

TO OUR MEMBERS

As we look back on 2025, we are pleased to report that it was one of the most productive years in the Cooperative's recent history. Because of the dedication of our employees and the continued trust of our members, NHEC made meaningful progress in improving reliability, delivering affordable services, and strengthening the Cooperative for the long term.

Affordability and reliability investments remained top priorities. We are proud to have delivered stable rates at a time when our equipment costs have skyrocketed, and other utilities have been significantly raising their rates. In 2025, NHEC closed nearly 3,000 electric work orders and invested close to \$50 million in system upgrades.

Crews restored power after three major storms, cleared 350 miles of vegetation to reduce outage risk, rebuilt two substations, expanded system monitoring capabilities, and upgraded critical communications infrastructure—all while continuing to emphasize safe work practices.

Improving the member experience was a key focus throughout the year. We launched a redesigned website, introduced a new, easier-to-read bill, and implemented new digital processes for interconnection and Key Accounts. Together, these improvements helped us efficiently support more than 60,000 phone calls, tens of thousands of emails and SmartHub interactions, and over one million digital communications—making it easier for members to connect with their Co op when they need us.

Supporting members also means helping households manage energy use and costs. During the year, the Cooperative delivered more than \$3

million in energy-efficiency incentives to members, with a significant share benefiting income-qualified households. These programs help members save money today while strengthening the electric system for the future.

NH Broadband remains one of the most exciting examples of how the Cooperative is expanding its service to meet members' needs. Built on the same local, member focused values as NHEC, NH Broadband continues to extend high speed, reliable internet access across New Hampshire—especially in communities long underserved by traditional providers. For many members, NH Broadband is not just faster internet; it's new opportunities for remote work, education, health care, and staying connected in an increasingly digital world. We are proud that this service is owned locally, guided by Cooperative principles, and focused first and foremost on serving New Hampshire.

None of this progress would be possible without our employees. Their professionalism, commitment to safety, and focus on serving members are the foundation of these accomplishments.

On behalf of the Board of Directors and the Senior Leadership Team, thank you for your membership, engagement, and trust. We look forward to continuing this work together—and to serving you in new ways—in the year ahead.

Sincerely,



William Darcy
Board Chair



Michael Jennings
President/CEO

BOARD OF DIRECTORS

Bill Darcy Chair, Benton
Alana Albee Vice Chair, Tuftonboro
Jeffrey Morrill Secretary, Holderness
Jerry Stringham Treasurer, Woodstock
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Peter Laufenberg Director, Thornton
Harry Viens Director, Center Harbor

Dear Member,

You're cordially invited to the New Hampshire Electric Cooperative Annual Meeting at Owl's Nest in Thornton on June 16, from 5 to 7 p.m.

