our performance over time. Readers are cautioned that other REITs may use different adjustments to their GAAP financial measures than we use, and that as a result, our Core FFO may not be comparable to the FFO measures used by other REITs or to other non-GAAP or GAAP financial measures used by REITs or other companies.

A reconciliation of our Core FFO to net income for the three months ended March 31, 2024, and 2023 is included in the table below:

CORE FUNDS FROM OPERATIONS (FFO)
(Unaudited)

	Three Months ended March 31, 2024	Three Months ended March 31, 2023
Revenue	$ 534,612	$ 1,004,732
Net Loss	$ (2,076,998)	$ (339,046)
Stock-Based Compensation	216,475	227,009
Interest Expense - Amortization of Debt Costs	7,877	21,475
Amortization of Intangible Lease Asset	56,872	56,872
Depreciation on Land Improvements	488,197	604,708
Impairment Expense	549,557	-
Gain on sale of property	(394,394)	(1,040,452)
Core FFO Available to Preferred and Common Stock	(1,152,414)	(469,434)
Preferred Stock Dividends	(163,207)	(163,207)
Core FFO Available to Common Shares	**$ (1,315,621)**	**$ (632,641)**
Weighted Average Shares Outstanding (basic)	3,389,661	3,389,661
Core FFO per Common Share	**(0.39)**	**(0.19)**

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company as defined by Rule 12b-2 of the Exchange Act, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management is responsible for establishing and maintaining adequate disclosure controls and procedures (as defined Rules 13a-15(e) and 15d-15(e) under the Exchange Act) (to provide reasonable assurance regarding the reliability of our financial reporting and preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Because of the inherent limitations in all control systems, internal controls over financial reporting may not prevent or detect misstatements. The design and operation of a control system must also reflect that there are resource constraints and management is necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls.

Our management assessed the effectiveness of the design and operation of our disclosure controls and procedures. Based on our evaluation, we believe that our disclosure controls and procedures as of March 31, 2024 were effective.

Changes in Internal Control over Financial Reporting:

During the fiscal quarter ended March 31, 2024, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are, from time to time, the subject of claims and suits arising out of matters related to our business. In general, litigation claims can be expensive, and time consuming to bring or defend against and could result in settlements or damages that could significantly affect financial results. It is not possible to predict the final resolution of the current litigation to which we are party to, and the impact of certain of these matters on our business, results of operations, and financial condition could be material. Regardless of the outcome, litigation has adversely impacted our business because of defense costs, diversion of management resources and other factors.

On November 17, 2023, Anchor Hydro ("Anchor") initiated a complaint, as amended, in the Michigan Circuit Court for the County of Calhoun (Case No. 2023-3145-CB) against Power REIT, PW MI CanRE Marengo LLC for Breach of Contract, Unjust Enrichment and Account Stated in the amount of approximately $600,000. The litigation relates to purported work by Anchor at the property owned by PW MI CanRE Marengo LLC in Michigan.

On March 13, 2024, East West Bank ("EWB") initiated a complaint in the Superior Court of California, County of Los Angeles (Case 24STCV06180) against PW CanRE Holdings, LLC, PW CanRE of Colorado Holdings LLC, PW ME CanRE SD LLC, PW CO CanRE Walsenburg LLC, PW Co CanRE JKL LLC, PW CO CanRE JAB LLC, PW CO CanRE Tam 19 LLC, PW CO CanRE Mav 14 LLC, PW CO CanRE Gas Station LLC, PW CO CanRE Grail LLC, PW CO CanRE Tam 7 LLC, PW CO CanRE Cloud Nine LLC, PW CO CanRE Apotheke LLC, PW CO CanRE Mav 5 LLC, PW CO CanRE MF LLC, PW MillPro NE LLC, PW CA CanRE Canndescent LLC and PW MI CanRE Marengo LLC. The litigation relates to a loan secured by various properties held by PW CanRE Holdings, LLC through its ownership of the various subsidiaries that are also named in the complaint. The complaint is seeking (i) Judicial Foreclosure (ii) Specific Performance (iii) Appointment of Receiver; (iv) Injunctive Relief; (v) Breach of Contract (Security Agreement); (vi) Breach of Contract (Guaranty); (vii) Money Due; and (viii) Account Stated. A forbearance agreement with the lender for the Greenhouse Loan was effective on May 10, 2024, which provides additional time to retire the loan. The expiration date of the forbearance agreement is September 30, 2024. There can be no assurance that our efforts to sell, re-lease or recapitalize the assets secured by the Greenhouse Loan will ultimately retire the loan per the requirements of the forbearance agreement.

