

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ending December 31, 2025

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

For the transition period from _____ to _____

Commission File Number: 0-3024

NUVERA COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-0440990
(I.R.S. Employer
Identification No.)

**27 North Minnesota Street
New Ulm, Minnesota 56073**
(Address of principal executive offices)

Registrant's telephone number, including area code: (507) 354-4111

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock - \$1.66 par value	NUVR	OTCQB Marketplace

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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," "non-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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant’s common stock held by non-affiliates computed by reference to the price at which the common stock was sold, as of the last business day of the registrant’s most recently completed second fiscal quarter was \$41,954,607. This calculation is based upon the closing price of \$11.05 of our stock on June 30, 2025, as quoted on the OTCQB Marketplace. Without asserting that any director or executive officer of the registrant, or person owning 5% or more of the registrant’s common stock, is an affiliate, the shares of which they are the beneficial owners have been deemed to be owned by affiliates solely for this calculation.

As of March 16, 2026, the registrant had 5,215,348 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s Proxy Statement for the 2026 Annual Meeting of Stockholders to be held on May 21, 2026, are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission (SEC) within 120 days of the registrant’s fiscal year ended December 31, 2025.

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's prospects and make informed investment decisions. Certain statements in this Annual Report on Form 10-K, including those relating to the impact on future revenue sources, pending and future regulatory orders, continued expansion of the fiber communications network and expected changes in the sources of our revenue and cost structure resulting from our entrance into new communications markets, are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect, among other things, our current expectations, plans, strategies, and anticipated financial results. There are a number of risks, uncertainties and conditions that may cause the actual results of Nuvera Communications, Inc., and its subsidiaries ("Nuvera," the "Company," "we" or "our" or "us") to differ materially from those expressed or implied by these forward-looking statements. Many of these circumstances are beyond our ability to control or predict. Moreover, forward-looking statements necessarily involve assumptions on our part. These forward-looking statements generally are identified by the words "believes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "may," "will," "would," "seeks," "targets," "continues," "should," "will be," "will continue," or similar expressions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements of Nuvera and its subsidiaries to be different from those expressed or implied in the forward-looking statements. These risks and uncertainties may include, but are not limited to: i) shifts in our product mix may result in declines in our operating profitability, ii) we may not accurately predict technological trends or the success of new products, iii) possible consolidation among our customers, iv) possible customer payment defaults, v) possible replacement of key personnel, vi) a failure in our operational systems or infrastructure could affect our operations, vii) unfavorable general economic conditions that could negatively affect our operating results, viii) our current debt structure may change due to increases in interest rates or our ability to comply with lender loan covenants, ix) our possible pursuit of acquisitions could be expensive or not successful, x) substantial regulatory change and increased competition, xi) data security breaches, and xii) elimination of governmental network support we receive. For these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that these forward-looking statements are subject to risks and uncertainties which could affect our actual results and cause actual results to differ materially from those indicated in the forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements that appear throughout this report. Furthermore, these statements speak only as of the date they are made. Except as required under federal securities laws or the rules and regulations of the SEC, we disclaim any intention or obligation to update or revise publicly any forward-looking statements. Undue reliance should not be placed on forward-looking statements.

Website Access to SEC Reports

Our website at www.nuvera.net provides information about our products and services, along with general information about Nuvera and its management and financial results. Copies of our most recent Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, can be obtained, free of charge, as soon as reasonably practical after these reports are electronically filed or furnished to the SEC. To obtain this information, visit our website noted above and select "About Us – Investors" to view Nuvera SEC filings," or call (844) 354-4111. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding public companies, including Nuvera. Any reports filed with the SEC may also be obtained from the SEC's Reference Room at 100F Street, NE, Washington, DC 20549.

Code of Business Conduct and Ethics

Our Board of Directors (BOD) have adopted a Code of Business Conduct and Ethics that is applicable to all directors, the chief executive officer (CEO), a chief financial officer (CFO) and to all other employees of

Nuvera. All employees of Nuvera have undergone training on this Code of Business Conduct and Ethics. The information required by Item 406 of Regulation S-K is contained under “Code of Business Conduct” in the definitive proxy statement (2025 Proxy Statement) and is incorporated by reference. Our BOD has also adopted written charters for its committees that comply with the NASDAQ Global Select Market. Copies of the committee charters are available on our website above or by contacting us at (844) 354-4111.

PART I

Item 1. Business

Company Overview and History

Nuvera is a diversified communications Company headquartered in New Ulm, Minnesota with more than 120 years of experience in the communications business. We operate in one principal business segment: the Communications Segment.

Our principal line of business is the operation of seven communications companies. Our original business was founded in 1905 and consisted of the operation of a single communications company (New Ulm Rural Telephone Company). In 1984, we changed our name to New Ulm Telecom, Inc. In 1986, we acquired Western Telephone Company (WTC). In 1993, we acquired Peoples Telephone Company (PTC). In 2008, we acquired Hutchinson Telephone Company (HTC). In 2012, we acquired Sleepy Eye Telephone Company (SETC). In 2018, we acquired Scott-Rice Telephone Co. (Scott-Rice). Our businesses consist of connecting customers to our advanced fiber communications network, providing managed services, switched service, and dedicated private lines, connecting customers to long-distance service providers and providing many other services associated with our businesses. Our businesses also provide Internet protocol television (IPTV), cable television services (CATV), Internet access services, including high-speed broadband access, and long-distance service. We also install and maintain communications systems to the areas in and around our service territories in southern Minnesota and northern Iowa. In 2008 we acquired Hutchinson Telecommunications, Inc. (HTI). This company operates in and around the city of Litchfield, Minnesota and operates under less regulatory oversight than our other communications companies. In 2010, we acquired the cable TV system in the city of Glencoe and operate Glencoe under the HTI. This Company offers the same services as our other communications companies. In 2000, we changed our marketing name to NU-Telecom and operated under that name in our markets. In 2018, we changed our marketing name to Nuvera and currently operate under that name in our markets.

Recent Business Development

On December 15, 2021, the Company announced plans to build and deploy gigabit-speed (GIG or Gbps) fiber Internet across its network creating crucial access to the fastest speeds available for rural communities, small cities, and suburban areas across Minnesota. Nuvera’s investment in a fiber-to-the-premise (FTTP) network infrastructure will allow more underserved communities across Minnesota to leverage the quality of life and economic opportunity that access to a state-of-the-art network provides. The Company will continue to build and deploy the Gig-speed fiber service over the next few years. Nuvera’s fiber network gives customers affordable access to a range of speeds from 100 Megabits per second (Mbps) to 1 Gig. Nuvera’s goal is to bring Gig-speed fiber service to as many communities as possible.

Nuvera’s fiber Internet prices range from \$50 per month to \$200 per month for Gig/Multi Gig-speed fiber services. Customers can choose the right speed at an affordable price, including low-income households through Federal programs.

Communications Segment

The Communications Segment operates the following communications companies and has investment ownership interests as follows:

- Communications Companies:
 - Nuvera Communications, Inc., the parent Company,
 - HTC, a wholly owned subsidiary of Nuvera,
 - PTC, a wholly owned subsidiary of Nuvera,
 - Scott-Rice, a wholly owned subsidiary of Nuvera,
 - SETC, a wholly owned subsidiary of Nuvera,
 - WTC, a wholly owned subsidiary of Nuvera; and
 - HTI, a wholly owned subsidiary of HTC, located in Litchfield and Glencoe, Minnesota
- Our investments and interests in several of the following entities include some management responsibilities:
 - Broadband Visions, LLC (BBV) – 24.30% subsidiary equity ownership interest. BBV provides video headend and Internet services,
 - Independent Emergency Services, LLC (IES) – 14.29% subsidiary equity ownership interest. IES is a provider of E-911 services to the States of Minnesota and Wisconsin as well a number of counties located in Minnesota, and
 - Fiber Minnesota, LLC (FM) – 7.63% subsidiary equity ownership interest. FM is a Minnesota state-wide network that provides connectivity for regional businesses.

We report the business operations of our seven communications companies and their associated services as a single segment that we refer to as the Communications Segment.

The Communications Segment operates the following communications companies: Nuvera, HTC, PTC, Scott-Rice, SETC, WTC and Litchfield, Minnesota. Nuvera, HTC, Scott-Rice, SETC, WTC and Litchfield are independent communications companies that are regulated by the Minnesota Public Utilities Commission at the state level, while PTC is an independent communications company that is regulated by the Iowa Utilities Board at the state level. Our communications companies located in Redwood Falls and Litchfield are currently not under the same level of regulatory oversight as our other communications companies. As of December 31, 2025, we served 34,843 data connections and 9,889 access lines in many Minnesota communities. We provide broadband and/or voice services in Arlington, Bellechester, Belle Plaine, Cokato, Cologne, Courtland, Dassel, Evan, Goodhue, Hanska, Hector, Howard Lake, Hutchinson, Klossner, Litchfield, Mazeppa, Elko New Market, New Ulm, Olivia, Prior Lake, Redwood Falls, Sanborn, Savage, Searles, Sleepy Eye, Springfield, Waverly, Webster and White Rock, as well as the adjacent rural areas of Blue Earth, Brown, Goodhue, McLeod, Meeker, Nicollet, Redwood, Rice, Scott and Wabasha counties in south central Minnesota. We also serve the community of Aurelia, Iowa as well as the adjacent rural areas surrounding Aurelia. The Communications Segment also operates multiple IPTV and CATV systems in Minnesota (including the cities of Cologne, Courtland, Glencoe, Goodhue, Hanska, Hutchinson, Litchfield, Mayer, Elko New Market, New Germany, New Ulm, Plato, Prior Lake, Redwood Falls, Sanborn, Savage, Searles, Sleepy Eye and Springfield) and one IPTV system in Aurelia, Iowa. These systems serve 6,795 customers.

We provide a variety of business communication services to small, medium, and large business customers, including many services over our advanced fiber-optic network. The services we offer include scalable high speed broadband Internet access and voice over Internet protocol (VoIP) phone services, which range from basic service plans to virtual hosted systems. Our hosted VoIP package utilizes our soft switching technology and enables our customers to have the flexibility of employing new telephone advances and features without investing in a new telephone system. This package includes voice service, calling features, IP business telephones and unified messaging, which integrates multiple technologies into a single system and allows the customer to receive and listen to voice messages through e-mail.

The Communications Segment derives its principal revenues from (i) the provisioning of data and video services (ii) voice service charges to its residential and business subscribers, and (iii) access charges to Interexchange Carriers (IXCs) for providing the carriers access to our local phone networks.

None of our communications companies are dependent upon any single customer or small group of customers. No single customer accounted for 10% or more of our consolidated revenues in any of the last two years.

In addition to Internet and VoIP services, we also offer a variety of commercial data connectivity services in select markets including private line and Ethernet services to provide high bandwidth across point-to-point and multiple site networks.

We receive most of our revenues through the following sources:

Voice Service – We receive recurring revenue for basic local voice services that enable end-user customers to make and receive telephone calls within a defined local calling area for a flat monthly fee. In addition to subscribing to basic local telephone services, our customers may choose from multiple voice service plans with a variety of custom calling features such as call waiting, call forwarding, caller identification and voicemail. Our VoIP digital phone service is also available as an alternative to the traditional telephone line.

Network Access – We provide access services to other communications carriers for the use of our facilities to terminate or originate long-distance calls on our fiber network. Additionally, we bill monthly subscriber line charges (SLCs) to substantially all our customers for access to the public switched network. These monthly SLCs are regulated and approved by the Federal Communications Commission (FCC). In addition, network access revenue is derived from several federally administered pooling arrangements designed to provide support and distribute funding to us.

Video Service – We provide a variety of enhanced video services on a monthly recurring basis to our customers. Depending on geographical market availability, our video services range from limited basic service to advanced digital TV, which includes several plans each with hundreds of local and national channels including premium and pay-per-view channels as well as video-on-demand service. Certain customers may also subscribe to our advanced video services, which consist of high-definition (HD) TV, digital video recorders (DVR) and Whole Home DVR. Our Whole Home DVR allows customers the ability to watch recorded shows on any TV in the house, record multiple shows at one time and utilize an intuitive on-screen guide and user interface. Video subscribers also have access to our TV Everywhere service which allows subscriber access to full episodes of available shows, movies and live screens using a computer or mobile device. We also receive monthly recurring revenue from our subscribers for providing commercial TV programming in competition with local CATV, satellite dish TV and off-air TV service providers. We serve twenty-two communities with our IPTV services and five communities with our CATV services.

Data Service – We provide high speed Internet to business and residential customers depending on the nature of the network facilities that are available, the level of service selected and the location. Our revenue is earned based on the offering of various flat rate packages based on the level of service, data speeds and features. We also provide e-mail and managed services, such as web hosting and design, on-line file back up and on-line file storage.

Alternative Connect America Cost Model (A-Cam)/Federal Universal Service Fund (FUSF) – The Company currently receives funding based on the A-CAM, except for Scott-Rice, which receives funding from the FUSF. Scott-Rice's settlements from the National Exchange Carriers Association (NECA) pools are based on nationwide average schedules, which includes the pooling and redistribution of revenues based on a company's actual or average costs. See below for a discussion regarding A-CAM and FUSF.

Other – Our customers are billed for toll and long-distance services on either a per call or flat-rate basis. This also includes the offering of directory assistance, operator service and long-distance private lines. We also generate revenue from directory publishing through an outside vendor, sales and service of customer premise

equipment (CPE), bill processing and other customer services. Our directory publishing revenue in our telephone directories recurs monthly. We also provide retail sales and service of cellular phones and accessories through Telespire, a national wireless provider. We resell these wireless services as Nuvera Wireless, our branded product. We receive both recurring revenue for our wireless services, as well as revenue collected for the sale of wireless phones and accessories.

Sales and Marketing

The key components of our overall marketing strategy include:

- Positioning ourselves as a single point of contact for our customers' communications needs,
- Providing customers with a broad array of data, voice, and communications solutions,
- Identifying and broadening commercial customer needs by developing solutions and providing integrated service offerings,
- Offering digital self-service tools and apps including an enhanced website, automated consumer online orders, appointment reminders, robust wireless home networking (Wi-Fi) apps, user guides and troubleshooting tools and videos,
- Providing excellent customer service, including centralized customer support to coordinate installation of new services, repair and maintenance functions and creating more self-service tools through our online customer portal,
- Developing and delivering new services to meet evolving customer needs and market demands, and
- Leveraging our local presence and strong reputation across our market areas.

We currently offer our services through customer service call centers, our website, and commissioned sales representatives. Our customer service call centers and dedicated sales teams serve as the primary sales channels for consumer, commercial and carrier services. Our sales efforts are supported by digital media, direct mail, bill inserts, radio, TV and Internet advertising, public relations activities, community events and customer promotions. We sell our Gig-speed consumer fiber broadband service through our fiber network, which we launched in late 2021 in select markets.

In addition to our customer service call centers, customers can contact us through our website, online chat, and social media channels. Our online customer portal enables customers to pay their bills, manage their accounts, order new services, and utilize self-service help and support. Our priority is to continue enhancing our comprehensive customer care system to produce a high level of customer satisfaction and loyalty, which is important to our ability to reduce churn and generate recurring revenues.

Business Strategies

Transform our Company into a dominant Gig-speed fiber broadband provider:

On December 15, 2021, the Company announced plans to build and deploy Gig-speed fiber Internet across its network creating crucial access to the fastest speeds available for rural communities, small cities, and suburban areas across Minnesota. The five-year build plan, which began in late 2021, will, when complete, include location passings to fiber enabling Gig-speed fiber capable services to a majority of our service territories by 2025. In 2025, we upgraded 6,123 locations with fiber services and faster broadband speeds and plan to upgrade more than 3,300 locations in 2026. Project-to-date, we have upgraded a total of 51,462 overall passings with these fiber services. This marks the biggest fiber deployment project in our Company's history. In addition to best-in-class upload and download speeds, we believe the resulting fiber network will offer better reliability, improved speed consistency, and a lower operating cost relative to competing broadband network technologies. Given these benefits, we believe that our fiber deployment strategy will allow us to realize meaningful improvements to our operating results, broadband subscriber penetration and customer retention.

We believe our customers place a value on the fact that we are a local company whose goal is to meet their total communications needs. The success of this vision depends on the following strategies:

- We have and will continue to upgrade our fiber networks through our five-year build plan and enhance our products and services to take advantage of the latest technology including advanced high-bandwidth capabilities and services, expansion of our fiber network for wholesale and retail customers, Fiber-to-the-Tower services for wireless carriers and last mile fiber builds to residential and business customers. We intend to continue to introduce new services that draw upon our core competencies, and we believe are attractive to our target customers. In considering new services and market expansion, we look for market opportunities that we believe present growth opportunities.
- As consumer demands for bandwidth continue to increase, our focus is on enhancing our broadband services and progressively increasing broadband speeds. We began an extensive FTTP overbuild in portions of New Ulm in 2021 and all our service territories in 2022. We currently offer speeds of up to 1 Gbps in select areas where fiber is available, and up to 100 Mbps and 60 Mbps in areas where 1 Gbps is not yet available. As we continue to increase broadband speeds, we are also able to simultaneously expand the array of services and content offerings that the fiber network provides.
- We market services to our residential and business customers. Data connections continue to increase because of consumer trends towards increased Internet usage and our enhanced product and service offerings.
- Our consumer broadband speed allows us to continue to meet the needs of our customers and the demand for higher speed resulting from the growing trend of over-the-top (OTT) content viewing. The availability of faster speeds also complements our Wi-Fi and supports our TV everywhere service and allows our subscribers to watch their favorite programs at home or away on a computer, smartphone, or tablet.
- We tailor our services to commercial customers by developing solutions to fit their specific needs. We provide services to a wide range of commercial customers from sole proprietors and other small businesses to multi-location corporations. Our business suite of services includes local and long-distance calling plans, hosted voice services using network servers, the added capacity for multiple phone lines, scalable broadband Internet, online back up and business directory listings.
- We believe that we have several advantages over our competition, including an advanced fiber communications network, competitive pricing and costs, outstanding service quality, a strong reputation, a high level of commitment to the communities we serve and a direct billing relationship with a vast majority of the customers we serve in our service territories. We manage the potential decline in communications network access and voice service revenues by offering value-added services such as higher Internet speeds, HD IPTV, DVR services, managed services, customized communications solutions, along with outstanding customer service as a competitive differentiator.
- We continue to seek ways to improve our internal processes and gain operational efficiencies. While focusing resources on revenue growth and market share gains, we continually challenge our management team and employees at all levels to seek efficiencies and enhance our customers' experience. We continue to invest in our fiber networks and train our employees to achieve customer service excellence.
- Our current customer base provides a recurring revenue stream generating stable cash flow. Our focus remains on growing our services and supporting product lines to generate sufficient cash flow to fund our current operations, service our debt, fund our capital expenditure needs, pay dividends, when declared by the BOD, and expand our business. We have allocated resources to maintain and upgrade our fiber network while focusing on optimizing returns by completing strategic capital outlays that will make our fiber network more efficient and cost effective while providing the products and services that our customers desire in the markets we serve.
- We intend to continue to pursue a disciplined process of evaluating acquisitions of businesses as well as organic growth opportunities of market expansion and/or products which are complementary to our business portfolio.
- Across all our service territories, we have successfully managed capital expenditures to optimize returns through disciplined planning and targeted investment of capital. For example, strategic investments in our fiber networks allows significant flexibility to expand our commercial footprint, offer competitive

products and services and provide services in a cost-efficient manner while maintaining our reputation as a high-quality service provider. We will continue to invest in strategic growth initiatives to enhance and expand our fiber network to new markets and customers to optimize new business, backhaul and wholesale opportunities.

- Commercial services are expected to be a key growth area in the future. We are focused on enhancing our broadband and commercial product suite and are continually enhancing our commercial product offerings to meet the needs of our business customers. We tailor our services for business customers by developing solutions to fit their specific needs. Additionally, we are continuously enhancing our suite of managed and cloud services, which increases efficiency and enables greater scalability and reliability for businesses. We are utilizing multiple software platforms to gather relevant leads and for customer relations management.
- In addition to Internet and VoIP services, we also offer a variety of commercial data connectivity services in select markets including Ethernet services; software defined wide area network (SD-WAN), a software-based network technology that provides a simplified management and automation of SD-WAN connections; multi-protocol label switching; and private line services to provide high bandwidth connectivity across point-to-point and multiple site networks. We offer a suite of cloud-based services, which includes a hosted unified communications solution that replaces the customer's on-site phone systems and data networks, managed network security services and data protection services, including back-up and disaster recovery.

Competition

We compete in a rapidly evolving and highly competitive industry and expect competition will continue to intensify as consolidations and mergers occur within the industry. Regulatory developments and technological advances over the past several years have increased opportunities for alternative communications service providers, which in turn have increased competitive pressures on our business. These alternative providers often face fewer regulations and have lower cost structures than we do. In addition, several of our competitors have consolidated with other communication providers and as a result are generally larger, have more financial and business resources and have greater geographical reach to provide services. Our competitive advantages include: our strong commitment and presence in the communities we serve, knowledge of these markets, our experienced voice service and support team, and our ability to offer more flexible communications solutions than our larger competitors.

The long-range effect of competition on the delivery of communications services and equipment will depend on technological advances, regulatory actions at both the federal and the state levels, court decisions, and possible additional future federal and state legislation. Past federal and state legislation have tended to expand competition in the communications industry.

Alternatives to our service include customers leasing private line switched voice and data services in or adjacent to our service territories that permit the bypassing of our communications facilities. In addition, microwave transmission services, wireless communications, fiber/coaxial cable deployment, VoIP, satellite, and other services also permit the bypassing of our local exchange network. These alternatives to data, video, and local exchange service represent a potential threat to our long-term ability to provide data, video, and local exchange services at economical rates.

To meet competition, present in our industry, we are deploying the latest FTTP technology to deliver our data, video, and voice services at a higher bandwidth, enabling us to provide our services at much higher speeds.

We compete in the cities of Redwood Falls, Litchfield and Glencoe, Minnesota as a competitive local exchange carrier (LEC). These communications companies are currently not under the same level of regulatory oversight as our other communications companies. Lumen Technologies is the existing communications company in these markets. Competition also exists in the other communities and areas served by us as the incumbent LEC for traditional telephone service from wireless communications providers and we also expect competition to increase from service providers offering VoIP. In Minnesota, these communities include Glencoe, Hutchinson,

Litchfield, Elko New Market, New Ulm, Prior Lake, Redwood Falls, Savage, Sleepy Eye, Springfield and Webster. In Iowa, we provide service in Aurelia. Nuvera also provides video service in these communities. Comcast is the existing incumbent provider of video services in New Ulm. Mediacom is the existing incumbent provider of video services in the Hutchinson, Litchfield, Elko New Market, Prior Lake, Redwood Falls, Savage, Sleepy Eye and Springfield markets. Several other communications providers compete with us in our markets in providing Internet services. Additional communities where we provide internet only are Arlington, Belle Plain, Cokato, Dassel, Hector, Howard Lake, Olivia and Waverly. We have responded to these competitive pressures by creating active programs to market our products and enhance our infrastructure to create higher customer value.

We are experiencing competition for some of our other services from IXCs, such as customer billing services, dedicated private lines and network switching. The provisioning of these services is contractual in nature and is primarily directed by the IXCs. Other services, such as directory advertising, operator services and cellular communications are open to competition, based primarily on service and customer experience.

We expect competition to remain a significant factor affecting our operating results and that the nature and extent of that competition will continue to increase in the future. See Part I – Item 1A – “Risk Factors – Risks Relating to Our Business”.

Human Capital Resources

As of December 31, 2025, we employed approximately 205 employees, including part-time employees. We also use temporary employees in the normal course of our business. Our employees are the cornerstone of our success. We are committed to providing meaningful, challenging work and opportunities for professional growth in a positive environment. To attract and retain qualified and experienced employees, we offer compensation and benefit packages, which we believe are competitive within the industry and the local markets in which we operate. Our benefit packages, may include, among other items, incentive compensation based on the achievement of financial targets, healthcare and insurance benefits, health savings and flexible spending accounts, a 401(k) savings plan with an employer match, paid time off, and wellness and employee assistance programs. Additionally, for certain eligible employees, we provide long-term incentive compensation, in the form of cash-based incentive. In addition, we are committed to providing employees continuing education and training programs in order for employees to achieve career goals and professional growth.

We embrace diversity and inclusion and seek to hire and retain high-quality employees of all backgrounds and experiences. Honoring our employees as individuals is key to our culture. We believe diversity of backgrounds contributes to different ideas, which in turn drives better results for customers. We respect differences and diversity as qualities that enhance our efforts as a team and believe embracing diversity and a culture of inclusion makes our Company a better place to work. We believe in and support the principles incorporated in all anti-discrimination and equal employment laws.

We also strive to create and provide a safe, healthful and secure workplace that is free from discrimination or harassment. Our workplace policies and procedures protect against behavior that creates an offensive, hostile, or intimidating work environment. Safety is a top priority, and we have a strong, ongoing commitment to ensure employees are properly trained and have appropriate safety and emergency equipment.

Materials and Supplies

The materials and supplies that are necessary for our operations are available from a variety of sources. We are not dependent on any particular supplier or group of affiliated suppliers for our equipment needs.

Regulation

The following summary provides a high-level overview, but may not include all present and proposed federal, state, and local legislation and regulations affecting the communications industry. Some legislation and other

regulations are currently the subject of judicial proceedings, legislative hearings and administrative proposals that could change the manner in which this industry operates. At this time, we cannot predict the outcome of any of these developments or their potential impact on us. Regulation can change rapidly in the communications industry and these changes could have an adverse effect on us in the future.

Overview

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), rules and regulations of the SEC and, where applicable, conform to the accounting principles as prescribed by federal and state telephone utility regulatory authorities.

The services we offer are subject to varying levels of regulatory oversight. Federal and state regulatory agencies share responsibility for enforcing statutes and rules relative to the provision of communications services. Our interstate communications services are subject to regulation by the FCC. Intrastate services are governed by the relevant state regulatory commission. The Telecommunications Act of 1996 (TA96) and the rules enacted under it also gave oversight of interconnection arrangements and access to network elements to the state commissions. Our TV services are governed by FCC rules and municipal franchise agreements. There are also varying levels of regulatory oversight depending on the nature of the services offered or if the services are offered by a communications company.

Our communications companies located in Redwood Falls, Litchfield and Glencoe provide services with less regulatory oversight than our other local communications companies. A company must file for interexchange authority to operate with the appropriate public utility commission in each state it serves. Our communications companies located in Redwood Falls, Litchfield and Glencoe provide a variety of services to both residential and business customers in multiple jurisdictions.

Federal Regulatory Framework

All carriers must comply with the FCC Act of 1934 (FCA34) as amended that requires, among other things, that our interstate services be provided at just and reasonable rates and on non-discriminatory terms and conditions. The TA96 amended the FCA34 and has had a dramatic effect on the competitive environment in the communications industry. In addition to these laws, we are also subject to rules promulgated by the FCC and could be affected by any regulatory decisions or orders they issue.

The TA96 and Local Competition

The primary goal of the TA96 and the FCC's rules promulgated under it was to open local communications markets to competition while enhancing universal service. To some extent, Congress pre-empted the local authority of states to oversee local communications services.

The TA96 imposes a number of requirements on all local communications providers including:

- To interconnect directly or indirectly with other carriers,
- To allow others to resell services,
- To provide for number portability to allow end-users to retain their telephone number when changing providers,
- To ensure dialling parity,
- To ensure that competitor customers have non-discriminatory access to telephone numbers, operator services, directory assistance and directory listing services, and
- To allow competitors access to telephone poles, ducts, conduits, and rights-of-way, and to establish reciprocal compensation arrangements for the transport and termination of communications traffic.

