

NORTHWESTERN CORPORATION

(A direct, wholly-owned subsidiary of NorthWestern Energy Group, Inc.)

Financial Statements

For the Period Ending September 30, 2026

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NORTHWESTERN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands)

	Nine Months Ended September 30,	
	2026	2025
Revenues		
Electric	$ 846,780	$ 800,908
Gas	175,179	167,874
Total Revenues	1,021,959	968,782
Operating expenses		
Fuel, purchased supply and direct transmission expense (exclusive of depreciation and depletion shown separately below)	212,202	211,908
Operating, administrative and general	281,286	246,415
Property and other taxes	140,759	131,510
Depreciation and depletion	161,169	149,369
Total Operating Expenses	795,416	739,202
Operating income	226,543	229,580
Interest expense, net	(95,553)	(87,413)
Other income, net	7,545	6,955
Income before income taxes	138,535	149,122
Income tax expense	(21,669)	(24,992)
Net Income	116,866	124,130

See Notes to Condensed Consolidated Financial Statements

NORTHWESTERN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Nine Months Ended September 30,	
	2026	2025
Net Income	$ 116,866	$ 124,130
Other comprehensive income (loss), net of tax:		
Reclassification of derivative instruments	339	339
Foreign currency translation	(2)	4
Total Other Comprehensive Income	337	343
Comprehensive Income	$ 117,203	$ 124,473

See Notes to Condensed Consolidated Financial Statements

NORTHWESTERN CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	As of September 30, 2026	As of December 31, 2025
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,389	$ 4,201
Restricted cash	8,735	10,787
Accounts receivable, net	145,110	165,506
Accounts receivable from related parties	156	473
Inventories	115,610	98,430
Regulatory assets	100,477	83,773
Prepaid expenses and other	29,860	27,528
Total current assets	**402,337**	**390,698**
Property, plant, and equipment, net	5,792,194	5,583,528
Goodwill	273,856	273,856
Regulatory assets	664,146	675,159
Other noncurrent assets	67,083	37,964
Total Assets	**$ 7,199,616**	**$ 6,961,205**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of finance leases	$ 1,729	$ 1,865
Accounts payable	85,484	96,333
Accounts payable to related parties	4,232	600
Accrued expenses	295,908	238,473
Regulatory liabilities	12,366	21,147
Total current liabilities	**399,719**	**358,418**
Long-term finance leases	7,280	—
Long-term debt	2,870,951	2,690,083
Deferred income taxes	728,286	695,700
Noncurrent regulatory liabilities	580,109	562,961
Other noncurrent liabilities	265,006	245,106
Total Liabilities	**4,851,351**	**4,552,268**
Commitments and Contingencies (Note 5)		
Shareholders' Equity:		
Common stock, par value $0.01	0	0
Paid-in capital	2,055,947	2,050,822
Retained earnings	299,044	365,178
Accumulated other comprehensive loss	(6,726)	(7,063)
Total Shareholders' Equity	**2,348,265**	**2,408,937**
Total Liabilities and Shareholders' Equity	**$ 7,199,616**	**$ 6,961,205**

See Notes to Condensed Consolidated Financial Statements

NORTHWESTERN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30,	
	2026	2025
OPERATING ACTIVITIES:		
Net Income	$ 116,866	$ 124,130
Adjustments to reconcile net income to cash provided by operations:		
Depreciation and depletion	161,169	149,369
Amortization of debt issuance costs, premium and deferred hedge gain	2,282	2,672
Stock-based compensation costs	5,125	5,048
Equity portion of allowance for funds used during construction	(6,624)	(6,225)
Deferred income taxes	13,985	22,828
Other adjustments	3,822	(147)
Changes in current assets and liabilities:		
Accounts receivable	21,851	20,804
Inventories	(17,180)	(8,821)
Other current assets	(9,438)	(5,668)
Accounts payable	(724)	(11,739)
Accrued expenses	57,476	51,156
Regulatory assets	(16,704)	(37,749)
Regulatory liabilities	(8,781)	337
Other noncurrent assets and liabilities	3,804	(22,609)
Cash Provided by Operating Activities	326,929	283,386
INVESTING ACTIVITIES:		
Property, plant, and equipment additions	(327,403)	(308,716)
Cash Used in Investing Activities	(327,403)	(344,654)
FINANCING ACTIVITIES:		
Cash dividends to parent	(183,000)	(103,000)
Issuance of long-term debt	225,000	400,000
Line of credit (repayments) issuance, net	(45,000)	3,000
Other financing activities, net	(390)	(3,195)
Cash (Used in) Provided by Financing Activities	(3,390)	60,805
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(3,864)	(463)
Cash, Cash Equivalents, and Restricted Cash, beginning of period	14,988	15,828
Cash, Cash Equivalents, and Restricted Cash, end of period	**$ 11,124**	**$ 15,365**
Supplemental Cash Flow Information:		
Cash paid during the period for:		
Interest	98,351	87,821
Significant non-cash transactions:		
Capital expenditures included in accounts payable	19,955	18,788

