NORTH CAROLINA RAILROAD COMPANY

2025 ANNUAL REPORT

FOREVER IN MOTION

North Carolina Railroad Company

NORTH CAROLINA RAILROAD COMPANY

For more than 175 years, the North Carolina Railroad Company (NCRR) has connected North Carolina communities, businesses and industries to new opportunities. NCRR is a private railroad company with all shares owned by the state, giving it a unique role in North Carolina's economic development landscape. The company owns and manages a 317-mile rail corridor from Charlotte to the Port of Morehead City and uses its rail expertise, corridor assets and partnerships to help strengthen the state's competitive position.

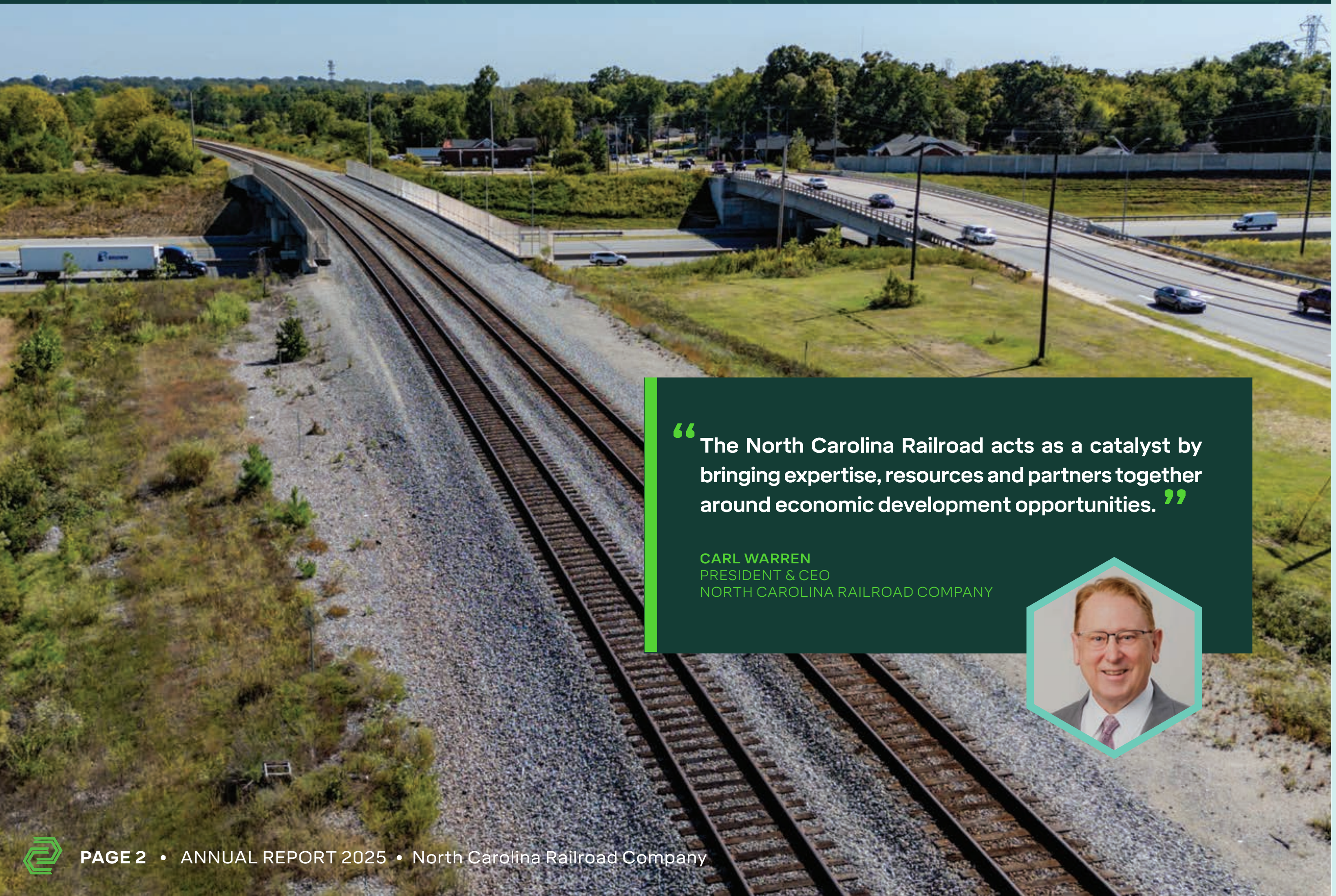
VISION

A railroad company promoting and facilitating opportunities leading to economic gains for North Carolina.

MISSION

Focus on our rail and safety expertise, assets and advantageous corridor to provide dynamic services and best-in-class solutions.

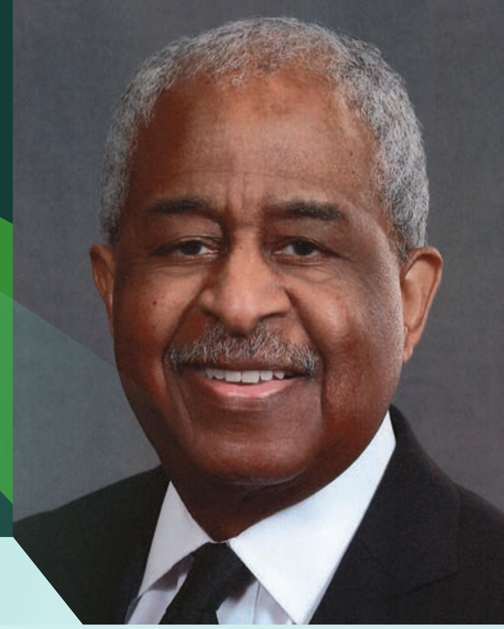
The North Carolina Railroad Company is the one private railroad company that has been driving economic growth for North Carolina for more than 175 years. We maintain our rail corridor that serves as the state's essential conduit and work with communities and companies to provide dynamic services and best-in-class, rail-centric solutions. We transform our trusted expertise and unique assets into economic advantages for all North Carolinians.



