Celebrating

85 Years of Power & Progress

2025
Annual Report

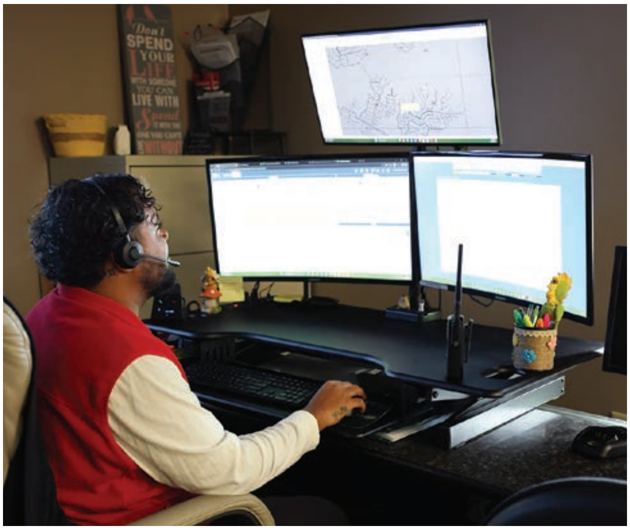
Central Electric
Membership Corporation

85

Built by Our Members

Central Electric was built by the communities we serve, and that commitment continues to guide everything we do today. As a not-for-profit, member-owned electric cooperative, our mission is simple: provide safe, reliable and affordable power while improving the quality of life in the communities we serve.

Throughout 2025, we focused on strengthening our electric system, supporting our members and investing in the future of our region. Despite ongoing challenges across the energy industry, we remained committed to delivering the value, service and reliability our members expect and deserve.



Investing in Reliability

Reliability is at the heart of our mission. Throughout 2025, Central Electric continued to make strategic investments in the electric system to ensure dependable service for current and future members.

Crews completed ongoing right-of-way maintenance, implemented system upgrades and responded to outages with a focus on safety and efficiency. The cooperative also broke ground on a new substation that will support future growth in Lee and Chatham counties, including the expansion of the City of Sanford's water treatment facility and upgrades at the Raleigh Executive Jetport. These investments strengthen the reliability of our system while supporting economic development opportunities across our service area.

Strengthening the Grid Through Technology

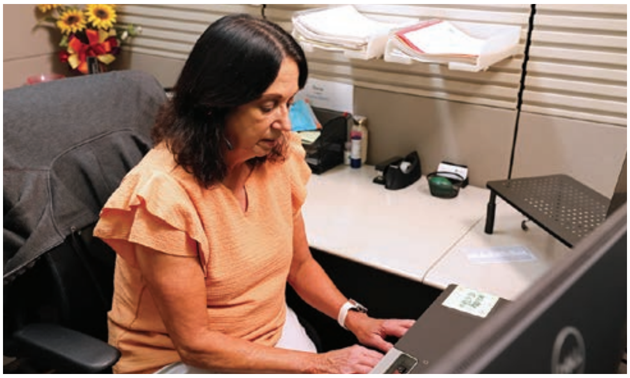
Technology plays an important role in maintaining a reliable electric system. In 2025, Central Electric completed fiber communication upgrades at all nine substations, improving the speed, security and efficiency of system operations.

The cooperative also implemented software-defined networking technology to enhance cybersecurity protections and create a more scalable communications network capable of supporting future growth and innovation.

A Commitment to Safety and Communication

Safety remains a core value at Central Electric. In 2025, the cooperative successfully passed its industry safety audit and continued to expand internal safety programs and hands-on training opportunities, including pole-top rescue exercises and other field safety initiatives.

Just as important as keeping our employees safe is keeping our members informed. During the year, Central Electric launched the Behind the Lines podcast, providing a new platform for members to hear directly from cooperative employees about topics affecting the reliability, affordability and future of electric service. The podcast is one of several ways the cooperative continues to strengthen communication and build trust with its member-owners.



Managing Costs and Maintaining Affordability

While reliability remains a priority, affordability is equally important to the cooperative's mission. In 2025, electric utilities across the nation continued to face significant financial pressures driven by rising wholesale power costs, increasing demand for electricity, higher material costs and an evolving energy landscape.

To address these challenges and maintain the long-term financial stability of the cooperative, Central Electric implemented both a rate adjustment and a Wholesale Power Cost Adjustment (WPCA). As a not-for-profit electric cooperative, Central Electric operates as close to cost as possible. Revenue collected from members is used to purchase power, maintain and improve the electric system and provide essential services.

The cooperative recognizes the impact that rising costs can have on household budgets and remains focused on managing expenses responsibly while providing tools and resources to help members better understand and manage their energy use.

