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Board Presentation

September 29, 2026

October Billing Internet Connections

NEC:	7,384	+ 47
AEC:	18,370	+ 104
MCEC:	22,238	+ 89
TOTAL:	47,992	+ 240

AUGUST DISCONNECTED AGREEMENTS							
	MCEC	MCEC CC	NEC	NEC CC	AEC	AEC CC	TOTAL:
CUTTING COSTS	2	0	1	0	3	0	6
DECEASED	5	0	3	0	1	0	9
NON PAYMENT	39	0	11	2	69	8	129
MOVING	65	4	17	2	50	9	147
NO LONGER NEEDED	7	0	4	1	5	1	18
UNHAPPY WITH SERVICE	1	0	0	0	0	0	1
OTHER	1	0	0	0	7	0	8
NEW PROVIDER	18	0	2	0	18	6	44
TOTAL:	138	4	38	5	153	24	362

September Non-pay Disconnects

NEC:	139
AEC:	503
MCEC:	360
TOTAL:	1,002

Active Voice October Billing

946 lines/ 883 customers

+ 22 lines

MCEC October Billing Overview

Total Internet Connections – 21,694 (+ 85)
- Residential – 21,268
- Business – 426 (+5)

Total Metro-E Connections – 13

Total Voice Connections – 261 (+2)
- Residential – 211
- Business - 50

MCEC CC Services October Billing Overview

Total Internet Connections – 544 (+ 4)
- Residential – 517
- Business – 27 (0)

Total Metro-E Connections – 0

Total Voice Connections – 14 lines (+0)
- Residential – 11
- Business - 3

NEC October Billing Overview

Total Internet Connections – 6,873 (+34)
- Residential – 6,640
- Business – 233 (0)

Total Metro-E Connections – 9

Total Voice Connections – 125 lines (+7)
- Residential – 84
- Business - 41

NEC CC Services October Billing Overview

Total Internet Connections – 511 (+13)
- Residential – 506
- Business – 5 (+0)

Total Metro-E Connections – 0

Total Voice Connections – 6 lines (+0)
- Residential – 3
- Business - 3

AEC October Billing Overview

Total Internet Connections – 15,859 (+89)
- Residential – 15,473
- Business – 386 (+8)

Total Metro-E Connections – 2

Total MDU Connections - 61

Total Voice Connections – 443 (+12)
- Residential – 362
- Business - 81

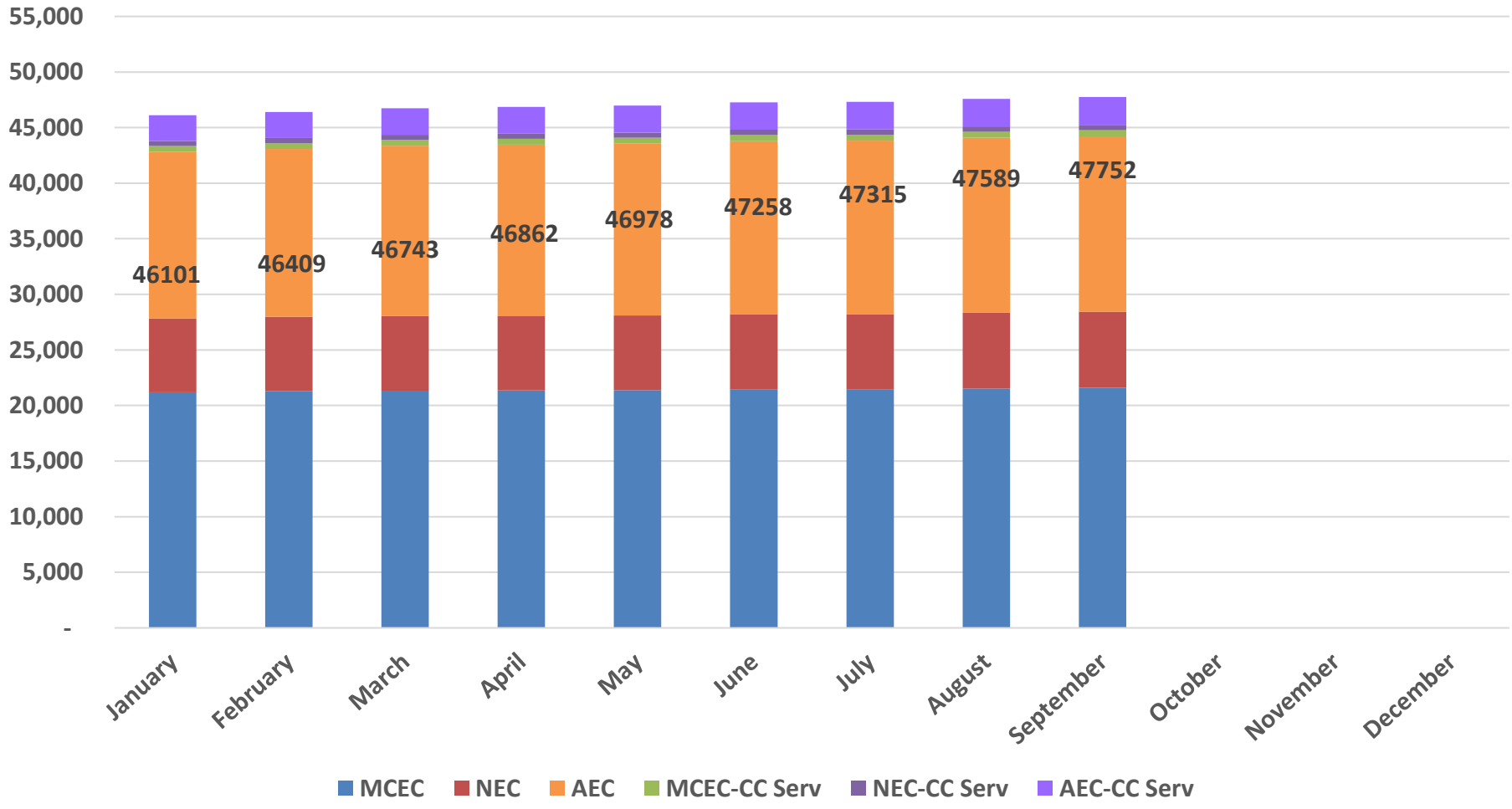
AEC CC Services October Billing Overview