See Notes to Condensed Consolidated Financial Statements

NORTHWESTERN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

(in thousands)

	Number of Common Shares	Number of Treasury Shares	Common Stock	Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at December 31, 2024	**0**	**—**	**$ 0**	**$2,045,000**	**$ 351,226**	**$ (7,533)**	**$ 2,388,693**
Net income	—	—	—	—	124,130	—	124,130
Foreign currency translation adjustment, net of tax	—	—	—	—	—	4	4
Reclassification of net losses on derivative instruments from OCI to net income, net of tax	—	—	—	—	—	339	339
Stock based compensation	—	—	—	5,048	—	—	5,048
Cash dividends to parent	—	—	—	—	(103,000)	—	(103,000)
Balance at September 30, 2025	**0**	**—**	**$ 0**	**$2,050,048**	**$ 372,356**	**$ (7,190)**	**$ 2,415,214**
Balance at December 31, 2025	**0**	**—**	**$ 0**	**$2,050,822**	**$ 365,178**	**$ (7,063)**	**$ 2,408,937**
Net income	—	—	—	—	116,866	—	116,866
Foreign currency translation adjustment, net of tax	—	—	—	—	—	(2)	(2)
Reclassification of derivative instruments from OCI to net income, net of tax	—	—	—	—	—	339	339
Stock based compensation	—	—	—	5,125	—	—	5,125
Cash dividends to parent	—	—	—	—	(183,000)	—	(183,000)
Balance at September 30, 2026	**0**	**—**	**$ 0**	**$2,055,947**	**$ 299,044**	**$ (6,726)**	**$ 2,348,265**

See Notes to Condensed Consolidated Financial Statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of Operations and Basis of Consolidation

NorthWestern Corporation (NW Corp), a direct wholly-owned subsidiary of NorthWestern Energy Group, Inc., doing business as NorthWestern Energy, provides electricity and / or natural gas to approximately 690,100 customers in Montana and Yellowstone National Park. We have generated and distributed electricity and distributed natural gas in Montana since 2002.

The Condensed Consolidated Financial Statements (Financial Statements) for the periods included herein have been prepared by NW Corp (NorthWestern, we, or us) in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information. Accordingly, the interim Financial Statements do not include all of the information and note disclosures required by GAAP for complete financial statements. The preparation of financial statements in conformity with the interim reporting guidance under GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results could differ from those estimates. Events occurring subsequent to September 30, 2026, have been evaluated as to their potential impact to the Financial Statements through the date of issuance.

NorthWestern Energy Group, Inc. Pending Merger with Black Hills Corporation

On August 18, 2025, NorthWestern Energy Group, Inc. entered into a Merger Agreement with Black Hills and River Merger Sub Inc., a direct wholly owned subsidiary of Black Hills (Merger Sub). The Merger Agreement provides for an all-stock merger of equals between NorthWestern Energy Group, Inc. and Black Hills upon the terms and subject to the conditions set forth therein. The Merger Agreement provides for Merger Sub to merge with and into NorthWestern Energy Group, Inc. (Merger), with NorthWestern Energy Group, Inc. continuing as the surviving entity and a direct wholly owned subsidiary of Black Hills, which would assume a new corporate name as the resulting parent company of the combined corporate group. The completion of the merger is subject to the satisfaction or waiver of certain conditions to closing. We anticipate the transaction closing by year-end 2026, subject to the satisfaction or waiver of certain closing conditions.

Goodwill

We completed our annual goodwill impairment test as of April 1, 2026, and no impairment was identified. We evaluated qualitative factors (including macroeconomic conditions, industry and market considerations, cost factors, and overall financial performance) to determine whether it was more likely than not that the fair value of our reporting units was less than its carrying amount. Our evaluation of these factors concluded that it was not more likely than not that the fair value of our reporting units was less than its carrying amount and therefore no further testing was necessary.

(2) Regulatory Matters

Montana Rate Review

In December 2025, the Montana Public Service Commission (MPSC) issued a final order approving our partial electric settlement agreement. The final order also suspended the 90/10 cost sharing mechanism of the Power Cost and Credit Adjustment Mechanism (PCCAM) on a temporary basis pending further review by the MPSC. The ultimate resolution regarding the suspension of the PCCAM cost sharing mechanism will be addressed in a separate PCCAM docket and we anticipate resolution in the first half of 2027. Within this final order, the MPSC disallowed a portion of the capital costs related to the construction of Yellowstone County Generating Station (YCGS). As a result, in the fourth quarter of 2025 we recorded a $30.9 million non-cash charge for the regulatory disallowance. As of September 30, 2026, we have $0.6 million reserved within Regulatory liabilities on the Condensed Consolidated Balance Sheets for interim rates to be refunded to customers.

