



A Touchstone Energy® Cooperative 

2025 ANNUAL REPORT

BUILDING THE BRIDGE

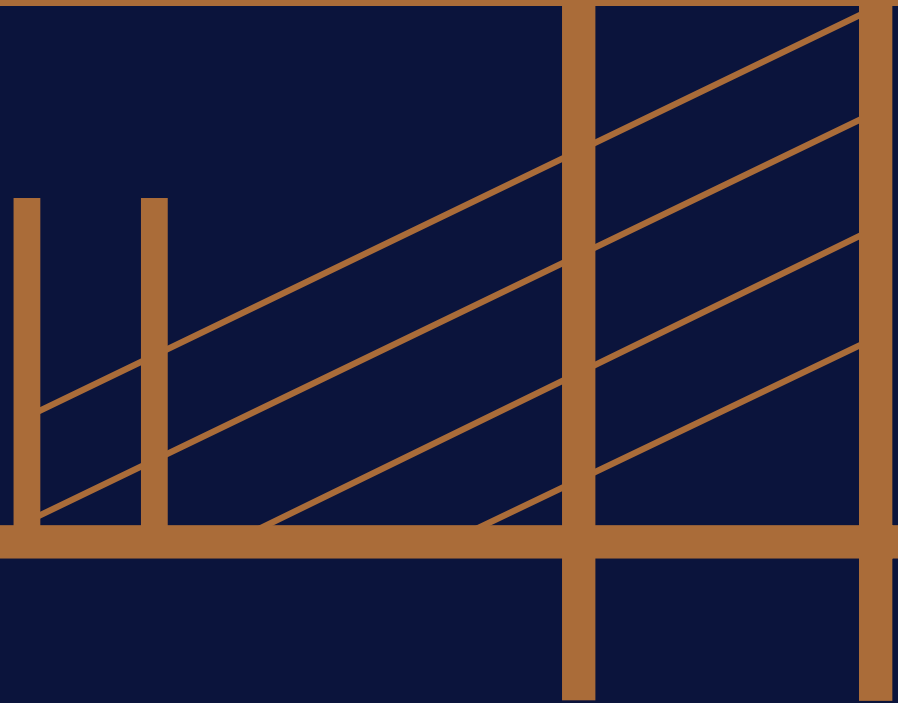
Past to Present to Future





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2025 At a Glance

24

DAIRYLAND
MEMBER
SYSTEMS

500+

EMPLOYEES

\$25.3

MILLION
MARGINS

7.0

BILLION kWh
POWER SALES
(GENERATION AND
PURCHASED)

\$550.5

MILLION
TOTAL OPERATING REVENUE

27

MUNICIPALS
SERVED

1,192 MW

ALL-TIME PEAK
(8/7/25)

1,192 MW

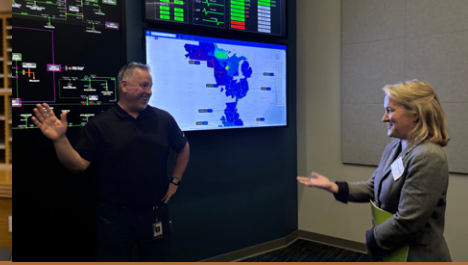
PEAK DEMAND
REPORTED TO MISO
(8/7/25)

800,000

APPROXIMATE
POPULATION
SERVED

\$1.84

BILLION
TOTAL ASSETS



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BUILDING THE BRIDGE

Past to Present to Future

Dairyland Power Cooperative provides the wholesale electrical requirements and other services for 24 member distribution cooperatives and 27 municipal utilities in the Upper Midwest. In turn, these cooperatives and municipals deliver the electricity to consumers, meeting the energy needs of over 800,000 people.

Dairyland was formed in December 1941 to improve the quality of life for cooperative members with electricity. Today, while maintaining that Mission for 85 years, Dairyland is focused on sustainability and reliably transitioning to a lower-carbon future.

Dairyland's generating resources, which include wind, solar, natural gas, coal, hydro and biogas, support reliability and energy diversification through an all-of-the-above approach. Electricity is delivered via 3,708 miles of transmission lines to 400 distribution substations located throughout the system's 44,500 square mile service area.

Dairyland, a Touchstone Energy® Cooperative, is headquartered in La Crosse, Wis. Its service area encompasses 62 counties in four states (Wisconsin, Minnesota, Iowa and Illinois).

To learn more, please visit www.dairylandpower.com and follow us on Facebook and LinkedIn for more information.



A Touchstone Energy® Cooperative 

BUILDING THE BRIDGE

Past to Present to Future

Letter From the President & CEO and Board Chair

As we celebrate our 85th anniversary, Dairyland Power Cooperative continues to deliver on our Mission and Vision – during a period defined by transition, challenge and opportunity – of safely powering our communities and creating long-term value for our members. Owned and governed by our 24 member distribution cooperatives, Dairyland focuses on what matters most: safety, affordability, reliability and sustainability. These priorities guide every decision and will continue to build the bridge to the future.

The electric system is evolving rapidly and its resilience is being tested. For the first time in decades, electricity demand is increasing and the projected level of growth is unprecedented. Extreme weather is creating significant operational and market pressures for Dairyland and utilities across the country. Close coordination with our members and regional grid operators, as well as proactive planning and robust risk mitigation, positions Dairyland to act decisively to maintain grid reliability.

Utilizing lessons learned over our 85-year history, Dairyland plans for the future through targeted infrastructure investments and a rebalanced energy portfolio.

Dairyland’s power supply is grounded in an all-of-the-above strategy – maintaining dependable baseload generation and leveraging grants to invest in renewable resources. We have launched new clean energy initiatives and, over the past year, made strategic investments to acquire existing natural gas peaking facilities.

We continue to explore emerging technologies, including long-duration energy storage and small modular nuclear reactors, recognizing their potential role in a future energy mix that is emissions free, reliable and resilient. Our responsibility is not only to meet today’s needs but to anticipate tomorrow’s.

Dairyland is participating in one of the region’s largest transmission expansions through projects in the Midcontinent Independent System Operator’s (MISO) Long-Range Transmission Plan. These investments will place downward pressure on our electric rates, strengthen reliability, support rural economic growth and enable greater access to diverse energy resources for decades to come.

Sound financial stewardship remains a cornerstone of our operation. In 2025, Moody’s affirmed Dairyland’s A3 credit rating and revised our outlook to

Positive – an important validation of our disciplined, long-term approach to managing costs and risk on behalf of our members.

Beyond operations, Dairyland advocates for electric cooperatives at the state and federal levels. From cybersecurity and infrastructure resilience to permitting reform and rural energy investment, we work with policymakers across party lines to ensure cooperative voices are heard and rural communities are not left behind.

Dairyland is committed to investing in people and communities. Through charitable contributions, economic development initiatives, scholarships and community-focused service projects, Dairyland and our members carry out our Mission to “empower cooperative members to improve the quality of their lives.” These efforts support local growth, create jobs, promote continuous learning and reflect the cooperative principle of *Concern for Community* that has guided us for 85 years.

In closing, an old fable – the tale of the buffalo and the storm – comes to mind. On the plains, when a storm is approaching, many animals sense it coming. Most turn away, seeking to outrun the squall. The buffalo, however, turns toward the darkening sky, confronting the tempest head on. The fleeing animals, now tired but moving in the same direction as the storm, spend more time within it and experience great damage. The buffalo, choosing to drive forward and encounter the challenge, passes through and minimizes the storm’s impact.

Like the buffalo, Dairyland is not avoiding the challenges but embracing them. Guided by our Board of Directors, informed by our members and powered by dedicated employees, we will continue to adapt, invest wisely and work together to deliver safe, reliable and cost-competitive energy.

Thank you for your trust, your partnership and your commitment to the cooperative model.

Mark Kingland
Chair, Board of Directors

Brent Ridge
President and CEO

Mission

To safely power our communities and empower cooperative members to improve the quality of their lives.

Vision

To grow, innovate and deliver value as a premier, member-driven energy cooperative through safe, reliable, cost-competitive and sustainable solutions.



Shared Values

We have an unwavering **commitment** to **safe behaviors** & outcomes
We are **dedicated** to our **members** & to exceeding expectations
We take initiative, **continuously improve** & achieve results
We seize **opportunities** & embrace **new prospects**
We are **hands-on** & **value-driven**, acting with an entrepreneurial mindset
We are **productive** & **innovative**, seeking better ways to achieve goals

Cooperative Leaders



CHAIR

Mark Kingland
Heartland Power
Cooperative



VICE CHAIR

Jim Hager
Clark Electric
Cooperative



TREASURER

Dan Korn
Vernon Electric
Cooperative



SECRETARY

Jeff Bradley
Allamakee-Clayton
Electric Cooperative



MEMBER-AT-LARGE

Michael Baker
Barron Electric
Cooperative



MEMBER-AT-LARGE

Clarence Boettcher
Eau Claire Energy
Cooperative



MEMBER-AT-LARGE

Bill Trygstad
Freeborn Mower
Electric Cooperative



MEMBER-AT-LARGE

Sandra Davidson
Scenic Rivers
Energy Cooperative



ASSISTANT SECRETARY

Courtney Cuta
Dairyland Power
Cooperative



GENERAL COUNSEL

Joyce Peppin
Dairyland Power
Cooperative



Board of Directors



Dennis Frame
Riverland Energy
Cooperative



Art Friedrich
People's Energy
Cooperative



Ed Gullickson
Polk-Burnett
Electric Cooperative



Scott Haggard
Price Electric
Cooperative

Member control of Dairyland is vested in the Board of Directors, consisting of representatives from each of its 24 Class A member distribution cooperatives.

Selected by their local members, directors represent a broad spectrum of interests, including their members, the business interests of their local cooperative and, perhaps the most challenging of all, the affairs of a power supply system providing energy to more than 800,000 people in four states.



Robert Hess
Oakdale Electric
Cooperative



Jerry Huber
Jackson Electric
Cooperative



Jeff Monson
Richland Electric
Cooperative



John Petska
Chippewa Valley
Electric Cooperative



Neil Plourde
St. Croix Electric
Cooperative



Barry Radloff
Bayfield Electric
Cooperative



Jane Reich
Jump River Electric
Cooperative



Jenny Scharmer
MiEnergy Cooperative



Dean Stokke
Dunn Energy
Cooperative



Dan Tindell
JCE Co-op



Ann Young
Pierce Pepin
Cooperative Services



Chuck Zenner
Taylor Electric
Cooperative

Executive Team



BRENT RIDGE
President & CEO



GROVER HETTEL
Executive Vice President &
Chief Nuclear Officer



AMANDA HOEFLING
Executive Vice President &
Chief Administrative Officer



KEVIN NORDT
Executive Vice President &
Chief Strategy Officer



JOYCE PEPPIN
Executive Vice President &
General Counsel



BEN PORATH
Executive Vice President &
Chief Operating Officer



APRIL WEHLING
Executive Vice President &
Chief Financial Officer



JEREMY BROWNING
Vice President,
Generation



GREG FLEGE
Vice President,
Transmission



KATHLEEN GALIOTO
Vice President &
Deputy General
Counsel



JASON HERBERT
Vice President,
External Affairs



GARY MAZO
Vice President &
Chief Risk Officer



NATE MELBY
Vice President &
Chief Information
Officer



JOHN YOUNG
Vice President &
Chief Risk Officer*

* retired in
March 2026

Dairyland Managers Association

Class A Member Leadership



HOLLEE MCCORMICK
Allamakee-Clayton
Electric Cooperative



AARON TORUD
Barron Electric
Cooperative



CHRIS KOPEL
Bayfield Electric
Cooperative



RUSS FALKENBERG
Chippewa Valley
Electric Cooperative



TIM STEWART
Clark Electric
Cooperative



JESSE SINGERHOUSE
Dunn Energy
Cooperative



MONICA OBRYCKI
Eau Claire Energy
Cooperative



JIM KRUEGER
Freeborn Mower
Electric Cooperative



JON LEERAR
Heartland Power
Cooperative



CAROL BLAKEN
Jackson Electric
Cooperative



MIKE CASPER
JCE Co-op



KURT HARRIS
Jump River Electric
Cooperative



BRIAN KRAMBEER
MiEnergy
Cooperative



CHRIS TACKMANN
Oakdale Electric
Cooperative



GWEN STEVENS
People's Energy
Cooperative



NATE BOETTCHER
Pierce Pepin
Cooperative Services



STEVE STROSHANE
Polk-Burnett Electric
Cooperative



JEFF OLSON
Price Electric
Cooperative



AMY MARTIN
Richland Electric
Cooperative



TIM HOLTAN
Riverland Energy
Cooperative



STEVE LUCAS
Scenic Rivers Energy
Cooperative



ROB DOOLEY
St. Croix Electric
Cooperative



KENNY CEAGLSKE
Taylor Electric
Cooperative



CRAIG BUROSS
Vernon Electric
Cooperative

SAFE OUTCOMES

Achieve & maintain a zero-incident, safe workplace

Build the Bridge with Safety First

A bridge without a solid foundation in safety is a bridge to nowhere. Dairyland's prioritization of safety over all else is delivering measurable results: Since 2019, Dairyland has achieved nearly a 70% improvement in Total Recordable Incident Rate trends and an almost 80% reduction in Lost Time Rate trends.