Total Internet Connections – 2,511 (+15)
- Residential – 2,352
- Business – 159 (+0)

Total Metro-E Connections – 0

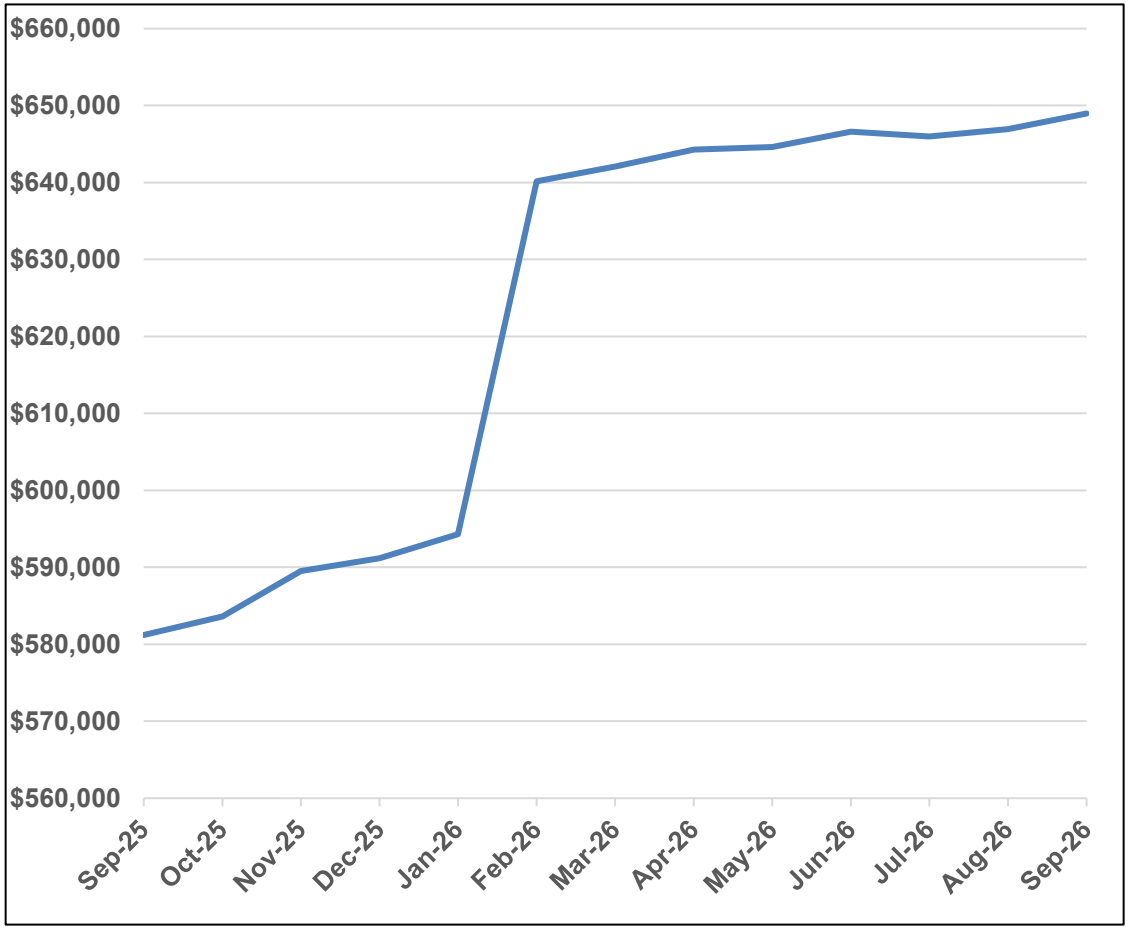
Total Voice Connections – 97 lines (+1)
- Residential – 52
- Business - 45