"The North Carolina Railroad acts as a catalyst by bringing expertise, resources and partners together around economic development opportunities."

CARL WARREN
PRESIDENT & CEO
NORTH CAROLINA RAILROAD COMPANY

CHAIRMAN'S REFLECTIONS



The North Carolina Railroad Company (NCRR) exists to create long-term value for North Carolina. In 2025, we strengthened that commitment by investing in more communities, a resilient rail network and new opportunities, such as Track Protection Program services across the state.

Our responsibility as a board is to ensure NCRR remains a strong, sustainable organization that delivers lasting value to the people of North Carolina. That means providing thoughtful stewardship of our assets, supporting sound investments and giving our team the flexibility to respond when opportunities arise.

Following Hurricane Helene, NCRR demonstrated the unique advantage of being a private company owned by the state. Our board moved quickly to approve funding for the Back-on-Track program, allowing resources to reach western North Carolina within days of the hurricane. In 2025, the program helped businesses continue operating, protected jobs and reinforced the importance of acting with urgency when communities need support most.

We also continued investing in North Carolina's long-term competitiveness. Through programs like Build Ready Sites, NCRR Invests and Microgrants, we are helping communities prepare for future opportunities before companies begin searching for their next location. Those investments strengthen both rural and urban communities, because North Carolina's future depends on every region being ready to grow.

Together, we are building stronger communities, creating new opportunities and ensuring our state remains competitive for generations to come.

Strong partnerships are what makes these accomplishments possible. NCRR succeeds, because we work alongside local governments, railroads, economic developers, businesses and state leaders who share a commitment to North Carolina's future. Together, we are building stronger communities, creating new opportunities and ensuring our state remains competitive for generations to come.

None of this would be possible without the dedication of the NCRR team, our leadership, our partners and my fellow board members. The people behind this company continue to strengthen this organization and the communities we serve.

Since our founding in 1849, NCRR has existed to serve the people of North Carolina. That purpose remains unchanged, and I am confident we will continue to fulfill it with integrity, sound stewardship and a steadfast commitment to creating long-term value for our state.

Sincerely,
WILLIAM V. "BILL" BELL
Chairman, North Carolina Railroad Company

2025 BOARD OF DIRECTORS

WILLIAM V. "BILL" BELL
CHAIRMAN
PRESIDENT & CEO
UDI COMMUNITY DEVELOPMENT CORPORATION (UDI/CDC)
DURHAM

MICHAEL L. WEISEL
VICE CHAIRMAN
MANAGING MEMBER
CAPITAL LAW GROUP
RALEIGH

JACOB F. ALEXANDER III
THE ALEXANDER COMPANIES, INC.
SALISBURY

MALCOMB COLEY
RETIRED
ERNST & YOUNG
CHARLOTTE

MICHAEL S. FOX
PARTNER
TUGGLE DUGGINS, P.A., AND NORTH CAROLINA BOARD OF TRANSPORTATION
GREENSBORO

TOMMY GLASGOW
RETIRED
CLANCY & THEYS CONSTRUCTION COMPANY
MOREHEAD CITY

ZANE HEDGECOCK
CHIEF OF STAFF
NC DEPARTMENT OF AGRICULTURE & CONSUMER SERVICES
RALEIGH

STEVE LERNER
FOUNDER AND MANAGING PARTNER
BLUE HILL GROUP
CHAPEL HILL

LEE LILLEY
SECRETARY OF COMMERCE
NORTH CAROLINA DEPARTMENT OF COMMERCE
RALEIGH

JAMES E. NANCE
MANAGING MEMBER
NORTH STATE ACQUISITIONS, LLC
ALBEMARLE

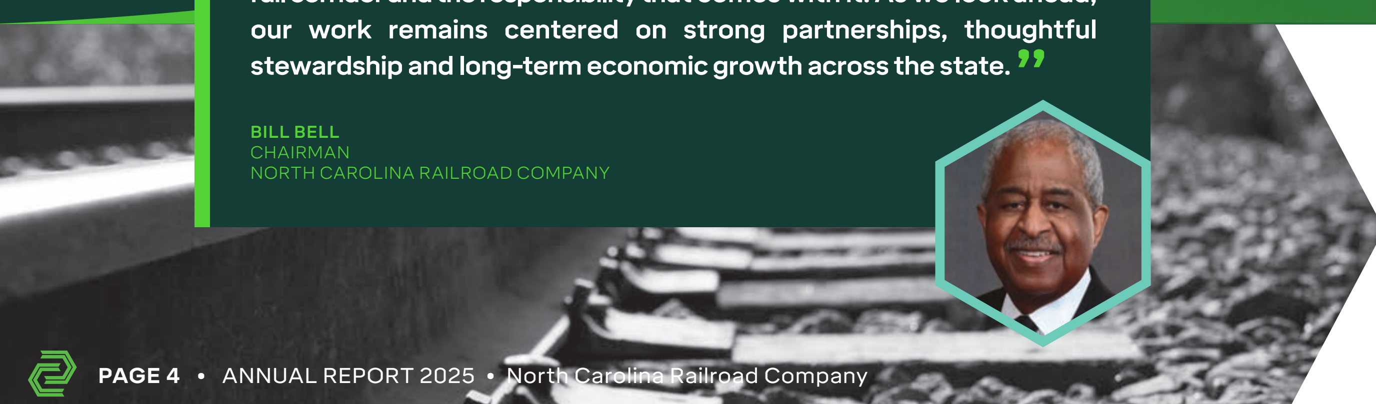
GEORGE ROUNTREE III
ATTORNEY & SPECIAL COUNSEL
ROUNTREE LOSEE, LLP
WILMINGTON

FRANKLIN ROUSE
PRESIDENT
ROUSE INSURANCE AGENCY, INC.
LELAND

MICHAEL WALTERS
PRESIDENT
CLAYBOURN WALTERS LOGGING CO., INC.
FAIRMONT

"North Carolina Railroad's strength has always been the ability to serve North Carolina with focus and integrity. We understand the value of the rail corridor and the responsibility that comes with it. As we look ahead, our work remains centered on strong partnerships, thoughtful stewardship and long-term economic growth across the state."