As an independent advisory body, Dairyland's Corporate Safety Review Board has worked to embed shared responsibility and continuous improvement into daily operations. New in 2025, Dairyland's Corrective Action Program helps ensure that safety observations lead to timely, effective improvements.

Transmission Expansion

In 2025, Dairyland announced its role in helping deliver safe, reliable power through one of the most significant transmission buildouts in regional history. As one segment of its Long-Range Transmission Plan (LRTP), the Midcontinent Independent System Operator (MISO) designated Dairyland and GridLiance Heartland, LLC, as developers of the proposed 140-mile, 765 kV/161 kV MariBell Transmission Project.

Dairyland's 345-kV Alma-Blair Transmission Project, also part of the MISO LRTP, was unanimously approved by the Public Service Commission of Wisconsin in February 2026. Along with the Wabasha

Relocation Project, these power delivery investments strengthen grid reliability, support diverse energy integration and ensure continued service to homes, schools, hospitals and businesses across the Upper Midwest.

Protecting Rural Cybersecurity

Information technology is a critical safety tool. The Dairyland-created secure AI platform, VoltWrite, is now available nationwide, helping protect systems and people alike. Vice President and CIO Nate Melby testified before Congress on critical infrastructure cybersecurity for rural areas, underscoring Dairyland's leadership role in defending the energy systems local communities rely on 24/7/365.

Safety and power delivery are complementary goals—they are the bridge connecting Dairyland's proud history to a resilient, reliable future.



In 2025, employees identified nearly 2,000 "Good Catches" for safety, more than doubling the original goal and reinforcing a zero-injury culture where every individual plays a role in preventing incidents before they occur.

TRANSMISSION LINES

| Voltage –kV | Miles as Operated |
|-------------|-------------------|
| 34.5 | 0.8 |
| 69 | 2,621.3 |
| 115 | 1.3 |
| 161* | 691.2 |
| 345** | 393.3 |

Total **3,707.9**

*Part Owner of 44.9 miles

**Part Owner of 392 miles



MariBell Transmission Project open houses welcome landowners and community members to ask questions, provide feedback and learn about the project benefits. A detailed Safety Tailgate is held prior to each event.



What's the worst that can happen?
 Crews bring a questioning attitude during job briefings because getting home safe every day requires asking the tough questions, with a commitment to 200% accountability for safety from each employee - 100% for the individual and 100% for the team.



FINANCIAL STRENGTH

Fortify our financial position to ensure resiliency and capitalize on opportunities

Since 1941, Dairyland has been a bridge leading to improved quality of life and growth in local communities through the reliable delivery of electricity and other services. In 2025, Moody's Ratings revised the outlook for Dairyland to A3/Positive from A3/Stable, while the S&P affirmed an A+ Stable rating. The end of the year saw Dairyland retiring \$5.7 million in capital credits to members.

In August, Dairyland's three Minnesota cooperatives (Freeborn Mower, MiEnergy and People's), integrated members from the Southern Minnesota Energy Cooperative (SMEC) acquisition of Alliant Energy service territory into their cooperative systems. The acquisition brought an additional 80 megawatts (MW) of load. On June 1, 2026, Oconto Electric Cooperative (Oconto Falls, Wis.) and Norris Electric Cooperative (Newton, Ill.) will bring 100 MW into the Dairyland system.

Dairyland received a \$13.9 million settlement for expenses incurred between 2019-22 managing the Independent Spent Fuel Storage Installation (ISFSI) site. Our in-house legal team established the settlement process and, subsequently, reduced outside spent nuclear fuel legal fees by 40%.

Federal grants also support strategic goals. The \$595 million Empowering Rural America (New ERA) grant helped Dairyland add a 210 MW power purchase agreement from Buffalo Ridge Wind II (South Dakota). The Long-Range Transmission Plan will put downward pressure on rates while supporting grid reliability. Grant-

supported energy storage projects bring us one step closer to making battery storage a viable option for system reliability.

Dairyland was tested in January 2026 during Winter Storm Fern. An unplanned outage at the John P. Madgett (JPM) Generating Station, dangerously low temperatures and severe winter weather resulted in high energy prices. It was the first time the Midcontinent Independent System Operator (MISO) declared a Maximum Generation Event Step 2c since 2009. Dairyland immediately started evaluating ways to reduce the financial impacts from the storm. Dairyland also set a new winter peak of 1,118 MW.

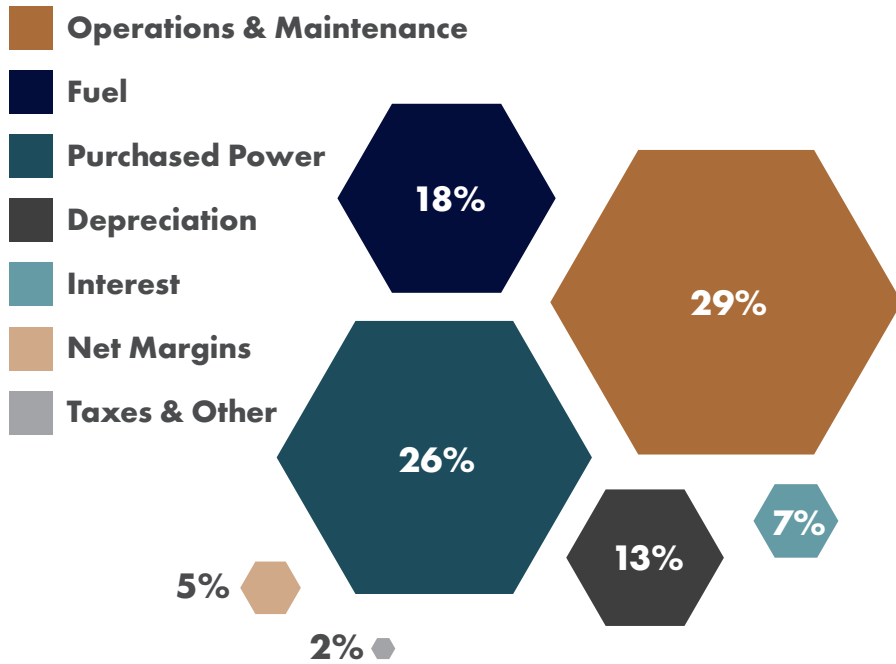


Shortly after Winter Storm Fern, Dairyland leaders gathered in a pre-dawn meeting as another round of severe weather was about to strike. Lessons learned influenced future practices to ensure effective communication and preparedness in adverse conditions.



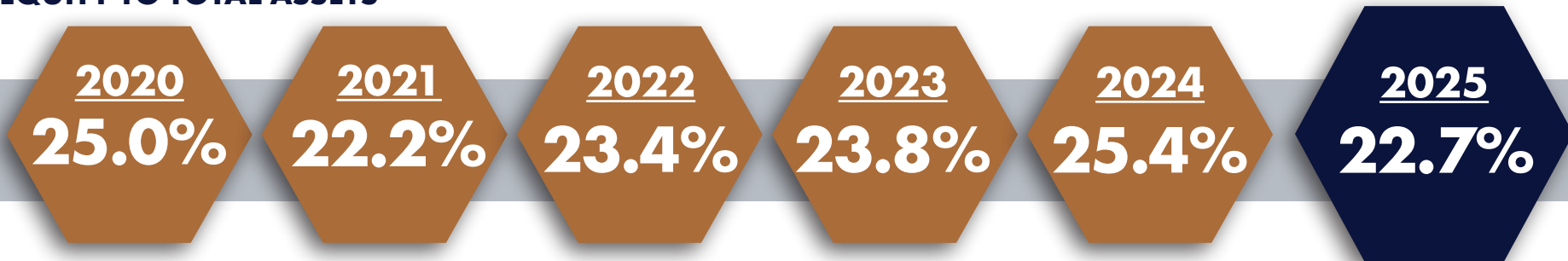
The foundation of Dairyland's Financial Strength is the Wholesale Power Contract (WPC). Class A members agree to purchase their wholesale power needs from Dairyland who commits to providing power at a reasonable cost. The WPC enables the financing and development of generation and transmission resources to meet members' long-term energy needs.

2025 EXPENSE DOLLAR

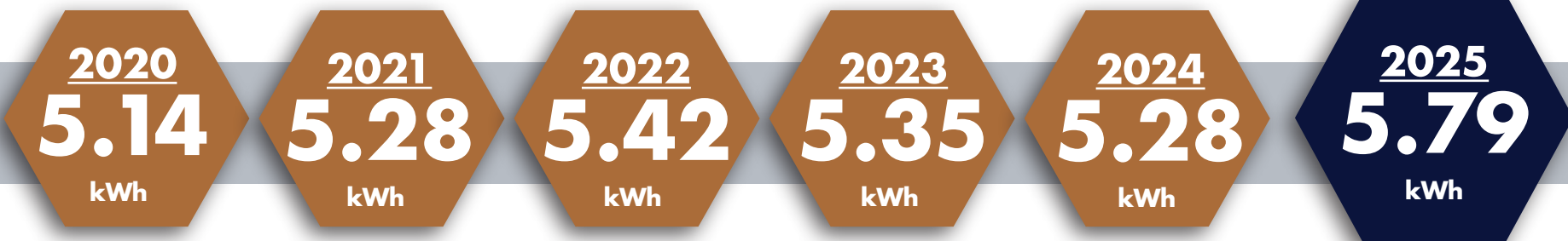


Dairyland acquired three natural gas facilities in Illinois, totaling nearly 1,270 MW of additional natural gas capacity. These facilities are considered strategic investments in essential capacity resources to support the delivery of dependable energy that the region relies on.

EQUITY TO TOTAL ASSETS



MEMBER SALES (Billions of kWh)



Building the Bridge: Past to Present to Future is impossible without Dairyland's greatest asset: our employees. The Total Rewards program encompasses all employee benefits – from insurance to life events, wellness perks, retirement savings and more.

A Boardroom remodel in July 2025 upgraded the room's technology and increased seating options. Dairyland has enhanced training opportunities and realized cost savings by hosting more events on site.

Raising the Bar

Dairyland's Learning & Development team supports employees by ensuring access to training and resources for professional growth. This is especially crucial for employees who transition into formal leadership roles and are supported by peer-level leadership alignment meetings hosted by Organizational Effectiveness.



With 500 employees, clear communication is paramount. The Corporate Strategy, Planning & Analysis team released a Balanced Scorecard during the 2026 Employee Symposiums. The scorecard aligns business activities with Dairyland's Vision and strategy by evaluating financial perspective, member perspective, internal business processes and organizational health. For the third time in four years, Dairyland was recognized as a Foundry's CIO 100 Award Winner. This year's award was for innovative use of Agentic Artificial Intelligence to support organizational effectiveness and safety.

Strengthening Communities

Dairyland values engaged employees – both at work and in our local communities. Through Dairyland's Volunteer Time Off (VTO) program, employees are granted up to 16 hours annually to volunteer for local organizations. Some employees choose to support the United Way through their Day of Caring each summer and/or by donations via payroll deductions. Employee donations plus a Board of Directors match to the United Way gave more than \$104,200 to support our neighbors in need.

For the third year in a row, the John P. Madgett Charitable Golf Outing brought employees and vendors together to support local fire and rescue crews. In 2025, the Alma Volunteer Fire Department received a \$14,157 donation from the event's proceeds, which completed a multi-year campaign to purchase a UTV. The department supports Dairyland's Alma Site in the event of fire or emergency.



EVP and COO Ben Porath and Director, Power Supply and Strategy Execution Jim Sherman lead a day-long Power Supply training within the NRECA's Management Internship Program curriculum. The program is designed to train the next generation of electric cooperative leaders.



Dairyland employees supported multiple efforts to make the holidays brighter for our neighbors and colleagues. Volunteering at Rotary Lights, buying gifts for neighbors at three assisted living facilities, and coming together for fun and fellowship during the Children’s Holiday Party and Employee Holiday Party topped the season of joy and giving.



Dairyland employees have access to the Riverside Café for breakfast, lunch, snacks, “to-go” meals and meeting catering support. The Café also serves as a meeting area for employees to step away from their desks and connect over a break.



Through Dairyland’s People Powers Award, employees can nominate colleagues who go above and beyond in their contributions to Dairyland’s Mission. The Spent Nuclear Fuel Cost Recovery Team earned a People Powers Award for developing a settlement process with the federal government for reimbursement of Dairyland’s costs operating and maintaining the Independent Spent Fuel Storage Installation (ISFSI).

You Can Rely on Us

Powering communities, especially when conditions are at their toughest, is Dairyland's job. This year, severe winter weather put significant strain on the Dairyland system, a clear reminder that reliability is not an abstract goal. It is the ability to keep homes comfortable and safe, businesses operating and essential services running for the more than 800,000 people who depend on us every day.

As a critical services provider, Dairyland plans for a system that is both dependable and flexible. That work gained important momentum in 2025 when Dairyland received confirmation from the Trump Administration that its \$595 million Empowering Rural America (New ERA) grant would proceed. The award supports resource diversification, downward rate pressure for rural residents and critical transmission upgrades that strengthen grid resilience.