2026 Internet Customers Billed



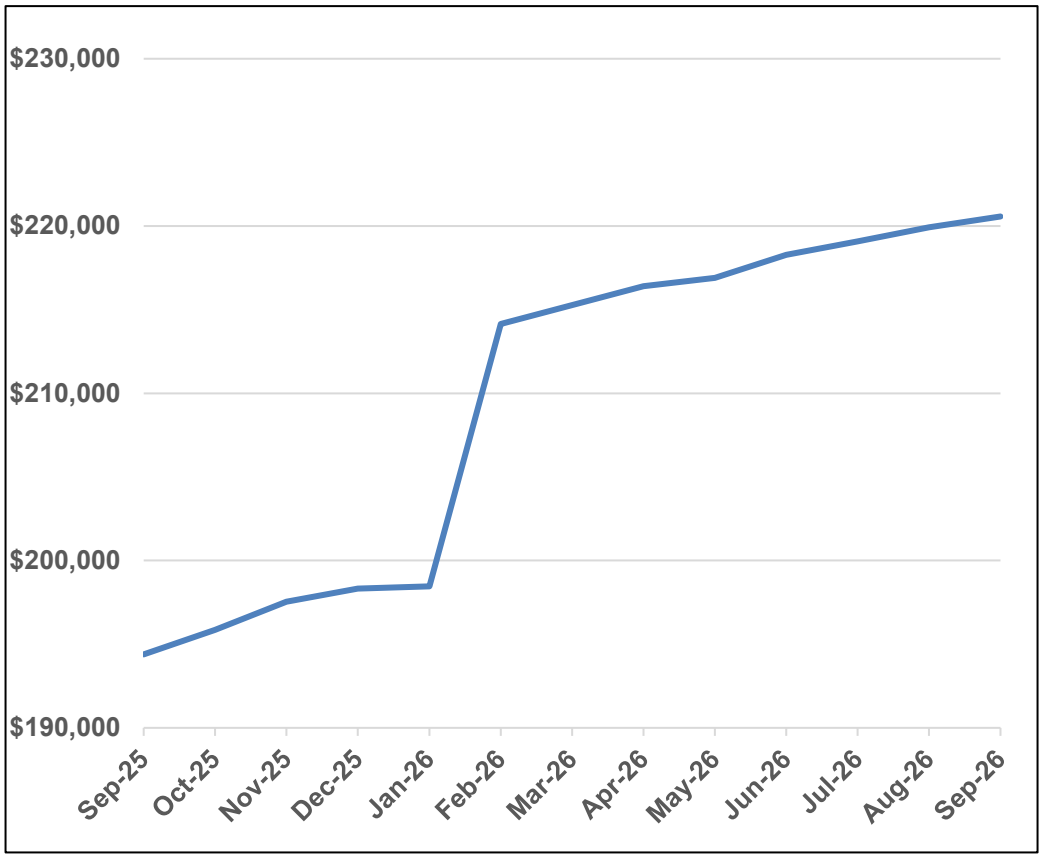
Revenue Share MCEC

Revenue Share:	**621,512**
Metro E:	**5,315**
CC Services:	**15,555**
Surcharge:	**4,954**
VOIP:	**1,631**
Total:	**648,967**
Last month:	**646,942**



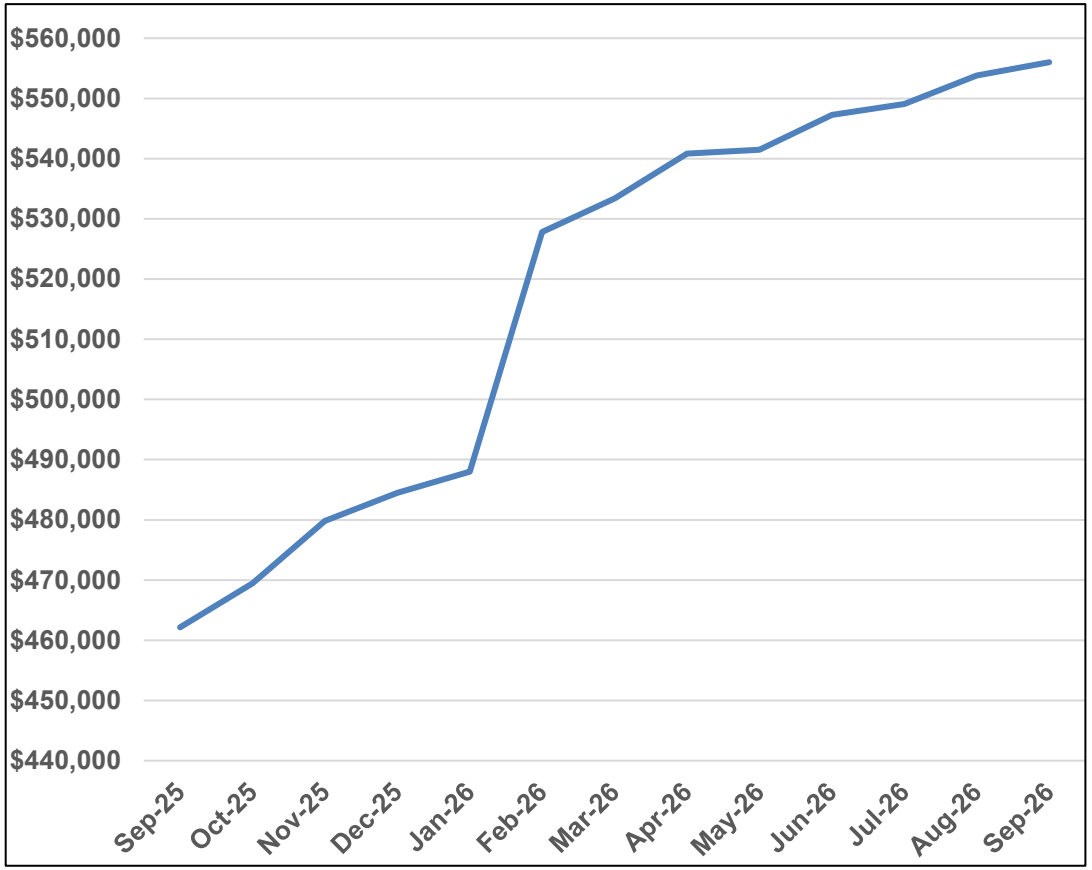
Revenue Share NEC

Revenue Share:	**197,241**
Metro E:	**3,450**
CC Services:	**14,177**
Surcharge:	**4,889**
VOIP:	**814**
Total:	**220,571**
Last month:	**219,929**



Revenue Share AEC

Revenue Share:	**453,908**
Metro E:	**1,691**
MDU :	**1067**
CC Services:	**71,448**
AEC Surcharge:	**24,638**
VOIP:	**3,256**
Total:	**556,008**
Last month:	**553,784**



Admin Update

- **Telispire September billing included 295 mobile accounts, 494 lines. There were 5 mobile disconnects this month. (+3 accounts, +5 lines)**
- **We currently have 817 2.5G customers. We also have 142 8G customers. (+74 2.5G, +6 8G)**
- **BDC bi-annual filing for June 30 was submitted to the FCC and ORS on August 27th.**

RDOF DEFAULT DETAILS

CarolinaConnect fully defaulted our RDOF obligation on Tuesday, September 8th. Notices were sent to the FCC as well as SC ORS.

