

2026

First Quarter Report



CONSOLIDATED BALANCE SHEETS (unaudited)

(IN THOUSANDS)

ASSETS	MARCH 31 2026	MARCH 31 2025
UTILITY PLANT:		
Electric plant	\$ 3,217,592	\$ 3,107,382
Construction work in progress	270,403	94,122
Less accumulated depreciation and amortization	(1,321,323)	(1,264,979)
Utility plant—net	2,166,672	1,936,525
OTHER ASSETS AND INVESTMENTS:		
Restricted investments—deferred compensation	28,154	23,519
Other investments	35,960	35,559
Deferred charges:		
Plant retirements	552,374	617,924
Financing related	73,075	79,873
Other	28,845	28,711
Other long-term assets	21,784	20,440
Derivative instruments—noncurrent	255,040	159,068
Total other assets and investments	995,232	965,094
CURRENT ASSETS:		
Cash and cash equivalents	234,817	250,984
Accounts receivable:		
Members	140,517	127,224
Others	50,959	38,812
Inventories:		
Materials and supplies	60,547	60,632
Fuel	10,634	10,710
Prepays and other current assets	28,403	22,219
Derivative instruments—current	83,072	61,976
Total current assets	608,949	572,557
TOTAL	\$ 3,770,853	\$ 3,474,176

CONTINUED

CONSOLIDATED BALANCE SHEETS (unaudited)

(IN THOUSANDS)

CAPITAL AND LIABILITIES	MARCH 31 2026	MARCH 31 2025
CAPITAL:		
Members:		
Patronage capital	\$ 611,318	\$ 534,421
Memberships	3	3
Total members' capital	611,321	534,424
Temporary patronage capital	101,501	115,629
Total capital	712,822	650,053
OTHER NONCURRENT LIABILITIES	34,432	28,878
REGULATORY LIABILITIES	300,619	189,262
LONG-TERM OBLIGATIONS—Less current portion	2,188,747	2,142,019
DEFERRED COMPENSATION	28,154	23,519
DEFERRED INCOME TAXES	15,414	18,431
COMMITMENTS AND CONTINGENCIES		
CURRENT LIABILITIES:		
Long-term obligations—current	163,698	172,532
Regulatory liabilities—current	83,072	61,976
Notes payable to members	53,886	42,553
Accounts payable	96,096	61,464
Property and other taxes	25,197	23,903
Other accrued liabilities and notes payable	21,481	19,840
Accrued interest payable	47,235	39,746
Total current liabilities	490,665	422,014
TOTAL	\$ 3,770,853	\$ 3,474,176

CONCLUDED

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

(IN THOUSANDS)

UTILITY OPERATIONS	THREE MONTHS ENDED MARCH 31	
	2026	2025
UTILITY OPERATING REVENUE:		
Electric revenue	\$ 310,249	\$ 275,103
Other operating revenue	24,462	18,562
Total utility operating revenue	334,711	293,665
UTILITY OPERATING EXPENSES:		
Purchased power	161,037	140,988
Fuel	24,251	6,794
Operation and maintenance	70,307	66,674
Depreciation and amortization	39,537	42,184
Property and other taxes	5,756	5,533
Total utility operating expenses	300,888	262,173
UTILITY OPERATING MARGIN	33,823	31,492
OTHER INCOME (EXPENSE):		
Other income—net	1,351	1,795
Interest income	2,323	1,983
Interest expense—net of amounts capitalized	(31,236)	(31,362)
Other expense—net	(27,562)	(27,584)
NET UTILITY MARGIN	6,261	3,908
Loss from equity method investments	(21)	(59)
NET MARGIN AND COMPREHENSIVE INCOME ATTRIBUTABLE TO GREAT RIVER ENERGY	\$ 6,240	\$ 3,849

CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL (unaudited)

FOR JANUARY 1, 2025 THROUGH MARCH 31, 2026 (IN THOUSANDS)

	Patronage Capital	Memberships	Temporary Patronage Capital	Total Capital
BALANCE—January 1, 2025	\$ 565,946	\$ 3	\$ 101,864	\$ 667,813
Net margin and comprehensive income	74,791	-	-	74,791
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—December 31, 2025	\$ 605,363	\$ 3	\$ 115,629	\$ 720,995
Net margin and comprehensive income	6,240	-	-	6,240
Return of members' patronage capital	(285)	-	-	(285)
Redemption of temporary patronage capital	-	-	(14,128)	(14,128)
BALANCE—March 31, 2026	\$ 611,318	\$ 3	\$ 101,501	\$ 712,822