BILL BELL
CHAIRMAN
NORTH CAROLINA RAILROAD COMPANY



RAIL CORRIDOR IMPROVEMENTS

In 2025, the North Carolina Railroad Company reached a major milestone in its work to strengthen one of the state's most strategic rail corridors. On December 10, 2025, NCRR signed the grant contract for the Carolinian and Piedmont Passenger and Freight Improvements Project (CAPPFI). The Federal Railroad Administration formally committed $105.6 million in federal funds through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program.

The CAPPFI project will address congestion along a critical segment of the corridor from the Triad to the Triangle and support future freight and passenger rail growth. Planned work includes siding extensions, curve improvements, grade separation, local freight and passenger sidings, bridge and clearance planning and rail replacement between Greensboro and Raleigh.

These improvements are expected to reduce passenger and freight delays, increase capacity, improve reliability and support a stronger rail network for North Carolina's growing economy. The project is also projected to deliver $214.49 million in economic, safety and environmental benefits. It will reduce the need for 313 heavy trucks weekly, which equates to 8.8 million fewer highway miles over 20 years.

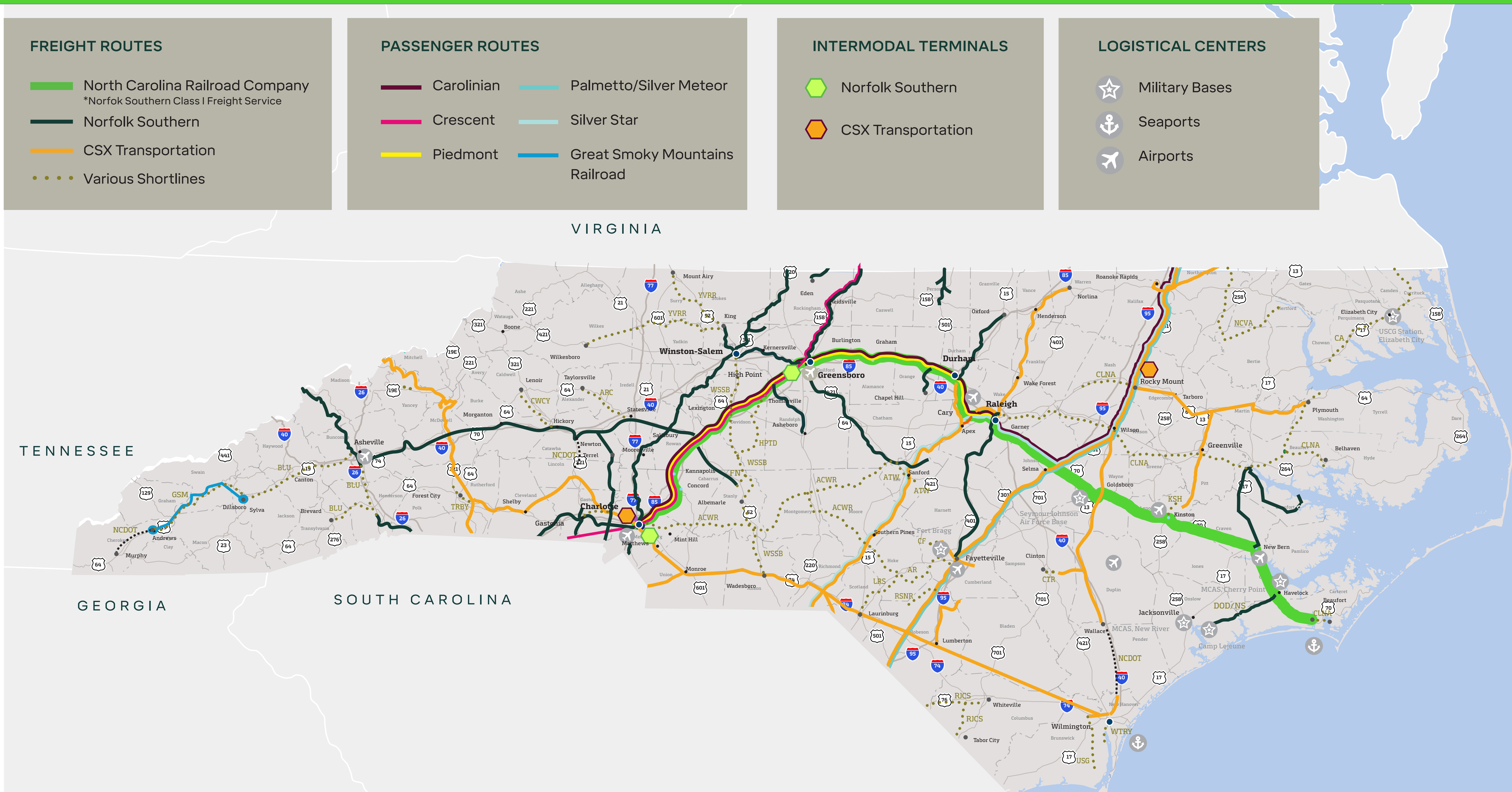
The first CAPPFI project will be rail replacement between Greensboro and Raleigh. The project will replace up to 69 miles of aging rail to reduce maintenance-related delays and improve reliability along a corridor that supports both freight and passenger service. The first phase will cover half the project from Greensboro to Mebane in 2026.

"Infrastructure investments along North Carolina's rail corridor support our state's growing population and economy. From Raleigh to Greensboro, this project will support safe, reliable rail transportation for decades to come and enhance our competitiveness and connectivity."