Within six weeks of the notice date, CarolinaConnect will receive an invoice from USAC for the fees that we need to pay as a result of the default.

Support Received Payback - $51,133.68

Default Penalty Assessment - $49,713.33

Total Forthcoming Default Invoice - $100,847.01

NRTC MOBILE/TELISPIRE UPDATE

NRTC Mobile is exploring the possibility of becoming the billing agent for our CC Mobile offering. This means NRTC would assume responsibility for all billing, payment gateway processing, regulatory, shipping. This would essentially remove CarolinaConnect from all backend labor efforts.

NRTC is currently researching all requirements with their legal team and exploring migrating customer payment profiles within Authorize.Net from CarolinaConnect to Flex Cellular(the billing entity name NRTC would use).

Once we have feedback from NRTC, we will run the proposed solution by JSI, CarolinaConnect's regulatory advisory firm.

NRTC MOBILE/TELISPIRE UPDATE

This change in billing agents will require notices to be sent to active mobile customers.

The fee CarolinaConnect receives from NRTC would change but without the backend labor costs, whatever that adjusted fee might be, would be money we keep and potentially share with coops as an additional revenue share.

DirecTV/MDU Datacom Video Update

Current expectation is that we have the DirecTV service agreement and the Property Registration Form – the two required legal documents – by the end of the week of September 25th.

The legal review will begin as soon as the documents are received.

New Provider Disconnect Break Out
9/10/26-9/23/26

Spectrum - 11
AT&T – 4
T-Mobile – 2
Kinetic – 1
Comporium – 1
Breezeline - 1

Overall Churn Benchmark

CarolinaConnect 2026 churn to date:

- Annual churn: **5.53%**
- Monthly equivalent: approximately **0.46%**

Industry benchmarks commonly show fixed broadband monthly churn around **1.0% to 1.3% per month** across cable, fiber, fixed wireless, and satellite providers. S&P Global Market Intelligence reported an industry average of approximately **1.25% monthly churn** during 2025.

Comparison

Metric	CarolinaConnect	Industry
Monthly Churn	~0.46%	~1.25%
Annual Churn	5.53%	Often 10% to 15%+ equivalent

CarolinaConnect churn is running at roughly **one-third of the broad industry average**, which is an exceptionally strong retention result.

Voluntary (Competitive) Churn Benchmark

CarolinaConnect New-provider churn:

- **2025: 1.48%**
- **2026: 1.37%**

This is arguably the most important churn metric, because it measures customers who actively choose a competitor.

Typical Rural Fiber/Rural Broadband Benchmarks

While voluntary churn is not reported consistently across the industry, discussions with rural broadband operators, consulting firms, and industry benchmarking groups generally place providers into ranges like this:

Annual Voluntary Churn	Assessment
Under 1.0%	Best-in-Class
1.0% - 2.0%	Excellent
2.0% - 3.0%	Good
3.0% - 5.0%	Average
Above 5.0%	Concerning

Churn Overview

Metric	Rate	Benchmark Assessment
2025 CarolinaConnect Voluntary Churn	1.48%	Excellent
2026 CarolinaConnect Voluntary Churn	1.37%	Excellent

West Carolina Overall 2025 Churn – 8%

West Carolina Overall 2026 Churn to Date – 6%

Midwest Energy and Communications 2025 Disconnect Total – 700

Midwest Energy and Communications 2026 Disconnect Total to Date – 1,400

Marketing Board Report
9/29/26

Football Themed Acquisition and Upgrade Campaign



Don't let the wrong speed spoil your season.

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Get everything you need for gameday.

If it's fall, there's a game on. And that makes the right internet speed essential. That's why we offer a variety of plans (up to 8 Gbps) to ensure nothing gets dropped when streaming live events. Plus, our Outdoor Wi-Fi lets you keep the action going anywhere you watch. It's all delivered with no contracts and the best customer service record around. So, don't leave a single snap to chance.

Team up with the area's only local provider for internet made better.

SWITCH TODAY AT
www.CarolinaConnect.com
803.785.3455

FIRST MONTH FREE & NO INSTALLATION FEE

6x
Higher Customer Satisfaction
16 is the average Net Promoter Score among internet service providers. CarolinaConnect's score is 90.

★★★★★
9/10 CUSTOMERS RECOMMEND

CAROLINACONNECT
P.O. BOX 1667 LEXINGTON, SC 29071

MAIL CODE
MR RYON EDWARDS
OR CURRENT RESIDENT
750 MEETING STREET
LEXINGTON SC 29072-7240

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Don't let the wrong speed spoil your season.



If it's fall, there's a game on. And that makes the right internet speed essential. That's why we offer **2.5 and 8 Gbps plans** to ensure nothing gets dropped when streaming live events. Add Outdoor Wi-Fi, and you can keep the action going anywhere you watch. It's all delivered with no contracts and the best customer service record around. So, don't leave a single snap to chance.

Upgrade today and ensure internet made better.

The Tech Enthusiast	The Digital Architect
2.5 Gbps	8 Gbps
$99.95 per month, all in	$149.95 per month, all in

Easy Upgrade Options:

Log into SmartHub and select your new speed.

SMARTHUB

Call 803.785.3455

Email at upgrade@carolinaconnect.com

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New Digital Ads Released September



Score
OUTDOORS

Outdoor wi-fi means the best of both worlds this fall.

