

2025

Third Quarter Report



CONSOLIDATED BALANCE SHEETS (unaudited)

(IN THOUSANDS)

ASSETS	SEPTEMBER 30 2025	SEPTEMBER 30 2024
UTILITY PLANT:		
Electric plant	\$ 3,124,369	\$ 2,997,165
Construction work in progress	179,269	130,563
Less accumulated depreciation and amortization	(1,280,772)	(1,231,781)
Utility plant—net	2,022,866	1,895,947
OTHER ASSETS AND INVESTMENTS:		
Restricted investments—deferred compensation	26,851	22,831
Other investments	35,589	35,343
Deferred charges:		
Plant retirements	580,662	653,336
Financing related	76,474	83,273
Other	31,140	40,683
Other long-term assets	18,050	15,968
Derivative instruments—noncurrent	228,997	172,456
Total other assets and investments	997,763	1,023,890
CURRENT ASSETS:		
Cash and cash equivalents	344,373	274,078
Accounts receivable:		
Members	139,195	131,920
Others	34,966	37,547
Inventories:		
Materials and supplies	59,554	50,714
Fuel	9,718	8,201
Prepays and other current assets	25,991	16,862
Deferred charges—current	351	115
Derivative instruments—current	84,388	28,133
Total current assets	698,536	547,570
TOTAL	\$ 3,719,165	\$ 3,467,407

CONTINUED

CONSOLIDATED BALANCE SHEETS (unaudited)

(IN THOUSANDS)

CAPITAL AND LIABILITIES	SEPTEMBER 30 2025	SEPTEMBER 30 2024
CAPITAL:		
Members:		
Patronage capital	\$ 604,704	\$ 566,241
Memberships	3	3
Total members' capital	604,707	566,244
Temporary patronage capital	115,629	101,864
Total capital	720,336	668,108
OTHER NONCURRENT LIABILITIES	27,148	34,218
REGULATORY LIABILITIES	274,022	221,386
LONG-TERM OBLIGATIONS—Less current portion	2,197,560	2,060,774
DEFERRED COMPENSATION	26,851	22,831
DEFERRED INCOME TAXES	18,431	29,891
CURRENT LIABILITIES:		
Long-term obligations—current	153,704	172,897
Regulatory liabilities—current	84,388	28,133
Notes payable to members	52,549	84,503
Accounts payable	81,890	70,046
Property and other taxes	19,378	19,047
Other accrued liabilities and notes payable	23,550	21,258
Accrued interest payable	39,007	34,200
Derivative instruments	351	115
Total current liabilities	454,817	430,199
TOTAL	\$ 3,719,165	\$ 3,467,407

CONCLUDED

**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME** (unaudited)

(IN THOUSANDS)

UTILITY OPERATIONS	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2025	2024	2025	2024
UTILITY OPERATING REVENUE:				
Electric revenue	\$ 315,182	\$ 275,908	\$ 848,431	\$ 736,335
Other operating revenue	20,488	18,268	57,387	51,935
Total utility operating revenue	335,670	294,176	905,818	788,270
UTILITY OPERATING EXPENSES:				
Purchased power	129,828	107,074	380,336	331,928
Fuel	13,545	7,364	27,525	17,168
Operation and maintenance	66,813	64,486	196,710	189,438
Depreciation and amortization	42,429	43,459	126,473	128,287
Property and other taxes	5,137	4,749	16,289	16,134
Total utility operating expenses	257,752	227,132	747,333	682,955
UTILITY OPERATING MARGIN	77,918	67,044	158,485	105,315
OTHER INCOME (EXPENSE):				
Other income—net	1,053	1,020	3,757	3,850
Interest income	2,533	3,085	6,501	8,175
Interest expense—net of amounts capitalized	(31,771)	(32,878)	(94,555)	(95,111)
Other expense—net	(28,185)	(28,773)	(84,297)	(83,086)
NET UTILITY MARGIN	49,733	38,271	74,188	22,229
(Loss) income from equity method investments	(13)	12	(56)	51
NET MARGIN AND COMPREHENSIVE INCOME ATTRIBUTABLE TO GREAT RIVER ENERGY	\$ 49,720	\$ 38,283	\$ 74,132	\$ 22,280

CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL (unaudited)

FOR JANUARY 1, 2024 THROUGH SEPTEMBER 30, 2025 (IN THOUSANDS)

	Patronage Capital	Memberships	Temporary Patronage Capital	Total Capital
BALANCE—January 1, 2024	\$ 562,891	\$ 3	\$ 114,597	\$ 677,491
Net margin and comprehensive income	21,985	-	-	21,985
Return of members' patronage capital	(18,930)	-	-	(18,930)
Redemption of temporary patronage capital	-	-	(12,733)	(12,733)
BALANCE—December 31, 2024	\$ 565,946	\$ 3	\$ 101,864	\$ 667,813
Net margin and comprehensive income	74,132	-	-	74,132
Transfer to temporary patronage capital	(27,893)	-	27,893	-
Return of members' patronage capital	(7,481)	-	-	(7,481)
Redemption of temporary patronage capital	-	-	(14,128)	(14,128)
BALANCE—September 30, 2025	\$ 604,704	\$ 3	\$ 115,629	\$ 720,336

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin	\$ 74,132	\$ 22,280
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization:		
Included in depreciation and amortization	126,043	127,709
Included in fuel and interest	6,867	8,113
Included in operation and maintenance	4,015	3,821
Included in purchased power	504	504
Loss (income) from equity method investments	56	(51)
Patronage credits earned from investments	(1,203)	(1,223)
Deferred charges	(96)	(1,713)
Regulatory liabilities	15,165	2,220
Changes in working capital (excluding cash, investments and borrowings):		
Accounts and long-term receivables	(12,555)	(22,624)
Inventory and other assets	(23,234)	11,159
Accounts payable, taxes and other accrued expenses	1,763	(18,942)
Accrued interest	24,291	21,579
Noncurrent liabilities	(2,452)	(4,964)
Net cash provided by operating activities	213,296	147,868
CASH FLOWS FROM INVESTING ACTIVITIES:		
Utility plant additions	(155,311)	(151,827)
Utility plant reimbursements (refunds)—contributions in aid of construction	3,538	(8,190)
Redemption of patronage capital from investments	904	782
Net cash used in investing activities	(150,869)	(159,235)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term obligations	650,000	565,000
Repayments of long-term obligations	(552,771)	(490,983)
Return of members' patronage capital	(7,481)	(18,930)
Redemption of temporary patronage capital	(14,128)	(12,733)
Costs of new debt issuances	(13,195)	(13,734)
Notes (paid to) received from members—net	(282)	42,036
Net cash provided by financing activities	62,143	70,656
NET INCREASE IN CASH AND CASH EQUIVALENTS	124,570	59,289
CASH AND CASH EQUIVALENTS—BEGINNING OF PERIOD	219,803	214,789
CASH AND CASH EQUIVALENTS—END OF PERIOD	\$ 344,373	\$ 274,078

Notes to consolidated financial statements – The interim financial statements as of September 30, 2025 are unaudited. In the opinion of management, all adjustments (which are normal recurring adjustments) have been made for a fair and accurate presentation of the financial reports. The interim financial statements should be read in conjunction with the notes to the consolidated financial statements included in the 2024 Annual Report.

FINANCIAL HIGHLIGHTS — FINANCIAL CONDITION

Assets

Utility plant—net increased \$126.9 million to \$2,022.9 million as of September 30, 2025, largely due to capital additions and capital spending on area and regional transmission projects outpacing the depreciation of existing utility plant assets.