Meeting Your Needs

Reliability depends on ready-to-go generation. Dairyland recently acquired the Rocky Road, Elgin and Elwood Energy Centers in Illinois - efficient natural gas resources that support increasing capacity needs and a lower-carbon future. In Wisconsin, Dairyland's John P. Madgett (JPM) Generating Station, RockGen Energy Center and Elk Mound Combustion Turbines continue to bring value and dependability. This year, Dairyland's Flambeau Hydro Station is celebrating its 75th anniversary of providing clean, dispatchable energy.

Dairyland hired Grover Hettel in 2025 as Executive Vice President and Chief Nuclear Officer to lead evaluation of advanced nuclear technologies, including small modular reactors, as a potential source of reliable, carbon-free power.

Regional Grid Solutions

By being part of one of the largest transmission buildouts in history, Dairyland is supporting regional reliability to benefit our members. MISO named Dairyland a developer for projects in its Long-Range Transmission Plan. Among those, Dairyland and GridLiance Heartland, LLC, are jointly developing and will co-own the MariBell Transmission Project, which is part of an interstate transmission corridor needed to bridge growing energy demand.

Behind the scenes, a modernization project will enhance Dairyland's load management program to reduce electricity use during periods of peak demand and higher market prices on the grid.



The Elwood Energy Center is one of three natural gas facilities Dairyland acquired over the past year in Illinois to support growing load and diversification plans.



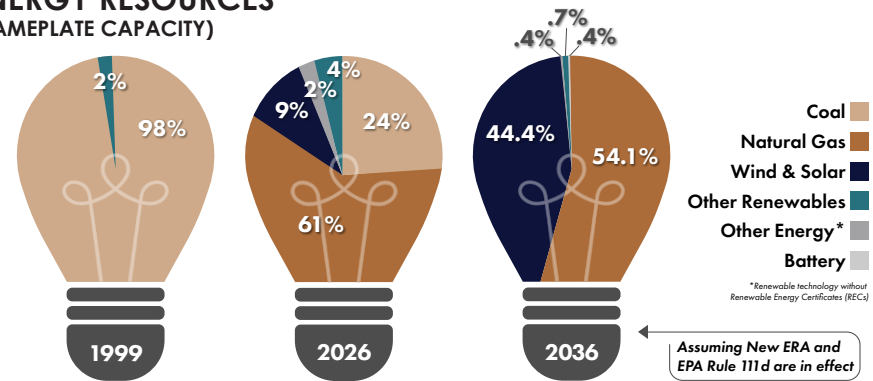
Preparedness helps keep the lights on. Dairyland conducts an Emergency Load Reduction Plan (ELRP) drill annually in our System Operations Center to simulate load reduction plan implementation should a major system event occur. This year, lessons from the drill translated to real-time experience during Winter Storm Fern.



Developing 765 kV transmission infrastructure is new for the region. Meeting with landowners and residents to listen and respond to concerns about the MariBell Transmission Project is a priority. One 765-kV line carries as much electrical capability as six, 345-kV lines, minimizing the land needed by as much as 80%.



ENERGY RESOURCES (NAMEPLATE CAPACITY)



Safety leads reliability. Team members at the John P. Madgett Generating Station are committed to 200% accountability for safety during operations and maintenance activities, participating in daily debriefs to discuss each task.

MEMBER SATISFACTION

Provide outstanding service for our members

Ninety years ago, electric cooperatives were founded on the principle that collaboration improves quality of life. Dairyland provides members with more than electricity, and these extra services are what define the Cooperative Difference.

A Future of Growth

Dairyland's Economic Development team advocates for community growth and new businesses. In 2025, member cooperatives gained nearly 35 megawatts (MW) of load growth from 27 projects, which supports local economic activity and job creation.

The Economic Development team developed the Large Power Solutions program to accommodate the unique needs of large load projects. Dairyland offers its members access to the USDA's Rural Economic Development Loan and Grant Program (REDLG), as well as Dairyland's Revolving Loan Fund and cost-share program.

As a nonpartisan organization, Dairyland works with our four statewide associations plus the National Rural Electric Cooperative Association (NRECA) to meet with elected officials, regardless of party affiliation, and advocate for policies benefitting all electric cooperatives. Officials are also invited to Dairyland to learn more about the industry and our unique business model.

Cooperative Innovation

Designed in-house at Dairyland, VoltWrite is an artificial intelligence (AI) tool that can be used by electric cooperatives to support work efficiencies, knowing that data input into the tool is not shared outside of the cooperative. This has prompted interest from multiple organizations nationwide to implement at their own locations.

As a founding member of Touchstone Energy® Cooperatives in 1998, Dairyland continues to support membership in the national brand. The professional resources provided to Touchstone members help cooperatives share the power of the Cooperative Difference with their consumer members and boost engagement.

Giving Back

Through the Cooperative Contributions Program, Dairyland and its member cooperatives donated a total of \$40,000 in 2025 to deserving organizations. A new scholarship program grants \$1,000 to each Class A member cooperative, Class D municipal utility and power supply customer to be distributed within their local scholarship awards.



Dairyland annually hosts Lineworker University to bring together crews from member cooperatives to network and learn. Through the Job Training & Safety (JT&S) Program, Dairyland and the Wisconsin Electric Cooperative Association (WECA) ensure training is up-to-date for lineworkers.



Dairyland's 3rd annual Day of Service on Oct. 1 brought together nearly 200 volunteers from Dairyland and our member cooperatives to support five projects. Thank you to Allamakee-Clayton, Barron, Chippewa Valley, Freeborn Mower and St. Croix electric cooperatives for hosting sites!

CAPITAL CREDITS TO MEMBERS



Dairyland assisted St. Croix Electric Cooperative in supporting Sailer's Food Market & Meat Processing with a \$1 million USDA Rural Economic Development Loan (REDL). Program funding is directed to projects that aid business expansion and job growth.



Dairyland Government Relations Specialist Branden Yates (far right) joins People's Energy Cooperative's visit with Minnesota Sen. Liz Boldon during the Minnesota Rural Electric Cooperative Association's Legislative Day in St. Paul.



U.S. Rep. Tom Tiffany met with Dairyland's Executive Team to discuss energy industry priorities and tour the System Operations Center.

ENVIRONMENTAL STEWARDSHIP

Operate in full regulatory compliance as responsible stewards of natural and cultural resources

Earth is the bridge that connects every person, plant and animal. For 85 years, Dairyland has worked to protect natural resources while powering rural Americans.

Dairyland is advancing a major expansion of clean energy by pursuing up to 1,000 megawatts (MW) of power purchase agreements (PPAs) for wind and solar projects across the Midwest as part of the \$595 million Empowering Rural America (New ERA) grant award. The first of these agreements secured 210 MW from the Buffalo Ridge II Wind Farm in South Dakota, generating enough electricity to power approximately 70,000 homes. This effort also supports strategic upgrades to portions of Dairyland's transmission system, helping to ensure reliable delivery of diverse energy resources for decades.

The Flambeau Hydro Station (Ladysmith, Wis.) has produced carbon-free hydropower since 1951. Environmental and recreational enhancements around the Dairyland Reservoir have expanded public access, improved parklands and roads, and added boat landings and accessible spaces. In partnership with the Wildlife Restoration

Association and Rusk County, Dairyland has helped create and enhance six parks along the waterway.

Dairyland also supports hundreds of acres of pollinator habitat at solar arrays and substation sites. A flagship effort transformed a 38-acre capped landfill at the retired Genoa power plant into a diverse pollinator prairie, with additional habitat now being established near the Flambeau Hydro Station. Species restoration efforts include the Peregrine Falcon Restoration Program—responsible for more than 170 fledged falcons—and participation in monarch and Karner blue butterfly conservation programs.

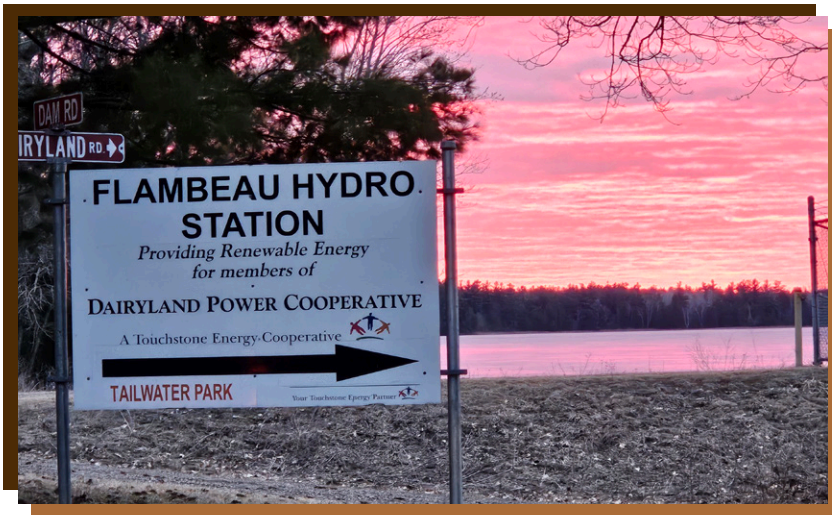
Construction is underway on the 149 MW Badger State Solar project in southern Wisconsin, in partnership with Ranger Power. Together with ongoing exploration of advanced nuclear technologies, energy storage and prioritizing grid resilience, these investments are an important component of Dairyland's commitment to long-term environmental stewardship.



Dairyland is the 2026 title sponsor of the Mississippi Valley Conservancy (MVC) Trail Trek Challenge. The challenge kicked off on Earth Day, encouraging people to complete five MVC Trails before Earth Day 2027 to earn the official Trail Trek Challenge sticker.



Over 100 acres of Mississippi River bluffland near Alma, Wis., is permanently preserved thanks to a conservation easement Dairyland granted the Mississippi Valley Conservancy years ago. Dairyland continues to help restore natural areas within the acreage, which includes rare oak savanna habitat, as part of the long-term care plan for the property.



In 2026, Dairyland enrolled in the Monarch Candidate Conservation Agreement with Assurances (CCAA) program to support monarch conservation across our service territory. Dairyland's entire footprint is included to expand the program's impact.



Natural resources help serve our members and we take seriously our obligation to give back to the environment and preserve it for future generations. This commitment takes many forms, from land preservation to best environmental practices to sponsorship and employee volunteerism.



The 149 MW Badger State Solar facility will achieve commercial operation in the next year, powering over 20,000 homes.



Dairyland will be executing power purchase agreements for much more solar and wind energy through our successful New ERA grant.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dairyland Power Cooperative
La Crosse, Wisconsin

Opinion

We have audited the consolidated financial statements of Dairyland Power Cooperative and subsidiary (the "Cooperative"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of revenue, expenses and comprehensive income, member and patron equities, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cooperative, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Minneapolis, Minnesota | Deloitte & Touche LLP

March 31, 2026

CONSOLIDATED BALANCE SHEETS

As of December 31, 2025 & 2024 (All dollar amounts in thousands)

ASSETS

ELECTRIC PLANT:

| | |
|--|--|
| Plant and equipment—at original cost | |
| Less accumulated depreciation | |
| Net plant and equipment | |
| Construction work in progress | |
| Total electric plant | |

| | 2025 | 2024 |
|----|------------------|------------------|
| \$ | 2,233,036 | \$ 2,237,104 |
| | (774,826) | (994,476) |
| | 1,458,210 | 1,242,628 |
| | 110,205 | 77,398 |
| | <u>1,568,415</u> | <u>1,320,026</u> |

OTHER ASSETS:

| | |
|---|--|
| Nuclear decommissioning funds | |
| Intangible asset—net (Note 2) | |
| Other investments (Note 9) | |
| Investments in capital term certificates (Note 9) | |
| Regulatory assets (Note 2) | |
| Investment for deferred compensation | |
| Deferred charges (Note 2) | |
| Other assets | |
| Total other assets | |

| | |
|---------------|---------------|
| 2,298 | 2,209 |
| 12,592 | 16,623 |
| 6,761 | 7,894 |
| 8,401 | 9,176 |
| 40,059 | 18,143 |
| 2,777 | 2,357 |
| 557 | 26,740 |
| 780 | 1,550 |
| <u>74,225</u> | <u>84,692</u> |

CURRENT ASSETS:

| | |
|----------------------------------|--|
| Cash and cash equivalents | |
| Designated funds (Note 2) | |
| Accounts receivable: | |
| Energy sales | |
| Other | |
| Inventories: | |
| Fossil fuels | |
| Materials and supplies | |
| Prepaid expenses and other | |
| Total current assets | |

| | |
|----------------|----------------|
| 28,545 | 4,379 |
| 10,980 | 11,800 |
| 48,026 | 43,161 |
| 10,538 | 6,839 |
| 33,808 | 45,449 |
| 37,681 | 31,628 |
| 26,270 | 19,450 |
| <u>195,848</u> | <u>162,706</u> |

TOTAL

\$ 1,838,488 \$ 1,567,424

(Continued)

CONSOLIDATED BALANCE SHEETS

As of December 31, 2025 & 2024 (All dollar amounts in thousands)

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Member and patron equities:

| | 2025 | 2024 |
|--|------------------|------------------|
| Membership fees | \$ 1 | \$ 1 |
| Patronage capital (Note 10) | 413,738 | 394,095 |
| Accumulated other comprehensive income | 4,231 | 3,353 |
| Total member and patron equities | 417,970 | 397,449 |
| Long-term obligations (Note 7) | 1,238,191 | 885,257 |
| Total capitalization | <u>1,656,161</u> | <u>1,282,706</u> |

OTHER LIABILITIES:

| | | |
|--|---------------|---------------|
| Deferred credits (Note 2) | 21,333 | 10,600 |
| Obligations under finance leases (Note 8) | 6,707 | 9,102 |
| Postretirement health insurance obligation (Note 12) | 2,839 | 3,688 |
| Decommissioning and asset retirement obligations (Note 15) | 5,724 | 5,927 |
| Other noncurrent liabilities | 7,801 | 14,141 |
| Total other liabilities | <u>44,404</u> | <u>43,458</u> |

COMMITMENTS AND CONTINGENCIES (Note 11)

CURRENT LIABILITIES:

| | | |
|---|----------------|----------------|
| Current maturities of long-term obligations | 56,455 | 54,609 |
| Current maturities of obligations under finance leases | 3,866 | 3,247 |
| Line of credit (Note 6) | - | 115,000 |
| Advances from member cooperatives and other prepayments | 1,821 | 1,463 |
| Regulatory liabilities (Note 2) | 7,730 | 1,800 |
| Accounts payable | 52,320 | 43,680 |
| Accrued expenses: | | |
| Payroll, vacation, and benefits | 8,202 | 7,828 |
| Interest | 2,315 | - |
| Property and other taxes | 3,654 | 4,002 |
| Other | 1,560 | 9,631 |
| Total current liabilities | <u>137,923</u> | <u>241,260</u> |

TOTAL \$ 1,838,488 \$ 1,567,424

(Concluded)

See notes to consolidated financial statements.