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Don't let bad internet spoil the season.

Upgrade today

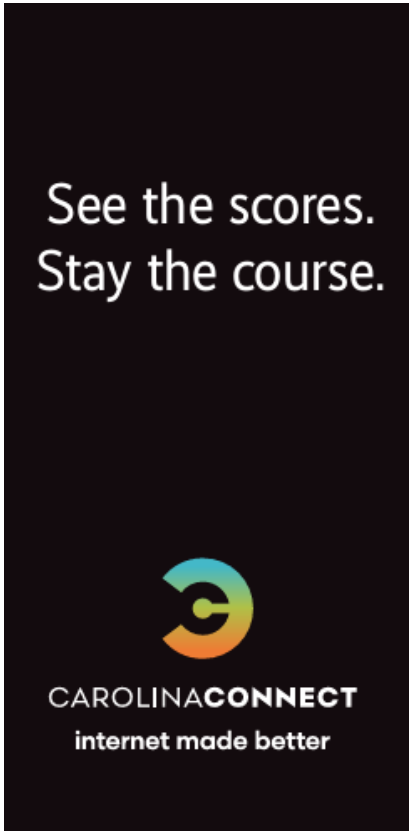
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Your
internet ranks
5 TIMES
better


Your
internet ranks
6 TIMES
better


See the scores.
Stay the course.
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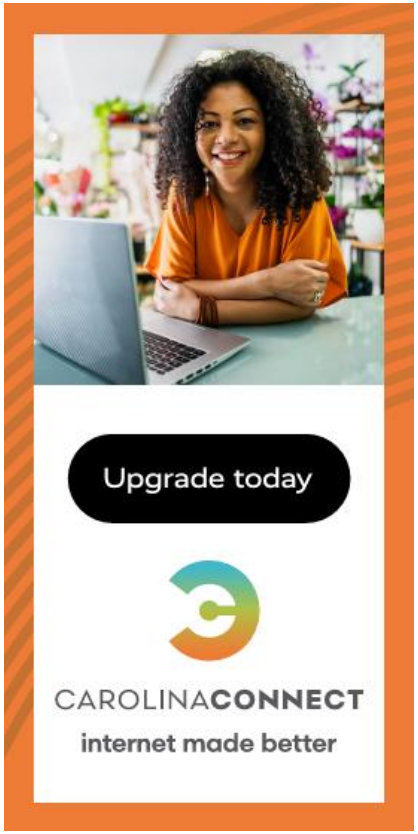


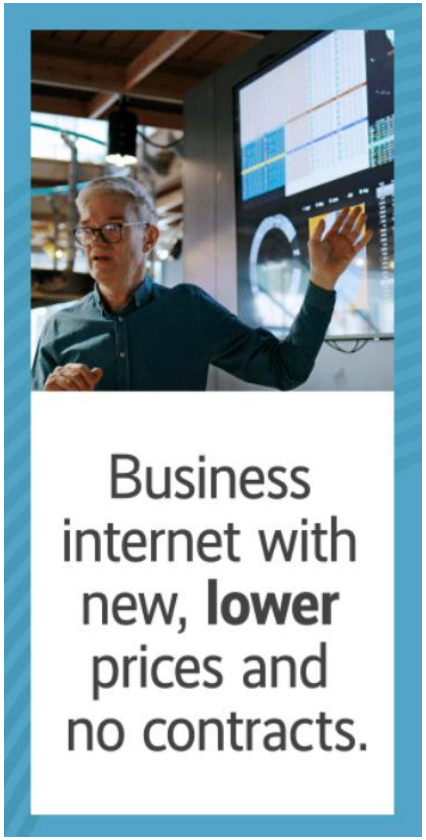
Don’t let your speed spoil the season.

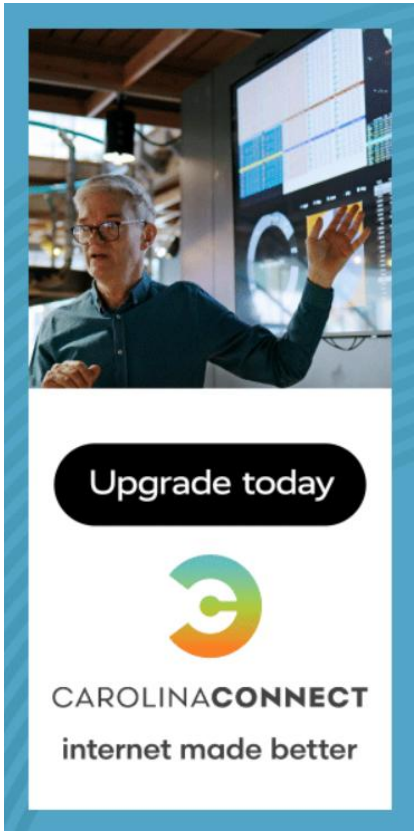
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Newsletter Released – Will Publish Each Quarter

CONNECTED

UPDATES ON MAKING THE MOST OF INTERNET MADE BETTER

September 2026

Helping you protect what matters most.



From screen-time considerations to concerns about age-inappropriate content, parenting in the digital age is no easy feat. That's why we have intuitive parental controls built directly into the Connect CC app. All members can download and use the app for free, making it easy to set schedules and usage limits that determine when and how often your child's devices can get online. There are also simple ways to restrict content categories, block websites and apps, engage Safe Search protections and monitor users' activity.



So if you're heading up a digital household, download the Connect CC app for protection from a single, user-friendly interface. Together we'll create the online experience that's right for your home and everyone in it.