JOSH STEIN
GOVERNOR
NORTH CAROLINA

CORRIDOR MAP

North Carolina Railroad Company



BUILD READY SITES

The North Carolina Railroad Company's Build Ready Sites Program helps communities prepare rail-served industrial properties for future use. By funding practical site readiness work, the program reduces development timelines, strengthens local competitiveness and gives companies more confidence when evaluating North Carolina locations. In 2025, NCRR expanded the program to include two application rounds per year for the first time to increase the pipeline of prepped locations ready to meet future demand throughout the state.

The 2025 awards demonstrate the railroad's commitment to completing critical site work before a company is ready to invest. Since the program launched in 2021, Build Ready Sites has awarded $11.4 million in private grants across North Carolina, helping create 5,671 acres of rail-served property for industrial use.

NCRR awarded grants to support sites in Rowan, Mecklenburg and Wayne counties including:

- **The Town of Spencer in Rowan County received $750,000 for water and sewer extensions at the 100-acre N.C. I-85 South site.**
- **Mecklenburg County received $500,000 for clearing, grading and public utility connections at the 40-acre Pence Road site.**
- **Wayne County received $480,000 for utility extension and relocation in the ParkEast Industrial Park in Goldsboro.**
- **During the second round in the fall, NCRR awarded $500,000 to Mint Hill Industrial Park.**

$11.4 Million
Awarded Overall
Since 2021

5,671
Build Ready
Acres

23
Grants
Total

"Rail connectivity is a competitive advantage, and this grant helps us deliver it."

NICK ELDER
DIRECTOR OF REAL ESTATE
ABERDEEN CAROLINA & WESTERN RAILWAY COMPANY

NCRR INVESTS

Through NCRR Invests, the North Carolina Railroad Company assists companies that are locating, expanding or strengthening rail-served operations in North Carolina. The program funds rail-related improvements that make projects more competitive, increase freight rail use and create new opportunities for local economies. Across the overall portfolio shown on the 2025 Economic Development Map, the program represents 21 rail-served industries, 12,262 jobs created, $18.4 million in NCRR investment and $8.5 billion in company capital investment.

In 2025, NCRR Invests awarded grants to five projects across Hoke, Columbus, Forsyth, Wayne and Gaston counties. Together, these projects represent 381 new jobs, $1.75 million in NCRR investment and $248.7 million in company investment.

Pennsylvania Transformer Technology, *Hoke County*
NCRR invested $400,000 to assist Pennsylvania Transformer Technology's rail-served facility expansion in Raeford. The company is building an additional 300,000 square feet across two new facilities, representing an estimated $102.5 million investment in the region. The project is expected to create 217 new jobs and produce an estimated 60 rail cars per year at build-out, strengthening Hoke County's manufacturing base.

"Rail access will be essential to Pennsylvania Transformer Technology's operations at our new site in Raeford. North Carolina Railroad's investment in the materials and construction of our on-site rail infrastructure is instrumental in making this facility possible. Once complete, this new distribution and power transformer manufacturing site will significantly expand our capacity while creating valuable jobs for the region."

SANDEEP CHAKRAVARTY
EXECUTIVE BOARD MEMBER
PENNSYLVANIA TRANSFORMER TECHNOLOGY, LLC,
A QUANTA SERVICES COMPANY

12,262
New Jobs

21
Rail-served
Industries

$18.4 Million
Awarded Overall
Since 2017

Steam Services of America, *Columbus County*
NCRR invested $400,000 to support rail improvements for Steam Services of America in Columbus County. The project involves work needed for rail service to the site, including design, construction, track work, drainage and signal work. The project represents $9.5 million in investment, is expected to create 12 jobs and support 15 new railcar movements.

OBE Logistics, *Forsyth County*
In Forsyth County, NCRR invested $150,000 to aid OBE Logistics in the Town of Rural Hall. The funding will rehabilitate an existing rail spur and related rail improvements needed for Yadkin Valley Railroad to serve the site. The project represents $1.7 million in company investment and is expected to create 10 jobs.

Team Foods USA, *Wayne County*
NCRR invested $300,000 to help Team Foods USA land in Wayne County. The project includes construction work needed for rail service to the site, such as land preparation, track work, drainage and signal work. The company is expected to create 17 jobs, support 350 new railcar movements and bring $33 million in company investment to the region.

Fit Precast, *Gaston County*
NCRR invested $500,000 to support Fit Precast's rail needs in Gaston County. The project represents $102 million in company investment and is expected to create 125 jobs. The rail-served access strengthens freight movement and industrial growth in the region.

These projects show how targeted rail investments can turn business expansion plans into measurable economic gains, from new jobs and private investment to stronger freight connections across North Carolina.