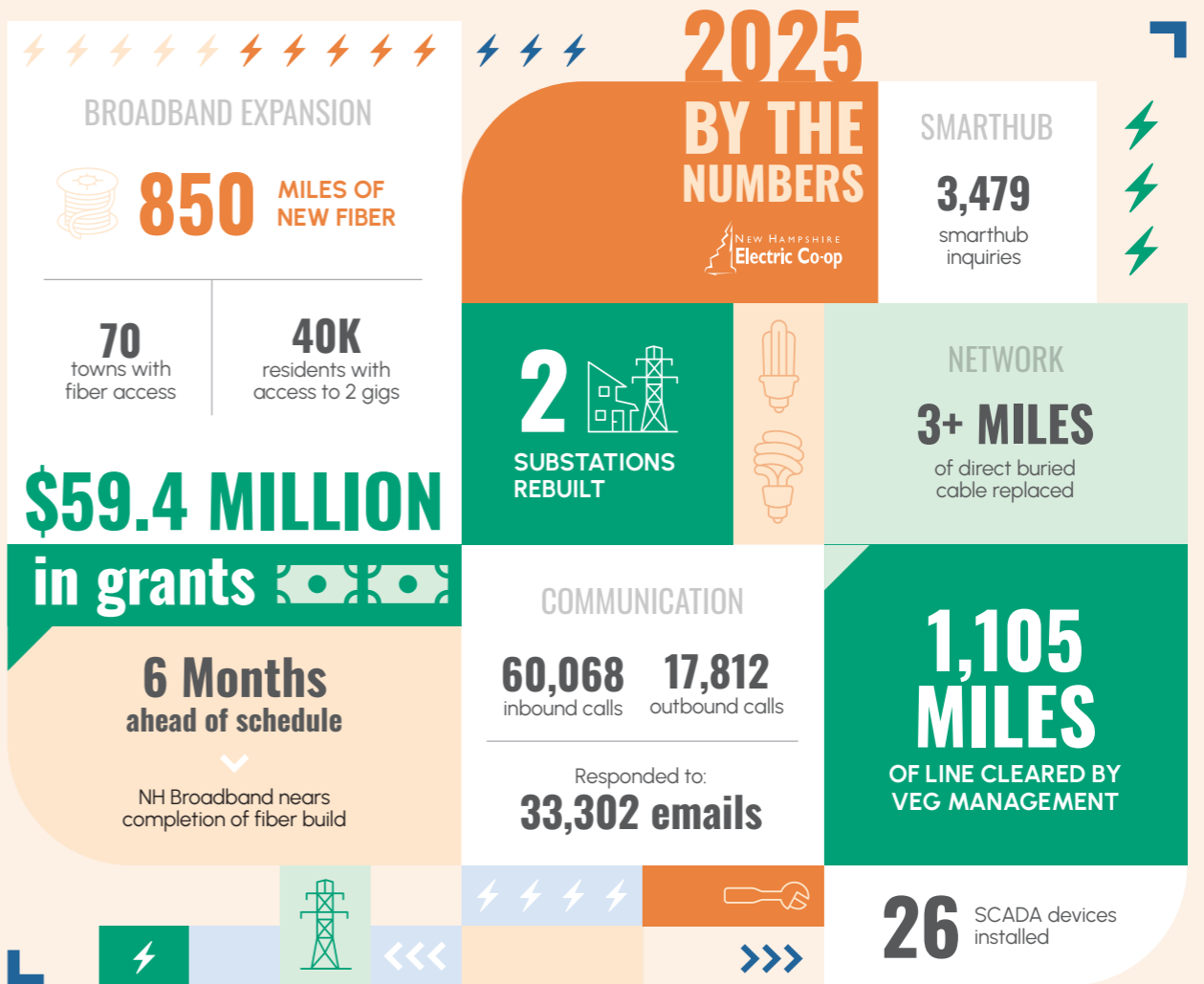
The information contained in this Annual Report will be discussed and the results of the upcoming Co-op Board of Directors election will be announced. There will also be door prizes, food and drinks and a raffle!

All members are welcome and encouraged to attend.

Thank you,
The Co-op



2025 ANNUAL REPORT



CONSOLIDATED BALANCE SHEETS

	2025 (\$K)	2024 (\$K)
ASSETS		
Current Assets		
Cash & Cash Equivalents	2,909	983
Receivables from Members - Energy Sales	19,264	14,951
Other Receivables	6,590	7,717
Material & Supplies Inventory	10,020	15,334
Prepayment & Other Current Assets	2,930	2,730
Total Current Assets	41,714	41,715
Utility Plant		
Utility Plant	569,647	536,479
less: Depreciation	(214,664)	(201,062)
Net Utility Plant	354,984	335,417
Other Assets		
Investments in Assoc. Organizations	10,139	10,369
Non-utility Property	19,117	14,202
Postretirement Benefits Other Than Pensions	0	699
Intangible Assets	646	738
Total Other Assets	29,902	26,008
Deferred Debits	39,426	14,417
Total Assets	466,025	417,558
LIABILITIES & EQUITY		
Current Liabilities		
Line of Credit	38,013	24,849
Accounts Payable	22,182	22,959
Accrued Liabilities	8,053	5,387
Member Deposits	2,284	2,172
Current Portion of Long-term Lease Obligations	577	587
Current Portion of Long-term Liabilities	10,942	9,692
Total Current Liabilities	82,050	65,646
Long-term Obligations	223,673	187,418
Deferred Credits	5,204	16,879
Member Equity	155,098	147,614
Total Liabilities & Equity	466,025	417,558