Search either the Apple App Store or the Google Play Store for Connect CC, then install it on your mobile device. **Please remember that your Wi-Fi network is already established so be sure to skip that step when prompted.**

Download on the App Store

GET IT ON Google Play

Personalize Parental Controls: a Step-by-Step Guide

Score Outdoors

Outdoor Wi-Fi delivers the best of both worlds.



Fall temperatures and football nearly every day of the week. It's a combination that makes enjoying the action in your outdoor spaces irresistible. And with Outdoor Wi-Fi, CarolinaConnect ensures seamless streaming anywhere you watch.

That's because our specialists work with you to create a personalized outdoor Wi-Fi design. This tailors the service to your property and objectives, positioning a weather-hardened, total-property GigaSpire in the best location for maximum coverage.

Outdoor Wi-Fi means:

- Elite support at every touch point from install to the life of the service
- No charge installation
- Tested and proven hardened outdoor Wi-Fi system
- Robust app, with built-in security and remote device control

Learn more and get outdoors

48,000 members can't be wrong.

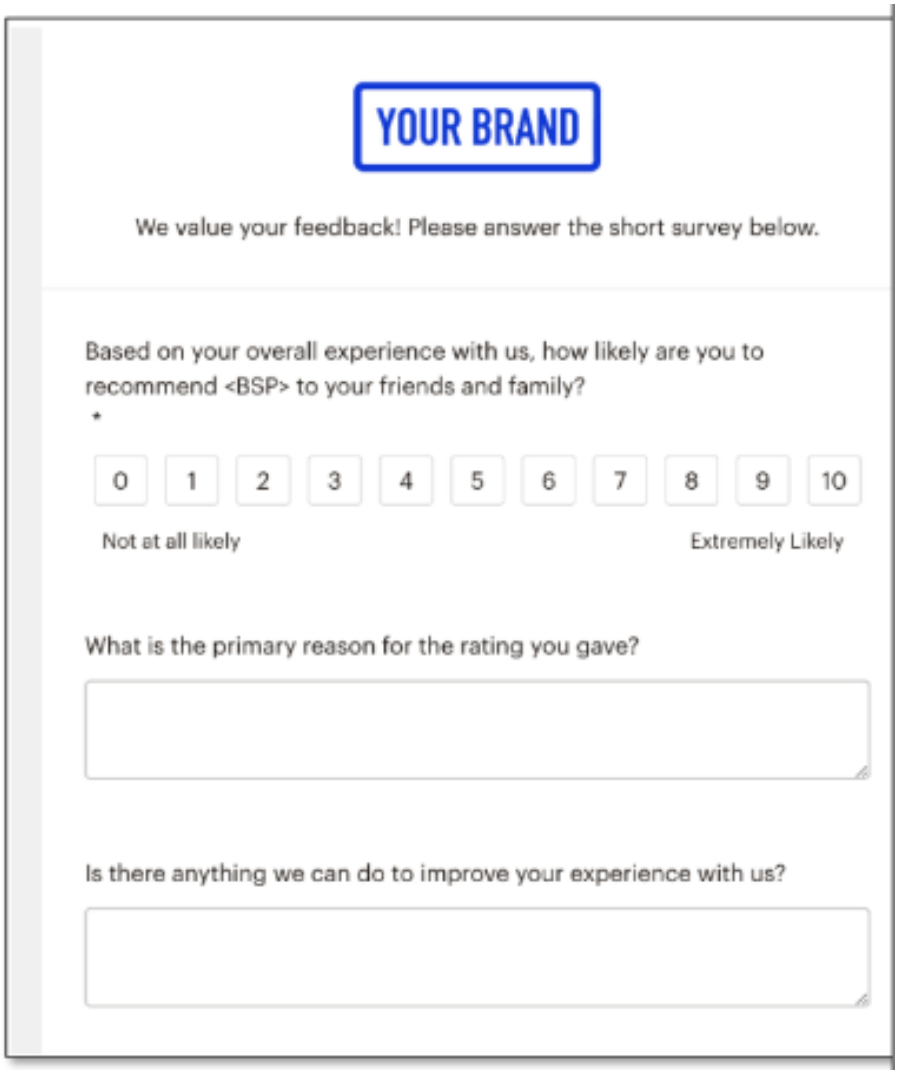
We recently marked a significant milestone and we're grateful you're a part of it. Today more than 48,000 households are enjoying lightning speed and unparalleled customer service from the area's only local provider. Add in the fact that 9 out of 10 customers recommend CarolinaConnect and it's clear you're part of something special. Thank you for believing in internet made better!



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NPS Survey Releases October 5



Would you be interested in adding these enhancements to your broadband service? (check all that apply)

- Protection from Malicious Online Threats
- Parental Content Controls and Time Limits
- Wi-Fi Network Device Prioritization
- Monitoring to Receive Alerts on Worrisome Content and Images on Your Childs Devices
- Small Business Solutions
- Wi-Fi Access on the go
- Phone Service
- TV or Streaming Services
- Multi gig services
- Outdoor Wi-Fi
- Connect CC App
- Mobile Phone

What has caused you to choose/stay with <BSP> as our customer? (check all that apply)

- Price
- Internet Speed
- Internet Quality
- Available services like network protection and parental controls
- Customer Service and Support (you value me as a customer)
- I like supporting local businesses
- Is the only option in my area

Submit

Operations Update

- The migration of traffic to new core switches at various locations in underway. Some of the Barr and Circle traffic has been moved to the new gear. We anticipate finishing the move for Circle, Hollywood, and Holley Ferry this week. We will then move to migrating traffic at Leesville and Pelion along with more rearrangements at Barr.

- The additional gear needed for Lexington and Edmund sites has been ordered.