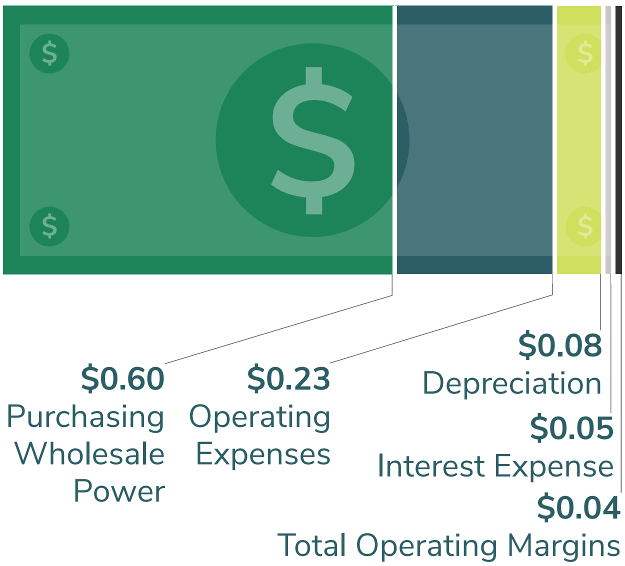
Central Electric also actively advocates for policies that support long-term electric reliability and affordability at both the state and federal levels.

In addition, the cooperative offers energy-efficiency resources, including home energy audits and online tools designed to help members reduce energy consumption and control costs.

Financial Transparency

As a member-owned cooperative, Central Electric is committed to transparency. In 2025, 60 cents of every revenue dollar was used to purchase wholesale power. Another 36 cents supported system operations, maintenance and long-term capital investments. The remaining 4 cents represented operating margins, which are allocated to members as capital credits and help support the financial strength of the cooperative.

How Your Dollar Was Spent



Sharing Success Through Capital Credits

One of the unique benefits of cooperative membership is the opportunity to share in the organization's financial success. When revenues exceed the cost of providing service, the margins are allocated to members and returned over time as capital credits.

In 2025, Central Electric continued its long-standing tradition of returning capital credits to members, marking the 17th consecutive year of retirements. Capital credits reflect each member's ownership in the cooperative and serve as a reminder that Central Electric exists to serve its member-owners, not outside investors.

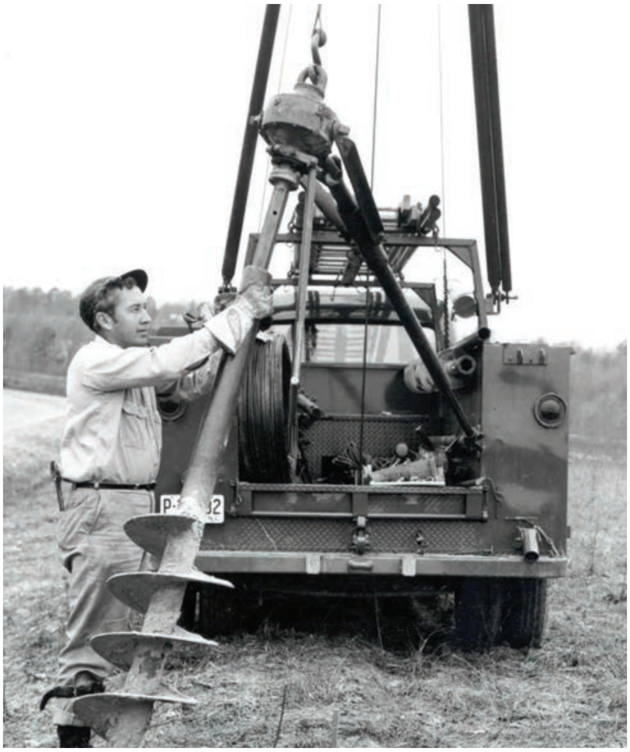
Investing in Our Communities

Providing safe, reliable and affordable electricity is our mission, but people remain our purpose.

Through Operation Round Up®, members voluntarily rounded up their monthly electric bills, helping return tens of thousands of dollars to local organizations supporting education, public safety and families in need.

The cooperative also invested in future generations through Bright Ideas education grants, college scholarships, leadership development programs and educational experiences such as the Youth Tour. These programs help prepare young people to become the leaders of tomorrow.

In addition, Central Electric employees continued to give back through volunteer projects and community service initiatives across the cooperative's service territory. Their efforts reflect the cooperative principle of concern for community and our commitment to making a positive difference beyond the delivery of electricity.



Looking Ahead

The energy industry continues to evolve as electricity demand grows and new challenges emerge. While the landscape may change, Central Electric's commitment remains the same.

We will continue working to provide safe, reliable and affordable power, support our members and invest in the communities we serve. As a member-owned cooperative, every decision we make is guided by the people who depend on us every day.

Together, we are building a stronger future and powering lives for generations to come.