Consolidated Statements of

REVENUES, EXPENSES & COMPREHENSIVE INCOME

For the years ended December 31, 2025 & 2024 (All dollar amounts in thousands)

UTILITY OPERATIONS:

Operating revenues:

| | | |
|--------------------------------|------------|------------|
| Sales of electric energy | \$ 510,808 | \$ 450,503 |
| Other | 39,717 | 32,689 |
| Total operating revenues | 550,525 | 483,192 |

Operating expenses:

| | | |
|--|---------|---------|
| Fuel | 100,221 | 67,672 |
| Purchased and interchanged power | 141,495 | 118,318 |
| Other operating expenses | 130,176 | 129,367 |
| Depreciation and amortization | 72,879 | 68,019 |
| Maintenance | 31,945 | 28,975 |
| Property and other taxes | 11,442 | 9,533 |
| Total operating expenses | 488,158 | 421,884 |
| Operating margin before interest and other | 62,367 | 61,308 |

Interest and other:

| | | |
|---|--------|--------|
| Interest expense | 42,097 | 40,359 |
| Allowance for funds used in construction—equity | (758) | (982) |
| Other—net | - | - |
| Total interest and other | 41,339 | 39,377 |

OPERATING MARGIN

NONOPERATING MARGIN

NET MARGIN AND EARNINGS

OTHER COMPREHENSIVE INCOME

| | | |
|--|-----|----|
| Postretirement health insurance obligation adjustments | 878 | 81 |
|--|-----|----|

COMPREHENSIVE INCOME

| | 2025 | 2024 |
|--|------------|------------|
| | \$ 510,808 | \$ 450,503 |
| | 39,717 | 32,689 |
| | 550,525 | 483,192 |
| | 100,221 | 67,672 |
| | 141,495 | 118,318 |
| | 130,176 | 129,367 |
| | 72,879 | 68,019 |
| | 31,945 | 28,975 |
| | 11,442 | 9,533 |
| | 488,158 | 421,884 |
| | 62,367 | 61,308 |
| | 42,097 | 40,359 |
| | (758) | (982) |
| | - | - |
| | 41,339 | 39,377 |
| | 21,028 | 21,931 |
| | 4,315 | 3,820 |
| | 25,343 | 25,751 |
| | 878 | 81 |
| | \$ 26,221 | \$ 25,832 |

See notes to consolidated financial statements.

Consolidated Statements of

MEMBER & PATRON EQUITIES

For the years ended December 31, 2025 & 2024 (All dollar amounts in thousands)

| | Membership Fees | Patronage Capital | Accumulated Other Comprehensive Income | Total Member and Patron Equities |
|--|-----------------|-------------------|--|----------------------------------|
| BALANCE—January 1, 2024 | \$ 1 | \$ 373,733 | \$ 3,272 | \$ 377,006 |
| Net margin and earnings | - | 25,751 | - | 25,751 |
| Postretirement health insurance obligation adjustments | - | - | 81 | 81 |
| Retirement of capital credits (Note 10) | - | (5,389) | - | (5,389) |
| BALANCE—December 31, 2024 | 1 | 394,095 | 3,353 | 397,449 |
| Net margin and earnings | - | 25,343 | - | 25,343 |
| Postretirement health insurance obligation adjustments | - | - | 878 | 878 |
| Retirement of capital credits (Note 10) | - | (5,700) | - | (5,700) |
| BALANCE—December 31, 2025 | \$ 1 | \$ 413,738 | \$ 4,231 | \$ 417,970 |

See notes to consolidated financial statements.

Consolidated Statements of CASH FLOWS

For the years ended December 31, 2025 & 2024 (All dollar amounts in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

| | 2025 | 2024 |
|--|-----------|-----------|
| Net margin and earnings | \$ 25,349 | \$ 25,751 |
| Adjustments to reconcile net margin and earnings to net cash provided by operating activities: | | |
| Loss (gain) on disposal of assets | (382) | 221 |
| Depreciation and amortization: | | |
| Charged to operating expenses | 72,879 | 68,019 |
| Charged through other operating elements such as fuel expense | 353 | 341 |
| Allowance for funds used in construction—equity | (758) | (982) |
| Changes in operating elements: | | |
| Accounts receivable | (8,564) | (8,525) |
| Inventories | 6,200 | (1,739) |
| Prepaid expenses and other assets | (10,513) | 12,396 |
| Accounts payable | (682) | 6,654 |
| Accrued expenses and other liabilities | (5,200) | (16,461) |
| Deferred charges and other | 17,607 | (14,150) |
| Total adjustments | 70,940 | 45,774 |
| Net cash provided by operating activities | 96,289 | 71,525 |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | |
|--|-----------|----------|
| Electric plant additions | (305,176) | (73,279) |
| Asset acquisition | (245) | (229) |
| Proceeds from sale of assets | 374 | 374 |
| Purchase of investments | (157) | (100) |
| Proceeds from sale of investments and economic development loans | 572 | 101 |
| Net cash used in investing activities | (304,632) | (73,133) |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | | |
|---|-----------|-----------|
| Borrowings under line of credit | 280,000 | 20,000 |
| Repayments under line of credit | (110,000) | - |
| Borrowings under long-term obligations | 126,290 | 5,140 |
| Repayments of long-term obligations | (58,296) | (69,770) |
| Retirement of capital credits | (5,700) | (5,389) |
| Borrowings of advances from member cooperatives | 445,697 | 400,641 |
| Repayments of advances from member cooperatives | (445,482) | (401,151) |
| Net cash provided by (used in) financing activities | 232,509 | (50,529) |

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

24,166 (52,137)

CASH AND CASH EQUIVALENTS—Beginning of year

4,379 56,516

CASH AND CASH EQUIVALENTS—End of year

\$ 28,545 \$ 4,379

See notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of and for the years ended December 31, 2025 & 2024 (All dollar amounts in thousands)

1. NATURE OF BUSINESS AND ORGANIZATION

Business—Dairyland Power Cooperative and subsidiary (“Dairyland” or the “Cooperative”) is an electric generation and transmission cooperative organized under the laws of the states of Wisconsin and Minnesota. The Cooperative, whose principal offices are located in Wisconsin, provides wholesale electric service to Class A members engaged in the retail sale of electricity to member consumers located in Wisconsin, Minnesota, Iowa and Illinois, and provides electric and other services to Class C, D and E members and Power Supply customers.

Basis of Accounting—The consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation—The consolidated financial statements include the accounts of Dairyland and Dairyland’s wholly owned subsidiary, Genoa FuelTech, Inc. All intercompany balances and transactions have been eliminated in consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

Regulatory Accounting—The accounting records of the Cooperative are maintained in accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission as adopted by the Rural Utilities Service (RUS), the Cooperative’s principal regulatory agency.

Electric Plant—The cost of renewals and betterments of units of property (as distinguished from minor items of property) includes contract work, direct labor and materials, allocable overhead, and allowance for funds used during construction, and is charged to electric plant accounts. Included in accumulated depreciation are nonlegal or noncontractual costs of removal components. As a result, the cost of units of property retired, sold or otherwise disposed of, plus removal costs, less salvage, is charged to accumulated depreciation and no profit or loss is recognized in connection with ordinary retirements of property units. A provision for these nonlegal or noncontractual costs of removal components is recognized based on depreciation rates determined by a third-party depreciation study completed in September 2021 and approved by RUS in 2021 for rates effective in 2022 through 2026. The Cooperative is unable to obtain the information to separate the cumulative removal costs as of December 31, 2025, and 2024. Maintenance, repair costs and replacement or renewal of minor items of property are charged to operations.

Significant components of electric plant were as follows as of December 31:

| | Depreciable Lives | 2025 | 2024 |
|-------------------------------------|-------------------|---------------------|---------------------|
| Production | 11–60 years | \$ 1,189,047 | \$ 1,231,332 |
| Transmission | 23–50 years | 765,962 | 740,123 |
| Distribution | 38 years | 96,537 | 87,857 |
| General plant | 5–47 years | 179,728 | 176,030 |
| Other | 32 years | 1,762 | 1,762 |
| Construction work in process | | 117,362 | 77,398 |
| Contribution in aid of construction | | (7,157) | - |
| | | <u>2,343,241</u> | <u>2,314,502</u> |
| Less accumulated depreciation | | <u>(774,826)</u> | <u>(994,476)</u> |
| Electric plant | | <u>\$ 1,568,415</u> | <u>\$ 1,320,026</u> |

Depreciation—Depreciation, which is based on the straight-line method at rates that are designed to amortize the original cost of properties over their estimated useful lives, includes a provision for the cost of removing and decommissioning the properties. The provision for depreciation averaged 3.0% and 2.7% of depreciable plant balances for 2025 and 2024, respectively.

Allowance for Funds Used During Construction—Allowance for funds used during construction (AFUDC) represents the cost of external and internal funds used for construction purposes and is capitalized as a component of electric plant by applying a rate 7.4% in 2025 and 5.2% in 2024 to certain construction work in progress. The amount of such allowance was \$2,894 in 2025 and \$2,565 in 2024. The borrowed funds component of AFUDC for 2025 and 2024 were \$2,136 and \$1,583, respectively (representing 5.9% and 3.6% in 2025 and 2024, respectively). The equity component of AFUDC for 2025 and 2024 was \$758 and \$982, respectively, (representing 1.5% and 1.5% in 2025 and 2024, respectively). The borrowed funds components were included as a reduction of interest expense in the consolidated statements of revenues, expenses and comprehensive income.

Designated Funds—Designated funds represent the amounts collected from customers through rates and deferred for future use. Designated funds are held in cash.

Intangible Asset—In December 2021, the Cooperative recorded an intangible asset as part of the purchase of the RockGen Energy Center. The intangible asset consists of the assignable capacity agreements that were defined in the asset purchase agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

The carrying basis and accumulated amortization of the intangible asset as of December 31, 2025, and 2024 were as follows:

| | 2025 | 2024 |
|---|------------------|------------------|
| Gross intangible asset | \$ 30,221 | \$ 30,221 |
| Less accumulated amortization | (17,629) | (13,598) |
| Intangible asset, net | <u>\$ 12,592</u> | <u>\$ 16,623</u> |

Amortization expense for the years ended December 31, 2025, and 2024 was \$4,031, and \$5,984, respectively.

Estimated amortization expense for each of the following five years and thereafter

Years Ending December 31

| | |
|----------------------|------------------|
| 2026 | \$ 2,076 |
| 2027 | 1,731 |
| 2028 | 1,731 |
| 2029 | 1,731 |
| 2030 | 1,731 |
| Thereafter | <u>3,592</u> |
| Total | <u>\$ 12,592</u> |

Regulatory Assets—The Cooperative’s accounting policies and the consolidated financial statements conform to accounting principles generally accepted in the United States of America applicable to electric cooperatives.

The noncurrent portion of regulatory assets as of December 31, 2025, and 2024, include the following:

| | 2025 | 2024 |
|--|------------------|------------------|
| Genoa #3 unrecovered plant balances | \$ 8,888 | \$ 9,634 |
| Nemadji Trail Energy Center regulatory asset | 20,176 | - |
| RockGen regulatory asset | <u>10,995</u> | <u>8,509</u> |
| Total regulatory assets | <u>\$ 40,059</u> | <u>\$ 18,143</u> |

Genoa Station #3 (G-3) Unrecovered Plant Balances—During 2020, the Cooperative established a regulatory asset related to the unrecovered plant balances upon closure of the G-3 generating station that occurred in 2021. Amounts are being recovered in rates through 2029.