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin	\$ 6,240	\$ 3,849
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization:		
Included in depreciation and amortization	39,287	41,681
Included in fuel and interest	2,274	2,449
Included in operation and maintenance	1,531	1,304
Included in purchased power	168	168
Loss from equity method investments	21	59
Patronage credits earned from investments	(982)	(987)
Deferred charges	(696)	(1,018)
Regulatory liabilities	631	8
Changes in working capital (excluding cash, investments and borrowings):		
Accounts and long-term receivables	(8,788)	(4,264)
Inventory and other assets	(2,790)	(22,344)
Accounts payable, taxes and other accrued expenses	(11,893)	(4,267)
Accrued interest	27,694	25,030
Noncurrent liabilities	(356)	(490)
Net cash provided by operating activities	52,341	41,178
CASH FLOWS FROM INVESTING ACTIVITIES:		
Utility plant additions	(81,638)	(27,527)
Utility plant reimbursements—contributions in aid of construction—net	3,085	249
Redemption of patronage capital from investments	696	718
Net cash used in investing activities	(77,857)	(26,560)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term obligations	35,000	115,000
Repayments of long-term obligations	(30,207)	(60,765)
Return of members' patronage capital	(285)	(7,481)
Redemption of temporary patronage capital	(14,128)	(14,128)
Costs of new debt issuances	(6,182)	(5,785)
Notes paid to members—net	(705)	(10,278)
Net cash (used in) provided by financing activities	(16,507)	16,563
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(42,023)	31,181
CASH AND CASH EQUIVALENTS—BEGINNING OF PERIOD	276,840	219,803
CASH AND CASH EQUIVALENTS—END OF PERIOD	\$ 234,817	\$ 250,984

Notes to consolidated financial statements – The interim financial statements as of March 31, 2026 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 2025 Annual Report.

FINANCIAL HIGHLIGHTS – FINANCIAL CONDITION

Assets

Utility plant—net increased \$230.1 million to \$2,166.7 million as of March 31, 2026, primarily driven by capital additions placed into service across the system to support transmission reliability and capital projects underway for the Northern Reliability Project (NRP) and upcoming multi-year regional transmission projects. Higher accumulated depreciation reflects the increase in electric plant placed in service.

Other assets and investments increased \$30.1 million to \$995.2 million as of March 31, 2026. Derivative instruments—noncurrent increased \$96.0 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 \$4.6 million due to market value adjustments to deferred compensation balances. These increases were partially offset by deferred charges—plant retirements decreasing \$65.6 million due to the amortization of retired plant costs. Deferred charges—financing related also decreased \$6.8 million due to continued amortization of settled interest rate swaps.

Current assets increased \$36.4 million to \$608.9 million as of March 31, 2026. Derivative instruments—current increased \$21.1 million due an increase in forward pricing of the current portion of the energy component (financial settlement) of a bilateral contract (discussed previously), the settlement of interest rate swaps related to the 2025 debt issuance, and higher mark-to-market financial transmission rights (FTR) contract valuations, offset partially by a decrease in the mark-to-market valuation for interest rate hedging contracts. Accounts receivable—members increased \$13.3 million as a result of higher member sales as well as a larger power cost adjustment (PCA) charge when compared to the same period in 2025. Accounts receivable—others increased \$12.1 million largely due to the accrual of the remaining Falkirk pension plan distribution to be received in the second quarter of 2026 and increased electric sales to non-members. Prepaids and other current assets increased \$6.2 million due to the prepayment of materials for peaking station projects and transmission long lead time reservation fees. Cash and cash equivalents decreased \$16.2 million primarily due to the use of cash for investing and financing activities, partially offset by cash provided by operating activities during the period.

Capital and liabilities

Total capital increased \$62.8 million to \$712.8 million as of March 31, 2026, as a result of \$77.2 million of net margins during the period, offset partially by the retirement of \$0.3 million of patronage capital and the redemption of temporary patronage capital of \$14.1 million in March 2026.

Other noncurrent liabilities increased \$5.6 million to \$34.4 million as of March 31, 2026, largely due to an increase in the estimated valuation of environmental asset retirement obligation (ARO) liabilities, slightly offset by a reduction for the impact of several member solar operating lease buyouts that took place during the period.