Access Charges

Access charges refer to the compensation received by LECs for the use of their networks by an IXC. We provide two types of access services: special access and switched access. Special access is provided through dedicated circuits that connect other carriers to our network and is structured on a flat monthly fee basis. Switched access rates that are billed to other carriers are based on a per-minute of use fee basis. The FCC regulates prices that we charge for interstate access charges. There has been a trend toward lowering the rates charged to carriers accessing local networks and the application of a SLC as a flat rate on end-user bills. Regulation, competition, carriers optimizing their network costs and lower demand for dedicated lines have resulted in lower access rates and overall lower minutes of use on our network, which has affected our network access revenues.

Interstate access rates are established by the nationwide pooling of companies known as NECA. The FCC established NECA in 1983 to develop and administer interstate access service rates, terms, and conditions. Revenues are pooled and redistributed on the basis of each company's actual or average costs. There has been a change in the composition of interstate access charges in recent years, shifting more of the charges to the end user and reducing the amount of access charges paid by IXCs. We believe this trend will continue.

Intrastate access rates are filed with the regulatory commissions in Minnesota and Iowa.

Wireline Interstate

Our communications companies participate in the NECA common line pool where end-user common line funds collected are pooled. A portion of our communications companies' revenue are based on settlements distributed from this pool. Our communications companies also participate in the NECA traffic-sensitive pool. These pool settlements are adjusted periodically.

Access rates for our communications companies located in Redwood Falls, Litchfield and Glencoe were established according to an order issued by the FCC in 2001. Under that order, the switched access rates charged by a competitive carrier can be no higher than the rates charged by the communications company with whom we compete.

Intercarrier Compensation (ICC) and FUSF Reform

The FCC released the National Broadband Plan in April 2010 recommending significant changes to the access charge policy and processes. This was followed on November 18, 2011, by FCC Order 11-161 (the Transformation Order), with comprehensive rules reforming all forms of ICC and implementing a new support mechanism for the deployment of broadband. Generally, the ICC reform sets forth a path towards a "bill & keep" regime which eliminates compensation for termination of traffic received from another carrier. The timeline for this transition had numerous steps depending on the type of traffic exchanged and the regulated status of the affected LEC.

These rules have been clarified in several orders on Reconsideration and have had an impact on our companies by reducing our terminating ICC, including intrastate and interstate access charges.

The FCC Transformation Order also confirmed the applicability of access charges on VoIP traffic and eliminated reciprocal compensation charges for termination of local wireless traffic. Despite these changes IXCs and others are still quite aggressive in disputing carrier access charges and/or the applicability of access charges to their traffic.

Due to the combination of rate reforms instituted by the FCC, competitive substitution by wireless and other carriers and decreased use of the switched network, the aggregate amount of interstate network access charges paid by long-distance carriers to access providers such as our Company, has decreased and we project that this decline will continue. For the year ended December 31, 2025, communications network access revenue represented 3.6% of our operating revenue, down from 4.5% for the year ended December 31, 2024. This

excludes any funding received from FUSF and the A-CAM for broadband funding (see below for more information).

FUSF

The FUSF was originally established to overcome geographic differences in costs of providing voice service and to enable all citizens to communicate over networks regardless of geographical location and/or personal income. The FCC established universal service policies at the national level under terms contained in the Telecommunications Act of 1934. The TA96 requires explicit FUSF mechanisms and enlarged the scope of universal service to include four distinct programs:

- High-Cost program that supports local carriers operating in high-cost regions of the country to ensure reasonably based telephone rates,
- Lifeline (low-income) Subscribers program that includes the Link Up and Lifeline programs that provide support for service initiation and monthly fees and have eligibility based on subscriber income,
- Rural Health Care Providers program that supports communication services used by rural health care providers and provides them with toll free access to an Internet service provider (ISP), and
- Schools and Libraries program, also called the E-Rate program that provides support funding to schools and libraries for communications services, Internet access and internal connections.

In its Transformation Order released November 18, 2011, the FCC adopted rules which dramatically reform the universal service program and ICC regime. These rules eliminated the legacy Local Switching support but also provide for a new Connect America Fund (CAF) support for rate of return carriers to make up some of their access revenue reductions and provide direct support to PriceCap carriers (i.e. the larger, national LECs such as Verizon and AT&T) for broadband build outs. The new rules have caused rates for end users to increase as ICC is reduced and the legacy mandate for ubiquitous voice service shifts toward broadband availability as a key outcome of the program.

FUSF high-cost payments are distributed by NECA and are only available to carriers that have been designated as an eligible telecommunications carrier (ETC) by a state commission. Each of our communications companies has been designated as an ETC. Our communications companies located in Redwood Falls, Litchfield and Glencoe are also eligible to be designated as ETCs if they meet the requirements of the program and meet a public interest standard as determined by the appropriate state regulatory agency. Our communications companies located in Redwood Falls, Litchfield and Glencoe are currently not receiving FUSF support. All ETCs must certify annually to the Universal Service Administrative Company (USAC) or their appropriate state regulatory commission that the funds they receive from the FUSF are being used in the manner intended. The states must then certify to the FCC which carriers have met this standard. The Transformation Order expands the information that must be reported to the State Commissions to include information on broadband availability, plans for expansion to unserved and underserved areas, in addition to information about voice services. To some extent, these levels of scrutiny make the receipt of a consistent level of FUSF payments each year more difficult to predict.

For the year ended December 31, 2025, we recorded an aggregate of \$8,333,904 from FUSF, consisting of \$1,659,442 of CAF support and \$6,674,462 for Consumer Broadband-Only Loop Support (CBOL) funding. Our net FUSF in 2025 comprised 11.6% of our total revenue for the year. For the year ended December 31, 2024, we received an aggregate of \$6,553,866 from FUSF, consisting of \$1,557,760 of CAF support and \$4,996,106 of CBOL funding. Our net FUSF in 2024 comprised 9.5% of our total revenue for the year. We receive no State USF as the states in which we operate have not established state USF mechanisms.

The monthly CBOL subsidy formula is reviewed and subjected to revision on an annual basis and subject to change based on updated USAC funding criteria July 1 of each year.

In 2019, the Company elected to receive funding from A-CAM, except for Scott-Rice, which still receives funding from the FUSF.

A-CAM

The FUSF was established as part of the TA96 and provides subsidies to communications providers as means of increasing the availability and affordability of advanced communications services. In 2011, significant reform was introduced, including the creation of the CAF, to help modernize the FUSF and promote support of these communications services in the nation's high-cost areas. In 2016, the FCC announced additional reform to further transition the CAF from supporting the provision of voice services to the provision of broadband services. On March 30, 2016, the FCC issued a Report and Order (2016 Order) that adopts the following changes to the FUSF for rate-of-return carriers:

- Establishes a voluntary cost model,
- Creates specific broadband deployment obligations,
- Provides a mechanism for support of broadband-only deployment,
- Gradually reduces the authorized rate-of-return from 11.25 percent to 9.75 percent,
- Eliminates support in those local areas served by unsubsidized competitors,
- Establishes “glide-path” transition periods for all the recent changes, and
- Maintains the \$2 billion budget established by the 2011 Transformation Order.

While the 2011 FUSF Transformation Order established CAF Phase I and CAF Phase II as high-cost support mechanisms for the price-cap carriers (i.e., the larger, national LECs such as Verizon and AT&T), it was not as specific about how subsidies would change for the rate-of-return carriers (i.e., the smaller LECs, including all rural LECs). In contrast, the 2016 Order focused on the rate-of-return carriers, announced specific changes to existing funding mechanisms as well as a new funding mechanism, and provided rural communications providers with greater certainty about future support.

One of the major changes introduced by the 2016 Order was the creation of the A-CAM, a new CAF support mechanism for rate-of-return carriers. Utilization of the A-CAM was voluntary; and rate-of-return carriers may have instead chosen to continue relying on the legacy support mechanism known as interstate common line support but then modified and renamed CAF BLS. Each carrier needed to decide which support mechanism to elect, and must have elected one or the other, per state.

On February 25, 2019, the FCC issued Public Notice DA 19-115, which contained revised offers of A-CAM support and associated revised service deployment obligations. On February 27, 2019, the Company's BOD authorized and directed the Company to accept the FCC's revised offer of A-CAM support and the revised associated service deployment obligations. Under the revised FCC offer Notice, the Company will be entitled to annually receive (i) \$596,084 for its Iowa operations and (ii) \$8,354,481 for its Minnesota operations. The Company will receive the revised A-CAM offer over the next 10 years starting in 2019. The Company will use the support that it receives through the A-CAM program to meet its defined broadband build-out obligations, which the Company is currently completing. A letter of acceptance to elect the revised A-CAM support was filed by the Company with the FCC on March 8, 2019. The FCC accepted the Company's letter on March 11, 2019.

Build-out obligations: A-CAM carriers under the original A-CAM program must complete deployment of 10 Mbps downstream/1 Mbps upstream service to a number of eligible locations equal to 40 percent of fully funded locations by the end of 2020, to 50 percent of fully funded locations by the end of 2021, to 60 percent of fully funded locations by the end of 2022, to 70 percent of fully funded locations by the end of 2023, to 80 percent of fully funded locations by the end of 2024, to 90 percent of fully funded locations by the end of 2025, and to 100 percent of fully funded locations by the end of 2026. A-CAM carriers who elected additional funding and additional obligations under the revised A-CAM program must complete deployment of 25 Mbps downstream/3 Mbps upstream service to a number of eligible locations equal to 40 percent of fully funded locations by the end of 2022, to 50 percent of fully funded locations by the end of 2023, to 60 percent of fully funded locations by the end of 2024, to 70 percent of fully funded locations by the end of 2025, to 80 percent of fully funded locations by the end of 2026, to 90 percent of fully funded locations by the end of 2027, and to 100 percent of fully funded locations by the end of 2028. As of December 31, 2025, Nuvera has completed the deployment of 10/1 service to 100% of its funded locations and 25/3 service to 74.5% of its funded locations in Minnesota and

has completed deployment of 10/1 service to 100% of its funded locations and 25/3 service to 85% of its funded locations in Iowa.

Infrastructure Investment and Jobs Act

The Infrastructure Investment and Jobs Act (Infrastructure Act) passed on March 31, 2021, and included \$65.0 billion toward broadband. The broadband Internet portion of the Infrastructure Act is aimed at increasing Internet coverage for more universal access, including for rural, low-income, and tribal communities. 65% of this funding is set aside specifically for underserved communities. Additionally, this measure is designed to help make Internet access more affordable and increase digital literacy.

The Infrastructure Act set aside \$42.5 billion for Broadband Equity, Access, and Deployment grants. The National Telecommunications and Information Administration administers the grant program and is in the process of reviewing qualifications and approving state awards.

Privacy and Data Security Regulation

The FCA34 generally restricts the nonconsensual collection and disclosure to third parties of communication company customers' personally identifiable information by communication companies, except for rendering service, conducting legitimate business activities related to the service, and responding to legal requests. We are also subject to various state and federal regulations that provide protection for customer proprietary network information (CPNI) related to our voice services. The FCC expects broadband Internet access service providers such as us to take reasonable, good faith steps to comply with existing statutory requirements to protect broadband CPNI and plans to propose new privacy and data security rules for broadband ISPs. The FCC has recently imposed substantial civil penalties and remediation obligations on several companies for alleged privacy and data security violations.

The Federal Trade Commission (FTC) exercises authority over privacy protections, generally, using its existing authority over unfair and deceptive acts or practices to apply greater restrictions on the collection and use of personally identifiable and other information relating to customers. It also has undertaken numerous enforcement actions against parties that do not provide sufficient security protection against the loss of unauthorized disclosure of this type of information. We also are subject to stringent data security and data retention requirements on website operators and online services. Other privacy-oriented laws have been extended by courts to online video providers and are increasingly being used in privacy lawsuits, including class actions, against providers of video materials online.

We are also subject to state and federal laws and regulations regarding data security that primarily apply to sensitive personal information that could be used to commit identity theft. Most states have security breach notification laws that generally require a business to give notice to consumers and government agencies when certain information has been disclosed due to a security breach, and the FCC has adopted security breach rules for voice services. Several states have also enacted general data security requirements to safeguard consumer information, including the proper disposal of consumer information.

The National Institute of Standards and Technology, in cooperation with other federal agencies and owners and operators of United States critical infrastructure, have developed a voluntary framework that provides a prioritized, flexible, repeatable, performance-based, and cost-effective approach to cybersecurity risk. It is a compendium of existing cross-sector cyber-defense processes, practices and protocols that can help companies identify, assess, and manage their cyber risks and vulnerabilities, and several governmental agencies have encouraged compliance with this framework. Additionally, in December 2015, Congress enacted the Cybersecurity Act of 2015, which is intended to encourage and facilitate the sharing of security threat and defensive measure information with government agencies and other companies, to strengthen the country's overall cybersecurity protections. Finally, there are pending legislative proposals that could impose new requirements on owners and operators of critical infrastructure and the FCC is considering expanding its cybersecurity guidelines or adopting new cybersecurity requirements.

Network Architecture and Technology

We have and plan to continue to make significant investments in our technologically advanced fiber communications networks and continue to enhance and expand our fiber network by deploying technologies to provide additional capacity for our customers. As a result, we can deliver high-quality, reliable data, video, and voice services in the markets we serve. Our wide-ranging fiber network provides an easy reach into existing and new areas. By bringing the fiber network into the customer premises, we can increase our service offerings, quality, and bandwidth services. Our existing fiber network enables us to efficiently respond and adapt to changes in technology and can support the rising customer demand for bandwidth in order to support the growing amount of data devices in our customer's homes and businesses.

Our fiber networks are supported by advanced 100% digital switches, with a core fiber network connecting all our remote exchanges. We continue to replace our copper cable network to increase bandwidth to provide additional products and services to our marketable homes. We are replacing our existing copper cable with fiber cable throughout our network and to all customer premises that take our services, resulting in a 100% fiber network that supports all the inter-office and host-remote links, as well as all business parks within our service areas that take our service. In addition, this fiber infrastructure provides the connectivity required to provide broadband and long-distance services to our residential and commercial customers. Our fiber network utilizes FTTP and fiber-to-the-node networks to offer residential and commercial services.

We operate advanced fiber networks which we own or have entered into long-term leases for fiber network access. As of December 31, 2025, our fiber networks consist of approximately 4,075 route miles.

As of December 31, 2025, we passed 51,462 locations with FTTP. We intend to continue to make strategic enhancements to our fiber network, including improvements in overall network reliability and increases to our broadband speeds. We offer data speeds of multi-gig+ in select markets, and up to 100 Mbps in markets where multi-gig+ is not yet available.

We also provide fixed wireless broadband service to homes and small businesses from 32 towers, 6 of which we own, with the remaining towers being leased. 15 of these towers utilize Citizens Broadband Radio Service (CBRS) spectrum. We have secured 21 licenses in 12 CBRS spectrum counties in Minnesota and Iowa which allows us to offer high-speed Internet to unserved, under-served and hard to serve rural areas.

Environmental Regulation

We are subject to federal, state, and local laws and regulations governing the use, storage, disposal of, and exposure to, hazardous materials, the release of pollutants into the environment and the remediation of contamination. We could be subject to environmental laws that impose liability for the entire cost of cleanup at a contaminated site, regardless of fault or the lawfulness of the activity that resulted in contamination. We believe that our operations are in compliance with all applicable environmental laws and regulations.

Employees

As of March 1, 2026, we had 195 full-time equivalent employees dedicated to Nuvera's operations. In addition, as of March 1, 2026, we had an additional 8 full-time equivalent employees that are employed by Nuvera but are dedicated to IES. IES is a minority equity subsidiary of Nuvera and Nuvera acts as the managing entity for IES.

Intellectual Property

Intellectual property is necessary for our operations but is not material to our overall operations.

Executive Officers of the Registrant

The names and ages of all our executive officers and the positions held by them as of March 1, 2026, are as follows:

<u>Name and Age</u>	<u>Position with the Company</u>	<u>Age</u>
Glenn H. Zerbe	President and Chief Executive Officer	60
Curtis O. Kawlewski	Chief Financial Officer and Treasurer	59

Our executive officers are appointed annually and serve at the discretion of our BOD. Mr. Zerbe, President and CEO; and Mr. Kawlewski, CFO and Treasurer have written employment contracts. There are no familial relationships between any director and executive officers.

Mr. Zerbe has been President and CEO since September of 2019. Prior to that time, he served as Vice President of Sales for Frontier Communications Corporation until March 2019, where he held positions of increasing responsibility since joining Frontier in 2011. Prior to his employment with Frontier, Mr. Zerbe had more than 20 years of sales, marketing, and management experience in the communications industry, with companies such as Spanlink, Cisco Systems, SBC, AT&T, and IBM. Mr. Zerbe serves as Chairman of the BOD for IES and BBV, both equity subsidiaries of ours. In addition, Mr. Zerbe serves on the Board of Governors of FM, also an equity subsidiary of ours.

Mr. Kawlewski has been CFO and Treasurer since 2009. Mr. Kawlewski also serves as the Treasurer for IES and BBV, both equity subsidiaries of ours.

Item 1A. Risk Factors.

Our operations and financial results are subject to various risks and uncertainties, including but not limited to those described below, that could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock.

Risks Relating to Our Business

We expect to continue to face significant competition in all parts of our business and the level of competition could intensify among our customer channels. The communications industry is highly competitive. We face actual and potential competition from many existing and emerging companies, including other incumbent and competitive communications companies, long-distance carriers and resellers, wireless companies, ISPs, satellite companies and CATV companies, and, in some cases, new forms of providers who can offer competitive services through software applications requiring a comparatively small initial investment. Due to consolidations and strategic alliances within the industry, we cannot predict the number of competitors we will face at any given time.

The wireless business has expanded significantly and has caused many subscribers with traditional telephone and land-based Internet access services to give up those services and rely exclusively on wireless service. In addition, consumers' options for viewing TV shows have expanded as content becomes increasingly available through alternative sources. Some providers, including TV and CATV content owners, have initiated OTT services that deliver video content to TV, computers, and other devices over the Internet. OTT services can include episodes of highly rated TV series in their current broadcast seasons. They can also include original content and broadcast or sports content like those that we carry, but that is distinctive and exclusively available through the alternative source. Consumers can pursue each of these options without foregoing any of the other options. We may not be able to successfully anticipate and respond to many of the various competitive factors affecting the industry, including regulatory changes that may affect our competitors and us differently, new

technologies, services and applications that may be introduced, changes in consumer preferences, demographic trends and discount or bundled pricing strategies by competitors.

Competitors in the markets we serve may enjoy certain business advantages, including size, financial resources, favorable regulatory position, a more diverse product mix, brand recognition and connection to virtually all our customers and potential customers. The largest cable operators also enjoy certain business advantages, including size, financial resources, ownership of or superior access to desirable programming and other content, a more diverse product mix, brand recognition and first-in-field advantages with a customer base that generates positive cash flow for its operations. Our competitors continue to add features, increase data speeds, and adopt aggressive pricing and packaging for services comparable to the services we offer. Their success in selling services that are competitive with ours among our various customer channels could lead to revenue erosion in our business. We face intense competition in our markets for long-distance, Internet access, video service and other ancillary services that are important to our business and to our growth strategy. If we do not compete effectively, we could lose customers, revenue, and market share.

Our future growth is primarily dependent upon our expansion strategy, which may or may not be successful.

We are strategically focused on driving growth by expanding our broadband network to provide services in communities that are in, near or adjacent to our network. This expansion strategy includes our FTTP broadband service. This strategy is relatively new in the marketplace and the success of our strategy will depend on the degree to which we are able to successfully establish and continue to enhance this build, which is not assured. This strategy requires considerable management resources and capital investment, and it is uncertain whether and when it will contribute to positive free cash flow and the degree to which we will otherwise achieve our strategic objectives, on a timely basis or at all. Additionally, we must obtain franchises, construction permits and other regulatory approvals to commence operations in these communities. Delays in entering into regulatory agreements, receiving the necessary franchises and construction permits, procuring needed contractors, materials or supplies, and conducting the construction itself could adversely impact our scheduled construction plans and, ultimately, our expansion strategy. Difficulty in obtaining necessary resources may also adversely affect our ability to expand into new markets, as could our ability to adequately market a new brand to customers unfamiliar to us as we expand into markets where we do not currently operate. We may face resistance from competitors who are already in markets we wish to enter. If our expectations regarding our ability to attract customers in these communities are not met, or if the capital requirements to complete the network investment or the time required to attract our expected level of customers are incorrect, our financial performance and returns on investment may be negatively impacted.

We must adapt to rapid technological changes. If we are unable to take advantage of technological developments, or if we adopt and implement them at a slower rate than our competitors, we may experience a decline in the demand for our services.

Our industry operates in a technologically complex environment. New technologies are continually developed, and existing products and services undergo constant improvement. Emerging technologies offer consumers a variety of choices for their communication and broadband needs. To remain competitive, we will need to adapt to future changes in technology to enhance our existing offerings and to introduce new or improved offerings that anticipate and respond to the varied and continually changing demands of our various customer channels. Our business and results of operations could be adversely affected if we are unable to match the benefits offered by competing technologies on a timely basis and at an acceptable cost, or if we fail to employ technologies desired by our customers before our competitors do so.

New technologies, particularly alternative methods for the distribution, access and viewing of content, have been, and will likely continue to be, developed that will further increase the number of competitors that we face and drive changes in consumer behavior. Consumers seek more control over when, where and how they consume content and are increasingly interested in communication services outside of the home and in newer services in wireless Internet technology and devices such as tablets, smartphones and mobile wireless routers that connect to such devices. These new technologies, distribution platforms and consumer behaviors may have a negative impact on our business.

In addition, evolving technologies can reduce the costs of entry for others, resulting in greater competition and significant new advantages for competitors. Technological developments could require us to make significant new capital investments to remain competitive with other service providers. If we do not replace or upgrade our network and its technology on a timely basis, we may not be able to compete effectively and could lose customers. We may also be placed at a cost disadvantage in offering our services. Technology changes are also allowing individuals to bypass communications companies and cable operators entirely to make and receive calls, and to provide for the distribution and viewing of video programming without the need to subscribe to traditional voice and video products and services. Increasingly, this can be done over wireless facilities and other emerging mobile technologies in addition to traditional wired networks. Wireless companies are aggressively developing networks using next-generation data technologies, which can deliver high-speed Internet service via wireless technology to a large geographic footprint. As these technologies continue to expand in availability and reliability, they could become an effective alternative to our high-speed Internet services. Although we use fiber-optics in parts of our networks and are building a new FTTP network, including in some residential areas, we continue to rely on coaxial cable and copper transport media to serve customers in many areas. The facilities we use to offer our video services, including the interfaces with customers, are undergoing a rapid evolution, and depend in part on the products, expertise, and capabilities of third parties. If we cannot develop new services and products to keep pace with technological advances, or if such services and products are not widely embraced by our customers, our results of operations could be adversely impacted.

Shifts in our product mix may result in a decline in operating profitability. Margins vary among our products and services. Our profitability may be impacted by technological changes, customer demands, regulatory changes, the competitive nature of our business and changes in the product mix of our sales. These shifts may also result in our long-lived assets becoming impaired or our inventory becoming obsolete. We review long-lived assets for potential impairment if certain events or changes in circumstances indicate that impairment may be present.

Public health threats could have a material adverse effect on our business, results of operations, cash flows and stock price. We may face risks associated with public health threats or outbreaks of epidemic, pandemic, or communicable diseases. These outbreaks may have a short-term and long-term effect of adversely impacting the global economy, financial markets, and supply chains. These outbreaks may result in federal, state, and local governments implementing mitigation measures, including shelter-in-place orders, travel restrictions, limitations on business, school closures, vaccination and testing requirements and other measures. Governments may enact fiscal and monetary stimulus measures to counteract the impacts of these outbreaks.

We receive support from various funds established under federal and state laws, and the continued receipt of that support is not assured. A significant portion of our revenues come from network access and subsidies. An order adopted by the FCC in 2011 (2011 Order) significantly impacted the amount of support revenue we receive from the USF, CAF, and ICC. The 2011 Order reformed core parts of the USF, broadly recast the existing ICC scheme, established the CAF to replace support revenues provided by the USF and redirected support from voice services to broadband services.

We receive subsidy payments from various federal and state universal service support programs, including high-cost support, Lifeline and E-Rate programs for schools and libraries. The total cost of the various FUSF programs has increased significantly in recent years, putting pressure on regulators to reform the programs and to limit both eligibility and support.

We received \$17.34 million in 2025, and \$15.51 million in 2024, in payments under the federal A-CAM and FUSF programs.

We cannot predict future changes that may have an impact on the subsidies we receive. However, a reduction in subsidies support may directly affect our profitability and cash flows. In addition, the federal debt limit continues to be actively debated as plans for long-term national fiscal policy are discussed. Moreover, over the last decade, including the most recent government shut down which began on October 1, 2025, the United States government has shut down several times and some regulatory agencies have had to furlough employees and

stop some activities. Further, the outcome of any budget discussion could have a significant effect on programs that support us. The failure of Congress to approve future budgets or increase the debt ceiling of the of the United States on a timely basis or decrease funding for any of these programs could delay or result in the loss of support payments we receive.

Any delay or reduction in federal support may directly affect our profitability and cash flows and have an adverse effect on our business, results of operations and financial condition.

The imposition of new duties, tariffs, trade barriers and retaliatory countermeasures implemented by the United States and other governments and resulting impact on customer demand may have a material adverse effect on our business, fiber build initiatives, financial condition and results of operations. The implementation of significant changes to United States trade policies, sanctions, legislation, treaties and tariffs, including, but not limited to, significant new tariffs on goods imported into the United States, have introduced uncertainty to our business and may increase the cost of our services and fiber build initiatives, which could reduce our gross margin. The imposition of additional tariffs or other trade barriers by countries outside of the United States may increase our costs, and to the extent these increased costs result in increased prices for our customers, the demand for our services may decrease as our customers seek alternative options, making it more difficult for us to sell our services.

The extent and duration of increased tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the United States and affected countries, the responses of other countries or regions, exemptions or exclusions that may be granted, availability and cost of alternative sources of supply, and demand for our services.

As a result of these dynamics, we may find it difficult to predict the impact to our business of these and future changes to the trading relationships between the United States or other countries or the impact on our business of new laws or regulations adopted by the United States or other countries.

A disruption in our networks and infrastructure could cause service delays or interruptions, which could cause us to lose customers and incur additional expenses. Our customers depend on reliable service over our fiber network. The primary risks to our network infrastructure include physical damage to lines, security breaches, capacity limitations, power surges or outages, software defects and disruptions beyond our control, such as natural disasters and acts of terrorism. From time to time in the ordinary course of business, we experience short disruptions in our service due to factors such as physical damage, inclement weather, and service failures of our third-party service providers. We could experience more significant disruptions in the future. Disruptions may cause service interruptions or reduced capacity for customers, either of which could cause us to lose customers and incur unexpected expenses.

There have been recent media reports alleging that certain lead sheathed copper cables that are part of our copper network may present general health or environmental risks in areas where those facilities are deployed. We have not been given access to the test methodology or the test results on which those reports are based, so we are unable to access the accuracy or implications of those reports. We are currently researching our network for lead cable in service that was identified in the media reports. Until that time, we cannot predict what actions, if any, we may ultimately take with respect to the lead sheathed cable in our network or the potential financial, operational, regulatory, or reputational impacts of the situation on us.