The current portion of the G-3 regulatory asset is \$3,441 and \$5,390 as of December 31, 2025, and 2024 respectively. These amounts are recorded in prepayments and other assets.

RockGen Energy Center Regulatory Asset—During 2022, the Cooperative established a regulatory asset related to the difference in the amount being recovered in rates on a straight-line basis over the 20-year life on a GAAP basis, which is amortized based on the underlying capacity contracts which have an estimated useful life of seven years. The difference between the GAAP amortization and the amounts recovered in rates are deferred as the regulatory asset.

Nemadji Trail Energy Center (NTEC) Regulatory Asset—In January 2025, the Board of Directors and RUS approved the creation of a regulatory asset totaling \$25,220, which reflects all costs incurred to-date on the project, net of the existing prepaid balance. This regulatory asset is to be amortized over a 10-year period.

The current portion of the NTEC regulatory asset is \$2,522 as of December 31, 2025. This amount is recorded in prepayments.

Deferred Charges—Deferred charges represent future revenue to the Cooperative associated with costs that will be recovered from customers through the rate-making process. As of December 31, 2025, and 2024, the Cooperative’s deferred charges are being reflected in rates charged to customers. If all or a separable portion of the Cooperative’s operations become no longer subject to the provisions of regulatory accounting, a write off of deferred charges would be required, unless some form of transition recovery (refund) continues through rates established and collected for the Cooperative’s remaining regulated operations. In addition, the Cooperative would be required to determine any impairment to the carrying costs of deregulated plant and inventory assets.

The noncurrent portion of deferred charges as of December 31, 2025, and 2024, include the following:

| | 2025 | 2024 |
|---------------------------------------|---------------|------------------|
| Nemadji Trail Energy Center | \$ - | \$ 25,220 |
| Other | <u>557</u> | <u>1,520</u> |
| Total deferred charges | <u>\$ 557</u> | <u>\$ 26,740</u> |

Cash and Cash Equivalents—Cash equivalents include all highly liquid investments with original maturities of three months or less. Cash equivalents consist primarily of commercial paper, stated at cost, which approximates market.

Fossil Fuels and Materials and Supplies—Coal inventories, as well as materials and supplies inventories, are stated at the lower of average cost or net realizable value.

Regulatory Liabilities—As of December 31, 2025, and 2024, the Cooperative had various revenue deferrals reflected as regulatory liabilities. The revenue deferrals pertained to favorable results from market credits through transactions with the Midcontinent Independent System Operator (MISO) in addition to favorable results due to market conditions. The summary of regulatory liabilities as of December 31, 2025, and 2024 is as follows:

| | 2025 | 2024 |
|--|-----------------|------------------|
| Planned 2026-2027 RockGen outage costs | \$ 6,750 | \$ 10,000 |
| Battery Storage Innovation | <u>980</u> | <u>1,800</u> |
| | <u>\$ 7,730</u> | <u>\$ 11,800</u> |

Planned 2026-2027 RockGen Energy Center Outage Costs—In January 2024, the Board of Directors approved the creation of a regulatory liability

revenue deferral plan in the amount of \$10,000 as of December 31, 2023. The Cooperative deferred \$10,000 of 2023 revenue and plans to recognize this amount in 2026 and 2027 as part of the planned outage. The deferral plan was approved by RUS in February 2024.

Battery Storage Innovation—In January 2024, the Board of Directors approved the creation of a regulatory liability revenue deferral plan in the amount of \$1,800 as of December 31, 2023. The deferral plan was approved by RUS in February 2024. In 2025, \$820 in deferred revenue was recognized.

The long-term portion of regulatory liabilities as of December 31, 2025, and 2024 are \$3,250 and \$10,000, respectively. These amounts are recorded in other noncurrent liabilities.

Deferred Credits—Deferred credits represent both future revenue to the Cooperative associated with customer prepayments, and noncurrent obligations and reserves related to operations. As of December 31, 2025, the Cooperative’s deferred credits are being considered when determining rates charged to customers.

Deferred credits as of December 31, 2025, and 2024 were comprised of the following:

| | 2025 | 2024 |
|--|------------------|------------------|
| RockGen startup revenue deferral | \$ 9,680 | \$ 8,091 |
| Elk Mound startup revenue deferral | 2,821 | 1,485 |
| Elgin startup revenue deferral | 889 | - |
| Rocky Road startup revenue deferral | 274 | - |
| Capacity agreements | 6,645 | - |
| Other—Cardinal-Hickory Creek Revenue Accrual | 1,024 | 1,024 |
| | <u>\$ 21,333</u> | <u>\$ 10,600</u> |

The current portion of deferred credits as of December 31, 2025, and 2024, is \$7,669 and \$7,808, respectively. These amounts were recorded in Accrued Expenses—Other in 2024.

Sales of Electric Energy—Revenues from sales of electric energy are recognized when energy is delivered. The Class A wholesale rates approved by the Board of Directors have a power cost adjustment (PCA) and revenue volatility adjustment (RVA) that allows for increases or decreases in Class A member power billings based upon actual power costs compared to plan. In 2025, the PCA and RVA for Class A members led to a charge of \$11,919 to sales billed while, in 2024, the PCA and RVA for Class A members led to a charge of \$142 to sales billed. These amounts are recorded in sales of electric energy in operating revenues on the consolidated statements of revenues, expenses and comprehensive income.

Other Operating Revenue—Other operating revenue primarily includes revenue received from transmission service and is recorded as services are provided.

Accounting for Energy Contracts—The Cooperative does not have any energy contracts that are required to be accounted for at fair value as of December 31, 2025, and 2024.

Leases—The Cooperative determines if an arrangement is a lease at inception of the contract. The right-of-use assets represent the right to use the underlying assets for the lease term and lease liabilities represent the obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. The Cooperative uses the implicit rate noted within the contract, when available. Otherwise, the Cooperative uses its incremental borrowing rate estimated using recent debt issuances that correspond to various lease terms. The Cooperative does not recognize leases, for operating or finance type, with an initial term of 12 months or less (“short-term leases”) on the consolidated balance sheets, and the lease expense for these short-term leases is recognized on a straight-line basis over the lease term within.

Use of Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the consolidated financial statements relate to postretirement benefit obligations, asset retirement obligation liabilities, fixed asset depreciable lives, and litigation and contingencies. Actual results could differ from those estimates.

Concentration of Risk—Approximately 36% of the labor force for the Cooperative is under collective bargaining agreements that expire January 31, 2028.

Subsequent Events—The Cooperative considered events for recognition or disclosure in the consolidated financial statements that occurred subsequent to December 31, 2025, through March 31, 2026, the date the consolidated financial statements were available to be issued. Other than as disclosed in Note 15, there were no events requiring adjustment to, or disclosure in, the consolidated financial statements.

3. ACCOUNTING STANDARDS

During the current fiscal year, the Cooperative has not adopted any new accounting standards that have a material impact on its financial statements. Additionally, there are no new accounting standards issued, but not yet effective, that are expected to have a significant impact on the Cooperative’s financial position or results of operations upon adoption.

4. ASSET ACQUISITIONS

On October 31, 2025, the Cooperative acquired the assets and assumed certain liabilities of the Elgin Energy Center (“Elgin”) and the Rocky Road Energy Center (“Rocky Road”) from Avenue Capital Group for total consideration of \$217,500, of which \$155,000 was attributable to Elgin and \$62,500 was attributable to Rocky Road. Elgin is a 483 MW natural gas-fired generating station located in Elgin, Illinois, and Rocky Road is a 334 MW natural gas-fired generating station located in East Dundee, Illinois. The cost of the acquisition, including direct transaction costs, was \$228,210.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

The Cooperative accounted for the transaction as an asset acquisition in accordance with ASC 805-50. The cost of the acquisition (including direct transaction costs, if any) was allocated to the assets acquired and liabilities assumed based on their relative fair values as of the acquisition date. No goodwill was recognized.

Asset Class

| | |
|----------------------|-------------------|
| Utility plant | \$ 200,723 |
| Land and land rights | 22,692 |
| Other assets | 4,795 |
| Total | <u>\$ 228,210</u> |

As a regulated utility, the Cooperative considered ASC 980, Regulated Operations accounting and disclosure requirements applicable to the transaction (including USDA Rural Utilities Service guidance, as applicable). There were no acquisition adjustments and/or regulatory assets as of December 31, 2025. Management concluded recovery through future rates was based on the plants' useful lives of 20 years, which is consistent with rate treatment and depreciation treatment.

5. INCOME TAXES

The Internal Revenue Service has determined that the Cooperative is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code. Accordingly, the Cooperative's utility operations are generally exempt from federal and state income taxes and no provision for such taxes is recorded in the consolidated financial statements.

6. LINES OF CREDIT

To provide interim financing capabilities, the Cooperative has arranged committed lines of credit with CoBank and the National Rural Utilities Cooperative Finance Corporation (CFC).

The original line with CoBank was executed on November 30, 2015, and amended and extended on September 22, 2023, with availability aggregating approximately \$350,000. This facility has a five-year term, maturing September 22, 2028. The second line with CFC was executed on July 14, 2025, with availability aggregating approximately \$200,000. The facility has a three-year term, maturing July 14, 2028. Both lines of credit provide funds both for short-term working capital requirements and for capital projects until permanent financing can be obtained. Some capital projects will last longer than one year, but the intent is to pay down the line of credit as permanent funding is received.

Compensating balance requirements and fees relating to the lines of credit were not significant in 2025 and 2024. Information regarding line of credit balances and activity for the years ending December 31, 2025, and 2024, is as follows:

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Interest rate at year-end | 4.95% | 5.45% |
| Total borrowings outstanding at year-end | <u>\$ 285,000</u> | <u>\$ 115,000</u> |
| Average borrowings outstanding during year | <u>\$ 105,833</u> | <u>\$ 101,667</u> |

The Cooperative also allows member cooperatives to prepay their power bills and pays interest on these prepayments based on current short-term borrowing rates. Advances from member cooperatives totaled \$1,821 and \$1,463 at December 31, 2025, and 2024, respectively. Interest expense on member cooperative advances was \$143 and \$152 for the years ended December 31, 2025, and 2024, respectively. These amounts have been included in interest expense on the consolidated statements of revenues, expenses, and comprehensive income.

7. LONG-TERM OBLIGATIONS

Long-term obligations as of December 31, 2025, and 2024, consist of the following:

| | 2025 | 2024 |
|--|---------------------|-------------------|
| Federal Financing Bank obligations—1.24%—4.49% | \$ 505,898 | \$ 534,420 |
| Federal Financing Bank obligations—4.50%—5.20% | 151,765 | 164,268 |
| Total Federal Financing Bank | 657,663 | 698,688 |
| RUS obligations—4.125% and grant funds | 125,358 | 969 |
| CoBank notes—4.32% | 169,125 | 179,375 |
| Private bonds placement obligations—3.42% | 57,500 | 60,834 |
| Long-term debt - lines of credit | 285,000 | - |
| Long-term debt | 1,294,646 | 939,866 |
| Less current maturities | (56,455) | (54,609) |
| Net long-term obligations | <u>\$ 1,238,191</u> | <u>\$ 885,257</u> |

Quarterly principal and interest payments on the long-term obligations to the Federal Financing Bank (FFB) extend through 2053.

Long-term obligations to the RUS are payable in equal monthly principal and interest installments through 2059. The CoBank note is an amortizing 20-year term loan at an interest rate of 4.32%. Quarterly principal and interest payments extend through 2042. The private bond placement is an amortizing 30-year term loan at an interest rate of 3.42%. Quarterly principal and interest payments on this obligation extend through 2043.

The Cooperative executed, filed and recorded an indenture of mortgage, security agreement and financing statement, dated as of September 13, 2011, and as supplemented (the "Indenture"), between the Cooperative, as grantor, and U.S. Bank National Association, as trustee. The perfected lien of the Indenture on substantially all of the Cooperative's assets secured equally and ratably all of the Cooperative's long-term debt. The Cooperative is required to maintain, and has maintained, certain financial ratios related to earnings in accordance with the covenants of its loan agreements as of December 31, 2025.

Scheduled maturities of the Cooperative's long-term obligations as of December 31, 2025, were as follows:

| Years Ending December 31 | |
|--------------------------|--------------|
| 2026..... | \$ 56,455 |
| 2027..... | 59,094 |
| 2028..... | 60,102 |
| 2029..... | 61,832 |
| 2030..... | 63,511 |
| Thereafter..... | 993,652 |
| Total..... | \$ 1,294,646 |

8. LEASES

The Cooperative has entered into several finance lease agreements for large vehicles and heavy equipment. The transactions are covered in the master lease agreement with lease terms not exceeding seven years. At the end of the lease, the Cooperative can purchase the equipment for a bargain purchase price. The assets are amortized over the lesser of their related lease terms or their estimated productive lives.