BROWNFIELDS

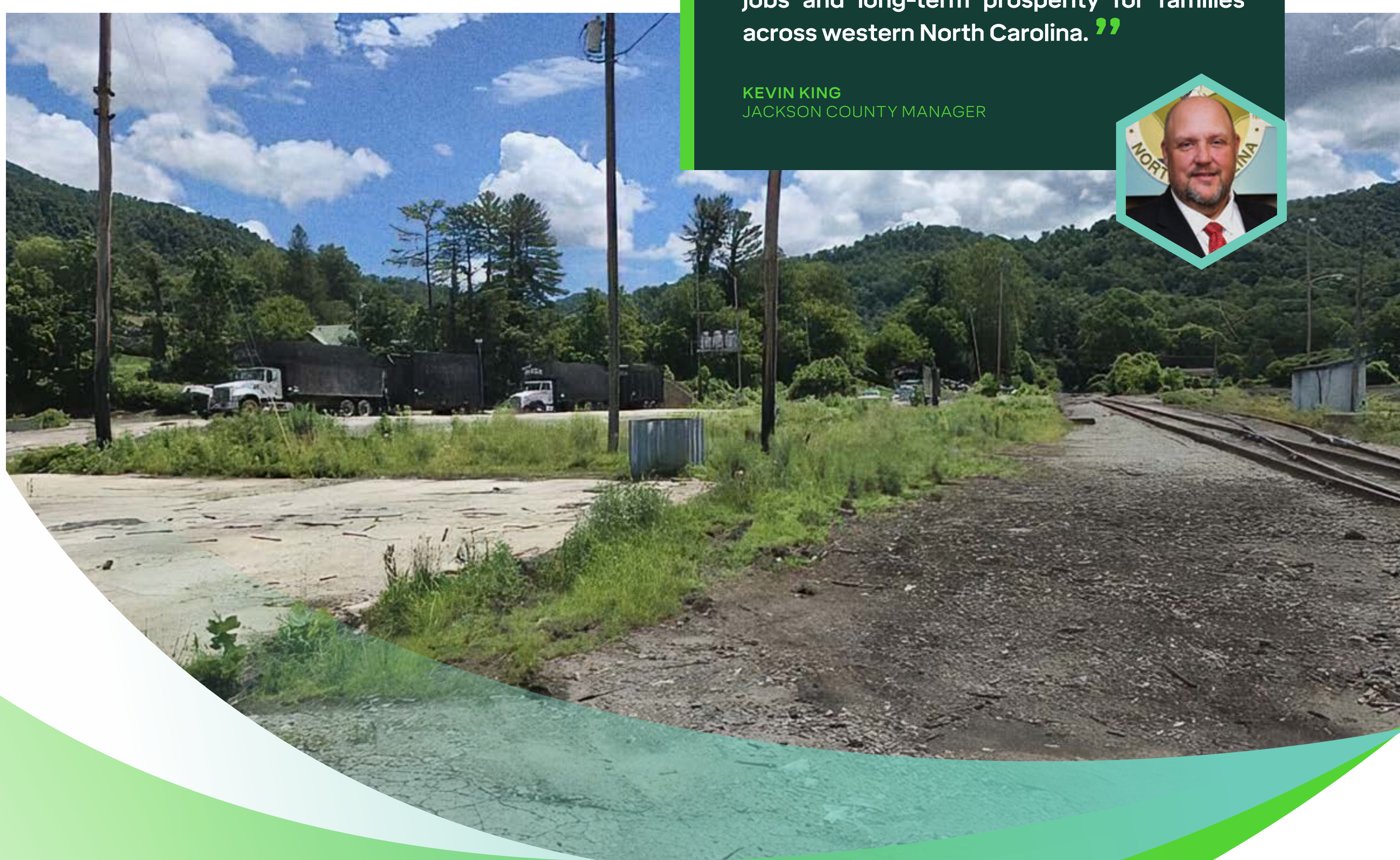
The North Carolina Railroad Company's Brownfields Program prepares former industrial sites for redevelopment by funding assessment, planning and other early-stage work. In 2025, NCRR awarded its first Brownfields Site Grants to Jackson County and the Town of Spencer, moving underused properties closer to future industrial use.

Jackson County received $92,000 to assess a 42-acre former sawmill site at 3636 Skyland Drive in Sylva. The funding will support environmental assessment and remediation planning, with the county providing a 20% match toward the $115,000 project.

The Town of Spencer received $99,800 to support the transformation of a former textile dyeing and finishing facility at 2555 North U.S. Highway 29 into a rail-accessible industrial site. Samet Corporation is providing a 20% match of nearly $20,000.

These grants turn complicated properties into practical opportunities for future investment and job growth.

> **"With NCRR's support, we are preparing the site for industry, rail access and workforce training. These investments will create good jobs and long-term prosperity for families across western North Carolina."**
>
> **KEVIN KING**
> JACKSON COUNTY MANAGER



MICROGRANTS

The Microgrant Program gives communities an earlier path to site readiness by funding industrial site identification due diligence studies. The program supports both rail-served and non-rail-served sites, expanding NCRR's economic development reach beyond the rail corridor.

In 2025, the North Carolina Railroad Company awarded $1.4 million through 34 microgrants to help communities better understand a site's potential before larger investments are made. These grants fund early studies, such as environmental assessments, surveys, geotechnical reports and other due diligence work that determine whether a property is ready for future development.

Since the program launch in 2024, NCRR has awarded 47 microgrants totaling $1.8 million overall.