Other assets and investments decreased \$26.1 million to \$997.8 million as of September 30, 2025. Deferred charges—plant retirements decreased \$72.7 million due to the amortization of retired plant costs. Deferred charges—other decreased \$9.5 million largely due to the reduction in the regulatory asset offsetting the decreased deferred income tax liability (discussed below), offset partially by the addition of deferral costs for the Spiritwood Station (SWS) major outage that began in late May. Deferred charges—financing related decreased \$6.8 million due to continued amortization of settled interest rate swaps. These decreases were offset by an increase in derivative instruments—noncurrent of \$56.5 million driven primarily by an increase in the forward pricing of the noncurrent portion of the energy component (financial settlement) of a bilateral contract. Additionally, restricted investments—deferred compensation increased \$4.0 million due to market value adjustments to deferred compensation balances and a \$2.1 million increase in other long-term assets, primarily driven by reservation deposits for long-lead time assets related to upcoming transmission projects.

Current assets increased \$151.0 million to \$698.5 million as of September 30, 2025. Cash and cash equivalents increased \$70.3 million due to positive cash flows from operations and positive cash flows from financing activities due to the receipt of proceeds raised through the 2025 debt issuance, offset partially by continued cash invested in utility plant additions during the year. Derivative instruments—current increased \$56.3 million due to an increase in forward pricing of the current portion of the financial settlement contract (discussed previously) and an increase in the mark-to-market valuation of interest rate and fuel hedging contracts, offset by a decrease in the mark-to-market valuation of financial transmission rights (FTR) contracts. Prepaids and other current assets increased \$9.1 million due to prepaid expenses related to the Cambridge peaking plant fuel conversion project and prepaid member directed resource capacity purchases for the MISO 2025-2026 planning year that started in June 2025. Material and supply inventories increased \$8.8 million due to the purchase of materials for peaking station and transmission capital projects. Accounts receivable—members increased \$7.3 million as a result of higher member sales compared to the same period in 2024. These increases were offset partially by a \$2.6 million decrease in accounts receivable—others due to the reversal of an accrual for a MISO outage dispute related to the bilateral financial settlement contract (discussed earlier).

Capital and liabilities

Total capital increased \$52.2 million to \$720.3 million as of September 30, 2025, as a result of \$73.8 million of net margins during the period, offset partially by the retirement of \$7.5 million of patronage capital and the redemption of temporary patronage capital of \$14.1 million in March 2025.

Other noncurrent liabilities decreased \$7.1 million to \$27.1 million as of September 30, 2025, due to fewer construction advances when compared to the same period in 2024, as well as several member solar operating lease buyouts that took place during 2025.

Regulatory liabilities increased \$52.6 million to \$274.0 million as of September 30, 2025. This was primarily driven by a \$56.5 million increase in the noncurrent portion of the financial settlement contract (discussed earlier) and by the reclassification of certain interest rate swaps from regulatory liabilities—current to noncurrent upon settlement of the interest rate swaps related to the 2025 debt issuance. These increases were partially offset by the usage of \$22.6 million of member electric deferred revenue in the second half of 2024.

Long-term obligations—less current portion increased \$136.8 million to \$2,197.6 million as of September 30, 2025, primarily due to \$300.0 million of proceeds received from the 2025 debt issuance. This was offset partially by \$171.8 million of principal payments made through September 30, 2025.

Deferred income taxes decreased \$11.5 million to \$18.4 million primarily due to the utilization of deferred income and net operating losses.

Current liabilities increased \$24.6 million to \$454.8 million as of September 30, 2025. Regulatory liabilities—current increased by \$56.3 million due to an increase in the valuation of the current portion of the bilateral financial settlement contract (discussed earlier) along with mark-to-market adjustments for fuel contracts and interest rate hedging contracts, offset partially by a decrease in the mark-to-market valuation of FTR contracts. Accounts payable increased \$11.8 million due to increased spending on projects related to the Northern Reliability Project (NRP) and various other transmission projects. Accrued interest payable also increased \$4.8 million driven by additional interest incurred from the 2024 and 2025 debt issuances. These increases were offset by decreases in notes payable to members of \$32.0 million due to an overall decrease in program usage compared to the prior year. Long-term obligations—current decreased \$19.2 million due to fewer principal payments expected to be made in the upcoming year when compared to the prior year.