The following table presents the components of the Cooperative's right-of-use assets and liabilities related to leases and their classification in the consolidated balance sheets as of December 31:

| Component of Lease Balances | Classification in Consolidated Balance Sheets | 2025 | | 2024 | |
|--|---|-----------|-----------|------|--|
| | | | | | |
| Assets: Finance lease right-of-use assets | Plant and equipment—at cost | \$ 22,183 | \$ 22,096 | | |
| Liabilities: | | | | | |
| Current portion of finance lease liability | Current maturities of obligations under finance lease | 3,866 | 3,248 | | |
| Long-term portion of finance lease liability | Obligations under finance leases | 6,707 | 9,102 | | |

The components of lease and their classification in the consolidated statements of revenues, expense and comprehensive income for the years ended December 31, 2025, and 2024, were as follows:

| Component of Lease Expenses | Classification in Statements of Revenues, Expenses and Comprehensive Income | 2025 | | 2024 | |
|-----------------------------|---|----------|----------|------|--|
| | | | | | |
| Operating lease expense | Other operating expenses..... | \$ 31 | \$ 59 | | |
| Finance lease amortization | Depreciation and amortization..... | 2,959 | 2,661 | | |
| Finance lease interest | Interest expense..... | 577 | 542 | | |
| Short-term lease expense | Other operating and maintenance expenses..... | 582 | 655 | | |
| Total lease expense | | \$ 4,149 | \$ 3,917 | | |

The weighted average remaining lease term and weighted average discount rate as of and for the years ended December 31, 2025, and 2024, were as follows:

| | 2025 | |
|----------------|---|--------------------------------|
| | Weighted Average Remaining Lease Term (Years) | Weighted Average Discount Rate |
| Finance leases | 5.61 | 5.1 % |
| | 2024 | |
| | Weighted Average Remaining Lease Term (Years) | Weighted Average Discount Rate |
| Finance leases | 5.56 | 4.8 % |

Supplemental cash flow information related to leases for the years ended December 31, 2025, and 2024, was as follows:

| | 2025 | 2024 |
|---|----------|----------|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash outflows from finance leases..... | \$ 3,539 | \$ 3,235 |
| Right-of-use assets obtained in exchange for lease obligations: | | |
| Finance leases..... | 857 | 4,417 |

The reconciliation of the future undiscounted cash flows to the lease liabilities presented on the consolidated balance sheet as of December 31, 2025, were as follows:

| | Finance Leases | |
|------------------------------|----------------|--|
| 2026..... | \$ 3,866 | |
| 2027..... | 3,159 | |
| 2028..... | 2,434 | |
| 2029..... | 1,545 | |
| 2030..... | 490 | |
| Thereafter..... | 201 | |
| Total lease payments..... | \$ 11,695 | |
| Less discount..... | (1,122) | |
| Total lease liabilities..... | \$ 10,573 | |

9. FINANCIAL INSTRUMENTS

The fair value of the Cooperative's financial instruments other than marketable securities and short-term borrowings, based on the rates for similar securities and present value models using current rates available as of December 31, 2025, and 2024, is estimated to be as follows:

| | 2025 | | 2024 | |
|--|----------------|------------|----------------|------------|
| | Recorded Value | Fair Value | Recorded Value | Fair Value |
| Assets: | | | | |
| Other investments | \$ 6,761 | \$ 6,761 | \$ 7,894 | \$ 7,894 |
| Investments in capital term certificates of NRUCFC | 8,401 | 8,401 | 9,176 | 9,176 |
| Liabilities—long-term debt | 1,294,646 | 1,069,590 | 939,866 | 768,300 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Assets and Liabilities Measured at Fair Value—GAAP establishes a framework for measuring fair value by creating a hierarchy for observable independent market inputs and unobservable market assumptions, and provides for required disclosures about fair value measurements. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that could be realized in a current market exchange.

A description of the inputs used in the valuation of assets and liabilities are as follows:

Level 1 inputs utilize observable market data in active markets for identical assets or liabilities. Level 2 inputs consist of observable market data, other than that included in Level 1, that are either directly or indirectly observable. Level 3 inputs consist of unobservable market data, which are typically based on an entity's own assumptions of what a market participant would use in pricing an asset or liability as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The Cooperative's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following table summarizes the Cooperative's assets and liabilities measured at fair value on a recurring basis as of December 31, 2025, and 2024, aggregated by the level in the fair value hierarchy within which those measurements fall:

| | Fair Value Measurements Using | | | |
|--|--|-------------------------------------|---------------------------------|------------------|
| | Quoted Prices in Active Markets for Identical Assets and Liabilities | Significant Other Observable Inputs | Significant Unobservable Inputs | |
| 2025 | Fair Value | (Level 1) | (Level 2) | (Level 3) |
| Assets—investments: | | | | |
| Nuclear decommissioning funds | \$ 2,298 | \$ 2,298 | \$ - | \$ - |
| Other investments | 6,761 | - | 1,657 | 5,104 |
| Investments in capital term certificates of National Rural Utilities Finance Corporation | 8,401 | - | - | 8,401 |
| Investment for deferred compensation | 2,777 | - | 2,777 | - |
| | <u>\$ 20,237</u> | <u>\$ 2,298</u> | <u>\$ 4,434</u> | <u>\$ 13,505</u> |

| | Fair Value Measurements Using | | | |
|--|--|-------------------------------------|---------------------------------|------------------|
| | Quoted Prices in Active Markets for Identical Assets and Liabilities | Significant Other Observable Inputs | Significant Unobservable Inputs | |
| 2025 | Fair Value | (Level 1) | (Level 2) | (Level 3) |
| Assets—investments: | | | | |
| Nuclear decommissioning funds | \$ 2,209 | \$ 2,209 | \$ - | \$ - |
| Other investments | 7,894 | 1,486 | 1,483 | 4,925 |
| Investments in capital term certificates of National Rural Utilities Finance Corporation | 9,176 | - | - | 9,176 |
| Investment for deferred compensation | 2,357 | - | 2,357 | - |
| | <u>\$ 21,636</u> | <u>\$ 3,695</u> | <u>\$ 3,840</u> | <u>\$ 14,101</u> |

The changes in Level 3 recurring fair value measurements using significant unobservable inputs for the years ended December 31, 2025, and 2024, are as follows:

| | 2025 | 2024 |
|-------------------------------|-----------------|-----------------|
| Other investments: | | |
| Balance—beginning of year | \$ 4,925 | \$ 4,872 |
| Patronage capital allocations | 1,859 | 1,831 |
| Patronage capital retirements | (1,680) | (1,778) |
| Balance—end of year | <u>\$ 5,104</u> | <u>\$ 4,925</u> |

The valuation of these assets involved management's judgment after consideration of market factors and the absence of market transparency, market liquidity and observable inputs.

10. RETIREMENT OF CAPITAL CREDITS

The Cooperative's Board of Directors has adopted a policy of retiring capital credits allocated to members on a first-in, first-out basis. As part of an equity development strategy adopted in 2003, patronage capital retired will be limited to no greater than 2% of the total assigned patronage capital balance as of December 31 of the prior year. This policy is subject to annual review and approval by the Board of Directors and the RUS, and no cash retirements are to be made which would impair the financial condition of the Cooperative or violate any terms of its agreements. Since 2003, the amount of nonoperating margins assigned to members each year is at



the discretion of the Board of Directors. Any unassigned nonoperating margins will become unallocated reserves and part of permanent equity.

Patronage capital amounts for the years ended December 31, 2025, and 2024, are as follows:

| | Assigned | Unassigned | Total |
|---|-------------------|-------------------|-------------------|
| Balance—December 31, 2023. | \$ 269,458 | \$ 104,275 | \$ 373,733 |
| Retirement of capital credits | (5,389) | - | (5,389) |
| Current year margins | 20,948 | 4,803 | 25,751 |
| Balance—December 31, 2024. | 285,017 | 109,079 | 394,095 |
| Retirement of capital credits | (5,700) | - | (5,700) |
| Current year margins | 20,270 | 5,073 | 25,343 |
| Balance—December 31, 2025. | <u>\$ 299,587</u> | <u>\$ 114,151</u> | <u>\$ 413,738</u> |

11. COMMITMENTS AND CONTINGENCIES

The Cooperative is a party to a number of generation, transmission and distribution agreements, under which costs and/or revenues are recognized currently based upon the Cooperative’s interpretations of the provisions of the related agreements. Differences between the estimates used in the consolidated financial statements and the final settlements are recorded in the year of settlement.

The Cooperative has various power purchase agreements, which extend to 2044 to support capacity and energy needs beyond generation capabilities.

The Cooperative has entered into various coal purchase contracts with one- to two-year terms, as well as natural gas contracts which extend to 2032.

The estimated commitments under these contracts as of December 31, 2025, are as follows:

| Year Ending December 31 | Coal Agreements | Natural Gas PPAs | Natural Gas Agreements |
|----------------------------|--------------------|---------------------|---------------------------|
| 2026. | \$ 47,575 | \$ 72,642 | \$ 5,877 |
| 2027. | 20,559 | 71,305 | 5,470 |
| 2028. | - | 137,642 | 3,349 |
| 2029. | - | 130,966 | 2,697 |
| 2030. | - | 130,618 | 2,725 |
| Thereafter | - | 1,177,915 | 4,817 |
| Total. | <u>\$ 68,134</u> | <u>\$ 1,721,088</u> | <u>\$ 24,935</u> |

The Cooperative has been named as a defendant in various lawsuits and claims arising in the normal course of business. Although the outcome of these matters cannot be determined at the present time, management and legal counsel believe these actions can be successfully defended or resolved without a material effect on the consolidated financial position, results of operations or cash flows of the Cooperative.

12. EMPLOYEE BENEFITS

Multiemployer Defined Benefit Pension Plan—Pension benefits for substantially all employees are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement Security Plan (RS Plan). This is a defined-benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Pension benefits are funded in accordance with the provisions of the RS Plan and are based on salaries, as defined, of each participant. The Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendment Act of 1980, imposes certain liabilities on employers who are contributors to multiemployer plans in the event of a plan termination or an employer’s withdrawal. These plans have not been terminated, nor has the Cooperative undertaken any plans to withdraw from participation. Since the RS Plan is a multiemployer plan for accounting purposes, all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers. The Cooperative may be contingently liable for its share of the RS Plan’s unfunded vested liabilities.

The Cooperative’s contributions to the RS Plan in 2025 and 2024 represented less than 5% of the total contributions made to the plan by all participating employers. Expense for the RS Plan was \$9,528 in 2025 and \$9,422 in 2024.

In the RS Plan, a “zone status” determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on both January 1, 2023, and 2022, based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

Postretirement Health Insurance Obligation—Certain employees of the Cooperative retiring at or after age 55 are eligible to participate in a postretirement health care plan through age 65. Eligible dependents of the retired Cooperative employees are also eligible to participate in this plan through age 65. Retirees pay 100% of the premium amount for this coverage. The premium is based upon the combined medical claims experiences of all active employees and retirees. If premiums were determined based upon the medical claims experience of retirees only, the resulting premium for retirees would be higher. The difference between the premium paid by retirees and the potential actual premium amount is the basis for the postretirement benefit obligation. The Cooperative uses a December 31 measurement date for its plan. The postretirement health care plan is unfunded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The accumulated postretirement benefit obligation (APBO) and the amounts recognized in the consolidated financial statements as of and for the years ended December 31, 2025, and 2024, are as follows:

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Amount recognized in the consolidated balance sheets: | | |
| Total accrued qualified and nonqualified benefit obligation | \$ 3,096 | \$ 3,875 |
| Less current portion included in accrued expenses—other | (257) | (187) |
| Long-term portion | <u>\$ 2,839</u> | <u>\$ 3,688</u> |
| Change in benefit obligation: | | |
| APBO—beginning of year | \$ 3,876 | \$ 3,861 |
| Service cost | 282 | 295 |
| Interest cost | 205 | 179 |
| Actuarial loss | (1,079) | (276) |
| Benefits paid | (187) | (183) |
| APBO—end of year | <u>\$ 3,097</u> | <u>\$ 3,876</u> |
| Funded status of plan—December 31 | <u>\$ (3,097)</u> | <u>\$ (3,876)</u> |
| Accrued postretirement health insurance obligations recorded at year-end | <u>\$ 3,097</u> | <u>\$ 3,876</u> |
| Change in plan assets: | | |
| Employer contribution | \$ (187) | \$ (183) |
| Benefits paid | 187 | 183 |
| | <u>\$ -</u> | <u>\$ -</u> |
| Change in accumulated other comprehensive income: | | |
| Net income at prior measurement date | \$ 3,353 | \$ 3,272 |
| Actuarial assumption changes | 1,079 | 277 |
| Recognition in expense: | | |
| Amortization of prior service cost | - | - |
| Amortization of unrecognized actuarial gain | (201) | (196) |
| Accumulated other comprehensive income | <u>\$ 4,231</u> | <u>\$ 3,353</u> |
| Components of net periodic postretirement benefit cost: | | |
| Service cost—benefits attributed to service during the year | \$ 282 | \$ 296 |
| Interest cost on accrued postretirement health insurance obligation | 205 | 179 |
| Amortization of prior service cost | - | - |
| Amortization of unrecognized actuarial gain | (201) | (196) |
| Net periodic postretirement benefit expense | <u>\$ 286</u> | <u>\$ 279</u> |

Employer cash contributions expected to be made to the plan during the fiscal year ending December 31, 2025, is \$187. The amount of accumulated other comprehensive income expected to be recognized during the fiscal year ending December 31, 2026, is an actuarial gain of \$184 and amortization of prior service cost of \$0. All prior service costs have been fully amortized.