Item 1A. Risk Factors.

The Trust's results of operations and financial condition are subject to numerous risks and uncertainties as described in the 2023 10-K, which risk factors are incorporated herein by reference. The following information updates, and should be read in conjunction with, the information disclosed in Part I, Item 1A, "Risk Factors," contained in the 2023 10-K. You should carefully consider the risks set forth in the 2023 10-K and the following risks, together with all the other information in this Report, including our consolidated financial statements and notes thereto. If any of the risks actually materialize, our operating results, financial condition and liquidity could be materially adversely affected. Except as disclosed below, there have been no material changes from the risk factors disclosed in the 2023 10-K.

The investment portfolio is, and in the future may continue to be, concentrated in its exposure to a relatively few numbers of investments, industries and lessees.

Historically, the Trust's revenue has been concentrated to a relatively limited number of investments, industries and lessees. During the three months ended March 31, 2024, Power REIT collected approximately 81% of its consolidated revenue from two properties. The tenants are Norfolk Southern Railway and Regulus Solar LLC which represent 43% and 38% of consolidated revenue respectively.

We are exposed to risks inherent in this sort of investment concentration. Financial difficulty or poor business performance on the part of any single lessee or a default on any single lease will expose us to a greater risk of loss than would be the case if we were more diversified and holding numerous investments, and the underperformance or non-performance of any of its assets may severely adversely affect our financial condition and results from operations. Our lessees could seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of our lease agreements and could cause a reduction in our cash flows. Furthermore, we may continue to concentrate our investment activities in the CEA and cannabis sectors, which subjects us to more risks than if we were diversified across many sectors. At times, the performance of the infrastructure sector may lag the performance of other sectors or the broader market as a whole.

If our acquisitions or our overall business performance fail to meet expectations, the amount of cash available to us to pay dividends may decrease and we could default on our loans, which are secured by collateral in our properties and assets.

We may not be able to achieve operating results that will allow us to pay dividends at a specific level or to increase the amount of these dividends from time to time. Also, restrictions and provisions in any credit facilities we enter into or any debt securities we issue may limit our ability to pay dividends. We cannot assure you that you will receive dividends at a particular time, or at a particular level, or at all.

Unfortunately, our tenants related to the greenhouse portfolio have failed to perform on their lease obligations which has created a significant liquidity issue related to this portfolio of assets. Power REIT entered into a Greenhouse Loan with initial availability of $20 million that is non-recourse to Power REIT and has liens against the Power REIT greenhouse portfolio of properties. The balance of the loan as of March 31, 2024, is approximately $14,358,000 and is in default. In March 2024, the lender filed a litigation seeking among other things, foreclosure and appointment of a receiver. Unfortunately, this may lead to distressed sales which would have a negative impact on our prospects. If we should fail to generate sufficient revenue to pay our outstanding secured debt obligations, the lenders may foreclose on the security pledged decreasing our ability to generate revenue and our ability to pay dividends. In addition, Maryland law prohibits the payment of dividends if we are unable to pay our debts as they come due. A forbearance agreement with the lender for the Greenhouse Loan was effective on May 10, 2024, which provides additional time to retire the loan. The expiration date of the forbearance agreement is September 30, 2024. There can be no assurance that our efforts to sell, re-lease or recapitalize the assets secured by the Greenhouse Loan will ultimately retire the loan per the requirements of the forbearance agreement.

PW Regulus Solar, LLC ("PWRS"), one of our subsidiaries, entered into the 2015 PWRS Loan Agreement (as defined below) that is non-recourse to Power REIT and secured by all of PWRS' interest in the land and intangibles. As of March 31, 2024, the balance of the 2015 PWRS Loan was approximately $6,944,000 (net of unamortized debt costs of approximately $230,000).