In January 2026, we filed a Motion for Reconsideration (Motion) as it relates to this final order. Among other things, our Motion requests that the MPSC reconsider their prudence conclusions regarding the capital costs associated with the construction of YCGS and clarification as to the effective date of the PCCAM sharing mechanism suspension, for which we have requested an effective date of July 1, 2025, to align with the PCCAM tracker year. Any subsequent modifications by the MPSC to their final order are expected to be reflected in our results.

Colstrip Acquisition and Requests for Cost Recovery

In January 2023 we entered into a definitive agreement with Avista Corporation (Avista) to acquire their interest in Colstrip Units 3 and 4 for $0 and completed this acquisition on January 1, 2026. Accordingly, we are responsible for the associated

operating costs beginning on January 1, 2026, which we will not collect through utility base rates, until requested in a future Montana rate review. Avista will remain responsible for their pre-closing share of environmental liabilities, asset retirement obligations (AROs), and pension liabilities attributed to events or conditions existing prior to the closing of the transaction and for any future decommissioning and demolition costs associated with the existing facilities that comprise their interests.

While Avista remains contractually obligated for the pre-closing share of AROs, we remain the primary obligor. As such, as of September 30, 2026, we have recorded $1.1 million and $12.8 million within Accrued expenses and other and Other noncurrent liabilities, respectively, on the Condensed Consolidated Balance Sheets for these AROs, and we have recorded an indemnification asset of $1.1 million and $12.8 million with Prepaid expenses and other and Other noncurrent assets, respectively, on the Condensed Consolidated Balance Sheets.

The 222 megawatts of generation capacity from Colstrip Units 3 and 4 acquired from Avista (Avista Interests) on January 1, 2026, was identified as a key element in our strategy to achieve resource adequacy for customers, as outlined in our 2023 Montana Integrated Resource Plan. Noting the costs associated with operating this resource are not currently reflected in utility customer rates, in August 2025, we filed a temporary PCCAM tariff waiver request with the MPSC that could provide a near-term cost-recovery mechanism to offset a portion of the approximately $18.0 million in annual incremental operating and maintenance costs associated with the Avista Interests. This waiver requested that the MPSC allow us to keep 100 percent of the net revenue associated with certain designated power sales contracts up to the amount of the operating and maintenance expenses we incur associated with our Avista Interests. Furthermore, the waiver request indicated that any net revenues from the designated contracts exceeding the operating and maintenance expenses associated with our Avista Interests would continue to flow back to retail customers. In January 2026, the MPSC approved our PCCAM tariff waiver request on an interim basis with final approval or denial subject to the ongoing PCCAM docket process.

During the nine months ended September 30, 2026, power prices in the Pacific Northwest associated with these designated power sales contracts included within our PCCAM tariff waiver were insufficient to contribute to the recovery of the operating and maintenance expenses associated with the Avista Interests.

(3) Financing Activities

We exercised a five-year renewal option on a default supply procurement agreement, which we have recorded as a finance lease on our Condensed Consolidated Balance Sheets. As a result, the finance lease term was extended and will mature on June 30, 2031.

On May 27, 2026, we entered into a $225.0 million secured Term Loan Credit Agreement (Term Loan) with a maturity date of November 26, 2027. Our obligations under the Term Loan are secured by $225.0 million of Montana First Mortgage Bonds issued to the administrative agent of the term loan facility. Borrowings may be made at a variable interest rate equal to the Secured Overnight Financing Rate plus an applicable margin as provided in the Term Loan. Proceeds were used to repay a portion of our outstanding revolving credit facility borrowings. The Term Loan provides for prepayment of the principal and interest; however, amounts prepaid may not be reborrowed. The Term Loan requires us to maintain a consolidated indebtedness to total capitalization ratio of 65 percent or less. It also contains covenants which, among other things, limit our ability to engage in any consolidation or merger (except for our pending merger with Black Hills) or otherwise liquidate or dissolve, dispose of property, and restricts certain affiliate transactions.

On August 20, 2026, NW Corp exercised the accordion feature under its existing $425.0 million revolving credit facility to increase the capacity to $500.0 million. This action did not affect the maturity date or borrowing rates.

(4) Employee Benefit Plans

We sponsor and/or contribute to pension and postretirement health care and life insurance benefit plans for eligible employees. We contributed $9.6 million to our pension plans during the nine months ended September 30, 2026. We expect to contribute an additional $1.9 million to our pension plans during the remainder of 2026.

(5) Commitments and Contingencies

LEGAL PROCEEDINGS

We are subject to various legal proceedings, governmental audits and claims that arise in the ordinary course of business. In our opinion, the amount of ultimate liability with respect to these other actions will not materially affect our financial position, results of operations, or cash flows.