A cyber-attack may lead to unauthorized access to confidential customer, personnel and business information that could adversely affect our business. Attempts by others to gain unauthorized access to organizations' information technology systems are becoming more frequent and sophisticated and are sometimes successful. These attempts may include covertly introducing malware to companies' computers and networks, impersonating authorized users or "hacking" into systems. We seek to prevent, detect, and investigate all security incidents that do occur; however, we may be unable to prevent or detect a significant attack in the future. Significant information technology security failures could result in the theft, loss, damage, unauthorized use, or publication of our confidential business information, which could harm our competitive position, subject

us to additional regulatory scrutiny, expose us to litigation or otherwise adversely affect our business. If a security breach results in misuse of our customers' confidential information, we may incur liability as a result.

Our operations require substantial capital expenditures, and our business, financial condition, results of operations and liquidity may be impacted if funds for capital expenditures are not available when needed.

We require significant capital expenditures to maintain, upgrade and enhance our network facilities and operations. While we have historically been able to fund capital expenditures from cash generated from operations and borrowings under our revolving credit facility, the other risk factors described in this section could materially reduce cash available from operations or significantly increase our capital expenditure requirements, which may result in our inability to fund the necessary level of capital expenditures to maintain, upgrade or enhance our network. This could adversely affect our business, financial condition, results of operations and liquidity.

We may be unable to obtain necessary hardware, software, and operational support from third-party vendors.

We depend on third-party vendors to supply us with a significant amount of hardware, software, and operational support necessary to provide the majority of our services, to maintain, upgrade and enhance our network facilities and operations, and to support our information and billing systems. Some of our third-party vendors are our primary source of supply for certain products and services for which there are few substitutes. Global supply chains may be impacted by future pandemics, which may cause a delay in the development, manufacturing, and shipping of products and in some cases an increase in product costs. If any of these vendors should experience financial difficulties, experience supply chain issues, have demand that exceeds their capacity or can no longer meet our specifications or provide products or services we need or at reasonable prices, our ability to provide some services may be hindered, in which case our business, financial condition and results of operations may be adversely affected.

Video content costs are substantial and continue to increase. We expect video content costs to continue to be one of our largest operating costs associated with providing video service. Video programming content includes network programming designed to be shown in linear channels, as well as the programming of local over-the-air TV stations that we retransmit. The cable industry has experienced continued increases in the cost of programming, especially the cost of sports programming and local broadcast station retransmission content. Programming costs are generally assessed on a per-subscriber basis, and therefore, are directly related to the number of subscribers to which the programming is provided. Our relatively small subscriber base limits our ability to negotiate lower per-subscriber programming costs. Larger providers can often qualify for discounts based on the number of their subscribers. This cost difference can cause us to experience reduced operating margins, while our competitors with a larger subscriber base may not experience similar margin compression. In addition, escalators in existing content agreements can result in cost increases that exceed general inflation. While we expect video content costs to continue to increase, we may not be able to pass such cost increases on to our customers, especially as an increasing amount of programming content becomes available via the Internet at little or no cost. Also, some competitors or their affiliates own their programming, and we may not be able to secure license rights to that programming. As our programming contracts with content providers expire, there is no assurance that they will be renewed on acceptable terms or that they will be renewed at all, in which case we may not be able to provide such programming as part of our video services packages and our business and results of operations may be adversely affected.

Our ability to attract and/or retain certain key management and other personnel in the future could have an adverse effect on our business. We rely on the talents and efforts of key management personnel, many of whom have been with our Company or in our industry for decades. While we maintain long-term and emergency transition plans for key management personnel and believe we could either identify internal candidates or attract outside candidates to fill any vacancy created by the loss of any key management personnel, the loss of one or more of our key management personnel could have a negative impact on our business.

Acquisitions present many risks, and we may be unable to realize the anticipated benefits of acquisitions. From time to time, we make acquisitions and investments or enter into other strategic transactions. In connection with these types of transactions, we may incur unanticipated expenses; fail to realize anticipated benefits; have

difficulty integrating the acquired businesses; disrupt relationships with current and new employees, customers, and vendors; incur significant indebtedness or have to delay or not proceed with announced transactions. The occurrence of any of the foregoing events could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may face significant challenges in combining the operations of an acquired business with ours in a timely and efficient manner. The failure to successfully integrate an acquired business and to successfully manage the challenges presented by the integration process may result in our inability to achieve anticipated benefits of the acquisition, including operational and financial synergies. Even if we are successful in integrating acquired businesses, we cannot guarantee that the integration will result in the complete realization of anticipated financial synergies or that they will be realized within the expected time frames.

Increasing attention to, and evolving expectations for, environmental, social, and governance (ESG) initiatives could increase our costs, harm our reputation, or otherwise adversely impact our business.

Companies across multiple industries are facing increasing scrutiny from a variety of stakeholders related to their ESG practices. Expectations regarding voluntary ESG initiatives and disclosures may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain offerings, enhanced compliance or disclosure obligations, or other adverse impacts our business, financial condition, or results of operations.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve the ESG profile our Company or offerings or to respond to stakeholder demands, such initiatives may be costly and may not have the desired effect. Expectations around companies' management of ESG matters continues to evolve. While we commit to certain initiatives or goals, we may not ultimately be able to achieve them due to cost, technological, or other constraints. Moreover, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders, and we may be subject to investor or regulator engagement on our ESG initiatives and disclosures, even if such initiatives are currently voluntary.

Certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making investments or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment towards us, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to attract and retain employees, customers, or business partners, which may adversely impact our operations. In addition, we expect there will likely be increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters, which will likely lead to increased costs as well as scrutiny that could heighten all the risks identified in this risk factor. Additionally, many of our customers and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may be unknown to us.

Risks Relating to Current Economic Conditions

Weak economic conditions may have a negative impact on our business, results of operations and financial condition. Downturns in the economic conditions in the markets and industries we serve could adversely affect demand for our products and services and have a negative impact on the results of our operations. Economic weakness or uncertainty may make it difficult for us to obtain new customers and may cause our existing customers to reduce or discontinue the services to which they subscribe. This risk may be worsened by the expanded availability of free or lower cost services, such as streaming or OTT services or substitute services, such as wireless phones and public Wi-Fi networks. Weak economic conditions may also have an impact on the ability of third parties to satisfy their obligations to us.

Risks Relating to Our Stock

The price of our common stock may be volatile and may fluctuate substantially, which could negatively affect the holders of our common stock. The market price of our common stock may fluctuate widely as a result of various factors including, but not limited to, period-to-period fluctuations in our operating results, the volume of the sales of our common stock, the limited number of holders of our common stock and the resulting limited liquidity in our common stock, dilution, developments in the communications industry, the failure of securities analysts to cover our common stock, changes in financial estimates by securities analysts, competitive factors, regulatory developments, labor disruptions, general market conditions and market conditions affecting the stock of communications companies. Communications companies have, in the past, experienced extreme volatility in the trading prices and volumes of their securities, which has often been unrelated to operating performance. Elevated levels of market volatility may have a significant adverse effect on the market price of our common stock. In addition, in the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert management's attention and resources, which could have a material adverse impact on our business, financial condition, results of operations, liquidity, and/or the market price of our common stock.

Our organizational documents could limit or delay another party's ability to acquire us and, therefore, could deprive our investors of a possible takeover premium for their shares. Several of the provisions in our Articles of Incorporation could make it difficult for another company to acquire us. Among other things, these provisions restrict any one individual or entity from beneficially owning more than seven percent of the outstanding capital stock of the corporation. We also are subject to laws that may have a similar effect. For example, federal and certain state telecommunications laws and regulations generally prohibit a direct or indirect transfer of control over a business without prior regulatory approval. These laws and regulations make it difficult for another company to acquire us and therefore could limit the price that investors might be willing to pay in the future for shares of our common stock.

Risks Relating to Our Indebtedness and Our Capital Structure

We have a substantial amount of debt outstanding due to our FTTP initiatives, which could adversely affect our business and restrict our ability to fund working capital and planned capital expenditures. As of December 31, 2025, we had \$146.1 million of debt outstanding. Our substantial amount of expected indebtedness could adversely impact our business, including:

- We may be required to use a substantial portion of our cash flow from operations to make principal and interest payments on our debt, which will reduce funds available for operations, capital expenditures, future business opportunities and strategic initiatives;
- We may have limited flexibility to react to changes in our business and our industry;
- It may be more difficult for us to satisfy our other obligations;
- We may have a limited ability to borrow additional funds or to sell assets to raise funds if needed for working capital, capital expenditures to complete our FTTP initiatives, acquisitions or other purposes;
- We may become more vulnerable to general adverse economic and industry conditions, including changes in interest rates; and
- We may be at a disadvantage compared to our competitors that have less debt.

We cannot guarantee that we will generate sufficient revenues to service our debt and have adequate funds left over to achieve or sustain profitability in our operations, meet our working capital and capital expenditure needs or compete successfully in our markets.

We may not be able to refinance our existing debt if necessary, or we may only be able to do so at a higher interest rate. We may be unable to refinance or renew our credit facilities and our failure to repay all amounts due on the maturity dates would cause a default under the credit agreement. Alternatively, any renewal or refinancing may occur on less favorable terms. If we refinance our credit facilities on terms that are less

favorable to us than the terms of our existing debt, our interest expense may increase significantly, which could impact our results of operations and impair our ability to use our funds for other purposes.

Our variable-rate debt subjects us to interest rate risk, which could have an impact on our cost of borrowing and operating results. Certain of our debt obligations are at variable rates of interest and expose us to interest rate risk. Increases in interest rates could have a negative impact on the results of our operations and operating cash flows. We utilize Interest Rate Swap Agreements (IRSAs) to convert a portion of our variable-rate debt to a fixed-rate basis. However, we do not maintain interest rate hedging agreements for all our variable-rate debt and our existing hedging agreements may not fully mitigate our interest rate risk, may prove disadvantageous or may create additional risks. Changes in fair value of cash flow hedges that have been de-designated or determined to be ineffective are recognized in earnings. Significant increases or decreases in the fair value of these cash flow hedges could cause favorable or adverse fluctuations in the results of our operations.

Risks Related to the Regulation of Our Business

We are subject to a complex and uncertain regulatory environment, and we face compliance costs and restrictions greater than those of many of our competitors. Our businesses are subject to regulation by the FCC and other federal, state, and local entities. Rapid changes in technology and market conditions have resulted in changes in how the government addresses communications, video programming and Internet services. Many businesses that compete with our communications companies are comparatively less regulated. Some of our competitors are either not subject to utilities regulation or are subject to significantly fewer regulations. In contrast to our subsidiaries regulated as cable operators and satellite video providers, competing on-demand and OTT providers and motion picture and digital video disc firms have almost no regulation of their video activities. Recently, federal and state authorities have become more active in seeking to address critical issues in each of our product and service markets. The adoption of new laws or regulations, or changes to the existing regulatory framework at the federal, state, or local level, could require significant and costly adjustments that could adversely affect our business plans. New regulations could impose additional costs or capital requirements, require new reporting, impair revenue opportunities, potentially impede our ability to provide services in a manner that would be attractive to our customers and potentially create barriers to enter new markets or to acquire new lines of business. We face continued regulatory uncertainty in the immediate future. Not only are these governmental entities continuing to move forward on these matters, but their actions remain subject to reconsideration, appeal, and legislative modification over an extended period, and it is unclear how their actions will ultimately impact our business. We cannot predict future developments or changes to the regulatory environment or the impact such developments or changes may have on us.

Increased regulation of the Internet could increase our cost of doing business. Current laws and regulations governing access to, or commerce on, the Internet are limited. As the significance of the Internet continues to expand, federal, state, and local governments may adopt new rules and regulations applicable to, or apply existing laws and regulations to, the Internet. During 2017, the FCC adopted an order eliminating its previous classification of Internet service as a telecommunications service regulated under Title II of the TA96. This effectively limits the FCC's authority over ISPs. The FCC retained rules requiring ISPs to disclose practices associated with blocking, throttling and paid prioritization of Internet traffic. The FCC order has been challenged in court and the outcome of the challenge cannot be determined at this time.

The outcome of pending matters before the FCC and the FTC and any potential congressional action cannot be determined at this time but could lead to increased costs for the Company in connection with our provision of Internet services and could affect our ability to compete in the markets we serve.

We are subject to extensive laws and regulations relating to the protection of the environment, natural resources and worker health and safety. Our operations and properties are subject to federal, state, and local laws and regulations relating to the protection of the environment, natural resources and worker health and safety, including laws and regulations governing and creating liability in connection with the management, storage and disposal of hazardous materials, asbestos, and petroleum products. We are also subject to laws and regulations governing air emissions from our fleet vehicles. As a result, we face several risks, including:

- Hazardous materials may have been released at properties that we currently own or formerly owned (perhaps through our predecessors). Under certain environmental laws, we could be held liable, without regard to fault, for the costs of investigating and remediating any actual or threatened contamination at these properties and for contamination associated with disposal by us, or by our predecessors, of hazardous materials at third-party disposal sites;
- We could incur substantial costs in the future if we acquire businesses or properties subject to environmental requirements or affected by environmental contamination. In particular, environmental laws regulating wetlands, endangered species and other land use and natural resources may increase the costs associated with future business or expansion or delay, alter or interfere with such plans;
- The presence of contamination can adversely affect the value of our properties and make it difficult to sell any affected property or to use it as collateral; and
- We could be held responsible for third-party property damage claims, personal injury claims or natural resource damage claims relating to contamination found at any of our current or past properties.

The cost of complying with environmental requirements could be significant. Similarly, the adoption of new environmental laws or regulations, or changes in existing laws or regulations or their interpretations, could result in significant compliance costs or unanticipated environmental liabilities.

Effects of climate change may impose risk of damage to our infrastructure, our ability to provide services, and may cause changes in federal and state regulation, all of which may result in potential adverse impacted to our financial results. Extreme weather events precipitated by long-term climate change have the potential to directly damage network facilities or disrupt our ability to build and maintain portions of our network. Any such disruption could delay network deployment plans, interrupt service for our customers, increase our costs and have a negative effect on our operating results. The potential physical damage effects of climate change, such as increased frequency and severity of storms, droughts, floods, fires, freezing conditions, sea-level rise, and other climate-related events, could adversely affect our operations, infrastructure, and financial results. Operational impacts resulting from the potential physical effects of climate change, such as damage to our network infrastructure, could result in increased costs and loss of revenue. We could incur significant costs to improve the climate resiliency of our infrastructure and otherwise prepare for, respond to, and mitigate such physical effect of climate change. We are not able to accurately predict the materiality of any potential losses or costs associated the physical effects of climate change.

Further, customers, consumers, investors, and other stakeholders are increasingly focusing on environmental issues, including climate change, water use, deforestation, plastic waste, and other sustainability concerns. Concern over climate change or other ESG matters may result in new or increased legal and regulatory requirements to reduce or mitigate impacts to the environment and reduce the impact of our business on climate change, which could increase our costs for monitoring and compliance. Further, climate change regulations may require us to alter our proposed business plans or increase our operating costs due to increased regulation or environmental considerations and could adversely affect our business and reputation.

Our business may be impacted by new or changing tax laws or regulations and actions by federal, state, and/or local agencies, or by how judicial authorities apply tax laws. Our operations are subject to various federal, state, and local tax laws and regulations. In connection with the products and services we sell, we calculate, collect, and remit various federal, state, and local taxes, surcharges, and regulatory fees to numerous federal, state, and local governmental authorities. In many cases, the application of tax laws is uncertain and subject to differing interpretations, especially when evaluated against new technologies and communications services, such as broadband Internet access and cloud related services. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Changes in tax laws, or changes in interpretations of existing laws, could materially affect our financial position, results of operations and cash flows. For example, the Tax Cuts and Jobs Act of 2017, a major federal tax reform, which had a significant impact on our tax obligations and effective income tax rate.

Item 1B. Unresolved Staff Comments

Not required for a smaller reporting company.

Item 1C. Cybersecurity Risks

Material Effects from Cybersecurity Incidents

Our business is subject to risk from cybersecurity threats and incidents, including attempts to gain unauthorized access to our systems or networks, or those of our managers, employees, and third-party vendors and service providers, to disrupt operations, corrupt data or steal confidential or personal information and other cybersecurity breaches. We consider cybersecurity risk a serious threat to our assets and our people and have put processes in place designed to mitigate the risk and impact of any such cybersecurity threat or incident.

Our operations rely on the secure, accurate and timely receipt, storage, transmission, use, disclosure, and other processing of confidential and other information (including personal information) in our systems and networks. We also rely on the secure, accurate and timely receipt, storage, transmission, use, disclosure, and other processing of confidential and other information in the systems and networks of our customers and third parties, including suppliers, sellers and servicers, financial market utilities, and other third parties. Cybersecurity risks for companies like ours continue to increase. Like many companies and government entities, from time to time we have been, and expect to continue to be, the target of attempted cybersecurity incidents and other information security threats, including those from nation-state and nation-state supported actors.

As of the date of this report, we have not experienced or aware of any cybersecurity incidents resulting, or reasonably likely to result in, a material impact to us, including to our business, financial condition, and results of operations. There is no assurance that our cybersecurity risk management program will prevent cybersecurity incidents from having such impacts in the future.

Additionally, insider threats also remain a risk given our workforce diversification to include contractors, remote workers, part-time employees, and full-time employees. As referenced above, our third-party vendors and service providers and their supply chain connections remain a potential source of risk.

For additional information, see Risk Factors – Risks Related to Our Business. Potential cybersecurity threats are changing rapidly and advancing in sophistication. We may not be able to protect our systems and networks, or the confidentiality of our confidential or other information (including personal information), from cybersecurity incidents and other unauthorized access, disclosure, and disruption.

Cybersecurity Risk Management and Strategy

Our cybersecurity program is built upon the National Institute for Standards and Technology and other best practice frameworks. We employ processes for assessing, identifying, and managing material risks from cybersecurity threats, including engaging an independent cybersecurity consultant to audit our systems and procedures, make recommendations for improvement and monitor remediation of any identified risks. We also conduct random vulnerability testing including network penetration testing, phishing, and social engineering tests. In addition, we also require Systems and Organization Control type reports from our service providers for our payroll and human resources system and stock administrator.

Although we maintain systems and controls designed to prevent cybersecurity breaches from occurring, and we have processes to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of a breach occurring cannot be eliminated entirely. As we engage in more electronic transactions with service customers and vendors, and rely more on cloud-based information systems, the related security risks will increase, and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems or those of our third-

party contractors, or our consultants' efforts to implement adequate security and control measures, will be sufficient to protect us against breakdowns, service disruption, data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyberattack, security breach, industrial espionage attacks or insider threat attacks which could result in financial, legal, business or reputational harm.

Cybersecurity Governance

All employees of the Company have ownership in managing cybersecurity and data privacy risks; however, oversight responsibility is shared by our BOD, Audit Committee, and cybersecurity management team. The Audit Committee is responsible for implementing our cybersecurity policies and provides regularly updates to the BOD. Our cybersecurity management team, in conjunction with our third-party chief information security officer ("CISO"), conduct regular assessment and management of material risks from cybersecurity threats, including review with our internal cybersecurity management team. All employees and consultants are directed to report to our cybersecurity management team any irregular or suspicious activity that could indicate a cybersecurity threat or incident.

Nuvera's Senior Security and Corporate Information Technology manager and his staff have primary responsibility for identifying, assessing, and managing our exposure to cybersecurity threats and incidents, subject to oversight by the Audit Committee of the BOD of the processes we establish to assess, monitor, and mitigate that exposure. As members of Nuvera's Cybersecurity Committee, the Senior Security and Corporate Information Technology manager and his team bring a combined sixty years of information technology experience at Nuvera in security, incident response, and local and external network architecture. Senior Management, Finance and Compliance members of Nuvera's Cybersecurity Committee bring over twenty-five years of experience in risk management, regulatory and compliance. Nuvera relies on their CISO from FRSecure for recommendations and direction on strategy, policy, and process. FRSecure has a team with a combined three hundred years of experience in information security with thirty difference certifications.

If a potentially material cybersecurity threat or incident is identified or discovered, the Company's Cybersecurity Management Team will trigger our incidence response plan, including notifying our CEO, CFO, and other relevant business executives. Our Cybersecurity Management Team, along with our CISO, will work with the appropriate leaders and employees in any impacted business groups, as well as appropriate personnel in our finance, legal and other impacted departments, to assess the risks to the Company and potential impact while determining appropriate remediation steps. If executive management determines that a cybersecurity threat or incident could be material to the Company, our management will notify the Audit Committee, who will escalate the risk to our full BOD, depending on an assessment of the risk.

Item 2. Properties

Our properties are used primarily for administrative support and to house and safeguard our operating equipment. On December 31, 2025, our gross property, plant, and equipment totaled \$402,471,683 (net balance of \$196,315,876).

We own our corporate headquarters, located at 27 North Minnesota Street, New Ulm, Minnesota. We also own office facilities and related equipment for administrative personnel, central office buildings and operations in Minnesota and Iowa.

In addition to land and structures, our property consists of equipment necessary for the provision of communication services, including central office equipment, CPE and connections, pole lines, towers, remote terminals, aerial and underground cable and wire facilities and associated outside plant for use in providing our services, telephone switches, fiber networks and fiber communications network equipment, vehicles, furniture and fixtures, computers and other equipment.

We also utilize poles, towers, cable, and conduit systems that we jointly own with other entities and we lease space at some facilities from other entities. These arrangements are in accordance with written agreements

customary in the industry. We also have appropriate easements, rights of way and other arrangements for the accommodation of our pole lines, underground conduits, aerial and underground cables, and wires.

We believe our properties are suitable and adequate to provide modern and effective communications services within our service areas, including local dial-tone, long-distance service, broadband, TV and dedicated and switched long-haul transport. We also believe our properties and equipment are adequately insured. See Note 6 – “Long-Term Debt” for descriptions of the mortgages and collateral relating to the above referenced properties. See Note 1 – “Business Description and Summary of Significant Accounting Policies” and Note 4 – “Property, Plant and Equipment” for a description of our depreciation policies and information relating to the above referenced properties and equipment and their respective depreciation.

Item 3. Legal Proceedings

Other than the litigation incidental to our business, there are no pending material legal proceedings to which we are a party or to which any of our property is subject.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is quoted on the OTCQB Marketplace under the symbol "NUVR." The sales prices on the OTCQB reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. As of March 1, 2026, there were 1,166 registered stockholders and approximately 673 beneficial owners of Nuvera stock.

The Company's Articles of Incorporation restrict any one individual or entity from beneficially owning more than seven percent of the outstanding capital stock of the corporation. Specific details of this restriction are contained in Article III of the Company's Articles of Incorporation.

Repurchases

The Company did not purchase any shares under any stock repurchase programs in 2025 or 2024, respectively, and there is no dollar amounts set aside for future repurchases under any stock repurchase plans.

Dividends and Restrictions

Nuvera did not declare or pay a dividend in 2025 or in 2024. The BOD's action reflects the Company's commitment to maximize available capital for the foreseeable future as it executes on its Nuvera Gig Cities project. This decision focuses available capital on deploying fiber and capturing the growth opportunity in new and existing markets in southern Minnesota. Nuvera believes this investment in the largest infrastructure project in Company history is strengthening its competitive position as a regional provider.

There are security and loan agreements underlying our current CoBank, ACB (CoBank) credit facility that contain restrictions on our distributions to stockholders and investment in, or loans, to others. See below and Note 6 – “Secured Credit Facility” for additional information.

Our loan agreements include restrictions on our ability to pay cash dividends to our stockholders. However, we are allowed to pay dividends in an amount up to \$3,000,000 in any year as long as no default or event of default has occurred, and our current Total Leverage Ratio is equal to 4.25:1.00 or less. In addition, we are allowed to

pay dividends in an unlimited amount in any year as long as no default or event of default has occurred, and our current Total Leverage Ratio is equal to 3.50:1.00 or less. Our current Total Leverage Ratio as of December 31, 2025, was 4.97.

Our BOD reviews quarterly dividend declarations based on our anticipated earnings, capital requirements and our operating and financial conditions. The cash requirements of our current dividend payment practices are in addition to our other expected cash needs.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our historical financial statements and the related notes contained elsewhere in this report.

Results of Operations

Overview

Nuvera has an advanced fiber communications network and offers a diverse array of communications products and services. We provide broadband Internet access, video services and managed and hosted solutions services. In addition, we provide local voice service and network access to other communications carriers for connections to our networks as well as long-distance service.

Our operations consist primarily of providing services to customers for a monthly charge. Because many of these services are recurring in nature, backlog orders and seasonality are not significant factors. Our working capital requirements include financing the construction of our advanced fiber networks. We also require capital to maintain our advanced fiber networks and infrastructure; fund the payroll costs of our highly skilled labor force; maintain inventory to service capital projects, maintain our communication equipment customers; pay dividends, when declared by the BOD, and provide for the carrying value of trade accounts receivable, some of which may take several months to collect in the normal course of business.

In 2025, we saw our overall revenues increase primarily due to growth in governmental support revenues and Internet. However, we continue to see accelerated losses in our voice and video service customers as those customers make choices about their entertainment needs and personal finances. We also experienced increased costs in 2025 which have affected our margins. In addition, we had anticipated increased inflation and future supply chain issues in the inventory, equipment, and fiber we use in our business and had therefore purchased a large amount of these items to mitigate these potential issues and not disrupt our business operations.

With respect to liquidity, we continue to evaluate costs and spending across our organization. This includes evaluating discretionary spending and non-essential capital investment expenditures. As of December 31, 2025, we had \$8.9 million of our bank revolver available for use if the need arises. In addition, we have a \$25.0 million delayed draw term loan available to fund our fiber expansion plans. The Company may seek additional financing to continue to fund its fiber expansion plans and meet current and future liquidity needs.

We will continue to actively monitor the situation and may take further actions that alter our operations as may be required by federal, state, or local authorities or that we determine are in the best interests of our employees, customers, suppliers, and shareholders.

Executive Summary

Highlights:

Banking/Dividends

- On July 31, 2025, we entered into a new IRSA with CoBank covering an additional \$43,750,000 of our aggregate indebtedness to CoBank. The new swap effectively locked in a portion of our variable-rate debt through July 2026 and replaced our existing three swaps which all expired as of July 31, 2025. Under this new IRSA, we have changed the variable rate cash flow exposure on the debt obligations to fixed cash flows. Under the terms of the IRSA, we pay a fixed contractual interest rate and (i) make an additional payment if the secured overnight financing rate (SOFR) variable rate payment is below a contractual rate or (ii) receive a payment if the SOFR variable rate payment is above the contractual rate.
- On June 21, 2024, Nuvera and CoBank entered into (i) an Agreement Regarding Amendments to Loan Documents and (ii) an Amended and Restated Revolving Loan Promissory Note. The agreements amended our existing credit facility with CoBank and secured a credit facility in the aggregate principal amount of \$180.0 million. Under the Agreements, among other things, (i) the Company received a \$125.0 million term loan to replace existing debt, (ii) a \$25.0 million delayed draw term loan, (iii) the Company's revolving loan was decreased from \$40.0 million to \$30.0 million, (iv) the maturity dates of the term loans and revolving loan were set at June 21, 2029, and (v) the Company's operating subsidiaries agreed to extend their previous guarantees, security interests and mortgages to cover the increased amount of the revolving credit facility. The financing was secured to facilitate the Company's advanced fiber-build plans announced on December 15, 2021. Refer to the Company's 8-K filing with the SEC on June 25, 2024, for further details regarding the credit agreements with CoBank.