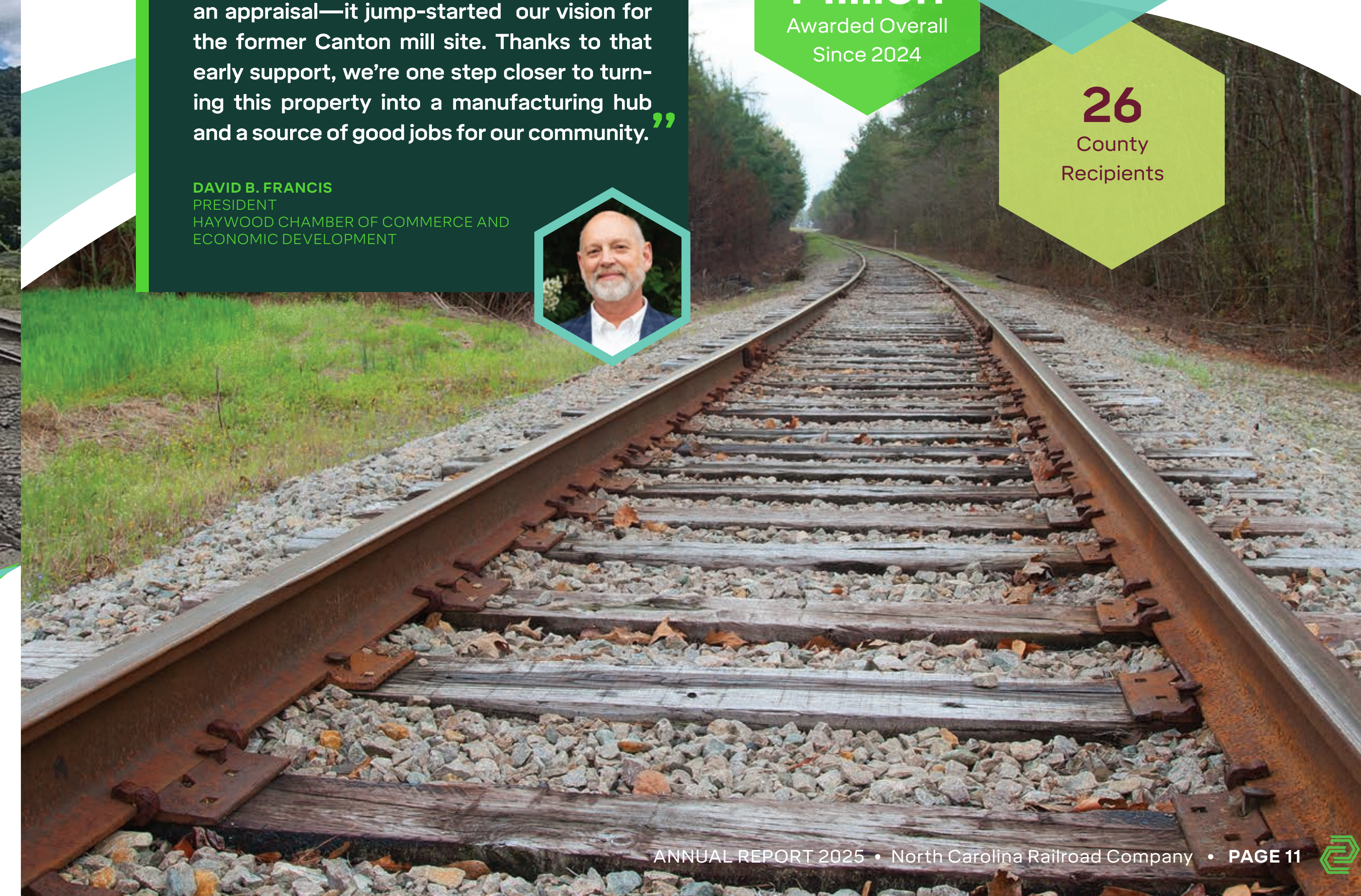
By funding this early work, NCRR gives local leaders the information they need to reduce uncertainty, strengthen potential sites and compete for future business opportunities. The program reflects the railroad's broader approach to economic development: practical support, early investment and long-term value for communities across North Carolina.

> **"The North Carolina Railroad's microgrant did more than fund a Phase 1 ESA, geotech, and an appraisal—it jump-started our vision for the former Canton mill site. Thanks to that early support, we're one step closer to turning this property into a manufacturing hub and a source of good jobs for our community."**
>
> **DAVID B. FRANCIS**
> PRESIDENT
> HAYWOOD CHAMBER OF COMMERCE AND ECONOMIC DEVELOPMENT

$1.8 Million
Awarded Overall Since 2024

47
Microgrants

26
County Recipients



BACK-ON-TRACK DISASTER RECOVERY

$8.6 Million Awarded Overall Since 2024

17 Total Grants

Approximately **1.2 Million** Residents Impacted

The North Carolina Railroad Company created the Back-on-Track Disaster Recovery Program for western North Carolina communities recovering from the damage caused by Hurricane Helene. Approved just 12 days after the storm made landfall, the program showcases NCRR's ability to respond quickly, direct funding where it is needed and restore critical rail connections and local economic activity.

Grant funds of $8.6 million covered recovery needs ranging from tree and debris clearing to railcar and facility repair, track repair or replacement, operations stabilization, need-based financial assistance and disaster recovery planning.

In Mitchell County, Back-on-Track addressed both small business recovery and rail access. The county's Chamber of Commerce used program funding for daily operations and small business resources. A separate grant to The Quartz Corp funded rail spur repair for the Spruce Pine company, which produces high-purity quartz used in semiconductor chip manufacturing, solar panels and optical fibers.

Back-on-Track also contributed to the feasibility study for a 13-county regional economic development partnership in northwest North Carolina. Caldwell County, a leader in the project, later recognized NCRR as an Industry Partner of the Year, citing NCRR's support for this regional effort and other economic development initiatives in 2025.

NCRR also received a Gold Award from the International Economic Development Council for its work in recovery, resiliency and mitigation through the Back-on-Track Program. By stabilizing rail partners, local businesses and economic development organizations after the disaster, NCRR protected the connections that keep regional economies moving.

> "Now we know NCRR as family, friends and colleagues. They put their hand to the plow when we needed them most. NCRR simplified the process and understood the hurt of the people. They brought the humanitarian side of things into focus. It made a difference."
>
> BILL SLAGLE
> EXECUTIVE DIRECTOR
> MITCHELL COUNTY CHAMBER OF COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION

> "The North Carolina Railroad Company enthusiastically helped us move forward with several projects. NCRR is interested and invested in the prosperity of the entire state, supporting communities and putting money toward initiatives that benefit not only well-served NCRR corridor communities, but all of North Carolina."
>
> ASHLEY BOLICK
> ECONOMIC DEVELOPMENT DIRECTOR
> CALDWELL COUNTY

The $8.6 million awarded included about $3.5 million across four grants to Class II and Class III short line railroads, about $4.7 million across five grants to rail-served industries and $340,000 across eight nonprofit economic development organizations.

ECONOMIC & INDUSTRIAL DEVELOPMENT MODEL

NCRR's economic development programs are designed to serve communities and companies at different stages of readiness. As a group, they create a practical model for moving from early site identification to rail-served industrial growth. Each program addresses a specific need to reduce uncertainty, strengthen project timelines and expand North Carolina's pipeline of competitive development opportunities.

NCRR Invests: Funds the engineering, design and construction costs associated with freight rail infrastructure for companies considering a location or expansion in North Carolina.

Build Ready Sites: Assists in the development and marketing of rail sites across NC, attracting companies constructing manufacturing plants without having to wait for land improvements.

Brownfields Program: Helps prepare former industrial sites for redevelopment by funding additional site readiness work; it complements the Build Ready Sites Program.