- The rearrangement work with Segra continues. The first move of one of the connections to Charlotte is scheduled for October 1st. We anticipate moving the other connection to Atlanta by the end of October.

Operations Update

- All Outside Plant work is complete in Williston for the connection into the DCBlox facility. We plan to begin testing optical connectivity this week. We plan to turn up both new circuits via Williston by the end of October.
- The Windsor site continues to operate in a temporary A/C arrangement, but we have had no issues.
- The final turnup of the generator at TriCity has not been completed due to excessive current draw when one of the A/C units comes on. We still need to get both of these A/C issues resolved.
- All software upgrades to the Calix premise and OLTs has been completed for this round.

Pending Drop Orders

Month ending	MCEC	NEC	AEC	Total	CC Pending Install or Sch.
6/26/26	75	23	59	157	122
7/31/26	75	17	71	163	144
8/28/26	83	22	68	173	117
9/18/26 Current	82	10	66	158	186

Orders, Drops, Installs

Month	Ave. New Install Orders / week	Ave. Comp. Drops per week	Ave. New Installs per week
June	109.3	117.3	122.5
July	110.2	109	107
August	114.5	112	123.8
Sept (3 weeks)	111.3	116.3	112.3

Upcoming Activities

- Complete cutover at Barr, Circle, and Leesville to the new Core Switches.
- Finalize installation of new switches and begin traffic cutover at Dutch Fork.
- Continue planning for cutover at Edmund and Lexington.
- Move two of our Segra connections to the Charlotte and Atlanta routers.
- Begin testing on new upstream circuits to Home Telecom via Williston.

CarolinaConnect Cooperative, Inc.
Balance Sheet
August 2026

ASSETS	August	July	VARIANCE
Current Assets:			
Cash and Equivalents	956,141	728,823	227,318
Receivables	2,731,444	2,702,794	28,650
Prepayments and Deferred Taxes	292,680	311,140	(18,460)
Total Current Assets	3,980,265	3,742,756	237,509
Non Current Assets:	526,998	526,998	-
Plant Under Construction	683,118	634,574	48,544
Net Operating Plant:			
Operating Plant accounts	38,075,242	37,771,277	303,965
Reserve for Depreciation	(22,739,680)	(22,344,725)	(394,955)
Total Net Operating Plant	15,335,562	15,426,552	(90,990)
TOTAL ASSETS	20,525,942	20,330,880	195,062

CarolinaConnect Cooperative, Inc.
Balance Sheet
August 2026

LIABILITIES AND EQUITY	August	July	VARIANCE
Current Liabilities			
Accounts Payable	2,054,131	2,453,952	(399,821)
Advanced Billing and Prepayments	3,007,203	2,990,197	17,006
Customer Deposits	216,300	219,700	(3,400)
Accrued Taxes	480,800	420,700	60,100
Other Current Liabilities	716,822	760,446	(43,624)
Other Lont-Term Liabilities,	526,684	415,624	111,060
Total Current Liabilities	7,001,940	7,260,620	(258,680)
Long Term Debt	34,331,298	33,749,040	582,258
Equity	(19,053,655)	(19,053,655)	-
Net Income/Loss	(1,753,641)	(1,625,124)	(128,517)
TOTAL EQUITY	(20,807,296)	(20,678,779)	(128,517)
TOTAL LIABILITIES AND EQUITY	20,525,942	20,330,880	195,062

CarolinaConnect Cooperative, Inc.
Income Statement
August 2026

					YEAR TO DATE		
OPERATING REVENUES	**August**	**July**	**DIFFERENCE**	**ACTUAL**		**BUDGET**	**DIFFERENCE**
Customer Revenues	3,125,757	3,115,134	10,623	24,568,112	**	24,639,899	(71,787)
Miscellaneous Revenues	5,942	7,046	(1,104)	50,058		21,200	28,858
Uncollectible Revenues	(26,228)	(20,921)	(5,307)	(201,949)		(172,479)	(29,470)
Total Operating Revenues	3,105,471	3,101,259	4,212	24,416,221		24,488,620	(72,399)
OPERATING EXPENSES							
Plant Operations Expense	2,077,369	2,344,737	(267,368)	17,040,432	**	16,741,505	298,927
Depreciation	490,551	493,425	(2,874)	3,782,959		3,740,000	42,959
Customer Operations Expense	293,256	337,319	(44,063)	2,473,540		2,540,656	(67,116)
Corporate Operations Expense	168,776	204,369	(35,593)	1,465,670		1,489,744	(24,074)
Total Operating Expenses	3,029,952	3,379,850	(349,898)	24,762,601		24,511,905	250,696
Net income from Operations	75,519	(278,591)	354,110	(346,380)		(23,285)	(323,095)
OPERATING TAXES	60,100	72,647	(12,547)	498,775		600,000	(101,225)
NON-OPERATING INCOME							
Non-Operating income/expense	6,789	3,638	3,151	244,994		160,000	84,994
Interest and Fixed Charges	(150,724)	(148,634)	(2,090)	(1,153,481)		(1,208,750)	55,269
Total Non-Operating income/expense	(143,935)	(144,996)	1,061	(908,487)		(1,048,750)	140,263
TOTAL NET INCOME/LOSS	(128,516)	(496,234)	367,718	(1,753,642)		(1,672,035)	(81,607)

** Does not include $499,971 in Grant received and paid out to AEC in Feb. 2026 or $966,262 in Grant received and paid out to NEC in Mar. 2026 or $184,119 in Grant received and paid out to NEC in Apr. 2026