Treasurer's Report

To assist your review of our financial condition, we have published a simplified Balance Sheet and Statement of Operations in this report for the 2025 and 2024 calendar years.

The accounting firm of Adams, Jenkins, and Cheatham completed its audit of the Cooperative in April 2026. Copies of the report will be available at the Annual Member Meeting, as well as the Central Electric business office. The report shows your Cooperative is financially sound.

On the Balance Sheet, you will note that total assets increased by almost $10.9 million during 2025, raising the value of assets to more than $147 million. Central Electric's membership fees, patronage capital and other equities total $68,278,800. This member-furnished capital represents 46.27 percent of Central Electric's assets. These funds are invested in Central Electric's utility plant (lines, transformers, poles, trucks, etc.).

The Statement of Operations shows operating revenue increased 11.71 percent from 2024. The total cost of supplying electric service increased 6.96 percent from 2024. Wholesale power, our largest expense item, represented 62.51 percent of all expenses.

As a Cooperative, our operating margins (difference between revenue and cost of service) are posted to each member's patronage capital account.

In 2025, there was an operating margin of 3.65 percent compared to a 0.63 percent operating loss in 2024.

The average number of consumers served increased from Jan. 1, 2025, to Dec. 31, 2025, by 1.54 percent as compared with a 1.90 percent increase in 2024. The 2025 monthly average residential kilowatt hours (kWh) sold was 1,329 kWh.

The Cost of Wholesale Power

2025	$41,131,356
2024	$38,429,815
2023	$34,897,229
2022	$35,276,502
2021	$33,192,104

Key Statistics

	2025	2024	2023	2022	2021
Miles of Line Energized	2,695	2,665	2,643	2,615	2,586
Number of Consumers Served	25,240	24,856	24,393	24,075	23,696
Average Consumer kWh/Month Used	1,329	1,284	1,264	1,305	1,335

Balance Sheet as of Dec. 31

	2025	2024
Assets		
Electric Plant at Original Cost	$169,588,208	$161,203,815
Construction Work in Progress	63,976	937,751
Less Depreciation	(62,512,699)	(58,507,880)
Investments/ Association Organizations	20,551,588	20,090,754
Cash	2,020,811	1,980,926
Temporary Investments	3,806,452	30,324
Notes Receivable	41,476	49,990
Accounts Receivable	8,104,260	5,780,378
Material & Supplies	1,776,036	1,812,110
Prepayments & Accrued Assets	248,571	38,929
Regulatory Assets	928,016	1,070,818
Deferred Debits	2,961,554	2,148,444
Total	**$147,578,249**	**$136,636,359**
Liabilities		
Long Term Debt	$62,408,519	$54,075,715
Consumer Deposits	1,267,248	1,256,917
Notes Payable	0	2,183,739
Accounts Payable	5,212,770	4,391,439
Accumulated Operating Provisions	3,008,969	3,321,129
Current Maturities Long Term Debt	3,600,144	3,323,077
Other Liabilities	3,801,799	2,913,127
Membership Fees	110,470	108,335
Patronage Capital & Other Equity	68,168,330	65,062,882
Total	**$147,578,249**	**$136,636,360**

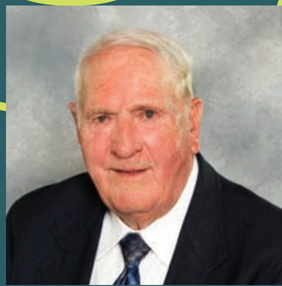
Statement of Operations as of Dec. 31

	2025	2024
Operating Revenue	**$68,292,070**	**$61,134,554**
Expenses		
Cost of Purchased Power	41,131,356	38,429,815
Transmission Expense	25,119	28,198
Distribution Expense – Operations	3,227,034	3,471,707
Distribution Expense – Maintenance	4,506,070	4,030,924
Consumer Accounts Expense	1,289,972	1,355,226
Consumer Service & Information Expense	434,467	400,381
Sales Expense	215,105	199,010
Administration & General Expense	6,397,760	5,658,216
Depreciation & Amortization Expense	5,406,202	5,217,523
Taxes	0	0
Interest on Long Term Debt	3,164,762	2,727,314
Total Cost of Electricity Service	**$65,797,847**	**$61,518,314**
Our Margins		
Operating Margins	**$2,494,223**	**($383,760)**
Non-Operating Margins	**1,864,830**	**2,225,960**
Total Margins	**$4,359,053**	**$1,842,200**

Your Board of Directors

Rebecca G. Cogan
President

Tommy Dalrymple
Vice President



James B. Brooks
Secretary-Treasurer

W. Phillip Thompson
Assistant Secretary

Charles E. Cameron, Sr.

Dr. Nancy Holmes

Henry Outz

Tim Priest

Henry Randolph

Bianka Stumpf

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