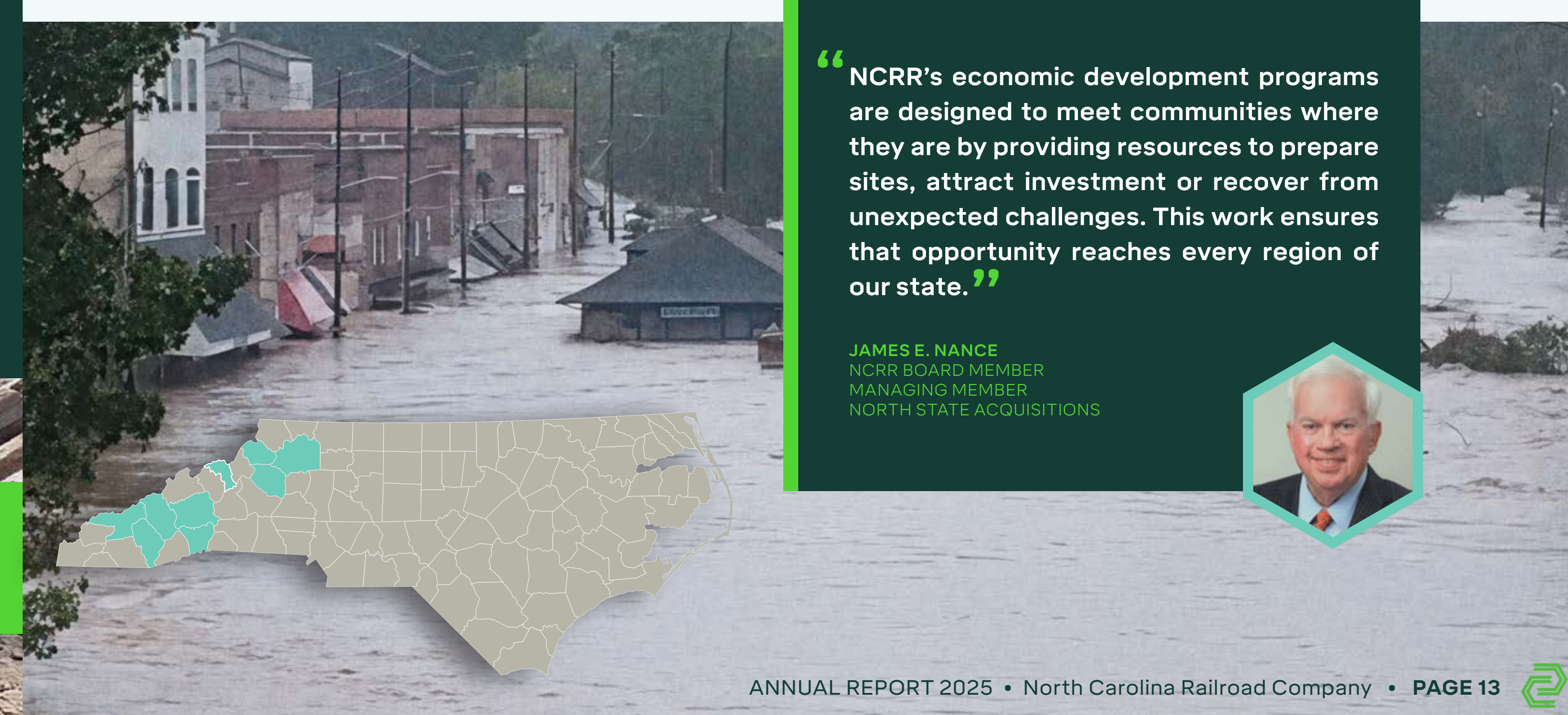
Microgrant Program: Funds industrial (rail or non-rail-served) site identification due diligence studies to help communities prepare properties for future investment.

Options Program: Assists local governments and economic development organizations (EDOs) to secure land and expand the pipeline of sites available for future industrial development.

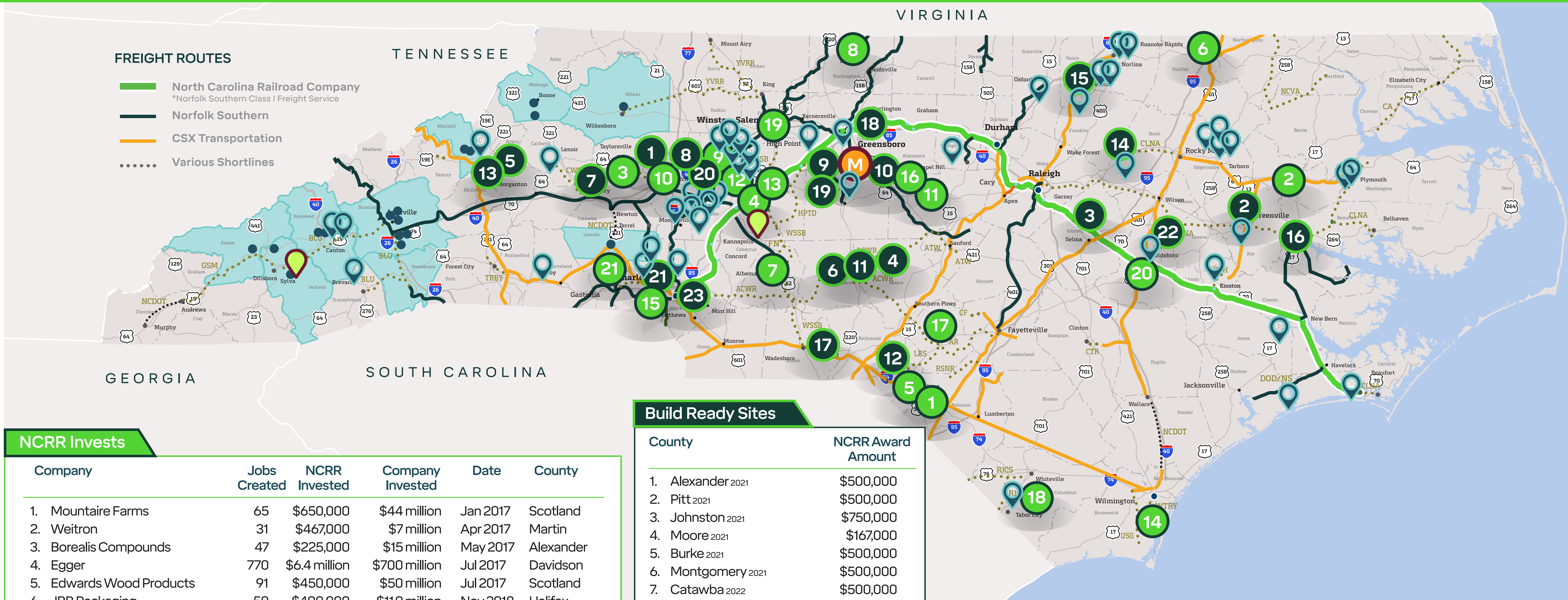
Back-on-Track Disaster Recovery Program: Delivers rapid disaster recovery funding to short lines, rail-served industries and EDOs impacted by storm-related damage.