For measurement purposes, a 5.25% and 5.42% discount rate were assumed for 2025 and 2024, respectively, to determine net periodic benefit cost. The 2025 and 2024 annual health care cost increase assumed is 7.5% and 6.25%, respectively, decreasing gradually to 4.87% for 2045 and thereafter.

Estimated future benefit payments from the plan as of December 31, 2025, are as follows:

Years Ending December 31

| | |
|---------------------|--------|
| 2026 | \$ 184 |
| 2027 | 213 |
| 2028 | 234 |
| 2029 | 191 |
| 2030 | 206 |
| 2031–2035 | 1,297 |

Defined Contribution Plan—Dairyland has a qualified, tax-deferred savings plan for eligible employees. Eligible participants hired prior to January 1, 2020, may make pretax contributions, as defined, with the Cooperative matching up to 2.5% of the participants' annual compensation. Eligible participants hired after December 31, 2019, may make pretax contributions, as defined, with the Cooperative matching up to 13% of the participants' annual compensation. Contributions to this plan by the Cooperative were \$3,175 and \$2,625 for 2025 and 2024, respectively.

Other Plans—The Cooperative offers key employees deferred compensation plans available through the NRECA. The plans permit qualifying employees to defer a portion of their salary until future years. The accumulated deferred compensation balance is not available to employees until termination, retirement or death.

All amounts of compensation deferred under the plans and all income attributable to those amounts (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Cooperative (not restricted to the payment of benefits under the plan), subject only to the claim of general creditors. Participants' rights under the plans are equal to those of general creditors of the Cooperative in an amount equal to the fair market value of the deferred account for each participant. The related assets and liabilities, totaling \$2,977 and \$2,565 as of December 31, 2025, and 2024, respectively, are reported at contract value, which approximates fair value.

The Cooperative also provides employees with medical insurance coverage, vision and dental insurance coverage, short-term and long-term disability, and life insurance, which are funded by employer and/or employee contributions. The Cooperative's costs related to these benefits were \$8,305 and \$10,618 for 2025 and 2024, respectively. The liability for these plans of \$306 and \$674 as of December 31, 2025, and 2024, respectively, are recorded in other accrued expenses on the consolidated balance sheets.

13. RELATED-PARTY TRANSACTIONS

The Cooperative provides electric and other services to its Class A members. The Cooperative received revenue of \$450,518 and \$404,498 in 2025 and 2024, respectively, for these services. The Cooperative has accounts receivable from its Class A members of \$42,691 and \$38,202 as of December 31, 2025, and 2024, respectively.

The Cooperative has advances from Class A members of \$1,821 and \$1,461 as of December 31, 2025, and 2024, respectively, related to the prepayment program. Class A members have the option of paying their electric bill in advance and, in turn, the Cooperative pays the members interest income. The Cooperative's interest expense related to the prepayment program was \$144 and \$153 for the years ended December 31, 2025, and 2024, respectively.

14. ASSET RETIREMENT OBLIGATIONS

An asset retirement obligation (ARO) is the result of legal or contractual obligations associated with the retirement of a tangible, long-lived asset that results from the acquisition, construction, or development and/or the normal operation of a long-lived asset. The Cooperative determines these obligations based on an estimated asset retirement cost adjusted for inflation and projected to the estimated settlement dates and discounted using a credit-adjusted, risk-free interest rate. Upon initial recognition of a liability for ARO, the Cooperative capitalizes the asset retirement cost by increasing the carrying amount of the related long-lived asset by the same amount as the liability. The Cooperative allocates that asset retirement cost to expense using the straight-line method over the remaining useful life of the related long-lived asset. The accretion of the obligation is recognized over time up to the settlement date. Any future change in estimate will be recognized as an increase or a decrease in the carrying amount of the liability for an ARO and the related asset retirement cost capitalized as part of the carrying amount of the related long-lived asset.

The Cooperative determined that it has AROs related to future removal and disposal of asbestos at its power plants. There are no assets legally restricted for the purpose of settling the ARO related to future removal and disposal of asbestos. The ARO balance related to the future removal and disposal of asbestos was \$243 and \$244 in the years ending December 31, 2025, and 2024, respectively.

In 2024, AROs were added for four landfill sites due to new environmental compliance requirements, including costs for additional wells and monitors to ensure groundwater safety. The inactive sites, JPM/Alma \$265 and Genoa \$321, recognized future expenses immediately. Actual expenses of \$91 and \$44, respectively, were recorded against the obligations in 2025. The active Alma Offsite will amortize \$466 over its useful life until March 2037; amortization in the amount of \$38 was recorded in 2025. In 2024, \$2,423 in expenses for closing the inactive Stoneman landfill were recorded; in 2025 this amount was reduced by \$156 in actual costs.

In total, the ARO balance as of December 31, 2025, is \$3,426. The prior balance ending in 2024 was \$3,718. The balance is recorded within Other Liabilities on the consolidated balance sheets.

The Cooperative has established a decommissioning trust to accumulate the estimated amounts necessary to decommission a nuclear power plant that the Cooperative formerly operated and the related Independent Spent Fuel Storage Installation (ISFSI). The assets of this trust in the amounts of \$2,298 and \$2,209 as of December 31, 2025, and 2024, respectively, are outside the Cooperative's administrative control and are available solely to satisfy the future costs of decommissioning.

The Cooperative did not record a conditional ARO related to the dismantlement of the dam and drainage reservoir for the hydro generation plant at Flambeau, the removal of transmission lines in various corridors and RockGen Energy Center because the Cooperative does not have sufficient information to estimate the fair value of the ARO.

15. NUCLEAR REACTOR

License—The La Crosse Boiling Water Reactor (LACBWR) was voluntarily removed from service by the Cooperative effective April 30, 1987. The intent was to terminate operation of the reactor and a possession-only license was obtained from the Nuclear Regulatory Commission (NRC) in August 1987. LACBWR will remain in safe storage status (SAFSTOR) until the final stage of decommissioning of LACBWR, involving dismantlement and decontamination, can be completed. In May 2016, the NRC approved transfer of the license to La Crosse *Solutions* LLC (*Solutions*), a subsidiary of Energy *Solutions* LLC. The license reverted back to the Cooperative in 2023 following completion of decommissioning activities. The Cooperative retains a license for its continued ownership of the spent fuel.

Nuclear Waste Policy Act of 1982 (NWSA)—Under the NWSA, the United States Government is responsible for the storage and disposal of spent nuclear fuel removed from nuclear reactors. By statute and under contract, the United States Government was to have begun accepting spent fuel in January 1998 but has not yet licensed and established a repository.

Due to the Government's breach of contract to store and dispose of LACBWR spent nuclear fuel, prior to 2023 the Cooperative recovered LACBWR expenses from the Government through filing of legal actions in the United States Court of Federal Claims. In alternative to legal action through the court, in 2023, the Cooperative engaged the Government on entry into a settlement agreement whereby the Cooperative could submit and recover - and the Government could approve or deny - certain LACBWR expenses. The settlement agreement was executed in 2025. The Cooperative received the first settlement under this agreement on August 15, 2025, for the 2019-2022 expenses in the amount of \$13,935. The Cooperative submitted the 2023-2024 LACBWR expenses to the Government on August 19, 2025, totaling \$8,673. These expenses were approved by the Government and reimbursement in the amount of \$8,423 was received in February 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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ISFSI—The Cooperative completed the temporary dry storage facility project located on the LACBWR site and completed the move of the LACBWR spent nuclear fuel to this ISFSI facility in September 2012. The spent nuclear fuel will remain at the ISFSI until it is able to be transferred to the government. Annual ISFSI costs are recorded on an as-incurred basis and incorporated into the annual budget and rate-making process.

16. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

The statement of cash flows includes the following supplemental information as of December 31, 2025, and 2024:

| | 2025 | 2024 |
|---|-----------|-----------|
| Cash paid for interest | \$ 44,089 | \$ 41,789 |
| Electric plant additions funded through accounts payable and accrued expenses | 4,644 | 3,477 |
| Electric plant additions under capital leases | 1,765 | 4,951 |

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of electric energy consists of sales to members pursuant to long-term wholesale electric contracts. Dairyland recognizes revenue based on the amount of energy delivered to each customer at agreed-upon rates. The measurement of energy sales to customers is generally based on meter data, which is collected through the last day of the month. At the end of each month, amounts of energy delivered to customers is recognized.

The Cooperative is an active participant in the MISO Energy Markets, where generation is bid into the Day-Ahead and Real-Time markets and procure electricity for our wholesale customers and sell energy at prices determined by the MISO Energy Markets. Purchase and sale transactions are recorded using settlement information provided by MISO. Purchase transactions are accounted for on a net hourly position. Net purchases in a single hour are recorded as purchased and interchanged power. Sales of excess energy transacted through MISO are recorded on a gross basis in other sales. For sales to the MISO Energy Market, the Cooperative has no performance obligation until the energy is sold.

The Cooperative became a participant in the PJM Energy Market in 2025, with the acquisition of natural gas plants in Illinois. In the PJM Energy Market, generation is bid into the Day-Ahead and Real-Time markets to sell energy at prices determined by the PJM Energy Markets. Sales of energy through PJM are recorded on a gross basis in other sales. The sales into the PJM Energy Market have a must-offer requirement through the 2027-2028 planning year. A performance obligation exists if a Performance Assessment Interval (PAI) is

called by the PJM market, requiring the plants to run. If the plants cannot operate, financial penalties can be assessed. There is no performance obligation on other hours until the energy is sold.

The Cooperative's members consist of Class A, D and E members. Class A members purchase wholesale electric service and rates are set annually with approval by the Board of Directors. Contract term is determined by the Wholesale Power Contract that is in effect until December 31, 2062. The contract automatically extends an additional two years in each odd-numbered year beginning January 1, 2021, unless either the Cooperative or member give notice no later than the preceding September 1 of its election not to extend further. Class D member revenues are based on various contracts with wholesale municipal members. Class E member revenues primarily reflect sales to MISO and PJM.

The following table disaggregates revenue by major source for the years ended December 31, 2025, and 2024:

| | 2025 | 2024 |
|---|-------------------|-------------------|
| Class A | \$ 450,518 | \$ 404,498 |
| Class D | 34,895 | 37,842 |
| Class E, including MISO and PJM | 25,395 | 8,163 |
| Other sales | 39,717 | 32,689 |
| Total | <u>\$ 550,525</u> | <u>\$ 483,192</u> |

18. GRANTS

As of December 31, 2025, the Cooperative has been awarded five government grants to help support strategic initiatives. Below is an overview of the financial activity and key details related to these grants:

| 2025 | Awarded | Spent | Reimbursed | Balance |
|--|-----------|----------|------------|-----------|
| Grant Program | | | | |
| Middle-Mile Broadband Infrastructure Grant | \$ 14,890 | \$ 7,748 | \$ 639 | \$ 14,251 |
| Energy Innovation Grant Program Grant | 188 | 188 | 188 | - |
| Long-Duration Energy Storage | 28,092 | 47 | 3 | 28,089 |
| Prentice Electric Vehicle | 2,028 | 5 | 2 | 2,026 |
| Industrial Control Systems for Rural Electric Cooperatives | 199 | 199 | - | 199 |
| 2024 | | | | |
| Grant Program | | | | |
| Middle-Mile Broadband Infrastructure Grant | \$ 14,890 | \$3,385 | \$ - | \$ 14,890 |
| Energy Innovation Grant Program Grant | 188 | 182 | - | 188 |

Middle-Mile Broadband Infrastructure Grant (Middle-Mile)

Administering Agency: National Telecommunications and Information Administration

Purpose: The Cooperative will implement its Tri-State Fiber Deployment Project (TSFDP), which involves retrofitting 247 miles of fiber optic communication networks using primarily optical ground wire (OPGW) on the Cooperative's existing Wisconsin, Minnesota and Iowa transmission lines over three years. Through the TSFDP, last-mile providers in these regions will gain enhanced capacity to reach underserved and unserved residents at affordable rates, helping to bridge the nation's digital divide.

Energy Innovation Grant Program (EIGP)

Administering Agency: Public Service Commission of Wisconsin, Office of Energy Innovation

Purpose: The Cooperative will integrate microgrid management with its Demand Response Management System by interconnecting two existing microgrids owned by the Bad River Tribe, enabling these resources to benefit the grid and provide economic advantages to the Tribe. This pilot project will help the Cooperative and its members gain insights and plan for future microgrid integration.

Long-Duration Energy Storage (LDES) – Cooperative Agreement

Administering Agency: Department of Energy, Office of Clean Energy Demonstrations

Purpose: The Cooperative will utilize vanadium redox flow batteries (VRFBs) with nominal discharge ratings of 700 kW to 3.6 MW, and discharge capabilities of up to 20 hours, at three locations in Illinois, Iowa and Wisconsin to reduce the cost of grid-scale energy storage. The aim is to bring high-benefit, low-risk energy solutions to vulnerable and underserved rural areas.