Cash Flow

August ‘26

	This Period	This Year
OPERATING ACTIVITIES		
Net Income	-128,516.78	-1,753,641.26
Total Funds from Operations	-128,516.78	-1,753,641.26
Temporary Investments	0.00	0.00
Receivables	-28,650.09	-115,566.21
Supplies	0.00	0.00
Prepayments and Deferred Taxes	18,459.98	-218,638.71
Other Current Assets	0.00	0.00
(Increase)/Decrease in Operating Assets	-10,190.11	-334,204.92
Accounts Payable	-399,820.86	-292,546.23
Advanced Billings and Payments	17,005.90	144,443.05
Current Maturities	0.00	0.00
Accrued Taxes	60,100.00	480,760.33
Other Current Liabilities	67,435.81	206,278.33
Increase/(Decrease) in Operating Liabilities	-255,279.15	538,935.48
CASH FROM OPERATING ACTIVITIES	-393,986.04	-1,548,910.70
INVESTMENT ACTIVITIES		
Noncurrent Assets	0.00	-69,114.09
Telephone Plant Under Construction	-48,543.83	-393,425.75
Net Operating Plant	90,990.41	339,284.84
Net Amortizable Assets	0.00	0.00
CASH FROM INVESTMENT ACTIVITIES	42,446.58	-123,255.00
FINANCING ACTIVITIES		
Customer Deposits	-3,400.00	-9,000.00
Long Term Debt	582,257.94	1,495,109.57
Other Liabilities and Deferred Credits	0.00	0.00
Stockholder's Equity	0.00	0.00
CASH FROM FINANCING ACTIVITIES	578,857.94	1,486,109.57
CASH FROM ALL ACTIVITIES	227,318.48	-186,056.13
TOTAL CASH BEGINNING OF PERIOD	728,822.92	1,142,197.53
TOTAL CASH END OF PERIOD	**956,141.40**	**956,141.40**

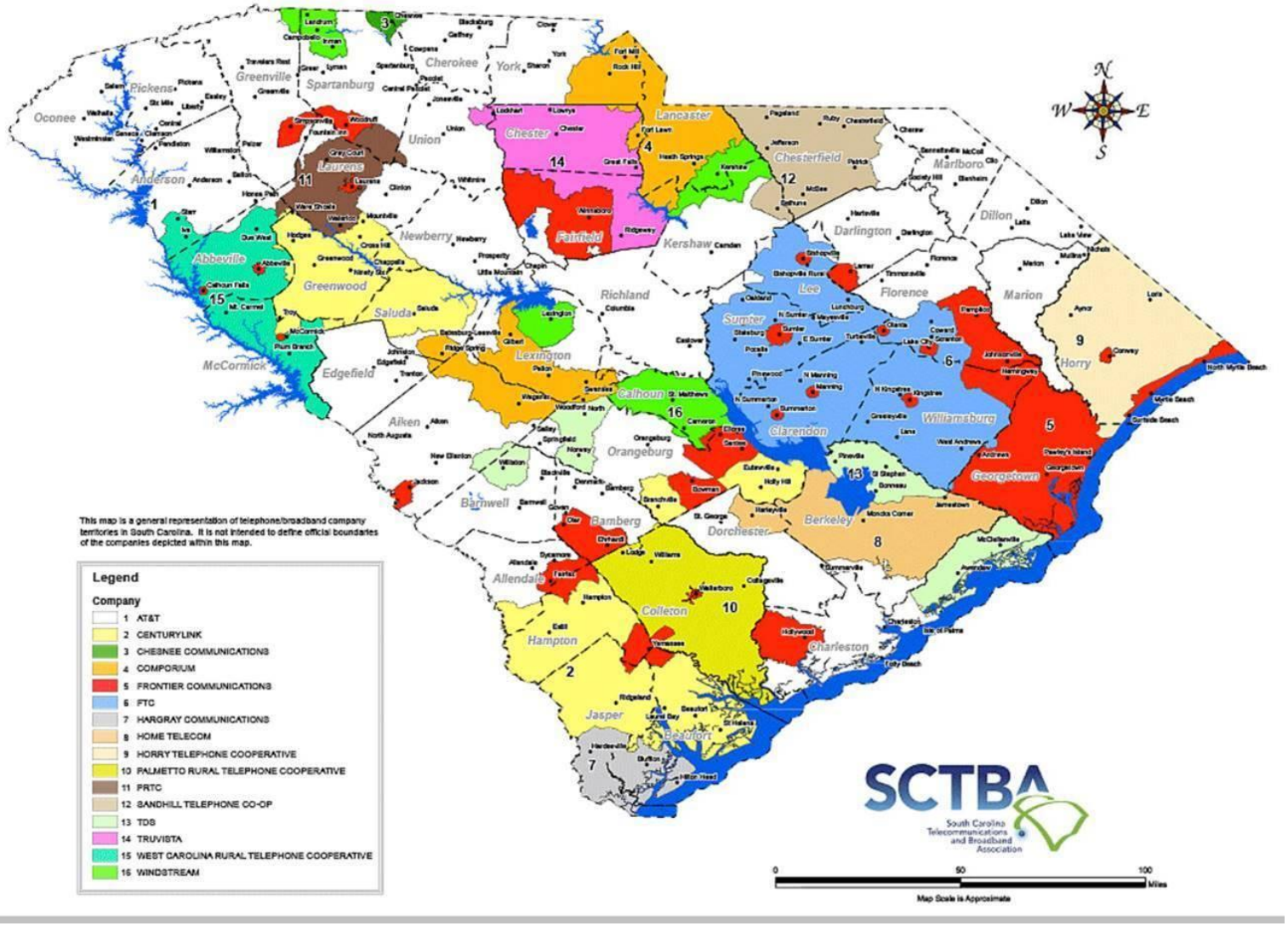
Report on Legal Matters to the Board of CarolinaConnect

QUESTIONS?

J. David Black

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