Operations/FTTP Build

- On December 12, 2023, the Company announced that it confirmed eligibility for CBOL funding through the USAC. The incremental funding will be used to continue to support the Company's multi-year fiber construction initiative. The Company began receiving a monthly benefit in November of 2023 with the first payment received in December of 2023. The monthly CBOL subsidy formula is reviewed and subject to revision on an annual basis and subject to change based on updated USAC funding criteria July 1 of each year.
- On December 15, 2021, the Company announced plans to build and deploy Gig-speed fiber Internet across its network creating crucial access to the fastest speeds available for rural communities, small cities, and suburban areas across Minnesota. The Company will continue to build and deploy the Gig-speed fiber service over the next few years. Nuvera's goal is to bring Gig-speed fiber service to as many communities as possible.
- In 2025, we planned to upgrade 5,900 passings with fiber services and faster broadband speeds. These passings will include upgrading current customers from our old copper network and new edge out passings. For the year ended December 31, 2025, we have succeeded in upgrading 6,123 passings with these fiber services. Project-to-date, we have upgraded a total of 51,462 overall passings with these fiber services.

Broadband Grants

- In August 2022, the Company was awarded a grant from the United States federal government. This Low-Density Broadband grant will provide up to 75% of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities in the Company's service area. The Company is eligible to receive \$3,210,000 of approximately

\$4,280,000 total project costs. The Company will provide the remaining 25% of the matching funds. The Company has received \$0 for this project as of December 31, 2025.

- On November 21, 2023, the Company was awarded a grant from Goodhue County in Minnesota. This Low-Density Broadband grant will provide \$277,733 of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities in and around Goodhue county. The Company has received \$0 for this project as of December 31, 2025.
- On March 5, 2024, the Company was awarded a grant from the Minnesota Department of Employment and Economic Development (DEED). This Low-Density Broadband grant will provide up to 75% of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities in the Company's service area. The Company is eligible to receive \$1,884,429 of approximately \$2,512,572 total project costs. The Company will provide the remaining 25% of the matching funds. The Company has received \$107,837 for this project as of December 31, 2025.
- On December 8, 2022, the Company was awarded four broadband grants from DEED. The grants will provide up to 45.0% to 50.0% of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities and businesses in the Company's service area. The Company is eligible to receive \$8,594,688 of approximately \$18,139,749 total project costs. The Company will provide the remaining 55.0% to 50% matching funds. Construction and expenditures for these projects began in the spring of 2023. The Company has received \$8,594,688 for these projects as of December 31, 2025.
- Net income in 2025 totaled \$327,669, which was a \$4,755,479, or 107.4% increase compared to 2024. This increase was primarily due to a goodwill impairment in our HTC operating unit in 2024, partially offset by an increase in interest expense associated with a higher level of borrowing under our CoBank credit facility, increased operating expenses and an increase in operating revenues, all of which are described below.
- Consolidated revenue for 2025 totaled \$71,794,483, which was a \$2,558,146 increase compared to 2024. This increase was primarily due to increases in governmental support revenues, data services and other revenues, offset by decreases in legacy service revenues and video services, all of which are described below.

Business Trends

Included below is a synopsis of business trends management believes will continue to affect our business in 2026.

Voice and switched access revenues are expected to continue to be adversely impacted by future declines in access lines due to competition in the communications industry from CATV providers, VoIP providers, wireless, other competitors, and emerging technologies. As we experience access line losses, our switched access revenue will continue to decline consistent with industry-wide trends. A combination of changing minutes of use, carriers optimizing their network costs, lower demand for dedicated lines and downward rate pressures may affect our future voice and switched access revenues. Access line losses totaled 1,796 or 15.37% in 2025 compared to 2024 due to the reasons mentioned above.

We expect the expansion of our advanced fiber communications network, growth in broadband connection sales along with continued migration to higher connectivity speeds and the sales of Internet value-added services such as on-line data backup and hosted and managed service solutions are expected to continue to offset the revenue declines from the access line trends discussed above.

To be competitive, we continue to invest in our fiber broadband network and continue to focus on the research and deployment of advanced technological products that include broadband services, wireless services, private line, VoIP, digital video, IPTV and hosted and managed services.

The table below presents our revenue by technology and advanced fiber-build progress for the last five quarters:

Nuvera Communications, Inc.											
Reporting by Technology											
	Q4 2024		Q1 2025		Q2 2025		Q3 2025		Q4 2025		
Premise Passings											
Fiber - NuFiber/Gig-Cities	45,339		46,022		46,212		48,617		51,462		
Non-Fiber	27,062		27,031		27,288		26,701		25,466		
Total Passings	72,401		73,053		73,500		75,318		76,928		
% Fiber Coverage	62.6%		63.0%		62.9%		64.5%		66.9%		
Internet/Broadband Connections/Share											
Fiber Gig-Cities											
Residential	15,078		16,124		17,056		17,724		18,603		
Business	1,338		1,437		1,551		1,592		1,649		
Totals	16,416	36.2%	17,561	38.2%	18,607	40.3%	19,316	39.7%	20,252	39.4%	
Non-Fiber											
Residential	12,114		11,293		10,729		10,229		9,635		
Business	1,025		922		799		768		738		
Totals	13,139	48.6%	12,215	45.2%	11,528	42.2%	10,997	41.2%	10,373	40.7%	
Total Broadband Connections	29,555		29,776		30,135		30,313		30,625		
% Broadband on Fiber	55.5%		59.0%		61.7%		63.7%		66.1%		
Broadband Customer Revenue/ARPU											
Internet/BB Revenue/ARPU											
Fiber Gig-Cities											
Residential	\$ 3,282,653	\$74.66	\$ 3,541,243	\$74.89	\$ 3,802,467	\$75.22	\$ 3,948,740	\$75.21	\$ 4,188,706	\$76.33	
Business	\$ 603,643	\$153.05	\$ 654,977	\$155.50	\$ 724,336	\$158.29	\$ 746,341	\$157.46	\$ 765,415	\$156.59 *	
Totals	\$ 3,886,296	\$81.11	\$ 4,196,220	\$81.48	\$ 4,526,803	\$82.12	\$ 4,695,081	\$82.02	\$ 4,954,121	\$82.89	
Non-Fiber											
Residential	\$ 2,193,437	\$59.29	\$ 2,048,638	\$59.18	\$ 1,932,474	\$59.32	\$ 1,919,567	\$61.46	\$ 1,831,582	\$62.20	
Business	\$ 399,187	\$126.65	\$ 351,409	\$122.66	\$ 294,661	\$118.43	\$ 280,438	\$120.21	\$ 269,938	\$120.13	
Totals	\$ 2,592,624	\$64.57	\$ 2,400,047	\$64.03	\$ 2,227,135	\$63.51	\$ 2,200,005	\$65.55	\$ 2,101,520	\$65.55	
Total Internet/BB Revenue	\$ 6,478,920		\$ 6,596,267		\$ 6,753,938		\$ 6,895,086		\$ 7,055,641		
% Revenue from Fiber	60.0%		63.6%		67.0%		68.1%		70.2%		
Other Internet Revenue	\$ 1,049,548		\$ 1,091,851		\$ 1,067,614		\$ 1,105,096		\$ 1,110,994		
Total Internet Revenue	\$ 7,528,468		\$ 7,688,118		\$ 7,821,552		\$ 8,000,182		\$ 8,166,635		
All Other Revenue	\$ 9,968,555		\$ 10,192,651		\$ 9,984,987		\$ 10,043,062		\$ 9,897,296		
Total Revenue	\$ 17,497,023		\$ 17,880,769		\$ 17,806,539		\$ 18,043,244		\$ 18,063,931		

* Nuvera has experienced a decrease in its Fiber Gig-Cities Business ARPU. This is primarily due to the aggressive conversion of our smaller business customers from non-fiber to fiber.

We continue to evaluate our operating structure to identify opportunities for increased operational efficiencies and effectiveness. This involves evaluating opportunities for task automation, network efficiency and the balancing of our workforce based on the current needs of our customers.

Financial results for the Communications Segment for the years ended, December 31, 2025, and 2024, are included below:

Communications Segment				
	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	
Operating Revenues				
Voice Service	\$ 4,253,818	\$ 4,664,083	\$ (410,265)	-8.8%
Network Access	2,634,733	3,103,915	(469,182)	-15.1%
Video Service	11,276,390	11,746,455	(470,065)	-4.0%
Data Service	31,676,487	29,758,882	1,917,605	6.4%
A-CAM/FUSF	17,344,414	15,507,401	1,837,013	11.8%
Other	4,608,641	4,455,601	153,040	3.4%
Total Operating Revenues	<u>71,794,483</u>	<u>69,236,337</u>	<u>2,558,146</u>	<u>3.7%</u>
Cost of Services, Excluding Depreciation and Amortization	31,176,149	31,101,288	74,861	0.2%
Selling, General and Administrative	11,285,812	10,395,727	890,085	8.6%
Depreciation and Amortization Expenses	19,453,914	17,849,439	1,604,475	9.0%
Total Operating Expenses	<u>61,915,875</u>	<u>59,346,454</u>	<u>2,569,421</u>	<u>4.3%</u>
Operating Income	<u>\$ 9,878,608</u>	<u>\$ 9,889,883</u>	<u>\$ (11,275)</u>	<u>-0.1%</u>
Net Income (Loss)	<u>\$ 327,669</u>	<u>\$ (4,427,810)</u>	<u>\$ 4,755,479</u>	<u>-107.4%</u>
Capital Expenditures	<u>\$ 33,228,372</u>	<u>\$ 53,757,778</u>	<u>\$ (20,529,406)</u>	<u>-38.2%</u>
Key metrics				
Access Lines	9,889	11,685	(1,796)	-15.4%
Video Customers	6,795	7,436	(641)	-8.6%
Data Connections	34,843	33,704	1,139	3.4%

Revenue

Voice Service – We receive recurring revenue for basic voice services that enable customers to make and receive telephone calls within a defined local calling area for a flat monthly fee. In addition to subscribing to basic local voice services, our customers may choose from multiple voice service plans with a variety of custom calling features such as call waiting, call forwarding, caller identification and voicemail. Voice service revenue was \$4,253,818, which was \$410,265 or 8.8% lower in 2025 compared to 2024. This decrease was primarily due to a decrease in access lines, which was the result of an accelerated industry trend of customers moving to other communications options or dropping their access lines altogether, partially offset by a combination of rate increases introduced into several of our markets in the past few years.

The number of access lines we serve as a Company have been decreasing, which is consistent with a general industry trend, as customers are increasingly utilizing other technologies, such as wireless phones and IP services.

Network Access – We provide access services to other communications carriers for the use of our facilities to terminate or originate long-distance calls on our fiber network. Additionally, we bill SLCs to substantially all our customers for access to the public switched network. These monthly SLCs are regulated and approved by the FCC. In addition, network access revenue is derived from several federally administered pooling arrangements designed to provide network support and distribute funding to communications companies. Network access revenue was \$2,634,733, which was \$469,182 or 15.1% lower in 2025 compared to 2024. This

decrease was primarily due to lower minutes of use on our network and lower special access revenues, which was the result of an accelerated industry trend of customers moving to other communications options or dropping their access lines altogether.

In recent years, IXCs and others have become more aggressive in disputing both interstate carrier access charges and the applicability of access charges to their network traffic. We believe that long-distance and other communication providers will continue to challenge the applicability of access charges either before the FCC or directly with the LECs. We cannot predict the likelihood of future claims and cannot estimate the impact.

Video Service – We provide a variety of enhanced video services on a monthly recurring basis to our customers. We receive monthly recurring revenue from our subscribers for providing commercial TV programming in competition with local CATV, satellite dish TV and off-air TV service providers. We serve twenty-two communities with our IPTV services and five communities with our CATV services. Video service revenue was \$11,276,390, which was \$470,065 or 4.0% lower in 2025 compared to 2024. This decrease was primarily due to a decrease in video customers, partially offset by a combination of rate increases introduced into several of our markets over the past few years. The decrease in video customers continues to be an accelerated industry trend of customers moving to other video options.

Data Service – We provide high speed Internet to business and residential customers depending on the nature of the network facilities that are available, the level of service selected and the location. Our revenue is earned based on the offering of various flat rate packages based on the level of service, data speeds and features. We also provide e-mail and managed services, such as web hosting and design, on-line file back up and on-line file storage. Data service revenue was \$31,676,487 which was \$1,917,605 or 6.4% higher in 2025 compared to 2024. This increase was primarily due to increases in fiber customers and customers upgrading their packages and speeds, partially offset by a decrease in non-fiber customers. We expect continued growth in this area will be driven by completing our advanced FTTP network, expansion of our service areas and marketing managed service solutions to businesses.

A-CAM/FUSF – The Company currently receives funding based on the A-CAM, except for Scott-Rice, which receives funding from the FUSF. Scott-Rice’s settlements from the NECA pools are based on nationwide average schedules, which includes the pooling and redistribution of revenues based on a company’s actual or average costs. See Note 2 – “Revenue Recognition” for a discussion regarding A-CAM and FUSF.

A-CAM/FUSF support totaled \$17,344,414, which was \$1,837,013 or 11.8% higher in 2025 compared to 2024. This increase was primarily due to our CBOL funding through USAC and higher CAF support funding for our operating companies. On December 12, 2023, the Company announced that it confirmed eligibility for CBOL funding through USAC. The incremental funding is being used to continue to support the Company’s multi-year fiber construction initiative. The Company began receiving a monthly benefit in November of 2023, with the first payment received in December. The monthly CBOL subsidy formula is reviewed and subject to revision on an annual basis and subject to change based on updated USAC funding criteria July 1 of each year.

Other Revenue – Our customers are billed for toll and long-distance services on either a per call or flat-rate basis. This also includes the offering of directory assistance, operator service and long-distance private lines. We also generate revenue from directory publishing through an outside vendor, sales and service of CPE, bill processing and other customer services. Our directory publishing revenue in our telephone directories recurs monthly. We also provide retail sales and service of cellular phones and accessories through Telespire, a national wireless provider. We resell these wireless services as Nuvera Wireless, our branded product. We receive both recurring revenue for our wireless services, as well as revenue collected from the sales of wireless phones and accessories. Other revenue was \$4,608,641, which was \$153,040 or 3.4% higher in 2025 compared to 2024. This increase was primarily due to an increase in our paper billing revenue, partially offset by a decrease in directory publishing, lower long-distance revenues, lower inside wire maintenance fees and a decrease in the sales and installation of CPE.

Cost of Services (Excluding Depreciation and Amortization Expense)

Cost of services (excluding depreciation and amortization expense) was \$31,176,149, which was \$74,861 or 0.2% higher in 2025 compared to 2024. This increase was primarily due to increased labor costs, and maintenance and support agreements on our equipment and software. This increase is partially offset by lower programming costs from video content providers due to a loss of video customers and a decline in CPE and retail sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were \$11,285,812, which was \$890,085 or 8.6% higher in 2025 compared to 2024. This increase was primarily due to increased customer acquisition costs associated with our FTTP network initiative.

Depreciation and Amortization Expense

Depreciation and amortization expense was \$19,453,914, which was \$1,604,475 or 9.0% higher in 2025 compared to 2024. The increase in depreciation expense was primarily due to an increase in our FTTP network assets to aid in our transition to a new advanced FTTP network, reflecting our continual investment in technology and infrastructure in order to meet our customers' demands for products and services.

Operating Income

Operating income was \$9,878,608, which was \$11,275 or 0.1% lower in 2025 compared to 2024. This decrease was primarily due to higher depreciation and selling, general and administrative expenses, partially offset by increased governmental support revenues and increased data services revenues, all of which are described above.

See Consolidated Statements of Operations (for discussion below)

Other Income (Expense) and Interest Expense

Other income in 2025 and 2024, included a patronage credit earned with CoBank, which was a result of our debt agreements with them. The patronage credit allocated and received in 2025 was \$1,656,597 compared to \$1,196,948 allocated and received in 2024. This increase was primarily due to higher outstanding debt balances and increased interest rates on our non-swapped debt in connection with our term debt credit facility and revolving credit facility with CoBank to support our fiber-build initiative. CoBank determines and pays the patronage credit annually, generally in the first quarter of the calendar year, based on its results from the prior year. We record these patronage credits as income in the period they are allocated and received.

Interest and dividend income increased \$54,822 in 2025 compared to 2024. This increase was primarily due to increases in dividend income earned on our investments.

Interest expense increased \$889,161 in 2025 compared to 2024. This increase was primarily due to higher outstanding debt balances on our non-swapped debt in connection with our term debt credit facility with CoBank to support our fiber-build initiative.

The gain on sale of investments in 2025 reflects the final true up on the sale of FiberComm by Nuvera and the other owners of FiberComm to ImOn Communications LLC on March 31, 2023. The loss on sale of investments in 2024 reflects the settlement of the FiberComm escrow account and the loss on the sale of our RTFC patronage.

Other investment income increased \$188,425 in 2025 compared to 2024. Other investment income is primarily from our equity ownerships in several partnerships and limited liability companies. Other investment income

was higher in 2025 compared to 2024, primarily due to an improved operating performance by our equity investments in 2025.

Income Taxes

Income tax expense decreased by \$81,809 in 2025 compared to 2024 as we recorded income tax expense of \$249,316 in 2025 and an income tax expense of \$331,125 in 2024. This decrease was primarily due to increased interest expense, partially offset by CoBank patronage dividends. The effective income tax rate was approximately 43.21% for 2025 and (8.08%) for 2024. The difference between the effective tax rate and the federal statutory tax rate are reconciled in Note 8 – “Income Taxes.”

Non-GAAP Measures

In addition to the results reported with GAAP, we also use certain non-GAAP measures such as net earnings before interest expense, income taxes, and depreciation and amortization (EBITDA) and “Adjusted EBITDA” to evaluate operating performance and to facilitate the comparison of our historical results and trends. These financial measures are not a measure of financial performance under GAAP and should not be considered in isolation or as a substitute for net income as a measure of performance and net cash provided by operating activities as a measure of liquidity. They are not, on their own, necessarily indicative of cash available to fund cash needs as determined in accordance with GAAP. The calculation of these non-GAAP measures may not be comparable to similarly titled measures used by other companies. Reconciliations of these non-GAAP measures to the most directly comparable financial measures presented in accordance with GAAP are provided below.

Adjusted EBITDA is comprised of EBITDA, adjusted for certain items as permitted or required under our credit facility as described in the reconciliations below. These measures are a common measure of operating performance in the communications industry and are useful, with other data, as a means to evaluate our ability to fund our estimated uses of cash.

The following table is a reconciliation of net income to EBITDA and Adjusted EBITDA for the years ended December 31, 2025, and 2024.

	<u>2025</u>	<u>2024</u>
Net Income (Loss)	\$ 327,669	\$ (4,427,810)
Add (subtract):		
Interest Expense, net of interest income	12,109,445	11,223,969
Income tax expense	249,316	331,125
Depreciation and amortization	<u>19,453,914</u>	<u>17,849,439</u>
EBITDA	32,140,344	24,976,723
Adjustments to EBITDA:		
Other, net ¹	(2,601,926)	2,917,358
Investment distributions ²	19,557	(27,230)
Non-cash, stock-based compensation ³	<u>283,007</u>	<u>398,264</u>
Adjusted EBITDA	<u>\$ 29,840,982</u>	<u>\$ 28,265,115</u>

¹ Includes the equity earnings from our investments, gain on sale of investment, patronage income, impairment of goodwill, interest during construction and certain other miscellaneous items.

² Includes other cash distributions received from our investments less dividend income.

³ Represents compensation expenses in connection with the issuance of stock awards, which, because of the non-cash nature of these expenses, are excluded from adjusted EBITDA.

Liquidity and Capital Resources

Capital Structure

Nuvera's total capital structure (long-term and short-term debt obligations, net of unamortized loan fees plus stockholders' equity) was \$238,681,735 as of December 31, 2025, reflecting 39.6% equity and 60.4% debt. This compares to a capital structure of \$234,715,909 as of December 31, 2024, reflecting 39.9% equity and 60.1% debt. In the communications industry, debt financing is most often based on operating cash flows. Specifically, our current use of our credit facilities is in a ratio of approximately 4.97 times debt to EBITDA (as defined in the loan documents), which is well within acceptable limits for our agreements and our industry. Our maximum Total Leverage Ratio under our loan facility is 6:00:1:00. Our management believes adequate operating cash flows and other internal and external resources, such as our cash on hand and credit facility, are available to finance ongoing operating requirements, including capital expenditures, business development, debt service and temporary financing of trade accounts receivable.

Liquidity Outlook

Our short-term and long-term liquidity needs arise primarily from (i) capital expenditures; (ii) working capital requirements needed to support our growth; (iii) debt service; (iv) dividend payments, if declared, on our stock and (v) potential acquisitions.

Our primary sources of liquidity for the year ended December 31, 2025, were proceeds from cash generated from operations and cash reserves held at the beginning of the period. As of December 31, 2025, we had a working capital surplus of \$8,034,640. In addition, as of December 31, 2025, we had \$8.9 million available under our revolving credit facility to fund any short-term working capital needs. Also, we have a \$25.0 million delayed draw term loan available to fund our fiber expansion plans. The working capital surplus as of December 31, 2025, was primarily the result of elevated inventory levels to support our fiber-build initiative and a rescheduling of our principal payments to CoBank as a part of our debt facility with them.

We have not conducted a public equity offering. We operate with original equity capital, retained earnings and additions to indebtedness in the form of senior debt and bank lines of credit.

Cash Flows

We expect our liquidity needs to include capital expenditures, payment of interest and principal on our indebtedness, income taxes and dividends. We use our cash inflow to manage the temporary increases in cash demand and utilize our revolving credit facility to manage more significant fluctuations in liquidity caused by growth initiatives.

While it is often difficult for us to predict the impact of general economic conditions, we believe that we will be able to meet our current and long-term cash requirements primarily through our operating cash flows and debt financing and anticipate that we will be able to plan for and match future liquidity needs with future internal and available external resources.

We periodically seek to add growth initiatives by either expanding our network or our markets through organic or internal investments or through strategic acquisitions. We believe we can adjust the timing or the number of our initiatives according to any limitations which may be imposed by our capital structure or sources of financing.

The following table summarizes our cash flow:

	For Year Ended December 31		
	2025	2024	Increase (Decrease)
Net cash provided by (used in):			
Operating activities	\$ 19,170,540	\$ 18,975,291	\$ 195,249 1.03%
Investing activities	(27,026,909)	(43,994,182)	16,967,273 38.57%
Financing activities	6,319,529	25,645,684	(19,326,155) -75.36%
Change in cash	\$ (1,536,840)	\$ 626,793	\$ (2,163,633) 345.19%

Cash Flows from Operating Activities

Cash generated by operations for the year ended December 31, 2025, was \$19,170,540, compared to cash generated by operations of \$18,975,291 in 2024. The increase in cash from operating activities in 2025 was primarily due to the timing of the increase/decrease in assets and liabilities.

Cash generated by operations continues to be our primary source of funding for existing operations, debt service and dividend payments to stockholders, when declared by our BOD. Cash as of December 31, 2025, was \$349,857, compared to \$1,886,697 on December 31, 2024.

Cash Flows Used in Investing Activities

We operate in a capital-intensive business. We continue to upgrade our advanced fiber networks for changes in technology to provide advanced services to our customers.

Cash flows used in investing activities were \$27,026,909 for the year ended December 31, 2025, compared to \$43,994,182 used in investing activities in 2024. Capital expenditures relating to our fiber initiative and ongoing operations were \$33,228,372 in 2025 and \$53,757,778 in 2024. Materials and supply expenditures decreased by \$6,110,723 in 2025 primarily due to the use of materials on hand to support our fiber-build initiatives. Our investing expenditures were financed with cash flows from our current operations, advances on our line of credit and grant proceeds. We believe that our current operations and debt financing from CoBank will provide adequate cash flows to fund our plant additions for the upcoming year; however, funding from our revolving credit facility and delayed draw term loan are available if the timing of our cash flows from operations does not match our cash flow requirements. As of December 31, 2025, we had \$8.9 million available under our existing revolving credit facility and \$25.0 million on our delayed draw term loan to fund capital expenditures and other operating needs.

Cash Flows Provided by Financing Activities

Cash provided by financing activities for the year ended December 31, 2025, was \$6,319,529. This included changes in our revolving credit facility of \$2,613,016, loan origination fees of \$35,000, and grants received for plant construction of \$3,741,513. Cash provided by financing activities for the year ended December 31, 2024, was \$25,645,684. This included principal payments of \$100,000,000, loan proceeds from our term loan of \$125,000,000, loan origination fees of \$1,709,522, changes in our revolving credit facility of \$(5,665,450) and grants received for construction of plant of \$8,020,656. The change in cash flows used in financing activities in 2025 was primarily due to changes in our revolving credit facility with CoBank and grants received for construction to fund our fiber initiative.

Working Capital

We had a working capital surplus (i.e., current assets minus current liabilities) of \$8,034,640 as of December 31, 2025, with current assets of approximately \$25.0 million and current liabilities of approximately \$17.0 million, compared to a working capital surplus of \$16,603,132 as of December 31, 2024. The ratio of current assets to current liabilities was 1.47 and 2.11 as of December 31, 2025, and 2024. The working capital surplus as of December 31, 2025, was primarily the result of elevated inventories to support our fiber-build initiative and a rescheduling of our principal payments to CoBank as part of our debt facility with them.

As of December 31, 2025, and December 31, 2024, we were in compliance with all stipulated financial ratios in our loan agreements.

Our current Total Leverage Ratio as of December 31, 2025, was 4.97. Our maximum Total Leverage Ratio under the loan facility is 6:00:1.00.

Long-Term Debt and Revolving Credit Facilities

Our long-term debt obligations as of December 31, 2025, were \$146,113,839 (excluding loan origination fees). Our long-term debt obligations as of December 31, 2024, were \$143,500,823 (excluding long-term loan origination fees).

On June 21, 2024, Nuvera and CoBank entered into (i) an Agreement Regarding Amendments to Loan Documents and (ii) an Amended and Restated Revolving Loan Promissory Note. The agreements amended our existing credit facility with CoBank and secured a credit facility in the aggregate principal amount of \$180.0 million.

Under the Agreements, among other things, (i) the Company received a \$125.0 million term loan to replace existing debt, (ii) a \$25.0 million delayed draw term loan, (iii) the Company's revolving loan was decreased from \$40.0 million to \$30.0 million, (iv) the maturity dates of the term loans and revolving loan were set at June 21, 2029, and (v) the Company's operating subsidiaries agreed to extend their previous guarantees, security interests and mortgages to cover the increased amount of the credit facility. The financing was secured to

facilitate the Company's advanced fiber-build plans announced on December 15, 2021. Refer to the Company's 8-K filing with the SEC on June 25, 2024, for further details regarding the 2024 credit agreements with CoBank.

Under the credit agreement, the Company and its respective subsidiaries have entered into security agreements under which substantially all the assets of Nuvera and its respective subsidiaries have been pledged to CoBank as collateral. In addition, Nuvera and its respective subsidiaries have guaranteed all the obligations under the credit facility. The credit agreement contains certain customary events of default, which include failure to make payments when due, the material inaccuracy of representations or warranties, failure to observe or perform certain covenants, cross-defaults, bankruptcy and insolvency-related events, certain judgments, certain ERISA-related events, or a change in control (as defined in the credit agreement).