Pittsburgh & West Virginia Railroad ("PWV"), one of our subsidiaries, entered into a Loan Agreement in the amount of $15,500,000 that is non-recourse to Power REIT and secured by our equity interest in our subsidiary PWV which is pledged as collateral. The balance of the loan as of March 31, 2024 is $14,359,000 (net of approximately $273,000 of capitalized debt costs).

We have substantial debt and preferred shares outstanding with substantial liquidation preference, which could adversely affect our overall financial health and our operating flexibility.

We may need to raise additional capital or sell additional properties to fund our operations in order to continue as a going concern.

As of March 31, 2024, we had an accumulated deficit of $28.0 million and a net loss attributable to common shareholders of $2.2 million. As of December 31, 2023, we had an accumulated deficit of $25.8 million and a net loss attributable to common shareholders of $15 million. As of March 31, 2024, the Trust had approximately $4.4 million of cash and approximately $15.0 million of current loan liabilities. The current loan liabilities include approximately $14.4 million of a bank loan secured by the majority of the greenhouse portfolio (the "Greenhouse Loan") and which is non-recourse to the Trust.

Of the total amount of cash, approximately $3.0 million is non-restricted cash available for general corporate purposes and $1.4 million is restricted cash related to the Greenhouse Loan.

For the three months ended March 31, 2024 and the year ended December 31, 2023, the Trust determined that there was substantial doubt as to its ability to continue as a going concern as a result of net losses incurred, expected reduced revenue and increased property maintenance expenses related to the greenhouse portfolio.

While the current liabilities far exceed the current assets, if the Trust's plan to focus on selling properties, entering into new leases, improving cash collections from existing tenants and the raising capital in the form of debt or equity is effectively implemented, the Trust's plan could potentially provide enough liquidity to fund its operations. However, the Trust cannot predict, with certainty, the outcome of its actions to generate liquidity, including its ability to sell properties, and the failure to do so could negatively impact its future operations.

In early 2024, the Trust sold three properties which should help with liquidity. The net proceeds from the sale of the Salisbury, MA property was approximately $662,000 of unrestricted cash and the approximately $456,000 loan was retired at closing and is eliminated from current liabilities. The other sale produced approximately $53,000 of restricted cash and will generate cash flow from seller financing provided that should help with liquidity to service the Greenhouse Loan.

The Greenhouse Loan is in default and we continue to work with the bank to establish a path forward. However, the Greenhouse Loan is non-recourse to Power REIT which means that in the event it cannot resolve issues with the bank and they foreclose on the properties, Power REIT should be able to continue as a going concern albeit with a significantly smaller portfolio of assets. In March 2024, the lender filed a litigation seeking among other things, foreclosure and appointment of a receiver (See Note 6 – LONG-TERM DEBT). A forbearance agreement with the lender for the Greenhouse Loan was entered into effective May 10, 2024, which provides additional time to retire the loan. There can be no assurance that our efforts to sell, re-lease or recapitalize the assets secured by the Greenhouse Loan will ultimately retire the loan per the requirements of the forbearance agreement.

The issuance of securities with claims that are senior to those of our common shares, including our Series A Preferred Stock, may limit or prevent us from paying dividends on its common shares. There is no limitation on our ability to issue securities senior to the Trust's common shares or incur indebtedness.

Our common shares are equity interests that rank junior to our indebtedness and other non-equity claims with respect to assets available to satisfy claims against us, and junior to our preferred securities that by their terms rank senior to our common shares in our capital structure, including our Series A Preferred Stock. As of March 31, 2024, we had outstanding debt in the principal amount of $36.2 million and $9.5 million (par value) of Series A Preferred Stock. This debt and these preferred securities rank senior to the Trust's common shares in our capital structure. We expect that in due course we may incur more debt, and issue additional preferred securities as we pursue our business strategy.

In the case of indebtedness, specified amounts of principal and interest are customarily payable on specified due dates. In the case of preferred securities, such as our Series A Preferred Stock, holders are provided with a senior claim to distributions, according to the specific terms of the securities. In contrast, however, in the case of common shares, dividends are payable only when, as and if declared by the Trust's board of trustees and depend on, among other things, the Trust's results of operations, financial condition, debt service requirements, obligations to pay distributions to holders of preferred securities, such as the Series A Preferred Stock, other cash needs and any other factors that the board of trustees may deem relevant or that they are required to consider as a matter of law. The incurrence by the Trust of additional debt, and the issuance by the Trust of additional preferred securities, may limit or eliminate the amounts available to the Trust to pay dividends on our Series A Preferred Stock and common shares.

