2026
Second Quarter Report

GREAT RIVER ENERGY®

CONSOLIDATED BALANCE SHEETS (unaudited)

(IN THOUSANDS)

ASSETS	JUNE 30 2026	JUNE 30 2025
UTILITY PLANT:		
Electric plant	$ 3,241,809	$ 3,090,346
Construction work in progress	355,900	135,029
Less accumulated depreciation and amortization	(1,344,533)	(1,257,955)
Utility plant—net	2,253,176	1,967,420
OTHER ASSETS AND INVESTMENTS:		
Restricted investments—deferred compensation	32,104	25,441
Other investments	35,989	35,555
Deferred charges:		
Plant retirements	540,378	596,869
Financing related	71,376	78,174
Other	27,764	29,908
Other long-term assets	27,925	19,882
Derivative instruments—noncurrent	277,106	188,209
Total other assets and investments	1,012,642	974,038
CURRENT ASSETS:		
Cash and cash equivalents	256,538	212,909
Accounts receivable:		
Members	139,443	133,353
Others	64,030	60,227
Inventories:		
Materials and supplies	62,651	59,502
Fuel	10,405	10,163
Prepaids and other current assets	27,469	25,674
Derivative instruments—current	98,434	69,815
Total current assets	658,970	571,643
TOTAL	$ 3,924,788	$ 3,513,101

CONTINUED

CONSOLIDATED BALANCE SHEETS (unaudited)

(IN THOUSANDS)

CAPITAL AND LIABILITIES	JUNE 30 2026	JUNE 30 2025
CAPITAL:		
Members:		
Patronage capital	$ 637,472	$ 554,984
Memberships	3	3
Total members' capital	637,475	554,987
Temporary patronage capital	101,501	115,629
Total capital	738,976	670,616
OTHER NONCURRENT LIABILITIES	35,994	28,208
REGULATORY LIABILITIES	334,712	233,167
LONG-TERM OBLIGATIONS—Less current portion	2,298,241	2,146,070
DEFERRED COMPENSATION	32,104	25,441
DEFERRED INCOME TAXES	15,414	18,431
COMMITMENTS AND CONTINGENCIES		
CURRENT LIABILITIES:		
Long-term obligations—current	171,554	153,754
Regulatory liabilities—current	98,434	69,815
Notes payable to members	35,371	55,811
Accounts payable	110,218	63,692
Property and other taxes	14,770	14,094
Other accrued liabilities and notes payable	21,454	19,229
Accrued interest payable	17,546	14,773
Total current liabilities	469,347	391,168
TOTAL	$ 3,924,788	$ 3,513,101

CONCLUDED

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (unaudited)

(IN THOUSANDS)

UTILITY OPERATIONS	THREE MONTHS ENDED JUNE 30 2026	2025	SIX MONTHS ENDED JUNE 30 2026	2025
UTILITY OPERATING REVENUE:				
Electric revenue	$ 256,016	$ 258,146	$ 566,265	$ 533,249
Other operating revenue	23,477	17,275	47,939	36,899
Total utility operating revenue	279,493	275,421	614,204	570,148
UTILITY OPERATING EXPENSES:				
Purchased power	100,320	109,520	261,357	250,508
Fuel	5,082	7,186	29,333	13,980
Operation and maintenance	74,349	62,161	144,656	129,897
Depreciation and amortization	40,482	41,860	80,019	84,044
Property and other taxes	5,883	5,619	11,639	11,152
Total utility operating expenses	226,116	226,346	527,004	489,581
UTILITY OPERATING MARGIN	53,377	49,075	87,200	80,567
OTHER INCOME (EXPENSE):				
Other income—net	1,440	909	2,791	2,704
Interest income	1,817	1,985	4,140	3,968
Interest expense—net of amounts capitalized	(30,482)	(31,422)	(61,718)	(62,784)
Other expense—net	(27,225)	(28,528)	(54,787)	(56,112)
NET UTILITY MARGIN	26,152	20,547	32,413	24,455
Income (loss) from equity method investments	2	16	(19)	(43)
NET MARGIN AND COMPREHENSIVE INCOME ATTRIBUTABLE TO GREAT RIVER ENERGY	$ 26,154	$ 20,563	$ 32,394	$ 24,412

CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL (unaudited)

FOR JANUARY 1, 2025 THROUGH JUNE 30, 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	32,394	-	-	32,394
Return of members' patronage capital	(285)	-	-	(285)
Redemption of temporary patronage capital	-	-	(14,128)	(14,128)
BALANCE—June 30, 2026	$ 637,472	$ 3	$ 101,501	$ 738,976

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin	$ 32,394	$ 24,412
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization:		
Included in depreciation and amortization	76,723	83,675
Included in fuel and interest	4,542	4,644
Included in operation and maintenance	3,231	1,923
Included in purchased power	336	336
Loss from equity method investments	19	43
Patronage credits earned from investments	(1,033)	(1,005)
Deferred charges	(408)	1,659
Regulatory liabilities	12,821	14,935
Changes in working capital (excluding cash, investments and borrowings):		
Accounts and long-term receivables	(19,477)	(31,703)
Inventory and other assets	(9,533)	(23,619)
Accounts payable, taxes and other accrued expenses	(23,566)	(20,353)
Accrued interest	(1,995)	57
Noncurrent liabilities	(1,038)	(1,407)
Net cash provided by operating activities	73,016	53,597
CASH FLOWS FROM INVESTING ACTIVITIES:		
Utility plant additions	(184,467)	(76,562)
Utility plant reimbursements—contributions in aid of construction—net	6,652	733
Redemption of patronage capital investments	718	740
Net cash used in investing activities	(177,097)	(75,089)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term obligations	292,000	350,000
Repayments of long-term obligations	(168,275)	(307,637)
Return of members' patronage capital	(285)	(7,481)
Redemption of temporary patronage capital	(14,128)	(14,128)
Costs of new debt issuances	(6,313)	(9,136)
Notes (paid to) received from members—net	(19,220)	2,980
Net cash provided by financing activities	83,779	14,598
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,302)	(6,894)
CASH AND CASH EQUIVALENTS—BEGINNING OF PERIOD	276,840	219,803
CASH AND CASH EQUIVALENTS—END OF PERIOD	$ 256,538	$ 212,909

Notes to consolidated financial statements – The interim financial statements as of June 30, 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 $285.8 million to $2,253.2 million as of June 30, 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 other upcoming multi-year regional transmission projects. Higher accumulated depreciation reflects the increase in electric plant placed in service.

Other assets and investments increased $38.6 million to $1,012.6 million as of June 30, 2026. Derivative instruments—noncurrent increased $88.9 million driven primarily by an increase in the forward pricing of the noncurrent portion of the energy component (financial settlement) of a bilateral contract. Other long-term assets increased $8.0 million due to the deferral of MISO costs related to upcoming generation project studies and reservation deposits for long-lead time assets related to upcoming transmission projects. Additionally, restricted investments—deferred compensation increased $6.7 million due to market value adjustments to deferred compensation balances. These increases were partially offset by deferred charges—plant retirements decreasing $56.5 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 $87.3 million to $659.0 million as of June 30, 2026. Cash and cash equivalents increased $43.6 million primarily due to cash provided by operating and financing activities more than offsetting cash used for utility plant investments (investing activities) during the period. Derivative instruments—current increased $28.6 million due to an increase in forward pricing of the current portion of the energy component (financial settlement) of a bilateral contract (discussed previously) and higher mark-to-market financial transmission rights (FTR) contract valuations. Accounts receivable—members increased by $6.1 million, reflecting higher member energy, demand, and transmission revenue. Accounts receivable—others increased $3.8 million due to the accrual of cost-sharing invoices related to the PowerOn Midwest transmission project as well as higher billing activity at the Hennepin Energy Recovery Center (HERC). Inventories—materials and supplies increased $3.2 million due to the purchase of materials for peaking station and transmission capital projects. Prepaids and other current assets increased $2.2 million due to the prepayment of materials for peaking station and transmission long lead time reservation fees.