Our Long-Term Debt consists of the following notes:

2024 Credit Agreement

- **TERM A-1 LOAN** - \$125,000,000 term note with interest payable quarterly. The final maturity date of this note is June 21, 2029. Eight quarterly principal payments of \$781,250 are due commencing June 30, 2026, through March 31, 2028, and four quarterly principal payments of \$1,562,500 commencing on June 30, 2028, through maturity date. A final balloon payment of \$112,500,000 is due at maturity of this note on June 21, 2029.
- **DELAYED DRAW TERM LOAN** - \$25,000,000 Delayed Draw Term Loan with interest on any outstanding amounts payable quarterly. The final maturity date of this loan is June 21, 2029. Eight quarterly principal payments of 0.625% of the outstanding loan balance are due commencing June 30, 2026, through March 31, 2028, and four quarterly principal payments of 1.250% of the outstanding loan balance commencing on June 30, 2028, through maturity date. A final balloon payment of the balance of the Delayed Draw Term Loan is due at maturity of this note on June 21, 2029. We currently have drawn \$0 on this Delayed Draw Term Loan as of December 31, 2025.
- **REVOLVING LOAN** - \$30,000,000 revolving loan with interest payable quarterly. Final maturity date of this note is June 21, 2029. We currently have drawn \$21,113,839 on this revolving note as of December 31, 2025.

The term and revolving loan borrowings initially bear interest at a "Margin for SOFR Rate Loans" of 3.75% above the applicable SOFR rate. The margin for SOFR rate loans for term and revolving loans increases as our "Leverage Ratio" increases and decreases as our "Leverage Ratio" decreases.

We generally use variable-rate debt to finance our operations, capital expenditures and acquisitions. These variable-rate debt obligations expose us to variability in interest payments due to changes in interest rates. The terms of our credit facility with CoBank require that we enter into interest rate agreements designed to protect us against fluctuations in interest rates, in an aggregate principal amount and for a duration determined under the credit facility.

Under the 2024 credit facility, Nuvera can enter into IRSAs in connection with amounts borrowed from CoBank. On September 30, 2025, \$43,750,000 of our indebtedness was covered under an IRSA with CoBank. See Note 7 – "Interest Rate Swaps," for details regarding our IRSA.

Our remaining outstanding debt of \$102.4 million remains subject to variable interest rates at an effective weighted average interest rate of 7.32%, as of December 31, 2025.

As of December 31, 2025, our additional delayed draw term loan of \$25.0 million and unused revolving credit facility of \$8.9 million are subject to an unused commitment fee of 0.50% annually, until drawn. Once drawn,

this debt would be subject to an effective weighted average interest rate based on current rate of interest in effect at the time.

Our loan agreements include restrictions on our ability to pay cash dividends to our stockholders. However, we are allowed to pay dividends in an amount up to \$3,000,000 in any year as long as no default or event of default has occurred, and our current Total Leverage Ratio is equal to 4.25:1.00 or less. In addition, we are allowed to pay dividends in an unlimited amount in any year as long as no default or event of default has occurred, and our current Total Leverage Ratio is equal to 3.50:1.00 or less. Our current Total Leverage Ratio as of December 31, 2025, was 4.97. Our maximum Total Leverage Ratio under the loan facility is 6.00:1.00.

Our credit facility requires us to comply with specified financial ratios and tests. These financial ratios include Total Leverage Ratio and debt service coverage ratio. As of December 31, 2025, we were in compliance with all the stipulated financial ratios in our loan agreements.

There are security and loan agreements underlying our current CoBank credit facility that contain restrictions on our distributions to stockholders and investment in, or loans, to others. Also, our credit facility contains restrictions that, among other things, limits or restrict our ability to enter into guarantees and contingent liabilities, incur additional debt, issue stock, transact asset sales, transfers, or dispositions, and engage in mergers and acquisitions, without CoBank approval.

See Note 6 – “Long-Term Debt” for information pertaining to our long-term debt and current effective interest rates.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of financial condition and results of operations stated in this 2025 Annual Report on Form 10-K are based upon Nuvera’s consolidated financial statements that have been prepared in accordance with GAAP, rules and regulations of the SEC and, where applicable, conform to the accounting principles as prescribed by federal and state telephone utility regulatory authorities. We presently give accounting recognition to the actions of regulators where appropriate. The preparation of our financial statements requires our management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results may differ from these estimates. Our senior management has discussed the development and selection of accounting estimates and the related Management Discussion and Analysis disclosure with our Audit Committee. For a summary of our significant accounting policies, see Note 1 – “Business Description and Summary of Significant Accounting Policies.”

Revenue Recognition

See Note 2 – “Revenue Recognition” for a discussion of our revenue recognition policies.

Allowance for Credit Losses (AFCLs)

Accounts receivables are recorded at amortized cost less an AFCLs that are not expected to be recovered. The gross amount of accounts receivable is recorded net of the corresponding AFCLs in the consolidated balance sheets. We maintain AFCLs resulting from the expected failure or inability of our customers to make their required payments. We recognize the AFCLs based on management’s expectation of the asset’s collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivable and current macroeconomic conditions, as well as management’s expectation of conditions in the future, as applicable. Our AFCLs are recorded on a monthly basis based on the aging of our overall accounts receivable. Our accounts receivable collection policy includes internal collection efforts after an accounts receivable balance is past 30 days due with service being suspended after approximately 40 days and terminated upon 60 days past due.

Our AFCLs were \$265,000 and \$170,000 as of December 31, 2025, and 2024.

Valuation of Goodwill

We have goodwill on our books related to prior acquisitions of communications company properties. As discussed more fully in Note 5 – “Goodwill and Intangibles,” and in accordance with GAAP, goodwill is reviewed for impairment annually or more frequently if an event occurs or circumstances change that would reduce the fair value below its’ carrying value. We perform our annual fair value evaluation in the fourth quarter of each year.

The impairment test for goodwill involves measuring a goodwill impairment loss by comparing the implied fair value of a reporting unit’s goodwill with the carrying amount of that goodwill. Any excess of the carrying value of the reporting unit goodwill over the implied fair value of the reporting unit goodwill will be recorded as an impairment loss.

In 2025 and 2024, we engaged an independent valuation firm to aid in the completion of an annual impairment test for existing goodwill acquired. For 2025 and 2024, after the testing was completed, we determined that there was no impairment to goodwill for Scott-Rice and SETC as the determined fair value was sufficient to pass the impairment test. For 2025, after the testing, we determined that there was no impairment to goodwill for HTC as the determined fair value was sufficient to pass the impairment test. For 2024, after the testing was completed, we determined that there was an impairment to goodwill for HTC of \$4.9 million as the determined fair value was not sufficient to pass the impairment test. We used a combination of Income (Discounted Cash Flow Method or DCF Method) and Market Approaches to estimate the fair value of the goodwill on our books related to prior acquisitions of communications company properties. The assumptions used in the estimates of fair value were based on projections provided by our management and a rate of return based on market information observed in debt and traded equity securities. Their Market Approaches considered market multiples observed in companies comparable to ours, traded on public exchange or over the counter, or transacted in a merger or acquisition transaction.

Assumptions used in our 2025 DCF model include the following:

- A 9.00% weighted average cost of capital based on an industry weighted average cost of capital; and
- A 1.5% terminal revenue growth rate.

The most significant amount of goodwill recorded on our books was due to the acquisitions of HTC, SETC and Scott-Rice. The carrying value of the goodwill was \$35,624,660 as of December 31, 2025, and 2024.

In 2025, we tested the HTC, Scott-Rice and SETC goodwill. Based on the DCF model approach that was used, we determined the estimated enterprise fair value of our reporting units exceeded the carrying amount of that reporting units by approximately 7.3%, 29.7% and 28.5% for HTC, Scott-Rice and SETC, respectively, which indicated that we had no impairment as of December 31, 2025. In 2024, we tested the HTC goodwill. Based on the DCF model approach that was used, we determined that the carrying amount of that reporting unit exceeded the enterprise’s fair value of that reporting unit and resulted in an impairment of \$4.9 million.

Due to changes in financial and credit markets, and overall valuations of communications properties, the Company determined that the carrying value of the HTC reporting unit exceeded its fair value in 2024, which resulted in the impairment listed above. The non-cash impairment charge of \$4.9 million did not and is not expected to have any impact on the Company’s operations.

Income Taxes

The provision for income taxes consists of an amount for taxes currently payable and a provision for tax consequences deferred to future periods. Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities,

and their respective tax basis. Significant components of our deferred taxes arise from differences (i) in the basis of property, plant, and equipment due to the use of accelerated depreciation methods for tax purposes, as well as (ii) in partnership investments and intangible assets due to the difference between book and tax basis. Our effective income tax rate is normally higher than the United States tax rate due to state income taxes and permanent differences.

We account for income taxes in accordance with GAAP, which requires an asset and liability approach to financial accounting and reporting for income taxes. As required by GAAP, we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

In accordance with GAAP, we record net unrecognized tax benefits that, if recognized, would affect the income tax provision when recorded. See Note 8 – “Income Taxes.”

As of December 31, 2025, and 2024, we had \$0 of unrecognized tax benefits that if recognized would affect the tax rate. We do not expect the total amount of unrecognized tax benefits to materially change over the next twelve months.

We are primarily subject to United States, Minnesota, Iowa, Nebraska, North Dakota, and Wisconsin income taxes. Tax years subsequent to 2020 remain open to examination by federal and state tax authorities. Our policy is to recognize interest and penalties related to income tax matters as income tax expense. As of December 31, 2025, and 2024 we had \$27,790 and \$20,904 of interest or penalties accrued that related to income tax matters.

Property, Plant and Equipment

We record impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. In assessing the recoverability of long-lived assets, we compare the carrying value to the undiscounted future cash flows the assets are expected to generate. If the total of the undiscounted future cash flows is less than the carrying amount of the assets, we would write down those assets based on the excess of the carrying amount over the fair value of the assets. Fair value is generally determined by calculating the discounted future cash flows expected from those assets. Changes in these estimates could have a material adverse effect on the assessment of long-lived assets, thereby requiring a write-down of the assets. Write-downs of long-lived assets are recorded as impairment charges and are a component of operating expenses. We have reviewed our long-lived assets and concluded that no impairment charge on these long-lived assets is necessary.

We use the group life method (mass asset accounting) to depreciate the assets of our communication companies. Communications plant acquired in a given year is grouped into similar categories and depreciated over the remaining estimated useful life of the group. When an asset is retired, both the asset and the accumulated depreciation associated with that asset are removed from the books. Due to rapid changes in technology, selecting the estimated economic life of communications plant and equipment requires a significant amount of judgment. We periodically review data on the expected utilization of new equipment, asset retirement activity and net salvage values to determine adjustments to our depreciation rates.

Grant money received from governmental entities for reimbursement of capital expenditures is accounted for as a reduction from the cost of the asset. As the grant was to be used in the Company’s regulated network, the Company accounts for this funding as aid to construction as outlined in the FCC’s Part 32 “*Uniform System of Accounts for Telecommunications Companies.*” The resulting balance sheet presentation reflects the Company’s net investment in the assets in our property, plant, and equipment. Depreciation is calculated and recorded based on the reduced cost of the investment, therefore the impact of prior grants received is reflected

in earnings as a reduction in depreciation. Grant funds are shown as inflows in the financing activities section of the statement of cash flows.

Equity Method Investment

We are an investor in several partnerships and limited liability corporations. Our percentages of ownership in these joint ventures range from 7.63% to 24.30%. We use the equity method of accounting for these investments, which reflects original cost and the recognition of our share of the net income or losses from the respective operations.

Incentive Compensation

We engaged an outside consultant in 2005 to advise us in our development of an Employee Incentive Plan (EIP) for employees other than executive officers and a Management Incentive Plan (MIP) for our executive officers. Both plans were implemented in 2006. Both plans are cash/stock-based/Option-based incentive plans. Payments on each plan are based on an achievement of objectives of measurable corporate and operational performance with financial targets. The financial targets include the achievement of specified certain operating income before interest, taxes, depreciation, and amortization criteria, while the operational targets are based upon fiber passings, fiber connections, and net Internet customer additions. The EIP permits the issuance of up to 200,000 shares of our Common Stock in stock awards.

We accrue an estimated liability each year for these potential payouts and reverse that accrual if the incentive payout targets are not met and paid out. Incentive payouts, if earned, are typically paid in late March of the year following the target year and after the filing of our Annual Report on Form 10-K.

On March 27, 2025, the Compensation Committee and the Board adopted a new cash-based long-term incentive plan (2025 Plan). The 2025 Plan is a 3-year, cash-based long-term incentive and retention arrangement which measures operating income before interest, taxes, depreciation, and amortization (OIBITDA) and entails continued service with Nuvera throughout a 3-year period. Awards will be made annually (subject to the Compensation Committee's oversight on plan design, which may change from time to time) with 3-year overlapping cycles, and performance measured each individual year. Vesting is based (i) on achievement of predetermined OIBITDA targets set annually and (ii) on continued service with Nuvera through the end of the 3-year performance cycle. Cash payouts will be made at the end of the 3-year cycle. OIBITDA performance targets for each year within the 3-year period will be aligned with approved operating budget for that year.

On February 24, 2017, our BOD adopted the Nuvera Communications, Inc. 2017 Omnibus Stock Plan (2017 OSP) effective May 25, 2017. The shareholders of the Company approved the 2017 OSP at the May 25, 2017, Annual Meeting of Shareholders. The purpose of the 2017 OSP was to enable Nuvera and its subsidiaries to attract and retain talented and experienced people, closely link employee compensation with performance realized by shareholders, and reward long-term results with long-term compensation. The 2017 OSP enables us to grant stock incentive awards to current and new employees, including officers, and to BOD members and service providers. The 2017 OSP permits stock incentive awards in the form of Options (incentive and non-qualified), stock appreciation rights, restricted stock, restricted stock units (RSUs), performance stock, performance units, and other awards in stock or cash. The 2017 OSP permits the issuance of up to 625,000 shares of our Common Stock in any of the above stock awards.

See Note 14 – “Stock Based Compensation” for a detailed discussion of our incentive compensation and RSUs.

Recent Accounting Developments

See Note 1 – “Business Description and Summary of Significant Accounting Policies” for a discussion of recent accounting developments.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not required for a smaller reporting company.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Nuvera Communications, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Nuvera Communications, Inc. (a Minnesota corporation) and subsidiaries (the Company) as of December 31, 2025, and 2024, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements, present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025, and 2024, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of Goodwill for Impairment

Description of the Matter

As of December 31, 2025, the Company's goodwill balance was \$35,624,660. As discussed in Note 5 to the consolidated financial statements, reporting unit goodwill is tested for impairment at least annually or when events or circumstances indicate the fair value of a reporting unit may be below its carrying value. This analysis involves comparing the carrying value of a reporting unit's equity against the estimated fair value of the reporting unit's equity which is determined using discounted cash flow (DCF) models and market-based approaches using market multiples of peer companies which offer comparable services to its reporting units. These fair value estimates are sensitive to significant assumptions, such as cash flow projections, operating and EBITDA margins, discount rates, terminal values, subscriber growth, and capital investment. These assumptions are affected by expectations about future market and economic conditions.

Auditing management's annual impairment tests for goodwill was complex because of the significant judgment required to evaluate the management assumptions described above used to determine the fair value of the reporting units.

How We Addressed the Matter in Our Audit

We obtained an understanding of the controls over the Company's goodwill impairment review processes. This included controls over management's use of both an outside specialist and internal review of the valuation models and the significant assumptions noted above, utilized in both the DCF and market valuation methods.

To test the estimated fair value of the Company's reporting units, we involved our valuation specialists to assist us in performing our audit procedures. Our procedures included, among others, testing the valuation methodology used and the significant assumptions within the valuation methodology. For example, we compared the significant assumptions to current industry, market and economic trends, and other guideline companies in the same industry and to other factors. Where appropriate, we evaluated whether changes to the company's business model, customer base and other factors would affect the significant assumptions. We also assessed the historical accuracy of management's past estimates, tested the clerical accuracy of the valuation calculations, and performed independent sensitivity analyses. In addition, we tested management's reconciliation of the cumulative fair value of its reporting units to the market capitalization of the Company.

We have served as the Company's auditor since 2008.

/s/ Olsen Thielen & Co., Ltd
Olsen Thielen & Co., Ltd
Roseville, Minnesota
March 16, 2026

NUVERA COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES:		
Voice Service	\$ 4,253,818	\$ 4,664,083
Network Access	2,634,733	3,103,915
Video Service	11,276,390	11,746,455
Data Service	31,676,487	29,758,882
A-CAM/FUSF	17,344,414	15,507,401
Other Non-Regulated	4,608,641	4,455,601
Total Operating Revenues	71,794,483	69,236,337
OPERATING EXPENSES:		
Plant Operations (Excluding Depreciation and Amortization)	16,676,278	15,906,140
Cost of Video	8,469,016	9,044,938
Cost of Data	4,764,971	4,618,604
Cost of Other Non-Regulated Services	1,265,884	1,531,606
Depreciation and Amortization	19,453,914	17,849,439
Selling, General, and Administrative	11,285,812	10,395,727
Total Operating Expenses	61,915,875	59,346,454
OPERATING INCOME	9,878,608	9,889,883
OTHER INCOME (EXPENSE):		
Interest During Construction	436,231	923,340
CoBank Patronage Dividends	1,656,597	1,196,948
Interest/Dividend Income	224,038	169,216
Interest Expense	(12,127,587)	(11,238,426)
Loss on Investments	(22,646)	-
Gain (Loss) on Sale of Investments	144,789	(257,807)
Impairment of Goodwill	-	(4,978,369)
Other Investment Income	386,955	198,530
Total Other Expense	(9,301,623)	(13,986,568)
INCOME (LOSS) BEFORE INCOME TAXES	576,985	(4,096,685)
INCOME TAXES EXPENSE	249,316	331,125
NET INCOME (LOSS)	\$ 327,669	\$ (4,427,810)
NET INCOME (LOSS) PER SHARE		
Basic	\$ 0.06	\$ (0.86)
Diluted	\$ 0.06	\$ (0.83)
DIVIDENDS PER SHARE	\$ -	\$ -
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	5,202,957	5,163,259
Diluted	5,478,938	5,332,496

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

NUVERA COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(LOSS) FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
NET INCOME (LOSS)	\$ 327,669	\$ (4,427,810)
OTHER COMPREHENSIVE LOSS:		
Unrealized Losses on Interest Rate Swaps	(343,686)	(866,668)
Income Tax Benefit Related to Unrealized		
Losses on Interest Rate Swaps	98,088	247,347
OTHER COMPREHENSIVE LOSS	<u>(245,598)</u>	<u>(619,321)</u>
COMPREHENSIVE INCOME (LOSS)	<u>\$ 82,071</u>	<u>\$ (5,047,131)</u>

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

NUVERA COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash	\$ 349,857	\$ 1,886,697
Receivables, Net	2,788,066	2,313,808
Income Taxes Receivable	1,119,937	183,450
Materials, Supplies and Inventories	18,582,607	24,746,532
Financial Derivative Instruments	132,274	475,960
Prepaid Expenses and Other Current Assets	2,056,007	1,994,239
Total Current Assets	25,028,748	31,600,686
INVESTMENTS & OTHER ASSETS:		
Goodwill	35,624,660	35,624,660
Intangibles	10,389,063	12,436,374
Other Investments	8,520,804	8,269,430
Right of Use Asset	1,385,194	1,090,638
Other Assets	711,826	803,582
Total Investments and Other Assets	56,631,547	58,224,684
PROPERTY, PLANT & EQUIPMENT:		
Communications Plant	345,950,372	318,329,007
Other Property & Equipment	36,715,926	35,035,142
Video Plant	19,805,385	19,329,406
Total Property, Plant and Equipment	402,471,683	372,693,555
Less Accumulated Depreciation	206,155,807	188,861,923
Net Property, Plant & Equipment	196,315,876	183,831,632
TOTAL ASSETS	\$ 277,976,171	\$ 273,657,002

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

NUVERA COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
DECEMBER 31, 2025 AND 2024

LIABILITIES AND STOCKHOLDERS' EQUITY

	2025	2024
CURRENT LIABILITIES:		
Current Portion of Long-Term Debt, Net of Unamortized Loan Fees	\$ 1,884,184	\$ -
Accounts Payable	12,357,439	11,405,555
Checks Written in Excess of Cash Balance	-	1,796,713
Other Accrued Taxes	270,895	263,411
Deferred Compensation	42,407	44,073
Accrued Compensation	1,880,298	939,235
Other Accrued Liabilities	558,885	548,567
Total Current Liabilities	16,994,108	14,997,554
 LONG-TERM DEBT, Net of Unamortized Loan Fees		
	142,238,158	140,949,072
 NONCURRENT LIABILITIES:		
Deferred Income Taxes	22,784,703	22,734,197
Other Accrued Liabilities	1,229,684	996,810
Deferred Compensation	170,125	212,532
Total Noncurrent Liabilities	24,184,512	23,943,539
 COMMITMENTS AND CONTINGENCIES:		
	-	-
 STOCKHOLDERS' EQUITY:		
Preferred Stock - \$1.66 Par Value, 10,000,000 Shares Authorized, No Shares Issued and Outstanding	-	-
Common Stock - \$1.66 Par Value, 90,000,000 Shares Authorized, 5,215,348 and 5,178,176 Shares Issued and Outstanding	8,692,246	8,630,293
Accumulated Other Comprehensive Gain	94,523	340,121
Retained Earnings	85,772,624	84,796,423
Total Stockholders' Equity	94,559,393	93,766,837
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		
	\$ 277,976,171	\$ 273,657,002

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

NUVERA COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ 327,669	\$ (4,427,810)
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	20,049,169	18,281,844
(Gain) Loss on Sale of Investments	(144,789)	257,807
Impairment of Goodwill	-	4,978,369
Unrealized (Gains) Losses on Investments	22,646	-
Undistributed Earnings of Other Equity Investment	(333,824)	(183,520)
Noncash Patronage Refund	(182,423)	(166,519)
Stock Issued in Lieu of Cash Payment	427,478	409,461
Distributions from Equity Investments	225,453	127,529
Stock-based Compensation	283,007	398,264
Changes in Assets and Liabilities:		
Receivables	(263,615)	1,072,249
Income Taxes Receivable	(936,487)	(183,450)
Inventories for Resale	30,674	146,522
Prepaid Expenses	(61,768)	250,921
Other Assets	17,791	116,074
Accounts Payable	504,568	51,011
Checks Written in Excess of Cash Balance	(1,796,713)	(474,119)
Accrued Income Taxes	-	(581,098)
Other Accrued Taxes	7,484	9,921
Other Accrued Liabilities	889,699	(1,011,813)
Deferred Income Tax	148,594	(50,555)
Deferred Compensation	(44,073)	(45,797)
Net Cash Provided by Operating Activities	<u>19,170,540</u>	<u>18,975,291</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to Property, Plant, and Equipment, Net	(33,228,372)	(53,757,778)
Materials and Supplies for Construction	6,110,723	9,523,799
Other, Net	90,740	239,797
Net Cash Used in Investing Activities	<u>(27,026,909)</u>	<u>(43,994,182)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments of Long-Term Debt	-	(100,000,000)
Loan Proceeds	-	125,000,000
Loan Origination Fees	(35,000)	(1,709,522)
Changes in Revolving Credit Facility	2,613,016	(5,665,450)
Grants Received for Construction of Plant	3,741,513	8,020,656
Net Cash Provided by Financing Activities	<u>6,319,529</u>	<u>25,645,684</u>
NET CHANGE IN CASH	(1,536,840)	626,793
CASH at Beginning of Period	<u>1,886,697</u>	<u>1,259,904</u>
CASH at End of Period	<u>\$ 349,857</u>	<u>\$ 1,886,697</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 11,146,324	\$ 10,078,263
Net cash paid for income taxes	\$ 1,037,209	\$ 1,123,024

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

NUVERA COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Common Stock		Accumulated Other Comprehensive Income (Loss)		Unearned Compensation		Retained Earnings		Total Equity	
	Shares	Amount								
BALANCE on December 31, 2023	5,133,207	\$ 8,555,345	\$ 959,442		\$ -		\$ 88,491,456		\$ 98,006,243	
Directors Stock Plan	44,099	73,498					326,480		399,978	
Employee Stock Plan	870	1,450					8,033		9,483	
Non-Cash, Share-Based Compensation							398,264		398,264	
Net Loss							(4,427,810)		(4,427,810)	
Unrealized Loss on Interest Rate Swap				(619,321)					(619,321)	
BALANCE on December 31, 2024	<u>5,178,176</u>	<u>8,630,293</u>	<u>340,121</u>		<u>-</u>		<u>84,796,423</u>		<u>93,766,837</u>	
Directors Stock Plan	37,172	61,953					365,525		427,478	
Non-Cash, Share-Based Compensation							283,007		283,007	
Net Income							327,669		327,669	
Unrealized Loss on Interest Rate Swap				(245,598)					(245,598)	
BALANCE on December 31, 2025	<u>5,215,348</u>	<u>\$ 8,692,246</u>	<u>\$ 94,523</u>		<u>\$ -</u>		<u>\$ 85,772,624</u>		<u>\$ 94,559,393</u>	

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

NOTE 1 – BUSINESS DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Nuvera is a diversified communications company headquartered in New Ulm, Minnesota with more than 120 years of experience in the communications business. Our principal line of business is the operation of seven communications companies. Our businesses consist of connecting customers to our state-of-the-art, advanced fiber communications network, providing managed services, switched service, and dedicated private lines, connecting customers to long-distance service providers and providing many other services associated with our Company. We also provide IPTV, CATV, Internet access services, including high-speed broadband access, and long-distance service. We also install and maintain communications systems to the areas in and around our service territories in southern Minnesota and northern Iowa.

Basis of Presentation and Principles of Consolidation

Our accounting policies conform to GAAP and rules and regulations of the SEC and, where applicable, conform to the accounting principles as prescribed by federal and state telephone utility regulatory authorities. We presently give accounting recognition to the actions of regulators where appropriate in preparing general purpose financial statements for most public utilities. In general, the type of regulation covered by this statement permits rates (prices) for some services to be set at levels intended to recover the estimated costs of providing regulated services or products, including the cost of capital (interest costs and a provision for earnings on stockholders' investments).

Our consolidated financial statements report the financial condition and results of operations for Nuvera and its subsidiaries in one business segment: the Communications Segment. Inter-company transactions have been eliminated from the consolidated financial statements.

Classification of Costs and Expenses

Cost of services (excluding depreciation and amortization expense) includes all costs related to the delivery of communication services and products. These operating costs include all costs of performing services and providing related products including engineering, network monitoring and transportation costs.

Selling, general and administrative expenses include direct and indirect selling expenses, customer service, billing and collections, advertising and all other general and administrative costs associated with our operations.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires our management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. The estimates and judgements used in the accompanying consolidated financial statements are based on our management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates and assumptions.

Revenue Recognition

See Note 2 – "Revenue Recognition" for a discussion of our revenue recognition policies.

Accounts Receivables and AFCLs

As of December 31, 2025, and 2024 our consolidated accounts receivable totaled \$2,788,066 and \$2,313,808, net of the AFCLs. We believe our receivables as of December 31, 2025, and 2024 are recorded at their fair value.

Accounts receivable consists primarily of amounts due to the Company from normal business activities. We maintain an AFCLs based on our historical loss experience, current conditions and forecasted changes including but not limited to changes related to the economy, our industry and business. Uncollectible accounts are written-off (removed from accounts receivable and charged against the AFCLs) when internal collection efforts have been unsuccessful. Subsequently, if payment is received from the customer, the recovery is credited to the AFCLs.

As of December 31, 2025, and 2024, the fair value of our net accounts receivable approximated their carrying values; therefore, no fair value adjustment for fresh start accounting was required. Our AFCLs increased during the year ended December 31, 2025, compared to 2024.