Regulatory liabilities increased \$111.4 million to \$300.6 million as of March 31, 2026. This was primarily driven by a \$96.0 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.

Long-term obligations—less current portion increased \$46.7 million to \$2,188.7 million as of March 31, 2026, primarily due to \$300.0 million of proceeds received from the 2025 debt issuance. This was offset partially by \$163.0 million of principal payments made during the period and an \$80.0 million decrease in the syndicated credit facility, which had a balance of \$35.0 million as of March 31, 2026.

Deferred income taxes decreased \$3.0 million to \$15.4 million primarily due to the utilization net operating losses and the continued amortization of the High-Voltage Direct Current line/Coal Creek Station for tax purposes.

Current liabilities increased \$68.7 million to \$490.7 million as of March 31, 2026. Accounts payable increased \$34.6 million due to increased spending on projects related to the NRP and various other transmission projects, as well as higher purchased power payables. Regulatory liabilities—current increased by \$21.1 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 FTR contracts, offset partially by a decrease in the mark-to-market valuation for interest rate hedging contracts, as well as the settlement of interest rate swaps related to the 2025 debt issuance. Notes payable to members increased \$11.3 million due to additional investments by members into the investment program outpacing member usage of invested funds to pay power bills. Accrued interest payable increased \$7.5 million due to additional interest incurred from the 2025 debt issuance. These increases were partially offset by long-term obligations—current that decreased \$8.8 million due to lower overall scheduled principal payments in the coming year.

FINANCIAL HIGHLIGHTS – RESULTS OF OPERATIONS

Electric revenue increased \$35.1 million or 12.8% for the three-month period ended March 31, 2026, compared to the same period in 2025. The increase in sales is due to higher member sales, driven by a 2.6% increase in average member electric rates, higher Midcontinent Independent System Operator (MISO) market net sales, driven by market impacts of Winter Storm Fern in January, higher electric revenue from non-members, and by a power cost adjustment (PCA) charge of \$12.3 million through March 31, 2026, versus a \$2.8 million charge last year, also driven by market and fuel cost impacts of Winter Storm Fern.

Other operating revenue increased \$5.9 million or 31.8% for the three-month period ended March 31, 2026, driven primarily by an increase in net revenues received under inter-utility transmission agreements compared to the same period in 2025.

Purchased power increased \$20.1 million or 14.2% for the three-month period ended March 31, 2026, compared to the same period in 2025. This increase was largely due to a \$32.6 million increase in net MISO market purchases. Driven largely by the impacts of Winter Storm Fern in January, average market prices were 54.4% higher than during the same period in 2025. This was partially offset by a \$6.3 million increase in FTR revenue (which decreases purchased power expenses) and a \$6.3 million decrease in purchases from wind and other purchased power contracts when compared to the same period in 2025.

Fuel increased \$17.5 million or 256.9% for the three-month period ended March 31, 2026, primarily due to a 102.7% increase in average fuel costs and a 563.7% increase in GWh generated when compared to the same period in 2025. This was largely due to Winter Storm Fern, which saw extreme cold weather and extreme price volatility, with average natural gas prices increasing by \$39.92, or 217.7%, from \$18.34 in the first quarter of 2025 to \$58.26 in the first quarter of 2026.

Operations and maintenance increased \$3.6 million or 5.4% for the three-month period ended March 31, 2026, primarily driven by higher generation and transmission costs associated with serving member load under inter-utility transmission agreements, along with higher divisional labor costs.

Depreciation and amortization decreased \$2.6 million or 6.3% for the three-month period ended March 31, 2026, due to decreased amortization of retired plant assets, partially offset by higher depreciation expense for transmission and the peaking plants driven by a higher basis.

Interest income increased \$0.3 million or 17.1% for the three-month period ended March 31, 2026, due to higher interest rates and higher average cash balances in 2026 compared to the same period in 2025.

Net margin attributable to GRE increased \$2.4 million for the three-month period ending March 31, 2026. The increase was largely driven by an increase in net revenues received under inter-utility transmission agreements and higher other operating revenue in the first quarter of 2026 compared to the same period in 2025. The increase can also be attributed to GRE increasing its budgeted margin from \$45.0 million in 2025 to \$50.0 million in 2026. Compared to budget, net margin of \$6.2 million for 2026 and net margin of \$3.8 million for 2025 were \$9.8 million favorable and \$3.3 million favorable 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 616,000 homes, businesses, and farms.

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