Capital and liabilities

Total capital increased $68.4 million to $739.0 million as of June 30, 2026, as a result of $82.8 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 $7.8 million to $36.0 million as of June 30, 2026, largely due to an increase in the estimated valuation of environmental asset retirement obligation (ARO) liabilities and an increase in construction advances when compared to the same period in 2025.

Regulatory liabilities increased $101.5 million to $334.7 million as of June 30, 2026. This was primarily driven by a $88.9 million increase in the noncurrent portion of the financial settlement contract (discussed earlier), the reclassification of certain interest rate swaps from regulatory liabilities—current to noncurrent upon settlement of the interest rate swaps related to the 2026 debt issuance, and an increase of $4.0 million in the regulatory deferral of the allowance for funds used during construction (AFUDC) associated with the construction of NRP, which is expected to be placed in service in 2030.

Long-term obligations—less current portion increased $152.2 million to $2,298.2 million as of June 30, 2026, primarily due to $300.0 million of proceeds received in September from the 2025 debt issuance and a $30.0 million increase in the syndicated credit facility, which had a balance of $255.0 million as of June 30, 2026. This was offset partially by $170.9 million of principal payments made during the period.

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

Current liabilities increased $78.2 million to $469.3 million as of June 30, 2026. Accounts payable increased $46.5 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 $28.6 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 and the settlement of interest rate swaps related to the 2025 debt issuance, offset partially by a decrease in the mark-to-market valuation for interest rate hedging contracts. Long-term obligations—current increased $17.8 million due to an increase in scheduled principal payments in the coming year. Accrued interest payable increased $2.8 million due to additional interest incurred from the 2025 debt issuance. These increases were partially offset by notes payable to members decreasing $20.4 million due to member usage of invested funds to pay power bills outpacing investments by members into the investment program.

FINANCIAL HIGHLIGHTS – RESULTS OF OPERATIONS

Electric revenue increased $33.0 million or 6.2% for the six-month period ended June 30, 2026, compared to the same period in 2025. The increase in electric revenue is due to a 2.6% increase in average member electric rates, member demand and energy sales that were 1.3% and 1.5% higher, respectively, higher electric revenue from non-members, and by a power cost adjustment (PCA) charge of $8.8 million through June 30, 2026, versus a $2.5 million credit last year.

Other operating revenue increased $11.0 million or 29.9% for the six-month period ended June 30, 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 $10.8 million or 4.3% for the six-month period ended June 30, 2026, compared to the same period in 2025. This increase was largely due to a $28.2 million increase in net MISO market purchases, driven largely by the impacts of Winter Storm Fern in January, which was the main contributor to average market prices being 14.6% higher than during the same period in 2025. This was partially offset by a $11.9 million increase in FTR revenue (which decreases purchased power expenses) and a $5.7 million decrease in purchases from wind and other purchased power contracts when compared to the same period in 2025.

Fuel increased $15.4 million or 109.8% for the six-month period ended June 30, 2026, primarily due to a 179.3% increase in average peaking plant fuel costs and a 47.3% increase in GWh generated by the peaking plants when compared to the same period in 2025. This was largely due to stronger market demand and the impact of fuel costs during Winter Storm Fern in January, with average natural gas prices increasing by $18.23/MMBtu, or 47.61%, from $16.56/MMBtu through the second quarter of 2025 to $34.79/MMBtu through the second quarter of 2026.

Operations and maintenance increased $14.8 million or 11.4% for the six-month period ended June 30, 2026, primarily driven by higher generation costs associated with higher plant maintenance and labor costs, increased transmission costs incurred to serve member load under inter-utility transmission agreements, and higher divisional labor costs.

Depreciation and amortization decreased $4.0 million or 4.8% for the six-month period ended June 30, 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.

Net margin attributable to GRE increased $8.0 million for the six-month period ending June 30, 2026. The increase was largely driven by an increase in member demand and energy sales, an increase in net revenues received under inter-utility transmission agreements and higher other operating revenue through the second 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 $32.4 million for 2026 and net margin of $24.4 million for 2025 were $21.9 million favorable and $14.8 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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