AFCLs

Accounts receivables are recorded at amortized cost less an AFCLs that are not expected to be recovered. The gross amount of accounts receivable is recorded net of the corresponding AFCLs in the consolidated balance sheets. We maintain AFCLs resulting from the expected failure or inability of our customers to make their required payments. We recognize the AFCLs based on management's expectation of the asset's collectability. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the customer base, the aging of such receivable and current macroeconomic conditions, as well as management's expectation of conditions in the future, as applicable. Our AFCLs is recorded on a monthly basis based on the aging of our overall accounts receivable. Our accounts receivable collection policy includes internal collection efforts after an accounts receivable balance is 30 days due with service being suspended after approximately 40 days and terminated upon 60 days past due.

The following table summarizes the activity in the AFCLs for the years ended December 31, 2025, and 2024:

	Year Ended December 31	
	2025	2024
Balance at beginning of year	\$ 170,000	\$ 150,000
Provision charged to expense	270,686	181,364
Write-offs, less recoveries	(175,686)	(161,364)
Balance at end of year	<u>\$ 265,000</u>	<u>\$ 170,000</u>

Inventories

Inventory includes parts, materials and supplies stored in our warehouses to support basic levels of service and maintenance as well as scheduled capital projects and equipment awaiting configuration for customers. Inventory also includes (i) parts and equipment shipped directly from vendors to customer locations while in transit and (ii) parts and equipment returned from customers that are returned to vendors for credit. Our inventory value as of December 31, 2025, and 2024 was \$18,582,607 and \$24,746,532.

We value inventory using the lower of cost or net realizable value. Like our AFCLs, we make estimates related to the valuation of inventory. As of December 31, 2025, and 2024, we had no inventory reserve. We adjust our inventory carrying value for estimated obsolescence or unmarketable inventory to the net realizable value based upon assumptions about future demand and market conditions. As market and other conditions change, we may establish additional inventory reserves at a time when the facts that give rise to a lower value are warranted. We use the average cost method of inventory costing.

Property, Plant and Equipment

We record impairment losses on long-lived assets used in operations when events and circumstances indicate the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. In assessing the recoverability of long-lived assets, we compare the carrying value to the undiscounted future cash flows the assets are expected to generate. If the total of the undiscounted future cash flows is less than the carrying amount of the assets, we would write down those assets based on the excess of the carrying amount over the fair value of the assets. Fair value is generally determined by calculating the discounted future cash flows expected from those assets. Changes in these estimates could have a material adverse effect on the assessment of long-lived assets, thereby requiring a write-down of the assets. Write-downs of long-lived assets are recorded as impairment charges and are a component of operating expenses. We have reviewed our long-lived assets and concluded that no impairment charge on our long-lived assets is necessary.

We use the group life method (mass asset accounting) to depreciate the assets of our communications companies. Communications plant acquired in a given year is grouped into similar categories and depreciated over the remaining estimated useful life of the group. When an asset is retired, both the asset and the accumulated depreciation associated with that asset are removed from the books. Due to rapid changes in technology, selecting the estimated economic life of communications plant and equipment requires a significant amount of judgment. We periodically review data on the expected utilization of new equipment, asset retirement activity and net salvage values to determine adjustments to our depreciation rates. We have not made any significant changes to the lives of these assets in the two-year period ended December 31, 2025.

Grant money received from governmental entities for reimbursement of capital expenditures is accounted for as a reduction from the cost of the asset. As the grant was to be used in the Company's regulated network, the Company accounts for this funding as aid to construction as outlined in the FCC's Part 32 *"Uniform System of Accounts for Telecommunications Companies."* The resulting balance sheet presentation reflects the Company's net investment in the assets in property, plant, and equipment. Depreciation is calculated and recorded based on the reduced cost of the investment therefore the impact of prior grants received is reflected in earnings as a reduction in depreciation. Grant funds are shown as inflows in the financing activities section of the statements of cash flows.

Goodwill and Intangible Assets

We amortize our definite-lived intangible assets over their estimated useful lives. Customer relationships are amortized over fourteen to fifteen years, regulatory rights are amortized over fifteen years and trade names are amortized over three to five years. Intangible assets with finite lives are amortized over their respective estimated useful lives. In accordance with GAAP, goodwill and intangible assets with indefinite useful lives are not amortized but tested for impairment at least annually. See Note 5 – "Goodwill and Intangibles" for a more detailed discussion of the intangible assets and goodwill. Our goodwill balance was \$35,624,660 as of December 31, 2025, and 2024.

Financial Derivative Instruments and Fair Value Measurements

We have adopted the rules prescribed under GAAP for our financial assets and liabilities. GAAP includes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques used to measure fair value that is either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources, while unobservable inputs reflect a reporting entity's pricing based upon its own market assumptions. The fair value hierarchy consists of the following three levels:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs that are derived principally from or corroborated by observable market data.
- Level 3: Inputs are derived from valuation techniques where one or more significant inputs or value drivers are unobservable.

We have used financial derivative instruments to manage our overall cash flow exposure to fluctuations in interest rates. We accounted for derivative instruments in accordance with GAAP that requires derivative instruments to be recorded on the balance sheet at fair value. Changes in fair value of derivative instruments must be recognized in earnings unless specific hedge accounting criteria are met, in which case, the gains and losses are included in other comprehensive income rather than in earnings.

We have entered into IRSAs with our lender CoBank to manage our cash flow exposure to fluctuations in interest rates. These instruments are designated as cash flow hedges and are effective at mitigating the risk of fluctuations on interest rates in the marketplace. Any gains or losses related to changes in the fair value of these derivatives are accounted for as a component of accumulated other comprehensive gain (loss) for as long as the hedge remains effective.

The fair value of our IRSAs is discussed in Note 7 – “Interest Rate Swaps”. The fair value of our swap agreements was determined based on Level 2 inputs.

The fair value of our Goodwill is discussed in Note 5 – “Goodwill and Intangibles”. The fair value of our Goodwill was determined based on Level 3 inputs.

Other Financial Instruments

Other Investments - We conducted an evaluation of our investments in all of our investees in connection with the preparation of our audited financial statements as of December 31, 2025. As of December 31, 2025, we believe the carrying value of our investments is not impaired.

Debt – We estimate the fair value of our long-term debt based on the discounted future cash flows we expect to pay using current rates of borrowing for similar types of debt. Fair value of the debt approximates carrying value.

Other Financial Instruments - Our financial instruments also include cash equivalents, trade accounts receivable and accounts payable where the current carrying amounts approximate fair market value.

Investments and Other Assets

We are a co-investor with other communication companies in several partnerships and limited liability companies. These joint ventures make it possible to offer services to customers, including digital video services and fiber transport services that we would have difficulty offering on our own. These joint ventures also make it possible to invest in new technologies with a lower level of financial risk. We use the equity method of accounting for these investments that reflects original cost and recognition of our share of the net income or losses from the respective operations. See Note 15 – “Segment Information” for a listing of our investments.

Investments in other companies that are not intended for resale and are not accounted for on the equity method of accounting are valued at fair value where there are readily determinable fair values. Investments in other companies that are not intended for resale and are not accounted for on the equity method of accounting are valued at cost where there are no readily determinable fair values. See Note 12 – “Other Investments” for additional information regarding our investments.

Advertising Expense

Advertising is expensed as incurred. Advertising expense charged to operations was \$870,162 and \$864,312 in 2025 and 2024.

Interest During Construction

We include an average cost of debt for the construction of plant in our communications plant accounts.

Income Taxes

We account for income taxes in accordance with GAAP, which requires an asset and liability approach to financial accounting and reporting for income taxes. Accordingly, deferred tax assets and liabilities arise from the difference between the tax basis of an asset or liability and its reported amount in the financial statements and operating and tax credit carryforwards. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. We recognize interest and penalties related to income tax matters as income tax expense. Income tax expense or benefit is the tax payable or refundable, respectively, for the period plus or minus the change in deferred tax assets and liabilities during the period.

GAAP requires us to recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. See Note 8 – “Income Taxes” for additional information regarding income taxes.

Collection of Taxes from Customers

Sales, excise, and other taxes are imposed on most of our sales to nonexempt customers. We collect these taxes from our customers and remit the entire amounts to governmental authorities. Our accounting policies dictate that we exclude these taxes collected and remitted from our revenues and expenses.

Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash investments and receivables. We deposit our cash investments in high credit quality financial institutions accounts which, at times, may exceed federally insured limits. We have not experienced any losses in these accounts and do not believe we are exposed to any significant credit risk. Concentrations of credit risk with respect to trade receivables are limited due to our large number of customers.

Earnings and Dividends Per Share

The basic and diluted net income per share is calculated as follows:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Basic	Diluted	Basic	Diluted
Net Income (Loss)	\$ 327,669	\$ 327,669	\$ (4,427,810)	(4,427,810)
Weighted-average common shares outstanding	5,202,957	5,478,938	5,163,259	5,332,496
Net income (loss) per share	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ (0.86)</u>	<u>\$ (0.83)</u>

The weighted-average shares outstanding, basic, and diluted are calculated as follows:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Basic	Diluted	Basic	Diluted
Weighted-average common shares outstanding	5,202,957	5,202,957	5,163,259	5,163,259
Dilutive Options	-	275,981	-	169,237
Weighted-average common shares outstanding	<u>5,202,957</u>	<u>5,478,938</u>	<u>5,163,259</u>	<u>5,332,496</u>

Nuvera's BOD reviews quarterly dividend declarations based on our anticipated earnings, capital requirements and our operating and financial conditions.

Recent Accounting Developments

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)". This accounting update requires disclosure of disaggregated expense in prescribed categories underlying any relevant income statement expense caption. The updated disclosure requirements are to be adopted for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently assessing the impact of adopting ASU 2024-03 on the consolidated financial statements and related disclosures. The Company expects the adoption of the standard to result in additional disaggregation of expense captions within its footnote disclosures.

In December 2025, the FASB issued ASU 2025-10, “Government Grants (Topic 832): Accounting for Government Grants received by Business Entities”. This accounting update establishes guidance for the recognition, measurement, presentation and disclosure of government grants. The updated requirements are effective for public business entities for annual reporting periods beginning after December 15, 2028, and interim periods therein, with early adoption permitted. The Company is currently assessing the impact of adopting ASU 2025-10 on its consolidated financial statements.

The Company has implemented all, new applicable accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 2 – REVENUE RECOGNITION

The Company recognizes revenue based on the following single principles-based, five-step model that is applied to all services and contracts that are required with customers. These steps include (1) identify the contract(s)/service with the customer, (2) identify the performance obligations in the contract/service provided, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract/service provided and (5) recognize revenue when each performance obligation is satisfied.

Our revenue contracts/services provided to customers may include a promise or promises to deliver services such as broadband, video or voice services. Promised services are considered distinct as the customer can benefit from the services either on their own or together with other resources that are readily available to the customer and the Company’s promise to transfer service to the customer is separately identifiable from other promises in the contract. The Company accounts for services as separate performance obligations. Each service is considered a single performance obligation as it provides a series of distinct services that are substantially the same and have the same pattern of transfer.

The transaction price is determined at service or contract inception and reflects the amount of consideration to which we expect to be entitled in exchange for transferring the service to the customer. This amount is generally equal to the market price of the services promised in the service provided or contract and may include promotional or bundling discounts. Most of our prices are based on tariffed rates filed with regulatory bodies or standard company price lists. The transaction price excludes amounts collected on behalf of third parties such as sales taxes and regulatory fees. Conversely, non-refundable up-front fees, such as service activation and set-up fees, which are immaterial to our overall revenues, are included in the transaction price. In determining the transaction price, we consider our enforceable rights and obligations within the service or contract. We do not consider the possibility of a contract being cancelled, renewed, or modified, which is consistent with Accounting Standards Codification (ASC 606-10-32-4).

The transaction price is allocated to each performance obligation based on the standalone selling price of the service, net of the related discount, as applicable.

Revenue is recognized when performance obligations are satisfied by transferring service to the customer as described below.

Significant Judgments

The Company often provides multiple services to a customer. Provision of CPE and additional service tiers may have a significant level of integration and interdependency with the subscription voice, video, Internet, or connectivity services. Judgement is required to determine whether the provision of CPE, installation

services and additional service tiers are considered distinct and accounted for separately, or not distinct and accounted for together with the subscription services.

Allocation of the transaction price to the distinct performance obligations in bundled service subscriptions requires judgement. The transaction price for a bundle of services is frequently less than the sum of standalone selling prices of each individual service. Bundled discounts are allocated proportionally to the selling price of each individual service within the bundle. Standalone selling prices for the Company's services are directly observable.

Disaggregation of Revenue

The following table summarizes revenue from contracts/services with customers for the years ended December 31, 2025, and 2024:

	<u>Twelve Months Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Voice Service ¹	\$ 4,636,689	5,189,876
Network Access ¹	2,698,381	3,161,306
Video Service ¹	11,276,320	11,746,315
Data Service ¹	29,924,503	27,751,534
Directory ²	500,609	538,104
Other Contracted Revenue ³	2,189,247	2,381,591
Other ⁴	<u>2,278,854</u>	<u>1,933,101</u>
Revenue from customers	53,504,603	52,701,827
Subsidy and other revenue outside scope of ASC 606 ⁵	18,289,880	16,534,510
Total revenue	<u>\$ 71,794,483</u>	<u>\$ 69,236,337</u>

¹ Month-to-Month contracts billed and consumed in the same month.

² Directory revenue is contracted annually, however, this revenue is recognized monthly over the contract period as the advertising is used.

³ This includes long-term contracts where the revenue is recognized monthly over the term of the contract.

⁴ This includes CPE and other equipment sales.

⁵ This includes governmental subsidies and lease revenue outside the scope of ASC 606.

For the year ended December 31, 2025, approximately 71.35% of our total revenue was from month-to-month and other contracted revenue from customers. Approximately 25.48% of our total revenue was from revenue sources outside of the scope of ASC 606. The remaining 3.17% of total revenue was from other sources including CPE and equipment sales and installation.

For the year ended December 31, 2024, approximately 73.33% of our total revenue was from month-to-month and other contracted revenue from customers. Approximately 23.88% of our total revenue was from revenue sources outside of the scope of ASC 606. The remaining 2.79% of total revenue was from other sources including CPE and equipment sales and installation.

A significant portion of our revenue is derived from customers who may generally cancel their subscriptions at any time without penalty. As such, the amount of revenue related to unsatisfied performance obligations is not necessarily indicative of the future revenue to be recognized from our existing customer base. Revenue from customers with a contractually specified term and non-cancellable service period will be recognized over the term of such contracts, which is generally three to ten years for these types of contracts.

Nature of Services

Revenues are earned from our customers primarily through the connection to our advanced fiber networks, digital and commercial TV programming, Internet services (high-speed broadband), and hosted and managed services. Revenues for these services are billed based on set rates for monthly service or based on the amount of time the customer is utilizing our facilities. The revenue for these services is recognized over time as the service is rendered.

Voice Service – We receive recurring revenue for basic local services that enable end-user customers to make and receive telephone calls within a defined local calling area for a flat monthly fee. In addition to subscribing to basic local telephone services, our customers may choose from multiple voice service plans with a variety of custom calling features such as call waiting, call forwarding, caller identification and voicemail. Our VOIP digital phone service is also available as an alternative to the traditional telephone line. Customers may generally cancel their subscriptions at any time without penalty. Each subscription service provided is accounted for as a distinct performance obligation and revenue is recognized over a one-month service period as the subscription services are delivered. Other optional services purchased by the customer are generally accounted for as a distinct performance obligation when purchased and revenue is recognized when the service is provided.

Network Access – We provide access services to other communication carriers for the use of our facilities to terminate or originate long distance calls on our fiber network. Additionally, we bill SLCs to substantially all our customers for access to the public switched network. These monthly SLCs are regulated and approved by the FCC. In addition, network access revenue is derived from several federally administered pooling arrangements designed to provide support and distribute funding to us.

Revenues earned from other communication carriers accessing our network are based on the utilization of our network by these carriers as measured by minutes of use on the network or special access to the network by the individual carriers monthly. Revenues are billed at tariffed access rates for both interstate and intrastate calls and are recognized into revenue monthly based on the period the access was provided.

The NECA pools and redistributes the SLCs to various communication providers through the CAF. These revenues are earned and recognized into revenue on a monthly basis. Any adjustments to these amounts received by NECA are adjusted for in revenue upon receipt of the adjustment.

The monthly CBOL subsidy formula is reviewed and subjected to revision on an annual basis and subject to change based on updated USAC funding criteria July 1 of each year.

Video Service – We provide a variety of enhanced video services on a monthly recurring basis to our customers. Depending on geographical market availability, our video services range from limited basic service to advanced digital TV, which includes several plans each with hundreds of local, national music channels including premium and pay-per-view channels as well as video-on-demand service. Certain customers may also subscribe to our advanced video services, which consist of high-definition TV, DVR and Whole Home DVR. Our Whole Home DVR allows customers the ability to watch recorded shows on any TV in the house, record multiple shows at one time and utilize an intuitive on-screen guide and user interface. Video subscribers also have access to our Watch TV Everywhere service which allows subscriber access to full episodes of available shows, movies and live screens using a computer or mobile device. We also receive monthly recurring revenue from our subscribers for providing commercial TV programming in competition with CATV, satellite dish TV and off-air TV service providers. Customers may generally cancel their subscriptions at any time without penalty. Each subscription service provided is accounted for as a distinct performance obligation and revenue is recognized over a one-month service period as the subscription services are delivered. Other optional services purchased by the customer are generally accounted for as a distinct performance obligation when purchased and revenue is recognized when the service is provided.

Data Service – We provide high speed Internet to business and residential customers depending on the nature of the network facilities that are available, the level of service selected and the location. Our revenue is earned based on the offering of various flat packages based on the level of service, data speeds and features. We also provide e-mail and managed services, such as web hosting and design, on-line file back up and on-line file storage. Data customers may generally cancel their subscriptions at any time without penalty. Each subscription service provided is accounted for as a distinct performance obligation and revenue is recognized over a one-month service period as the subscription services are delivered. Other optional services purchased by the customer are generally accounted for as a distinct performance obligation when purchased and revenue is recognized when the service is provided.

Directory – Our directory publishing revenue in our telephone directories recurs monthly and is recognized as revenue on a monthly basis.

Other Contracted Revenue - Managed services and certain other data customers include advanced fiber-delivered communications and managed information technology solutions to mainly business customers, as well as high-capacity last-mile data connectivity services to wireless and wireline carriers. Services are primarily offered on a subscription basis with a contractually specified and non-cancelable service period. The non-cancelable contract terms for these customers generally range from three to ten years. Each subscription service provided is accounted for as a distinct performance obligation and revenue is recognized ratably over the contract period as the subscription services are delivered. These services are billed as monthly recurring charges to customers.

Other – We also generate revenue from the sales, service and installation of CPE and other services. Sales and service of CPE are billed and recognized into revenue once the sale or service is complete or delivered. These sales and services are generally short-term in nature and are completed within one month. Other revenues are immaterial to our total revenues.

Subsidy and Other Revenue outside the Scope of ASC 606 – We receive subsidies from governmental entities to operate and expand our advanced fiber networks. In addition, we have revenue from leasing arrangements. Both of these revenue streams are outside of the scope of ASC 606.

Interstate access rates are established by a nationwide pooling of companies known as NECA. The FCC established NECA in 1983 to develop and administer interstate access service rates, terms, and conditions. Revenues are pooled and redistributed based on a company's actual or average costs. There has been a

change in the composition of interstate access charges in recent years, shifting more of the charges to the end user and reducing the amount of access charges paid by the IXC's. We believe this trend will continue.

Intrastate access rates are filed with state regulatory commissions in Minnesota and Iowa.

The Company currently receives funding based on the A-CAM as described below, except for Scott-Rice, which receives funding from the FUSF. Scott-Rice's settlements from the pools are based on nationwide average schedules, which includes the pooling and redistribution of revenues based on a company's actual or average costs as described below.

A-CAM

As described above, with the exception of Scott-Rice, the remainder of our companies receive funding from the A-CAM.

Per the FCC Public Notice DA 19-115, the Company receives A-CAM support and has corresponding service deployment obligations under that program. The Company annually receives (i) \$596,084 for its Iowa operations and (ii) \$8,354,481 for its Minnesota operations. The Company will receive the A-CAM support for a period of 10 years, which started in 2019. The Company uses the funding that it receives through the A-CAM program to meet its defined broadband build-out obligations, which the Company is currently completing.

Accounts Receivable, Contract Assets and Contract Liabilities

The following table provides information about our receivables, contracts assets and contract liabilities from revenue contracts with our customers:

	Year Ended December 31,		
	2025	2024	2023
Accounts receivable, net	\$ 2,042,185	\$ 1,567,927	\$ 1,966,012
Contract assets	1,375,406	1,419,660	1,458,631
Contract liabilities	380,910	363,818	551,995

Accounts Receivable

A receivable is recognized in the period the Company provides goods and services when the Company's right to consideration is unconditional. Payment terms on invoiced amounts are generally 30-60 days.

Contract Assets

Contract assets include costs that are incremental to the acquisition of a contract. Incremental costs are those that result directly from obtaining a contract or costs that would not have been incurred if the contract had not been obtained, which primarily relates to sales commissions. We defer and amortize these costs over the expected customer life as the contract obligations are satisfied. We determined that the expected customer life is the expected period of benefit as the commission on the renewal contract is commensurate with the commission on the initial contract. During the years ended December 31, 2025, and 2024, the Company recognized expenses of \$709,460 and \$668,685, respectively, related to deferred contract acquisition costs. Short-term contract assets are included in current assets under prepaid expenses and other current assets. Long-term contract assets are included in investments and other assets under other assets.

Contract Liabilities

Contract liabilities include deferred revenues related to advanced payments for services and nonrefundable, upfront service activation and set-up fees, which are generally deferred. In addition, contract liabilities include customer deposits that are not recognized as revenue, but are instead returned to the customer after a holding period. Short-term contract liabilities include deferred revenues for advanced payments for managed services and other long-term contracts. This includes the current portion of the deferred revenues that will be recognized monthly within one year. Short-term contract liabilities are included in current liabilities under other accrued liabilities. Long-term contract liabilities include deferred revenues for advanced payments for managed services and other long-term contracts. This includes the portion longer than one year and the corresponding deferred revenues are recognized into revenue on a monthly basis based on the term of the contract. Long-term contract liabilities are included in noncurrent liabilities under other accrued liabilities.

During the years ended December 31, 2025, and 2024 the Company recognized revenues of \$218,051 and \$381,148, respectively, related to deferred revenues.

Performance Obligations

ASC 606, Revenue from Contracts with Customers, requires that the Company disclose the aggregate amount of the transaction price that is allocated to remaining performance obligations that are unsatisfied as of December 31, 2025. The guidance provides certain practical expedients that limit this requirement. The service revenue contracts of the Company meet the following practical expedients provided by ASC 606:

1. The performance obligation is part of a contract that has an original expected duration of one year or less.
2. Revenue is recognized from the satisfaction of the performance obligations in the amount billable to the customer in accordance with ASC 606-10-55-18.

The Company has elected these practical expedients. Performance obligations related to our service revenue contracts are generally satisfied over time. For services transferred over time, revenue is recognized based on amounts invoiced to the customer as the Company has concluded that the invoice amount directly corresponds with the value of services provided to the customer. Management considers this a faithful depiction of the transfer of control as services are substantially the same and have the same pattern of transfer over the life of the contract. As such, revenue related to unsatisfied performance obligations that will be billed in future periods has not been disclosed.

NOTE 3 – LEASES

Under the FASB ASU 2016-02, “Leases,” which, together with its related clarifying ASUs, provided revised guidance for lease accounting and related disclosure requirements and established a right-to-use (ROU) model that requires lessees to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition. The ASU also requires disclosures to allow financial statement users to better understand the amount, timing and uncertainty of cash flows arising from leases. These disclosures include qualitative requirements, providing additional information about the amounts recorded in the financial statements.

The following tables include the ROU assets and operating lease liabilities as of December 31, 2025, and 2024. Short-term operating lease liabilities are included in current liabilities in other accrued liabilities. Long-term operating lease liabilities are included in noncurrent liabilities in other accrued liabilities.

<u>Right of Use Assets</u>	<u>Balance</u> <u>December 31, 2025</u>	<u>Balance</u> <u>December 31, 2024</u>
Operating Lease Right-Of-Use Assets	\$ 1,385,194	\$ 1,090,638

<u>Operating Lease Liabilities</u>	<u>Balance</u> <u>December 31, 2025</u>	<u>Balance</u> <u>December 31, 2024</u>
Short-Term Operating Lease Liabilities	\$ 261,993	\$ 191,902
Long-Term Operating Lease Liabilities	1,147,562	922,776
Total	<u>\$ 1,409,555</u>	<u>\$ 1,114,678</u>

Maturity analysis under these lease agreements are as follows:

<u>Maturity Analysis</u>	<u>Balance</u> <u>December 31, 2025</u>
2026	\$ 350,383
2027	302,159
2028	288,315
2029	258,691
2030	205,127
Thereafter	377,865
Total	<u>1,782,540</u>
Less Imputed interest	<u>(372,985)</u>
Present Value of Operating Leases	<u>\$ 1,409,555</u>

The following summarizes other information related to leases for the year ended December 31, 2025, as follows:

Weighted Average Remaining Lease Term (Years)	6.63
Weighted Average Discount Rate	6.85%

We amortize our leases over the shorter of the term of the lease or the useful life of the asset. Lease expenses for the years ended December 31, 2025, and 2024 was \$365,689 and \$473,134, respectively.

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment as of December 31, 2025, and 2024, include the following:

	<u>2025</u>	<u>2024</u>
Communications Plant:		
Land	\$ 707,648	\$ 707,648
Buildings	11,375,143	11,180,405
Other Support Assets	26,975,364	26,008,607
Central Office and Circuit Equipment	71,349,591	68,473,005
Cable and Wire Facilities	223,373,746	198,100,277
Other Plant and Equipment	404,883	404,883
Plant Under Construction	11,763,997	13,454,182
	<u>345,950,372</u>	<u>318,329,007</u>
Other Property	36,715,926	35,035,142
Video Plant	19,805,385	19,329,406
	<u>402,471,683</u>	<u>372,693,555</u>
Total Property, Plant and Equipment	\$ 402,471,683	\$ 372,693,555

Depreciation is computed using the straight-line method based on the estimated service or remaining useful lives of the various classes of depreciable assets. Depreciation expense was \$17,406,603 and \$15,797,205 in 2025 and 2024. The composite depreciation rates on communications plant and equipment for the two years ended December 31, 2025, and 2024, respectively, were 4.5% and 4.4%. Other property and video plant is depreciated over estimated useful lives of three to twenty-five years.

NOTE 5 - GOODWILL AND INTANGIBLES

We account for goodwill and other intangible assets under GAAP. Under GAAP, goodwill and intangible assets with indefinite useful lives are not amortized but are instead tested for impairment (i) on at least an annual basis and (ii) when changes in circumstances indicate that the fair value of goodwill may be below its carrying value. These circumstances include but are not limited to (i) a significant adverse change in the business climate, (ii) unanticipated competition or (iii) an adverse action or assessment by a regulator. Determining impairment involves estimating the fair value of a reporting unit using a combination of (i) the income or discounted cash flow approach and (ii) the market approach that utilizes comparable companies' data. If the carrying amount of a reporting unit exceeds its fair value, the amount of the impairment loss must be measured. The impairment loss is calculated by comparing the implied fair value of the reporting unit's goodwill to its carrying amount. In calculating the implied fair value of the reporting unit's goodwill, the fair value of the reporting unit is allocated to all the assets and liabilities of the reporting unit. The excess of the fair value of a reporting unit over the amount assigned to its other assets and liabilities is the implied value of goodwill. We recognize impairment loss when the carrying amount of goodwill exceeds its implied fair value. Our goodwill totaled \$35,624,660 as of December 31, 2025, and 2024, respectively.