FINANCIAL HIGHLIGHTS – RESULTS OF OPERATIONS

Electric revenue increased \$112.1 million or 15.2% for the nine-month period ended September 30, 2025, compared to the same period in 2024. The increase in sales was driven by member demand and energy unit sales from all-requirements members that were 7.9% and 3.2% higher, respectively, due to more normal weather in the first three quarters of 2025 versus persistently mild weather during the same periods in 2024, along with a 5.7% average member electric rate increase in 2025. This was partially offset by a power cost adjustment (PCA) credit of \$20.7 million through September 30, 2025, versus a \$1.1 million credit last year.

Other operating revenue increased \$5.5 million or 10.5% for the nine-month period ended September 30, 2025, primarily fueled by higher net revenues from inter-utility transmission agreements and increased steam sales revenue compared to the same period last year.

Purchased power increased \$48.4 million or 14.6% for the nine-month period ended September 30, 2025, compared to the same period in 2024. This increase was largely due to higher net MISO market purchases (driven mostly by higher market prices, about 48.2% higher on average as compared to the same period last year) and a decrease in congestion patterns which led to a reduction in FTR revenue (which results in a smaller offset to purchase power expenses). This was offset partially by lower wind output and lower output from the bilateral financial settlement contract (discussed earlier) due to fewer MWh (about 12.8% lower compared to the same period last year) due to planned and unplanned outages from the counterparty.

Fuel increased \$10.4 million or 60.3% for the nine-month period ended September 30, 2025, primarily due to a 25.5% increase in GWh output at peaking plants, elevated natural gas prices, and higher fuel costs at Spiritwood Station (coal and natural gas) despite reduced fuel consumption (due to the major outage) compared to the prior-year period.

Operations and maintenance increased \$7.3 million or 3.8% for the nine-month period ended September 30, 2025, largely due to an increase in generation, transmission and general administrative operations and maintenance expenses due to increased labor costs resulting from higher staffing levels and an increase in GRE's medical expenses and other labor benefits.

Depreciation and amortization decreased \$1.8 million or 1.4% for the nine-month period ended September 30, 2025, due to decreased amortization of retired plant assets, offset almost entirely by increased depreciation of transmission and peaking plant assets.

Interest income decreased \$1.7 million or 20.5% for the nine-month period ended September 30, 2025, due to lower interest rates in 2025 compared to the same period last year.

Interest expense – net of amounts capitalized decreased \$0.6 million or 0.6% for nine-month period ended September 30, 2025, due to less expense on the existing debt portfolio as principal payments are made offset by higher interest expense on the 2024 and 2025 debt issuances.

Nonutility operations decreased \$0.1 million for the nine-month period ended September 30, 2025. Income received from equity method investments in 2025 represents GRE's equity investment in ACES Power Marketing.

Net margin attributable to GRE increased \$51.9 million for the nine-month period ending September 30, 2025. The increase was largely driven by higher member sales in the first three quarters of 2025 compared to the same periods in 2024, reflecting a return to more typical weather. Additionally, GRE increased its budgeted margin from \$23.0 million in 2024 to \$45.0 million in 2025. Compared to budget, net margin of \$74.1 million for 2025 and net margin of \$22.3 million for 2024 were \$22.3 million favorable and \$(10.7) million unfavorable to their respective budgets.

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Great River Energy of Maple Grove, Minnesota, is the second largest electric utility in the state, based on generating capacity, and the fourth largest generation and transmission (G&T) cooperative in the U.S. in terms of assets. We provide wholesale power to 26 distribution cooperatives in Minnesota. Those member cooperatives distribute electricity to approximately 600,000 homes, businesses, and farms.

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