These privately funded programs reinforce NCRR's role as a practical economic development partner, giving communities the tools to prepare earlier, compete more effectively and build toward long-term growth.

> "NCRR's economic development programs are designed to meet communities where they are by providing resources to prepare sites, attract investment or recover from unexpected challenges. This work ensures that opportunity reaches every region of our state."
>
> JAMES E. NANCE
> NCRR BOARD MEMBER
> MANAGING MEMBER
> NORTH STATE ACQUISITIONS



NCRR ECONOMIC DEVELOPMENT MAP



NCRR Invests

	Company	Jobs Created	NCRR Invested	Company Invested	Date	County
1.	Mountaire Farms	65	$650,000	$44 million	Jan 2017	Scotland
2.	Weitron	31	$467,000	$7 million	Apr 2017	Martin
3.	Borealis Compounds	47	$225,000	$15 million	May 2017	Alexander
4.	Egger	770	$6.4 million	$700 million	Jul 2017	Davidson
5.	Edwards Wood Products	91	$450,000	$50 million	Jul 2017	Scotland
6.	JBB Packaging	50	$400,000	$11.9 million	Nov 2018	Halifax
7.	Charlotte Pipe and Foundry	400	$1.5 million	$325 million	Jun 2020	Stanly
8.	Nestle Purina	300	$2.1 million	$450 million	Oct 2020	Rockingham
9.	Red Bull/Rauch/Ball	633	$700,000	$900 million	Jul 2021	Cabarrus
10.	Sherwin-Williams	183	$300,000	$324 million	Feb 2022	Iredell
11.	VinFast	7,500	$1 million	$4 billion	Mar 2022	Chatham
12.	Nucor	180	$750,000	$350 million	April 2022	Davidson
13.	Siemens Mobility	506	$1 million	$220 million	Mar 2023	Davidson
14.	Epsilon Advanced Materials	500	$500,000	$650 million	Oct 2023	Brunswick
15.	Siemens Energy	475	$100,000	$150 million	Feb 2024	Mecklenburg
16.	Innovative Construction Group	150	$100,000	$39.8 million	Apr 2024	Chatham
17.	Pennsylvania Transformer	217	$400,000	$102.5 million	Feb 2025	Hoke
18.	Steam Services of America	12	$400,000	$9.5 million	Apr 2025	Columbus
19.	OBE Logistics	10	$150,000	$1.7 million	May 2025	Forsyth
20.	Team Foods USA	17	$300,000	$33 million	Jul 2025	Wayne
21.	Fit Precast	125	$500,000	$102 million	Nov 2025	Gaston
	TOTAL	**12,262**	**$18.4 million**	**$8.5 billion**		

Build Ready Sites

	County	NCRR Award Amount
1.	Alexander 2021	$500,000
2.	Pitt 2021	$500,000
3.	Johnston 2021	$750,000
4.	Moore 2021	$167,000
5.	Burke 2021	$500,000
6.	Montgomery 2021	$500,000
7.	Catawba 2022	$500,000
8.	Iredell 2022	$500,000
9.	Randolph 2022	$500,000
10	Chatham 2022	$500,000
11.	Montgomery 2022	$500,000
12.	Scotland 2022	$400,000
13.	Burke 2023	$500,000
14.	Nash 2023	$500,000
15.	Warren 2023	$500,000
16.	Beaufort 2024	$420,000
17.	Anson 2024	$500,000
18.	Guilford 2024	$500,000
19.	Randolph 2024	$500,000
20.	Rowan 2025	$750,000
21.	Mecklenburg 2025	$500,000
22.	Wayne 2025	$480,000
23.	Mecklenburg 2025	$500,000
	TOTAL	**$11.4 million**

Brownfields

County/ Municipality	Date	NCRR Award Amount
Jackson	July 2025	$92,000
Town of Spencer	July 2025	$99,800
TOTAL		**$191,800**

Back-on-Track Disaster Recovery Program

Grants / Event	Date	NCRR Award Amount
17 Grants post Hurricane Helene	2024-25	**$8.6 million**

Microgrants

Grants	Date	NCRR Award Amount
13	2024	$396, 750
34	2025	$1.4 million
TOTAL		**$1.8 million**

Greensboro-Randolph Megasite

Company	Jobs Created	NCRR Invested	Company Invested	Date	County
Toyota	**5,000**	**$35 million**	**$13.9 billion**	Dec 2021	Randolph


$4.9 Billion
Annual GDP for NC Along the Corridor

15,020
Jobs Created Direct Rail-served Businesses Along the Corridor

$247+ Million
Annual Tax Revenue Along the Corridor

1.6 Million Trucks and **535,000** Cars
Taken Off the Road Each Year

2809 Highwoods Blvd. | Raleigh, NC 27604 | www.ncrr.com | @ncrailroad

North Carolina Railroad Company