In 2025 and 2024, we engaged an independent valuation firm to aid in the completion of an annual impairment test for existing goodwill acquired. For 2025 and 2024, after the testing was completed, we determined that there was no impairment to goodwill for Scott-Rice and SETC as the determined fair value was sufficient to pass the impairment test. For 2025, after the testing was completed, we determined that there was no impairment to goodwill for HTC as the determined fair value was sufficient to pass the impairment test. For 2024, after the testing was completed, we determined that there was an impairment to goodwill for HTC of \$4.9 million as the determined fair value was not sufficient to pass the impairment test.

Our intangible assets subject to amortization consist of acquired customer relationships, regulatory rights, and trade names. We amortize intangible assets with finite lives over their respective estimated useful lives. Identifiable intangible assets that are subject to amortization are evaluated for impairment. In addition, we periodically reassess the carrying value, useful lives, and classifications of our identifiable intangible assets.

The components of our identified intangible assets are as follows:

	Useful Lives	December 31, 2025		December 31, 2024	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Definite-Lived Intangible Assets					
Customers Relationships	14-15 yrs	\$ 42,878,445	\$ 35,295,746	\$ 42,878,445	\$ 33,677,015
Video Franchise		3,000,000	1,071,450	3,000,000	642,870
Indefinitely-Lived Intangible Assets					
Spectrum		877,814	-	877,814	-
Total		\$ 46,756,259	\$ 36,367,196	\$ 46,756,259	\$ 34,319,885
Net Identified Intangible Assets			\$ 10,389,063		\$ 12,436,374

Amortization expense related to the definite-lived assets was \$2,047,311 for 2025 and \$2,052,234 for 2024. Amortization expense for the next five years is estimated to be:

2026	\$2,042,389
2027	\$1,335,247
2028	\$1,335,247
2029	\$1,335,247
2030	\$1,120,897

NOTE 6 - LONG-TERM DEBT

On June 21, 2024, Nuvera and CoBank entered into (i) an Agreement Regarding Amendments to Loan Documents and (ii) an Amended and Restated Revolving Loan Promissory Note. The agreements amended our existing credit facility with CoBank and secured a credit facility in the aggregate principal amount of \$180.0 million.

Under the Agreements, among other things, (i) the Company received a \$125.0 million term loan to replace existing debt, (ii) a \$25.0 million delayed draw term loan, (iii) the Company's revolving loan was decreased from \$40.0 million to \$30.0 million, (iv) the maturity dates of the term loans and revolving loan were set at June 21, 2029, and (v) the Company's operating subsidiaries agreed to extend their previous guarantees, security interests and mortgages to cover the increased amount of the credit facility. The financing was secured to facilitate the Company's advanced fiber-build plans announced on December 15, 2021. Refer to the Company's 8-K filing with the SEC on June 25, 2024, for further details regarding the 2024 credit agreements with CoBank.

Under the credit agreement, the Company and its respective subsidiaries have entered into security agreements under which substantially all the assets of Nuvera and its respective subsidiaries have been pledged to CoBank as collateral. In addition, Nuvera and its respective subsidiaries have guaranteed all the obligations under the credit facility. The credit agreement contains certain customary events of default, which include failure to make payments when due, the material inaccuracy of representations or warranties, failure to observe or perform certain covenants, cross-defaults, bankruptcy and insolvency-related events, certain judgments, certain ERISA-related events, or a change in control (as defined in the credit agreement).

Secured Credit Facility:

2024 Credit Agreement

- TERM A-1 LOAN - \$125,000,000 term note with interest payable quarterly. Final maturity date of this note is June 21, 2029. Eight quarterly principal payments of \$781,250 are due commencing June 30, 2026, through March 31, 2028, and four quarterly principal payments of \$1,562,500 commencing on June 30, 2028, through maturity date. A final balloon payment of \$112,500,000 is due at maturity of this note on June 21, 2029.
- DELAYED DRAW TERM LOAN - \$25,000,000 Delayed Draw Term Loan with interest on any outstanding amounts payable quarterly. Final maturity date of this loan is June 21, 2029. Eight quarterly principal payments of 0.625% of the outstanding loan balance are due commencing June 30, 2026, through March 31, 2028, and four quarterly principal payments of 1.250% of the outstanding loan balance commencing on June 30, 2028, through maturity date. A final balloon payment of the balance of the Delayed Draw Term Loan is due at maturity of this note on June 21, 2029. We currently have drawn \$0 on this Delayed Draw Term Loan as of December 31, 2025.
- REVOLVING LOAN - \$30,000,000 revolving loan with interest payable quarterly. Final maturity date of this note is June 21, 2029. We currently have drawn \$21,113,839 on this revolving note as of December 31, 2025.

The term and revolving loan borrowings initially bear interest at a “Margin for SOFR Loans” of 3.75% above the applicable SOFR. The margin for SOFR loans for term and revolving loans increases as our “Leverage Ratio” increases and decreases as our “Leverage Ratio” decreases.

We generally use variable-rate debt to finance our operations, capital expenditures and acquisitions. These variable-rate debt obligations expose us to variability in interest payments due to changes in interest rates. The terms of our credit facility with CoBank require that we enter into interest rate agreements designed to protect us against fluctuations in interest rates, in an aggregate principal amount and for a duration determined under the credit facility.

Under the 2024 credit facility, Nuvera can enter into IRSAs in connection with amounts borrowed from CoBank. On September 30, 2025, \$43,750,000 of our indebtedness was covered under and IRSA with CoBank. See Note 7 – “Interest Rate Swaps” for details regarding our IRSA.

Our remaining outstanding debt of \$102.4 million remains subject to variable interest rates at an effective weighted average interest rate of 7.32%, as of December 31, 2025.

As of December 31, 2025, our additional delayed draw term loan of \$25.0 million and unused revolving credit facility of \$8.9 million are subject to an unused commitment fee of 0.50% annually, until drawn. Once drawn, this debt would be subject to an effective weighted average interest rate based on current rate of interest in effect at the time.

Our loan agreements include restrictions on our ability to pay cash dividends to our stockholders. However, we are allowed to pay dividends in an amount up to \$3,000,000 in any year as long as no default or event of default has occurred, and our current Total Leverage Ratio is equal to 4.25:1.00 or less. In addition, we are allowed to pay dividends in an unlimited amount in any year as long as no default or event of default has occurred, and our current Total Leverage Ratio is equal to 3.50:1.00 or less. Our current Total Leverage Ratio as of December 31, 2025, was 4.97. Our maximum Total Leverage Ratio under the loan facility is 6.00:1.00.

Our credit facility requires us to comply with specified financial ratios and tests. These financial ratios include Total Leverage Ratio and debt service coverage ratio. On December 31, 2025, we were in compliance with all the stipulated financial ratios in our loan agreements.

There are security and loan agreements underlying our current CoBank credit facility that contain restrictions on our distributions to stockholders and investment in, or loans, to others. Also, our credit facility contains restrictions that, among other things, limits or restrict our ability to enter into guarantees and contingent liabilities, incur additional debt, issue stock, transact asset sales, transfers, or dispositions, and engage in mergers and acquisitions, without CoBank approval.

Long-term debt is as follows:	<u>2025</u>	<u>2024</u>
Secured five-year reducing credit facility to CoBank, ACB, in quarterly installments of \$781,250 (beginning on June 30, 2026) and quarterly installments of \$1,562,500 (beginning on June 30, 2028), and a balloon payment of \$112,500,000 at maturity of this note on June 21, 2029, plus a notional variable rate of interest through June 21, 2029.	\$ 125,000,000	\$ 125,000,000
Secured five-year revolving credit facility of up to \$30,000,000 to CoBank, ACB, plus a notional variable rate of interest through June 21, 2029.	21,113,839	18,500,823
Less: Unamortized Loan Fees	<u>(1,991,497)</u>	<u>(2,551,751)</u>
	144,122,342	140,949,072
Less: Amount due within one year, net of unamortized loan fees	<u>(1,884,184)</u>	<u>-</u>
Total Long Term Debt	<u>\$ 142,238,158</u>	<u>\$ 140,949,072</u>

Required principal payments for the next five years are as follows:

2026	\$ 2,343,750
2027	\$ 3,125,000
2028	\$ 5,468,750
2029	\$ 135,176,339
2030	\$ -

NOTE 7 – INTEREST RATE SWAPS

We assess interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposures that may adversely affect expected future cash flows and by evaluating hedging opportunities.

We generally use variable-rate debt to finance our operations, capital expenditures and acquisitions. These variable-rate debt obligations expose us to variability in interest payments due to changes in interest rates. The terms of our credit facility with CoBank require that we enter into 35% of our existing debt interest rate agreements designed to protect us against fluctuations in interest rates, in an aggregate principal amount and for a duration determined under the credit facility.

To meet this objective, we had entered into several IRSAs with CoBank, which allowed us to change the variable-rate cash flow exposure of the debt obligations to fixed cash flows. Under the terms of these IRSAs, we pay a fixed contractual interest rate and (i) make an additional payment if the SOFR variable rate payment is below a contractual rate or (ii) receive a payment if the SOFR variable rate payment is above the contractual rate.

We entered into the following IRSA, which effectively locked in more than 35% of our variable-rate debt through July 2026. On July 31, 2025, we entered into a new IRSA with CoBank which replaced our existing three swaps which all expired on July 31, 2025, and covered \$43,750,000 of our aggregate indebtedness. As of December 31, 2025, our IRSA covered \$43,750,000, with a weighted average interest rate of 7.56%.

Each month, we make interest payments to CoBank under its loan agreements based on the current applicable SOFR plus the contractual SOFR margin then in effect with respect to the loan, without reflecting our IRSAs. At the end of each calendar month, CoBank adjusts our aggregate interest payments based on the difference, if any, between the amounts paid by us during the month and the current effective interest rate. Net interest payments are reported in our consolidated income statement as interest expense.

As of December 31, 2025, we had the following IRSA in effect.

<u>Loan #</u>	<u>Maturity Date</u>	<u>Notional Amount</u>	<u>Current Effective Interest Rate (1)</u>
TERM A-1 LN	07/31/2026	\$ 43,750,000	7.56% (SOFR Rate of 4.06% plus 3.50% SOFR Rate Margin)

(1) As described in Note 6 – “Long-Term Debt,” the notes above initially bears interest at a SOFR rate determined by the maturity of the note, plus a “SOFR Rate Margin” rate equal to a maximum of 3.75% according to the individual secured credit facility. The SOFR Rate Margin increases as the borrower’s “Leverage Ratio” increases and decreases as our “Leverage Ratio” decreases. The “Current Effective Interest Rate” in the table reflects the rate we pay giving effect to the swaps.

Our IRSA, under our credit facilities, qualifies as a cash flow hedge for accounting purposes under GAAP. We reflect the effect of this hedging transaction in the financial statements. The unrealized gain/loss is reported in other comprehensive income. If we terminate our IRSA, the cumulative change in fair value at the date of termination would be reclassified from accumulated other comprehensive gain (loss), which is classified in stockholders’ equity, into earnings on the consolidated statements of income.

The fair value of the Company’s IRSA was determined based on valuations received from CoBank and were based on the present value of expected future cash flows using discount rates appropriate with the terms of the IRSA. The fair value indicates an estimated amount we would be required to pay if the contracts were canceled or transferred to other parties. As of December 31, 2025, the fair value asset of these swaps was \$132,274, which has been recorded net of deferred tax expense of \$37,751, resulting in the \$94,523 in accumulated other comprehensive income. As of December 31, 2024, the fair value asset of these swaps was \$475,960, which has been recorded net of deferred tax expense of \$135,839, resulting in the \$340,121 in accumulated other comprehensive income.

NOTE 8 - INCOME TAXES

Income taxes recorded in our consolidated statements of income consists of the following:

	<u>2025</u>	<u>2024</u>
Income Tax Expense		
Federal	\$ -	\$ -
State	100,722	381,680
Deferred Income Taxes	<u>148,594</u>	<u>(50,555)</u>
Total Income Tax Expense	<u>\$ 249,316</u>	<u>\$ 331,125</u>

We account for income taxes in accordance with GAAP, which requires an asset and liability approach to financial accounting and reporting for income taxes. As required by GAAP, we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

As of December 31, 2025, and 2024, we had \$0 of unrecognized tax benefits that if recognized would affect the tax rate. We do not expect the total amount of unrecognized tax benefits to materially change over the next twelve months.

We are primarily subject to United States, Minnesota, Iowa, Nebraska, North Dakota, and Wisconsin income taxes. Tax years subsequent to 2020 remain open to examination by federal and state tax authorities. Our policy is to recognize interest and penalties related to uncertain income tax matters as income tax expense.

The differences between the statutory federal tax rate and the effective tax rate were as follows:

Rate reconciliation:	2025		2024	
Income taxes computed at the federal statutory rate	\$ 121,168	21.00%	\$ (860,304)	21.00%
State income taxes, net of federal benefit (a)	87,345	15.14%	17,761	-0.43%
Nontaxable or nondeductible items				
Nondeductible goodwill impairment	-	0.00%	1,045,457	-25.52%
Other	(476)	-0.08%	(3,770)	-0.09%
Other adjustments	41,279	7.15%	131,981	3.22%
Total	\$ 249,316	43.21%	\$ 331,125	-1.82%

(a) State taxes in Minnesota and Iowa made up the majority of the tax effect in this category.

The Company's income tax provision was computed based on the federal statutory rate and the average state statutory rates, net of the related federal benefit. The Company's effective rate for the year ended December 31, 2024, was significantly impacted by a non-deductible goodwill impairment charge. Absent the impairment charge, the Company's effective tax rate would have been 20.04% in 2024. The Company's effective rate for the year ended December 31, 2025, was primarily impacted by state taxes computed on a standalone basis, and true-up adjustments with a disproportionate rate impact when compared to similar adjustments in 2024.

Deferred income taxes and unrecognized tax benefits reflected in our consolidated balance sheets are summarized as follows:

	<u>2025</u>	<u>2024</u>
Deferred Tax Assets		
Accrued Expenses	\$ (334,036)	\$ (124,174)
Deferred Compensation	(60,666)	(73,247)
Other	(441,062)	(316,965)
State NOL	(632,539)	-
Federal NOL	(6,925,267)	(5,315,643)
Sec. 163(j) business interest limitation	(5,862,893)	(5,901,243)
Leases	<u>(402,350)</u>	<u>(318,179)</u>
Total Deferred Tax Assets	<u>(14,658,813)</u>	<u>(12,049,451)</u>
Deferred Tax Liabilities		
Fixed Assets	34,053,523	30,797,486
Intangible Assets	2,001,326	2,528,632
Investments	562,910	593,993
Unrealized Gain on SWAP	37,757	135,861
Contract Assets	392,603	416,359
Leases	<u>395,397</u>	<u>311,317</u>
Total Deferred Tax Liabilities:	<u>37,443,516</u>	<u>34,783,648</u>
Total Net Deferred Taxes	<u>\$ 22,784,703</u>	<u>\$ 22,734,197</u>

As of December 31, 2025, the Company has federal and state net operating loss carryforwards of approximately \$33.0 million and \$8.4 million, respectively for tax purposes, which will be available to offset future taxable income. The federal losses may be carried forward indefinitely, while the state losses may be carried forward 15 years.

The Company's cash tax payments (net of refunds) are summarized as follows:

	<u>2025</u>	<u>2024</u>
U.S. Federal	\$ -	\$ -
State:		
Minnesota	1,037,209	845,000
Iowa	<u>-</u>	<u>278,024</u>
Total cash paid for income taxes (net of refunds)	<u>\$ 1,037,209</u>	<u>\$ 1,123,024</u>

NOTE 9 – INCENTIVE AND RETIREMENT PLANS

In 2006, we implemented an EIP for employees other than executive officers and a MIP for executive officers (collectively the 2006 Plan). In 2015, our BOD adopted, and our shareholders approved our 2015

Employee Stock Plan (2015 Plan), which permits the issuance of up to 200,000 shares of our Common Stock in stock awards for performance under the 2006 Plan. Each qualified employee of the Company may elect to receive up to 50% of their incentive compensation in Company Common Stock in lieu of cash. Each Company executive officer is required to receive 50% of their incentive compensation earned in Company Common Stock in lieu of cash. As of December 31, 2025, 148,877 shares remain available to be issued under the 2015 Plan.

Long-Term Cash Based Awards

On March 27, 2025, the Compensation Committee and the Board adopted a new cash-based long-term incentive plan. The 2025 Plan is a 3-year, cash-based long-term incentive and retention arrangement which measures OIBITDA and entails continued service with Nuvera throughout a 3-year period. Awards will be made annually (subject to the Compensation Committee’s oversight on plan design, which may change from time to time) with 3-year overlapping cycles, and performance measured each individual year. Vesting is based (i) on achievement of predetermined OIBITDA targets set annually and (ii) on continued service with Nuvera through the end of the 3-year performance cycle. Cash payouts will be made at the end of the 3-year cycle. OIBITDA performance targets for each year within the 3-year period will be aligned with approved operating budget for that year.

Cash-based awards currently issued and outstanding are as follows:

	Targeted Performance-Based Cash	Vested	Vesting Date
Balance at December 31, 2024	\$ -	\$ -	
Issued	\$ 432,245	\$ -	1/1/2028
Balance at December 31, 2025	<u>\$ 432,245</u>	<u>\$ -</u>	

We have a 401(k)-employee savings plan in effect for employees who meet age and service requirements. Our contributions to our 401(k)-employee savings plan were \$443,829 and \$443,156 in 2025 and 2024.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

On December 15, 2021, the Company announced plans for a fiber network initiative. The Company has made commitments to purchase materials and entered into contracts with various parties to successfully build this next-generation fiber network. As of December 31, 2025, the Company had no outstanding contract commitments.

We are involved in certain contractual disputes in the ordinary course of business. We do not believe the ultimate resolution of any of these existing matters will have a material adverse effect on our financial position, results of operations or cash flows.

Our capital budget for 2026 is approximately \$33.1 million and will be financed primarily through internally generated funds and grant funding programs.

NOTE 11 - NONCASH ACTIVITIES

Noncash investing activities included \$10,019,391 and \$9,572,075 during the years ended December 31, 2025, and 2024. These activities related to plant and equipment additions placed in service and are recorded in our accounts payable at year-end.

Noncash financing activities include \$0 during the years ended December 31, 2025, and 2024. There were no activities related to broadband grants awarded and are recorded in our accounts receivable at year-end.

NOTE 12 – OTHER INVESTMENTS

We are a co-investor with other communication companies in several partnerships and limited liability companies. These joint ventures make it possible to offer services to customers, including digital video services and fiber transport services that we would have difficulty offering on our own. These joint ventures also make it possible to invest in new technologies with a lower level of financial risk. We use the equity method of accounting for these investments that reflects original cost and recognition of our share of the net income or losses from the respective operations. For a listing of our investments, see Note 15 – “Segment Information.”

The FASB requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. The Company recognized a \$22,646 unrealized loss on one of its investments as of December 31, 2025. As of December 31, 2024, the Company has recorded losses on our investments of \$15,550.

- Our investments and interests in the following entities include some management responsibilities:
 - BBV – 24.30% subsidiary equity ownership interest. BBV provides video headend and Internet services,
 - IES – 14.29% subsidiary equity ownership interest. IES is a provider of E-911 services to the States of Minnesota and Wisconsin as well as a number of counties located in Minnesota, and
 - FM – 7.63% subsidiary equity ownership interest. FM is a Minnesota state-wide network that provides connectivity for regional businesses.

NOTE 13 – DEFERRED COMPENSATION

As of December 31, 2025, and 2024, we have recorded other deferred compensation relating to executive compensation payable to certain former executives of the Company and certain former executives of past acquisitions.

NOTE 14 – STOCK BASED COMPENSATION

The Company’s 2017 OSP was adopted by the Company’s BOD on February 24, 2017, and approved by the Company’s shareholders at the May 25, 2017, Annual Meeting of Shareholders. The 2017 OSP enables the Company to grant stock incentive awards to current and new employees, including officers, and to BOD members and service providers. The 2017 OSP permits stock incentive awards in the form of Options (incentive and non-qualified), stock appreciation rights, restricted stock, RSUs, performance stock, performance units, and other awards in stock or cash. The 2017 OSP permits the issuance of up to 625,000 shares of our Common Stock in any of the above stock awards. As of December 31, 2025, 37,809 shares remain available for future grants under the 2017 OSP.

Option Awards

Prior to 2025, the Compensation Committee granted non-qualified stock Options. The Compensation Committee believed that grants of Options more directly align management long-term equity compensation with increased shareholder value creation at a time when the Company is engaged in significant investment and transformation as part of its long-term strategy. The Compensation Committee also determined to extend the grant of Options to include Named Executive Officers, senior employee directors and other employee directors as key members of the Company leadership team and contributors to overall success.

As previously disclosed, the number of Options awarded was computed as a percentage of the employee's base salary using a Black-Scholes formula using an exercise price equal to the closing price of Company common stock of \$11.00 on March 28, 2024, 14.70 on March 31, 2023, and \$21.20 on April 11, 2022. The 2024 Options will vest one-third each on March 28, 2025, 2026 and 2027. The 2023 Options will vest one-third each on March 31, 2024, 2025 and 2026. The 2022 Options will vest one-third each on April 11, 2023, 2024 and 2025.

	<u>Options</u>	<u>Closing Stock Price</u>	<u>Vesting Date</u>
Balance at December 31, 2021	-		
Issued	40,577	\$ 21.20	4/11/2023
Issued	40,583	\$ 21.20	4/11/2024
Issued	40,583	\$ 21.20	4/11/2025
Balance at December 31, 2022	121,743		
Issued	51,431	\$ 14.70	3/31/2024
Issued	51,431	\$ 14.70	3/31/2025
Issued	51,432	\$ 14.70	3/31/2026
Balance at December 31, 2023	276,037		
Issued	35,817	\$ 11.00	3/28/2025
Issued	35,818	\$ 11.00	3/28/2026
Issued	35,818	\$ 11.00	3/28/2027
Balance at December 31, 2024	383,490		
Forfeited	(27,482)		
Balance at December 31, 2025	<u>356,008</u>		

The grant date fair value of employee stock Option awards is determined using the Black Scholes Option-pricing model. The following assumptions were used during the following periods:

	<u>2024 Grants</u>	<u>2023 Grants</u>	<u>2022 Grants</u>
Exercise Price	\$11.00	\$14.70	\$21.20
Risk-Free Rate of Interest	3.866%	2.957%	1.515%
Expected Term (Years)	10	10	10
Expected Stock Price Volatility	36.6%	20.7%	18.1%
Dividend Yield	2.11%	2.83%	2.44%

The following table summarizes the Company’s employee stock Option activity under the 2017 OSP, which was approved by the Company’s shareholders, for the following periods:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2021	-	\$ -	-	\$ -
Granted	121,743	21.20	6.28	-
Forfeited	-	-	-	-
Outstanding as of December 31, 2022	121,743	\$ 21.20	6.28	\$ -
Granted	154,294	14.70	7.25	-
Forfeited	-	-	-	-
Outstanding as of December 31, 2023	276,037	\$ 17.57	6.83	\$ -
Granted	107,453	11.00	8.25	322,359
Forfeited	-	-	-	-
Outstanding as of December 31, 2024	383,490	\$ 15.73	7.18	\$ 322,359
Granted	-	-	-	-
Forfeited	(27,482)	13.60	-	(43,995)
Outstanding as of December 31, 2025	356,008	16.96	7.18	278,364
Exercisable as of December 31, 2025	256,185	\$ 18.13	6.93	\$ 103,995

The weighted average grant date fair value per share for employee stock and non-employee Option grants issued on March 28, 2024, was \$4.34. The weighted average grant date fair value per share for employee stock and non-employee stock Option grants issued on March 31, 2023, was \$2.90. The weighted average grant date fair value per share for employee stock and non-employee Option grants issued on April 11, 2022, was \$3.24. As of December 31, 2025, the total unrecognized compensation related to unvested employee and non-employee stock Option awards granted was \$187,017, which the Company expects to recognize over a weighted-average period of approximately 1.07 years. As of December 31, 2024, the total unrecognized compensation related to unvested employee and non-employee stock Option awards granted was \$571,335, which the Company expects to recognize over a weighted-average period of approximately 1.79 years.

On March 13, 2023, the Company BOD adopted changes to the Nuvera Communications, Inc. 2017 OSP. Most of the changes eliminate language specific to the requirements and limitations on grants under Internal Revenue Code Section 162 (m), which has been repealed by Congress. This includes provisions related to “Performance-Based Exception” in several sections of the 2017 OSP. The BOD also increased the limit on annual grants from 50,000 to 100,000 shares per participant and eliminated separate provisions on new-hire stock grants and cash-based grants. The BOD also made minor changes to other sections of the 2017 OSP. The BOD did not increase the number of shares authorized for issuance under the 2017 OSP or change the terms of eligibility for participants under the 2017 OSP. The foregoing description of the changes to the 2017 OSP does not purport to be complete and is qualified in its entirety by reference to the full text of the 2017 OSP, as amended, which is filed as Exhibit 10.12 to the 2022 Annual Report on Form 10-K and is incorporated by reference.

NOTE 15 – SEGMENT INFORMATION

The Company operates in one reportable segment, which includes all activities related to the delivery and provisioning of voice service charges to its residential and business subscribers, access charges to IXC’s for providing the carriers access to our local phone networks and the provisioning of video and data services. The determination of a single reportable segment is consistent with the consolidated financial information

regularly provided to the Company's Chief Operating Decision Maker, which is its CEO, who reviews and evaluates consolidated net income (loss) for purposes of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods. The measure of segment assets is reported on the balance sheet as total assets.

The following table presents the segment revenue and significant expense categories included within the product segment's measure of profit or loss for the years ended December 31, 2025, and 2024:

	Year Ended December 31,	
	2025	2024
Revenue	\$ 71,794,483	\$ 69,236,337
Less:		
Cost of Services, Excluding Depreciation and Amortization	31,176,149	31,101,288
Selling, General and Administrative	11,285,812	10,395,727
Depreciation and Amortization	19,453,914	17,849,439
Other Expense	9,301,623	13,986,568
Provision for Income Taxes	249,316	331,125
Net Income (Loss)	<u>\$ 327,669</u>	<u>\$ (4,427,810)</u>

The Communications Segment operates the following communications companies.

Communications Segment

- Communications Companies:
 - Nuvera Communications, Inc., the parent Company,
 - HTC, a wholly owned subsidiary of Nuvera,
 - PTC, a wholly owned subsidiary of Nuvera,
 - Scott-Rice, a wholly owned subsidiary of Nuvera,
 - SETC, a wholly owned subsidiary of Nuvera,
 - WTC, a wholly owned subsidiary of Nuvera, and
 - HTI, a wholly owned subsidiary of HTC, located in Litchfield and Glencoe, Minnesota,

NOTE 16 – BROADBAND GRANTS

In August 2022, the Company was awarded a grant from the United States federal government. This Low-Density Broadband grant will provide up to 75% of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities in the Company's service area. The Company is eligible to receive \$3,210,000 of approximately \$4,280,000 total project costs. The Company will provide the remaining 25% of the matching funds. The Company has received \$0 for this project as of December 31, 2025.

On November 21, 2023, the Company was awarded a grant from Goodhue County in Minnesota. This Low-Density Broadband grant will provide \$277,733 of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities in and around Goodhue county. The Company has received \$0 for this project as of December 31, 2025.