CONSOLIDATED STATEMENTS OF OPERATIONS

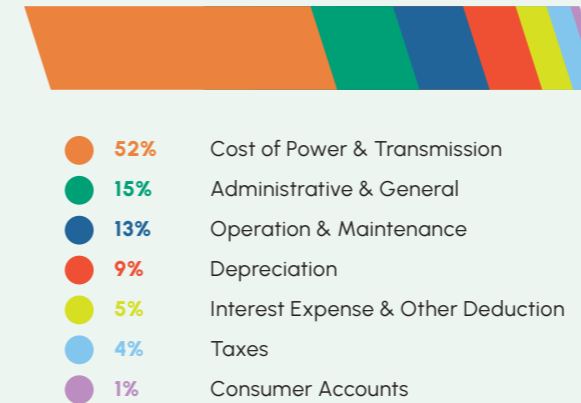
	2025 (\$K)	2024 (\$K)
REVENUE		
Operating Revenues	199,402	175,460
EXPENSES		
Cost of Power & Transmission	101,162	86,601
Operation & Maintenance	24,712	23,400
Consumer Accounts	2,883	2,750
Administrative & General	28,391	29,226
Depreciation	16,779	14,673
Interest Expense & Other Deduction	10,469	8,030
Taxes	8,304	8,121
Total Operating Expenses	192,701	172,801
Operating Margin	6,701	2,658
NON-OPERATING MARGINS		
Interest Income & Patronage	184	547
Other	599	376
Total Non-operating Margins	783	924
Net Margins	7,484	3,582

The annual audit of New Hampshire Electric Cooperative and Subsidiary's records was performed by McNair, McLemore, Middlebrooks & Co, LLC, 389 Mulberry St, Macon, GA 31201, and reviewed by the Audit Committee of the Board of Directors of New Hampshire Electric Cooperative. Copies of the complete report are available by mail upon request, or online at www.nhec.com.

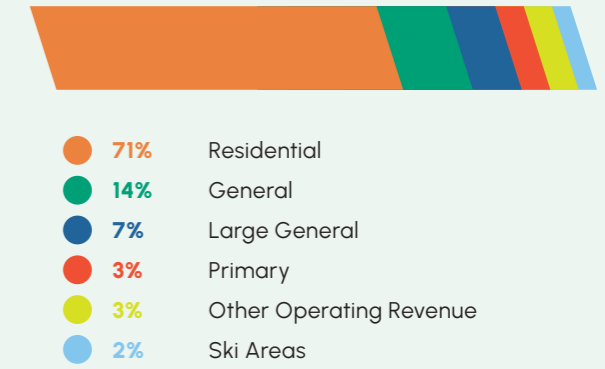
Together, we're building a stronger, more connected New Hampshire.

2025 AT A GLANCE

EXPENSES BY CATEGORY



OPERATING REVENUE



2025 TREASURER'S REPORT

New Hampshire Electric Cooperative (NHEC) ended the year with a positive net margin of \$11.3 million from our electric distribution operations. The distribution revenue that NHEC earned was 4% greater than budget, or \$2.9 million, while distribution expenses were 5% less than budget, or \$3.9 million.

In 2025, NHEC saw a 6% increase in net kWh sales due to a colder than average winter and a warm July. NHEC continued to see growth in new construction, resulting in the addition of 792 new services during the year (up from 547 in 2024) bringing our total number of accounts to over 85,000.

NHEC works hard to keep our operating costs down, while providing good service to our members. We continue to invest in right-of-way clearing and tree trimming. Over the past three years we have cleared and maintained over 1,105 miles of line and invested more than \$27 million to improve service reliability to our members. Additionally, over \$50 million dollars has been invested into infrastructure and system improvements in that same time period.

We continue to make great strides connecting underserved communities with high-speed internet. In 2025, we built 850 miles of fiber and added an additional 10,000 households to our service area. We now offer service to over 37,000 homes and businesses. We continue to enjoy brisk subscriber growth and our efforts are being recognized by NHEC members and the community at large. In 2025, NH Broadband had the highest customer satisfaction rating of any internet-service-provider in the state and was recognized as Best in the Lakes Region in the Laconia Sun's annual readers' choice competition.

Overall, NHEC's strong financial health ensures that we have the capital necessary to maintain and improve the electric distribution system and broadband networks our members rely on every day.

Respectfully submitted,
Jerry Stringham
Treasurer