Prentice Electric Vehicle (Prentice)

Administering Agency: Department of Energy, National Energy Technology Laboratory

Purpose: The Cooperative will construct an electric vehicle (EV) charging station featuring a solar canopy and battery storage at the Prentice Truck and Travel Center, strategically located at the southeast corner of U.S. Highway 8 and Wisconsin Highway 13, within a designated Justice 40 economically disadvantaged area. Recognized by the Wisconsin Department of Transportation as an ideal site for EV charging, this initiative addresses the site's limited electrical capacity through innovative solutions. The station will include four 150 kW chargers, a 1 MW/4 MWh Battery Energy Storage System (BESS), and smart grid controls to enhance grid reliability and resilience. By ensuring that the EV chargers, convenience stores and fuel pumps remain operational during power outages, the project aims to provide substantial benefits to the local community. Ultimately, this project seeks to expand EV infrastructure while minimizing the need for grid upgrades and supporting community adaptability.



Industrial Control Systems for Rural Electric Cooperatives (ICS-REC)

Administering Agency: Department of Energy, National Energy Technology Laboratory (Prime recipient: NRECA Research)

Purpose: The Cooperative aims to strengthen its cybersecurity posture and maintain compliance with industry standards for protecting critical infrastructure through enhancing their operational technology (OT) security monitoring capabilities by expanding coverage to 20 additional transmission substations and one generation plant. These locations were selected based on their status as Bulk Electric System facilities with adequate communication infrastructure to support OT traffic monitoring. Additionally, the project will replace the existing Dragos SiteStore appliance, which reached end-of-support on January 1, 2025, ensuring continued support and functionality of the Cooperative's OT monitoring solution.

Accounting Treatment for Grants

The Cooperative accounts for reimbursement grants using the Contribution in Aid of Construction (CIAC) approach. Grant expenditures are recorded as reductions in the carrying amount of the constructed assets upon fulfillment of grant conditions. This accounting treatment does not fall under ASC 606, Revenue from Contracts with Customers, as reimbursement grants are considered a non-exchange transaction. Receivables in the amount of \$7,156 and \$188, respectively, reflect the expected future reimbursement established for the Middle-Mile and Prentice grants and LDES Cooperative Agreement in 2025, and for the EIGP grant in 2024.

GENERATING RESOURCES

2025 Year-End Capacity in Megawatts (MW)

Generating Stations

Coal (Steam)

John P. Madgett 387 Weston #4* ... 165

Hydro

Flambeau 19

Combustion Turbine (Gas/Oil)

Elk Mound 1-2 74

RockGen 503

Elgin Energy Center 483.1

Rocky Road Energy Center 333.8

TOTAL DAIRYLAND CAPACITY 1,964.9

Under Contract

Solar

Small solar**** 78.3

Digesters (Biogas)

Small digesters**** 1.34

Hydro

Sartell Hydro 10 Manitoba Diversity Exchange 50

Landfill Gas

Timberline Trails 5.6 Central Disposal. 4.8

Gas Engine

York JCE 2.1

Wind

Quilt Block Wind 98

Tatanka Wind*** 51.6

Winnebago Wind Farm 20

Gundersen Wind 5

McNeilus Dodge 5.7

Prairie Star Wind** 5

Small Wind (< 5 MW)**** 4

TOTAL UNDER CONTRACT 341.44

TOTAL CAPACITY IN SERVICE 2,306.34

* Dairyland Share of Weston #4
** 5% Share of 100 MW Wind Farm
*** 33% Share of 154.8 MW Wind Farm
**** Some wind, solar and digester technologies do not have associated RECs

Added in 2026 (Total Capacity in Service Updated to 2,966.34 MW):
Elwood Energy Center 450 MW
Buffalo Ridge Wind II 210 MW

CLASS A MEMBERS

WISCONSIN

Barron Electric Cooperative | Barron
Bayfield Electric Cooperative | Iron River
Chippewa Valley Electric Cooperative | Cornell
Clark Electric Cooperative | Greenwood
Dunn Energy Cooperative | Menomonie
Eau Claire Energy Cooperative | Fall Creek
Jackson Electric Cooperative | Black River Falls
Jump River Electric Cooperative | Ladysmith
Oakdale Electric Cooperative | Oakdale
Pierce Pepin Cooperative Services | Ellsworth
Polk-Burnett Electric Cooperative | Centuria
Price Electric Cooperative | Phillips
Richland Electric Cooperative | Richland Center
Riverland Energy Cooperative | Arcadia
St. Croix Electric Cooperative | Hammond

WISCONSIN (cont.)

Scenic Rivers Energy Cooperative | Lancaster
Taylor Electric Cooperative | Medford
Vernon Electric Cooperative | Westby

ILLINOIS

JCE Co-op | Elizabeth

IOWA

Allamakee-Clayton Electric Cooperative | Postville
Heartland Power Cooperative | Thompson & St. Ansgar

IOWA/MINNESOTA

MiEnergy Cooperative | Cresco & Rushford

MINNESOTA

Freeborn Mower Electric Cooperative | Albert Lea
People's Energy Cooperative | Oronoco

SYSTEM INFORMATION

CLASS B MEMBER (as of 6/1/26)

Oconto Electric Cooperative | Oconto Falls, Wis.

CLASS C MEMBERS

Great River Energy | Maple Grove, Minn.
Minnkota Power Cooperative | Grand Forks, N.D.

CLASS E MEMBERS

Alliant Energy | Madison, Wis.
Northwestern Wisconsin Electric Co. | Frederic, Wis.
NSP-Minnesota | St. Paul, Minn.
NSP-Wisconsin | Eau Claire, Wis.
Southern Minnesota Municipal Power Agency | Rochester, Minn.

POWER SUPPLY CUSTOMER (as of 6/1/26)

Norris Electric Cooperative | Newton, Ill.

SPECIAL SERVICES MEMBERS

Adams-Columbia Electric Cooperative | Friendship, Wis.
Central Wisconsin Electric Cooperative | Rosholt, Wis.
Rock Energy Cooperative | Janesville, Wis.

WASTE MANAGEMENT, INC., FACILITIES

Central Disposal Landfill | Lake Mills, Iowa
Timberline Trails Landfill | Weyerhaeuser, Wis.

SOLAR ENERGY SITES

Wisconsin: Arcadia, Centuria, Conrath, Hallie, Hillsboro, Liberty Pole, Medford, Menomonie, Mt. Hope, Necedah, New Auburn, Phillips, Roberts & Viola

Minnesota: Albert Lea & Oronoco

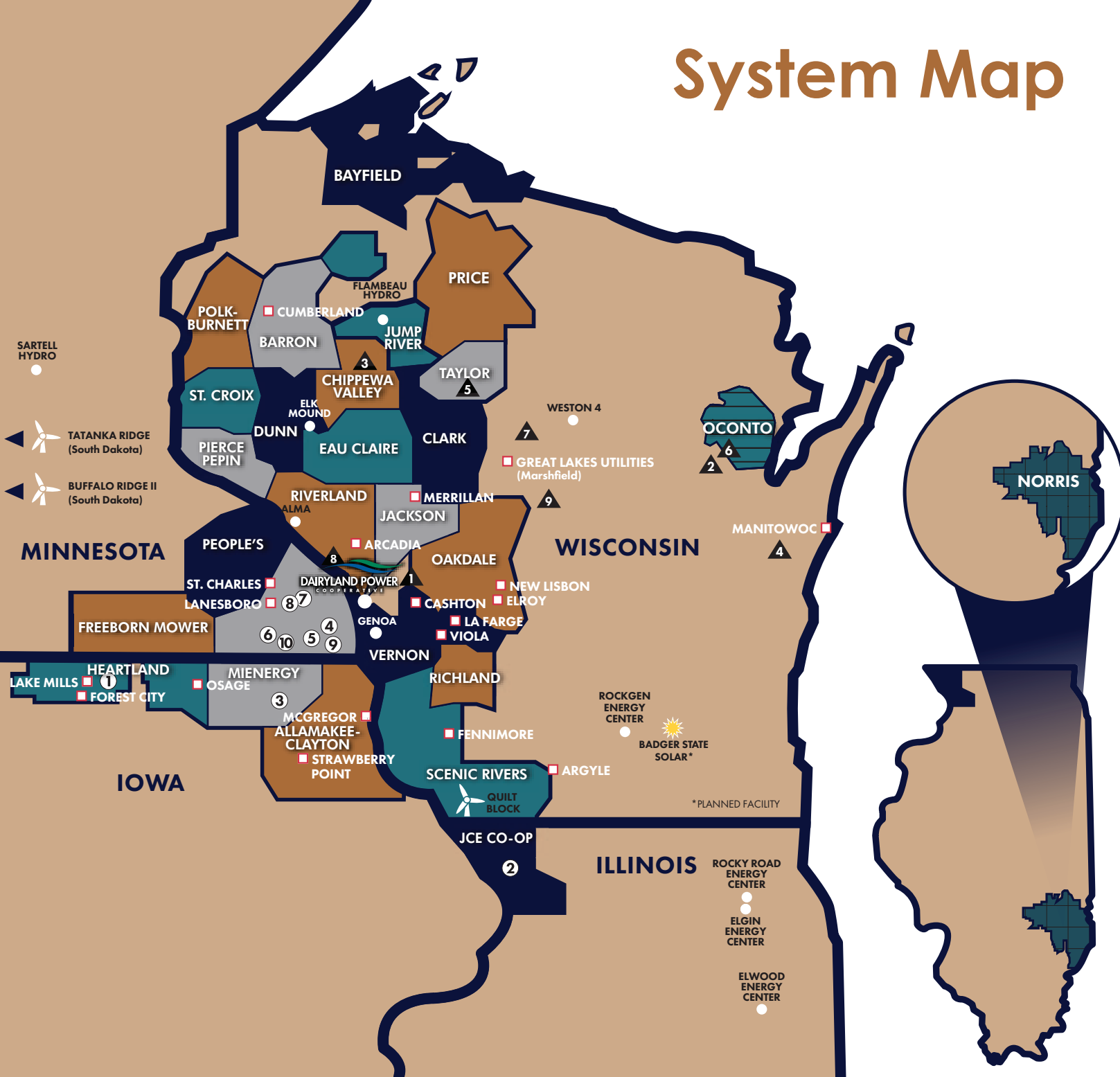
Illinois: Thomson

Iowa: Decorah & Strawberry Point

FACILITIES ON MAP

Headquarters | La Crosse, Wis.
Badger State Solar | Jefferson, Wis. (Ranger Power)
Buffalo Ridge Wind II | South Dakota (Avangrid)
Elk Mound Generating Station | Elk Mound, Wis.
Flambeau Hydro Station | Ladysmith, Wis.
Genoa Site | Genoa, Wis.
John P. Madgett Station | Alma, Wis.
Quilt Block Wind | Darlington, Wis. (EDP Renewables)
RockGen Energy Center | Cambridge, Wis.
Sartell Hydro Station | Sartell, Minn.
(Eagle Creek Renewable Energy, LLC)
Weston #4 Generating Station | Rothschild, Wis.

System Map



CLASS B MEMBER (6/1/26)
Oconto Electric Cooperative
 | Oconto Falls, WI

CLASS D MUNICIPAL MEMBERS

- City of Arcadia, WI
- Village of Argyle, WI
- Village of Cashton, WI
- City of Cumberland, WI
- City of Elroy, WI
- City of Fennimore, WI
- City of Forest City, IA
- Village of La Farge, WI
- City of Lake Mills, IA
- City of Lanesboro, MN
- City of Manitowoc, WI
- Great Lakes Utilities, Marshfield, WI
- City of McGregor, IA
- Village of Merrillan, WI
- City of New Lisbon, WI
- City of Osage, IA
- City of St. Charles, MN
- City of Strawberry Point, IA
- Village of Viola, WI

GREAT LAKES UTILITIES POWER SUPPLY MUNICIPALS

- ▲ Village of Bangor, WI
- ▲ City of Clintonville, WI
- ▲ City of Cornell, WI
- ▲ City of Kiel, WI
- ▲ City of Medford, WI
- ▲ City of Shawano, WI
- ▲ Village of Stratford, WI
- ▲ Village of Trempealeau, WI
- ▲ City of Wisconsin Rapids, WI

A8 MEMBERS

- ① City of Grafton, IA
- ② Village of Hanover, IL
- ③ City of Lawler, IA
- ④ City of Caledonia, MN
- ⑤ City of Spring Grove, MN
- ⑥ City of Harmony, MN
- ⑦ City of Rushford, MN
- ⑧ City of Peterson, MN
- ⑨ City of Eitzen, MN
- ⑩ City of Mabel, MN

POWER SUPPLY

CUSTOMER (6/1/26)
Norris Electric Cooperative
 | Newton, IL

THE **SEVEN** COOPERATIVE PRINCIPLES

- 1 | Voluntary and Open Membership
- 2 | Democratic Member Control
- 3 | Members' Economic Participation
- 4 | Autonomy and Independence
- 5 | Education, Training and Information
- 6 | Cooperation Among Cooperatives
- 7 | Concern for Community



A Touchstone Energy® Cooperative 

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