On March 5, 2024, the Company was awarded a grant from DEED. This Low-Density Broadband grant will provide up to 75% of the total cost of building fiber connections to homes and businesses

for improved high-speed Internet in unserved and underserved communities in the Company's service area. The Company is eligible to receive \$1,884,429 of approximately \$2,512,572 total project costs. The Company will provide the remaining 25% of the matching funds. The Company has received \$107,837 for this project as of December 31, 2025.

On December 8, 2022, the Company was awarded four broadband grants from DEED. The grants will provide up to 45.0% to 50.0% of the total cost of building fiber connections to homes and businesses for improved high-speed Internet in unserved and underserved communities and businesses in the Company's service area. The Company is eligible to receive \$8,594,688 of approximately \$18,139,749 total project costs. The Company will provide the remaining 50.0% to 55% matching funds. Construction and expenditures for these projects began in the spring of 2023. The Company has received \$8,594,688 for these projects as of December 31, 2025.

NOTE 17 – TRANSACTIONS WITH EQUITY METHOD INVESTMENTS

We receive and provide services to various partnerships and limited liability companies where we are an investor. Services received include digital video, special access and communications circuits. Services provided include BOD meeting attendance, labor, Internet help desk services and management services. Cost of services we receive from affiliated parties may not be the same as the costs of such services had they been obtained from different parties.

Total revenues from transactions with affiliates were \$566,060 and \$537,973 for 2025 and 2024. Total expenses from transactions with affiliates were \$658,140 and \$630,841 for 2025 and 2024.

NOTE 18 -- SUBSEQUENT EVENTS

We have evaluated and disclosed subsequent events through the filing date of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e) or Rule 15d-15(e), as of the end of the period subject to this Report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting refers to the process designed by, or under the supervision of, our CEO and CFO, and effected by our BOD, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets,
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors, and
- (3) Provide reasonable assurance regarding prevention or timely detection or unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance of preventing and detecting misstatements on a timely basis. It is possible to design into the process safeguards to reduce, though not eliminate, the risk that misstatements are not prevented or detected on a timely basis. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in the report entitled Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, management has concluded that, as of December 31, 2024, our internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

Based upon the evaluation performed by our management, which was conducted with the participation of our CEO and CFO, there has been no change in our internal control over financial reporting during the quarter ended December 31, 2025, that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2025, no director or officer (as defined in SEC Rule 16a-1(f) 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 405 of Regulation S-K.

Item 9C. Disclosures Regarding Foreign Jurisdictions That Prevent Inspection

Not Applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

The information required by Item 10 regarding directors is included under “Proposal 1 – Election of Directors” “Board of Directors,” and “Continuing Directors” in the Company’s Proxy Statement for its 2026 Annual Meeting of Shareholders (the “Proxy Statement”), which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year for which this report is filed, and is incorporated herein by reference.

The information required by Item 10 regarding executive officers is included in Part I, Item 1 of this Annual Report on Form 10-K under the caption “Executive Officers of the Registrant.”

The information required by item 10 regarding compliance with Sections 16(a) of the Securities Exchange Act of 1934 is included under “Delinquent Section 16(a) Reports” in the Proxy Statement and is incorporated herein by reference.

The information required by Item 10 regarding a code of ethics within the meaning of Item 406 of Regulation S-K is included under “Corporate Governance – Code of Business Conduct” in the Proxy Statement and is incorporated herein by reference.

Additional information in response to this Item 10 is included under “Corporate Governance – Audit Committee” in the Proxy Statement and is incorporated herein by reference.

The Company has an insider trading policy governing the purchase, sale, or other dispositions of its securities by its directors, executive officers, and employees that it believes is reasonably designed to promote compliance with insider trading laws, rules, and regulations applicable to the Company. A copy of the Company’s insider trading policy, as amended, is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by Item 11 is included under “Executive Compensation,” “Compensation Policy,” and “Non-Employee Director Compensation,” in the Proxy Statement and is incorporated herein by reference.

Item 12. Security Ownership of Beneficial Owners and Management, and Related Stockholder Matters

The information required by Item 201(d) of Regulation S-K is included in Part I, Item 8 of this Annual Report on Form 10-K under the caption “Note 14 – Stock Based Compensation.”

Other information required by Item 12 is included under “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is included under “Certain Relationships and Related Transactions” and “Corporate Governance – Director Independence,” in the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 is included under “Proposal 2- Ratification of Independent Registered Public Accounting Firm” in the Proxy Statement and is incorporated by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Consolidated Financial Statements

Included in Part II, Item 8, of this report:

	<u>Pages</u>
Report of Independent Registered Public Accounting Firm (PCAOB ID 251)	46-47
Consolidated Statements of Operations for the Years Ended December 31, 2025, and 2024	48
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2025, and 2024	49
Consolidated Balance Sheets as of December 31, 2025, and 2024	50-51
Consolidated Statements of Cash Flows for the Years Ended December 31, 2025, and 2024	52
Consolidated Statements of Stockholders' Equity for the Years Ended Ended December 31, 2025, and 2024	53
Notes to Consolidated Financial Statements	54-79

(a) 2. Consolidated Financial Statement Schedules:

Other schedules are omitted because they are not required or are not applicable, or the required information is shown in the financial statements or notes thereto.

(a) 3. Exhibits Required

See "Index to Exhibits" 83-84

Item 16. Form 10-K Summary

Not Applicable.

EXHIBIT INDEX

3.1	Second Amended and Restated Articles of Incorporation of Nuvera Communications, Inc., as of May 25, 2023, incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed May 26, 2023.
3.2	Bylaws of Nuvera Communications, Inc., as amended as of December 21, 2023, incorporated by reference to Exhibit 3.2 of the Company's Form 8-K filed December 21, 2023.
4.1	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, incorporated by reference to Exhibit 4.1 of the Company's Form 10-K for the year ended December 31, 2021.
10.1+	August 27, 2019, Offer Letter to Glenn Zerbe, incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed August 27, 2019.
10.2+	Change in Control Agreement between Nuvera Communications, Inc. and Glenn Zerbe incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed August 27, 2019.
10.3+	Employment Agreement dated as of March 21, 2012, between Nuvera Communications, Inc. and Curtis Kawlewski, incorporated by reference to Exhibit 10.23 to the Company's Form 10-K for the year ended December 31, 2011.
10.3.1+	Amendment dated July 25, 2017, to Employment Agreement dated as of March 31, 2012, between Nuvera Communications, Inc. and Curtis Kawlewski, incorporated by reference to Exhibit 10.23.1 to the Company's 2017 Form 10-Q for the quarter ended June 30, 2017.
10.4+	Nuvera Communications, Inc. 2015 Employee Stock Plan (as amended February 28, 2025) incorporated by reference to Exhibit 10.1 to Form 8-K filed March 28, 2025.
10.5+	Nuvera Communications, Inc. 2017 Omnibus Stock Plan, as amended March 13, 2023, incorporated by reference to Exhibit 10.12 to the Company's Form 10-K/A for the year ended December 31, 2022.
10.6+	Nuvera Communications, Inc. Non-Incentive Stock Option Agreement, incorporated by reference to Exhibit 10.8 to the Company's Form 10-K/A for the year ended December 31, 2022.
10.7+	Nuvera Communications, Inc. Employee Restricted Stock Unit Award Agreement (time-based/performance based), incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2022.
10.8+	Amended and Restated Credit Agreement dated as of June 21, 2024, between Nuvera Communications, Inc., Nuvera Communication, Inc. subsidiaries as Guarantors, CoBank, ACB as a Lender, as Issuing Lender, as Swing Line Lender, and as Administrative Agent for the Lenders and the other Lenders listed in the 2024 Credit Agreement, incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed June 25, 2024.
10.9+	Amended and Restated Pledge and Security Agreement dated as of June 21, 2024, between Nuvera Communications, Inc., Nuvera Communications, Inc. subsidiaries as Guarantors and CoBank ACB as Administrative Agent, incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed June 25, 2024.
10.10	Interest Rate Swap Agreement dated as of July, 28, 2025, under the Amended and Restated Credit Agreement dated as of June 21, 2024, between Nuvera, Nuvera subsidiaries as Guarantors and CoBank, ACB as a Lender, incorporated by reference to Exhibit 10.12 to the Company's Form 10-Q for the quarter ended September 30, 2025.
10.11+	Nuvera Communications, Inc. Long-Term Incentive Plan, incorporated by reference to Exhibit 10.13 to the Company's Form 10-Q for the quarter ended June 30, 2025.
10.12+	Nuvera Communications, Inc. Long-Term Incentive Plan Award Agreement, incorporated by reference to Exhibit 10.14 to the Company's Form 10-Q for the quarter ended June 30, 2025.
10.13*+	Nuvera Communications, Inc. Incentive Plan effective March 12, 2026 (formerly Long-Term Incentive Plan effective March 27, 2025).
19.1	Nuvera Communications, Inc. Insider Trading Policy (as amended, February 29, 2024), incorporated by reference to Exhibit 19.1 to the Company's Form 10-K for the year ended December 31, 2023.
21*	Subsidiaries of Nuvera Communications, Inc.
23.1*	Consent of Independent Registered Public Accounting Firm.

31.1*	Certification of Chief Executive Officer Under Rule 13a-14(a) Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Under Rule 13a-14(a) adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Nuvera Communications, Inc. Clawback and Forfeiture Policy (as amended February 29, 2024), incorporated by reference to Exhibit 97.1 to the Company's Form 10-K for the year ended December 31, 2023.
101.INS	XBRL Instance File.
101.SCH	XBRL Taxonomy Extension Schema File.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase File.
101.DEF	XBRL Taxonomy Extension Definition Linkbase File.
101.LAB	XBRL Taxonomy Extension Label Linkbase File.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase File.
104	Cover Page Interactive Data File (embedded within the XBRL and contained in Exhibit 101)

*Filed Herewith

+Management compensation plan or arrangement required to be filed as an exhibit.

#Pursuant to Item 601(b)(2) of Regulation S-K, certain exhibits and schedules to these agreements have been omitted from this Report and will be furnished supplementally to the SEC upon request; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange of 1934 for any exhibits or schedules so furnished.

<u>/s/ Bill D. Otis</u> Bill D. Otis, Director	March 16, 2026
<u>/s/ Wesley E. Schultz</u> Wesley E. Schultz, Director	March 16, 2026
<u>/s/ Colleen R. Skillings</u> Colleen R. Skillings, Director	March 16, 2026
<u>/s/ Suzanne M. Spellacy</u> Suzanne M. Spellacy, Director	March 16, 2026

NUVERA COMMUNICATIONS, INC.

INCENTIVE PLAN

March 12, 2026

1. **Purpose.** The purpose of this Incentive Plan is to enable Nuvera Communications, Inc. to attract, motivate and retain highly qualified employees who will endeavor to achieve designated performance objectives, contributing to the overall success of the Company.
2. **Definitions.** When the following terms are used in this Plan with an initial capital letter, they have the following meanings:
 - 2.1 **Affiliate** – any wholly owned subsidiary of the Company or any other entity that (i) directly or indirectly through one or more intermediaries, is controlled by the Company or in which the Company has a significant equity interest, in each case as determined by the Committee, and (ii) has adopted the Plan.
 - 2.2 **Award** – the grant of incentive compensation under this Plan to a Participant.
 - 2.3 **Award Agreement** – the written agreement providing the terms and conditions of the Award, which may, in the discretion of the Committee, be transmitted electronically.
 - 2.4 **Award Payment** – an amount payable to a Participant in cash or shares of common stock of the Company pursuant to Section 4.5 of this Plan, and subject to the terms of an Award Agreement.
 - 2.5 **Award Period** – (a) a one-year Performance Period, (b) a period of three consecutive one-year Performance Periods, beginning on the Grant Date and ending on the day after the third Performance Period on which the Committee determines actual performance in relation to the Performance Goals set for the third Performance Period of the Award Period, or (c) such other period as determined by the Committee.
 - 2.6 **Base Salary** – the annualized base salary paid to a Participant.
 - 2.7 **Board** – the Board of Directors of Nuvera Communications, Inc.
 - 2.8 **Cause** – unless otherwise defined in an employment agreement between a Participant and the Company or an Affiliate, or a Stock Incentive Agreement between a Participant and the Company under the Company’s 2017 Omnibus Stock Plan a determination by the Company that a Participant has (a) been convicted of, or pled guilty or no contest to, any felony or other criminal act involving moral turpitude or likely to cause material, including reputational, harm to the Company or Affiliate; (b) engaged in gross misconduct or any act of fraud, disloyalty or dishonesty related to or connected with the Participant’s employment; (c) willfully violated the Company’s or an Affiliate’s written policies or codes of conduct; (d) wrongfully appropriated Company or Affiliate funds or property or other breach of fiduciary duties to the Company or an Affiliate; (e) willfully and materially breached any employment agreement between Participant and the Company.
 - 2.9 **Change in Control** – the definition of this term in the Company’s 2017 Omnibus Stock Plan.
 - 2.10 **Committee** – the Compensation Committee of the Board or other committee of the Board as the Board may designate to have responsibility for administration of this Plan. In the event the Board does not

designate a committee as responsible for the administration of this Plan, the references herein to Committee refer to the Board.

- 2.11 Company – Nuvera Communications, Inc., a Minnesota corporation.
 - 2.12 Disability – a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
 - 2.13 Eligible Employee – an employee of the Company or of an Affiliate.
 - 2.14 Grant Date – the date each Award is granted to a Participant under this Plan.
 - 2.15 Participant – An Eligible Employee in any other long-term incentive plan sponsored by the Company on the date this Plan is approved by the Board and any other Eligible Employee designated by the Committee as eligible to receive an Award under the Plan.
 - 2.16 Performance Period – the Company’s fiscal year or such other 12-month period as determined by the Committee from time to time.
 - 2.17 Performance Target(s) – the financial and other target(s) established by the Committee for a Performance Period in accordance with the terms of the Plan.
 - 2.18 Plan – this Nuvera Communications, Inc. Incentive Plan, as it may be amended from time to time.
 - 2.19 Section 409A – Section 409A of the Internal Revenue Code of 1986, as amended.
 - 2.20 Termination Event– the termination of a Participant’s employment with the Company or an Affiliate for any reason, voluntarily or involuntarily, with or without Cause, including by reason of the Participant’s death, or Disability; provided, however, a Termination Event will not be deemed to occur if there is a simultaneous reemployment or continuing employment of the Participant by the Company or any Affiliate, or, in the discretion of the Committee, the Participant’s service is interrupted for any approved leaves or absence. The Committee will have the discretion to determine the effect of all matters and questions relating to whether a Termination Event has occurred, including whether a particular leave of absence constitutes a Termination Event.
3. Administration; Authority of Committee. This Plan will be administered and interpreted by the Committee in its absolute discretion, consistent with this Plan. The Committee has the authority, subject to the terms of the Plan, to (i) select Participants, (ii) grant Awards, (iii) determine the form, amount, timing and other terms and conditions of each Award, (iv) set the Performance Period and establish the Performance Target(s) and relationship between the Performance Target(s) and Award Payments, and (v) otherwise administer the Plan. The Committee’s interpretation of the Plan and any Award Payments made or to be made under the Plan will be final and binding on all persons with an interest therein. The Committee will have the power to establish rules and regulations to administer the Plan and to amend or waive such rules and regulations.
 4. Awards.
 - 4.1 Award Terms. – Annually, the Committee will designate Eligible Employees to be Participants in the Plan for that Award Period; determine the threshold, target and maximum amount of the potential Award Payment, which may be expressed as a percentage of Base Salary; select applicable threshold, target, and maximum Performance Target(s) for the first Performance Period of applicable Award Period; identify the weights thereof; and determine the relationship between the degree to which Performance Targets are achieved and the amount of the Award Payments. Prior to, or as soon as administratively practicable after

the first day of each subsequent Performance Period in an Award Period, the Committee will select the Performance Target(s) for that Performance Period.

4.2 Award Agreements. – Each Participant will be provided an Award Agreement upon the Committee’s determination of the Award terms. Prior to, or as soon as administratively practicable after the first day of each subsequent Performance Period in an Award Period, each Participant will receive written notice of the Performance Targets for that Performance Period, which notice may be transmitted electronically.

4.3 Performance Targets.

(1) Performance Targets will be based on one or more financial, operational or strategic performance metrics approved by the Committee. All metrics applicable to Awards will be applied in a manner consistent with usual Company practice and such rules and conditions as the Committee may establish. Financial metrics will be computed in accordance with United States generally accepted accounting principles as in effect from time to time and as applied by the Company in the preparation of its financial statements, except the Committee may provide that one or more objectively determinable adjustments are to be made to the financial metrics on which the Performance Targets are based, which may include adjustments that would cause such metrics to be considered “non-GAAP financial measures” within the meaning of Rule 101 under Regulation G promulgated by the Securities and Exchange Commission, such as excluding specified items or amounts or excluding the impact of specified unusual or nonrecurring events such as acquisitions, divestitures, restructuring activities, asset write-downs, litigation judgments or settlements, or changes in tax laws or accounting principles.

(2) Any Performance Target may be expressed in absolute amounts, on a per share basis (basic or diluted), relative to one or more of the other strategic, operational, or financial measures, as a growth rate or change from preceding periods, or as a comparison to the performance of specified companies, indices or other external measures, and may relate to one or any combination of Company or an Affiliated or Participant performance.

4.4 Determination of Performance Target Achievement. – After the last day of each Performance Period and following completion of the Company’s fiscal year financial statement audit, the Committee will determine whether and to what extent Performance Target(s) have been attained and the corresponding value to the Participant attributable to that Performance Period, to be paid as a portion of the Award Payment. In determining whether and to what extent a Performance Target has been attained, the Committee may make adjustments based on unusual or unique circumstances or the impact of acquisitions, divestitures or other major unusual events. Participants will be notified in writing, which may be transmitted electronically, of the Committee’s determination.

4.5 Award Vesting; Payment. – An Award under this Plan will vest on the last day of the applicable Award Period. A Participant who is employed by the Company or any Affiliate through the last day of an Award Period will be eligible to receive an Award Payment, if any, which will consist of the total amount attributed to the achievement of Performance Targets in each Performance Period of the Award Period. Subject to any deferred compensation election pursuant to any such plans of the Company, the Award Payment will be made in the year following the calendar year in which the Award Period ends within ninety (90) days following the date the Company’s fiscal year financial statement audit is complete and in no event later than December 31 of such calendar year.

4.6 Other Payment Terms.

(a) If Performance Targets are not Achieved. If Performance Targets are not achieved at the minimum level established by the Committee for any Performance Period, the Participant will

not be credited with any amount of incentive compensation for that Performance Period under this plan.

- (b) Pro-ration or Forfeiture of Award Payment. Participation in the Plan ceases upon a Termination Event. Upon a Termination Event due to death or Disability during an Award Period, a Participant will be eligible to receive a pro-rated Award Payment to be determined in the discretion of the Committee. A Participant will be ineligible for an Award Payment upon a Termination Event for any other reason during an Award Period. Any Award Payments made pursuant to this Section 4.6(b) will be based on actual achievement of the Performance Target(s) as determined by the Committee at the end of the applicable Award Period, and prorated such that a Participant will be eligible to receive an Award Payment credited for any Performance Period or portion thereof prior to the Termination Event due to Death or Disability, based on the number of days in that Performance Period the Participant was employed by the Company or an Affiliate. Notwithstanding anything to the contrary in this Plan, a Participant who is terminated for Cause will not be eligible to receive any Award Payment, regardless of whether such termination occurs during or after the Award Period. Any pro-rated Award Payment will be paid at the same time as such Award Payment would have been made had the Participant remained employed for the entire Award Period. Any Award Payment under the Plan is subject to the Nuvera Communications, Inc. Clawback and Forfeiture Policy, as currently in effect.
- (c) Adjustments. The Committee is authorized at any time prior to the payment of an Award, in its discretion and based on such considerations as it deems appropriate, to adjust the amount otherwise payable to the Participant in connection with such Award.
- (d) Effect of a Change in Control. Upon a Change in Control prior to the end of an Award Period, Award Payments, if any, will be accelerated and made to Participants within 60 days following the Change in Control. The amount of the Award Payment will be calculated based on actual achievement of Performance Targets for completed Performance Periods and assuming that Performance Target(s) have been met at target levels for incomplete Performance Periods.
- (e) Delay in Payment Due to Inability of Company to Continue as a Going Concern. Payment to a Participant or beneficiary may be delayed if making the payment, would jeopardize the ability of the Company to continue as a going concern as determined in good faith by the Board. In the event of a delay, payment will be made as soon as the payment, would not jeopardize the ability of the Company to continue as a going concern.

5 Nontransferability. – Participants and beneficiaries do not have the right to assign, encumber or otherwise anticipate the payments to be made under the Plan, and the benefits provided hereunder may not be subject to seizure for payment of any debts or judgments against any Participant or any beneficiary.

6 Tax Withholding. – In order to comply with all applicable federal, provincial, state or local income tax laws or regulations, the Company or an Affiliate may take such action as it deems appropriate to ensure that all applicable federal, provincial, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant.

7 Amendment. – The Committee may amend the Plan prospectively at any time and for any reason deemed sufficient by it without prior notice to any person affected by the Plan, except that no such amendment may materially impair the rights of any Participant with respect to an outstanding Award without the Participant's consent, unless such amendment is necessary to comply with applicable law or stock exchange rules.

8. Miscellaneous.

8.1 Effective Date. – Adopted by the Board on March 27, as the “Long-Term Incentive Plan” and amended by the Board effective March 12, 2026.

8.2 Term of the Plan. – The Plan will exist until it is terminated by the Committee, which it may do at any time. No Award will be granted after the termination of the Plan; provided, however, an Award Payment with respect to an Award Period which begins before such termination may be made thereafter.

8.3 Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. These headings may not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

8.4 Applicability to Successors. – The Plan will be binding upon and inure to the benefit of the Company and each Participant, the successors and assigns of the Company, and the beneficiaries, personal representatives and heirs of each Participant. If the Company becomes a party to any merger, consolidation or reorganization, the Plan will remain in full force and effect as an obligation of the Company or its successors in interest.

8.5 Employment Rights and Other Benefit Programs.

- (a) Neither the Plan nor the grant of an Award gives any Participant any right to be retained in the employment of the Company or any Affiliate. The Plan does not replace any contract of employment, whether oral or written, between the Company or any Affiliate and any Participant, but is considered to be a supplement thereto.
- (b) Neither the Plan nor the grant of an Award gives any Participant a right to (i) participate in any other compensation or other employee benefit plan of the Company or an Affiliate, (ii) receive the same employee benefits as any other employee of the Company or an Affiliate, or (ii) receive any other award under this Plan.
- (c) Award Payments received by a Participant pursuant to the Plan will not be deemed a part of the Participant’s regular, recurring compensation for purposes of the termination, indemnity or severance pay law of any country and will not be included in, or have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company or any Affiliate unless expressly so provided by such plan, contract or arrangement, or unless the Committee expressly determines that an Award Payment or portion of an Award Payment should be included to accurately reflect competitive practices or to recognize that an Award Payment has been made in lieu of a portion of competitive cash compensation.

8.6 No Trust or Fund Created. – The Plan does not create and will not be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to the Plan, such right will be an unfunded and unsecured promise to pay money in the future, and no Participant has any rights that are greater than those of an unsecured general creditor of the Company or of any Affiliate.

8.7 No Guarantee of Tax Consequences. – Neither the Committee nor the Company or any Affiliate provides or has provided any tax advice to any Participant or any other person or makes or has made any assurance, commitment or guarantee that any federal, provincial, state, local, or other tax treatment will (or will not) apply or be available to any Participant or other person and assumes no liability with respect to any tax or associated liabilities to which any Participant or other person may be subject.

8.8 Code Section 409A.

- (a) The Plan is intended to comply with Section 409A of the Internal Revenue Code (“Section 409A”) and will be administered and interpreted consistent with such intent. A payment under this Plan is also intended to be exempt from Section 409A as a short-term deferral to the maximum extent possible.
- (b) To the extent the Plan, Award or Award Payment made hereunder is deemed to be subject to Section 409A, an Award Payment that is payable on account of a termination of employment will be deemed to refer to the Participant’s “separation from service” within the meaning of Section 409A. If at the time of the Participant’s separation from service, the Participant is a “specified employee” as defined in Section 409A, any Award Payment will be made or provided no earlier than the first day of the seventh month following such Participant’s separation from service (or upon the Participant’s death, if earlier). In no event will the Company or Committee be responsible for any tax, penalty, interest or liability that arises as a result of a violation of Section 409A.

8.9 Governing Law. – To the extent that federal law does not otherwise control, the validity, construction and effect of the Plan or any bonus payable under the Plan will be determined in accordance with the laws of the State of Minnesota, without giving effect to principles of conflicts of laws that would require the application of the laws of any other jurisdiction.

8.10 Severability. – If any provision of the Plan is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction such provision will be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan, such provision will be stricken as to such jurisdiction, and the remainder of the Plan remain in full force and effect.

SUBSIDIARIES OF NUVERA COMMUNICATIONS, INC.

Name of Subsidiary	Ownership	Jurisdiction of Incorporation
Hutchinson Cellular, Inc.	100% owned by HTC	Minnesota
Hutchinson Telecommunications, Inc.	100% owned by HTC	Minnesota
Hutchinson Telephone Company	100%	Minnesota
Peoples Telephone Company	100%	Iowa
Scott Rice Telephone Co.	100%	Minnesota
Sleepy Eye Telephone Company	100%	Minnesota
TechTrends, Inc.	100%	Minnesota
Western Telephone Company	100%	Minnesota

The financial statements of all wholly owned subsidiaries listed above are included in the Consolidated Financial Statements of Nuvera Communications, Inc. on this Form 10-K for the year 2024. Nuvera Communications, Inc. is incorporated in the state of Minnesota.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements on Form S-8 (File No. 333-204576 and File No. 333-218261 on Form S-8) of our report dated March 16, 2026, relating to the financial statements of Nuvera Communications, Inc and subsidiaries (the “Company”) included in this annual report on Form 10-K of the Company for the year ended December 31, 2025.

/s/ OlsenThielen & Co. Ltd
Roseville, Minnesota
March 16, 2026

**CHIEF EXECUTIVE OFFICER CERTIFICATION
UNDER RULE 13a-14(a) ADOPTED
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Glenn H. Zerbe, President and Chief Executive Officer of Nuvera Communications, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Nuvera Communications, Inc.,
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. The registrant's other certifying officer and I are 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 our 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 our 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 our 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 materiality affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our 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: March 16, 2026

/s/ Glenn H. Zerbe

Glenn H. Zerbe
President and Chief Executive Officer

**CHIEF FINANCIAL OFFICER CERTIFICATION
UNDER RULE 13a-14(a) ADOPTED
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Curtis O. Kawlewski, Chief Financial Officer of Nuvera Communications, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Nuvera Communications, Inc.,
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. The registrant's other certifying officer and I are 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 our 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 our 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 our 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.
5. The registrant's other certifying officer and I have disclosed, based on our 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: March 16, 2026

/s/ Curtis O. Kawlewski

Curtis O. Kawlewski
Chief Financial Officer

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”), I, Glenn H. Zerbe, President and Chief Executive Officer and I, Curtis O. Kawlewski, Chief Financial Officer of Nuvera Communications, Inc., hereby certify that (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (“the Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

/s/ Glenn H. Zerbe

Glenn H. Zerbe
President and Chief Executive Officer
(Principal Executive Officer)
March 16, 2026

/s/ Curtis O. Kawlewski

Curtis O. Kawlewski
Chief Financial Officer
(Principal Financial Officer and Chief
Accounting Officer)
March 16, 2026

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