From time to time, our management team may own interests in our lessees or other counterparties, and may thereby have interests that conflict or appear to conflict with the Trust's interests.

On occasion, our management may have financial interests that conflict, or appear to conflict with the Trust's interests. For example, four of Power REIT's properties were leased by tenants in which Millennium Sustainable Ventures Corp., formerly Millennium Investment & Acquisition Company (ticker: MILC) had controlling interests. David H. Lesser, Power REIT's Chairman and CEO, is also Chairman and CEO of MILC. MILC established cannabis cultivation projects in Colorado (through a loan), Oklahoma, and Michigan which are related to our May 21, 2021, June 11, 2021, and September 3, 2021 acquisitions and a food crop cultivation project in Nebraska related to our March 31, 2022 acquisition. Total rental income recognized for the three months ended March 31, 2024 from the affiliated tenants in Colorado, Oklahoma, Michigan and Nebraska was $0. The above leases are currently in default and the Trust is evaluating the best path forward related thereto. Also, a portion of the property improvement budget contained in a lease amendment with NorthEast Kind Assets, LLC for the property located in Maine, amounting to $2,205,000, was to be supplied by IntelliGen Power Systems LLC which is owned by HBP, an affiliate of David Lesser, Power REIT's Chairman and CEO. On January 23, 2023, the lease was amended to restructure the timing of rent payments and eliminate the funding of remaining capital improvements for the cogeneration project, which includes eliminating payments that were expected to be paid to IntelliGen, a related party. As of March 31, 2024, $1,102,500 had been paid to IntelliGen for equipment supplied.

Although our Declaration of Trust permits this type of business relationship and a majority of our disinterested trustees must approve, and in those instances did approve, Power REIT's involvement in such transactions, in any such circumstance, there may be conflicts of interest between Power REIT on one hand, and subsidiaries of MILC, IntelliGen, Mr. Lesser and his affiliates and interests on the other hand, and such conflicts may be unfavorable to us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) Unregistered Sales of Equity Securities

We did not sell any equity securities during the quarter ended March 31, 2024 in transactions that were not registered under the Securities Act other than as previously disclosed in our filings with the SEC.

(b) Use of Proceeds

Not applicable.

(c) Issuer Purchases of Equity Securities

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Exhibit Title

3.1	Declaration of Trust of Power REIT dated August 25, 2011, as amended and restated November 28, 2011 and as supplemented effective February 12, 2014, incorporated herein by reference to Exhibit 3.1 to the Annual Report on Form 10-K (File No. 000-54560) filed with the Securities and Exchange Commission as of April 1, 2014.
3.2	Bylaws of Power REIT dated October 20, 2011 incorporated herein by reference to Exhibit 3.2 to the Registration Statement on Form S-4 (File No. 333-177802) filed with the Securities and Exchange Commission as of November 8, 2011.
3.3	Articles Supplementary 7.75% Series A cumulative Redeemable Preferred Stock Liquidation Preference $25.00 Per Share, incorporated herein by reference to Exhibit 3.3 to the Registrant's Form 8-A (File Number 001-36312) filed with the Securities and Exchange Commission as of February 11, 2014.
Exhibit 31.1	Section 302 Certification for David H. Lesser
Exhibit 32.1	Section 906 Certification for David H. Lesser
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Filed herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report on Form 10-Q for the quarter ended March 31, 2024 to be signed on its behalf by the undersigned thereunto duly authorized.

POWER REIT

/s/ David H. Lesser

David H. Lesser
Chairman, CEO, CFO, Secretary and Treasurer

Date: May 10, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14 AND 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David H. Lesser, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q (this “Report”) of the registrant, Power REIT;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2024

/s/ David H. Lesser
David H. Lesser
Chairman of the Board, CEO, CFO, Secretary and Treasurer
(Principal Executive Officer and Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Power REIT (the “registrant”) on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David H. Lesser, Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Secretary and Treasurer, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

/s/ David H. Lesser
David H. Lesser
Chairman of the Board, CEO, CFO, Secretary and Treasurer
(Principal Executive Officer and Principal Financial Officer)

Date: May 10, 2024