

2024

Annual Report
Proxy Statement
Form 10-K

KNIFE RIVER®

KNIFE RIVER®

KNF
LISTED
NYSE

5,900 TEAM MEMBERS AT PEAK SEASON

1.2 billion
tons of aggregate reserves

4th- largest producer of sand and gravel in the US



THE Life AT Knife®

People
Safety
Quality
Environment

16.0%
Adj. EBITDA Margins[1]

7%
Adjusted EBITDA growth from 2023 to 2024[1]

Record
2024 revenue, net income, EBITDA and Adj. EBITDA[1]

3-year avg ROIC of 14.4%[2]

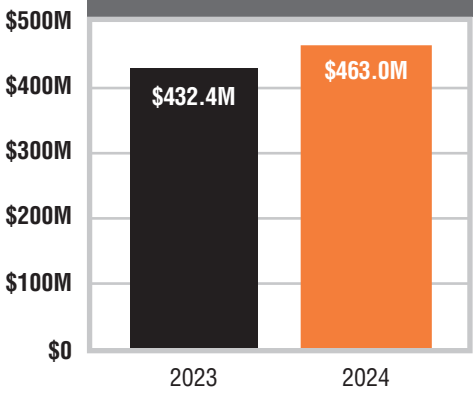
Note: All data is as of Dec. 31, 2024, unless otherwise noted.

FINANCIAL HIGHLIGHTS

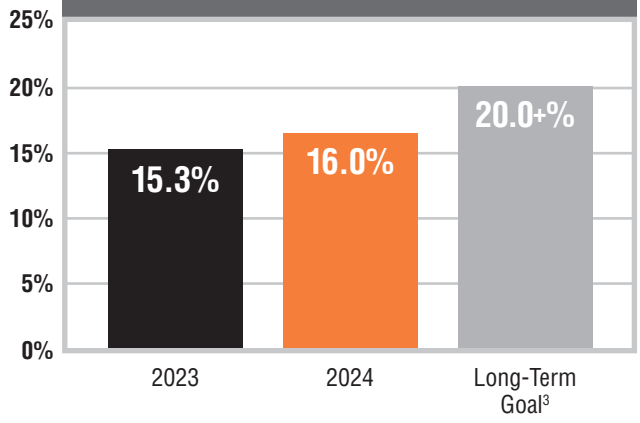
Overall

	2023	2024
Revenue	$2,830.3M	**$2,899.0M**
Net Income	$182.9M	**$201.7M**
Adjusted EBITDA[1]	$432.4M	**$463.0M**
Adjusted EBITDA Margin[1]	15.3%	**16.0%**

Adjusted EBITDA[1]

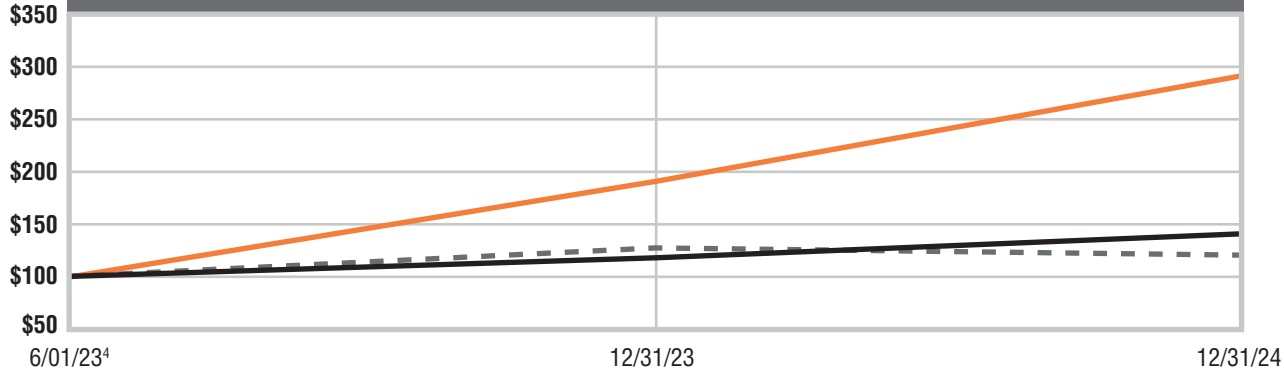


Adjusted EBITDA Margin[1]



Comparison of Total Stockholder Return

$100 invested June 1, 2023, in Knife River was worth $290.23 at year-end 2024.

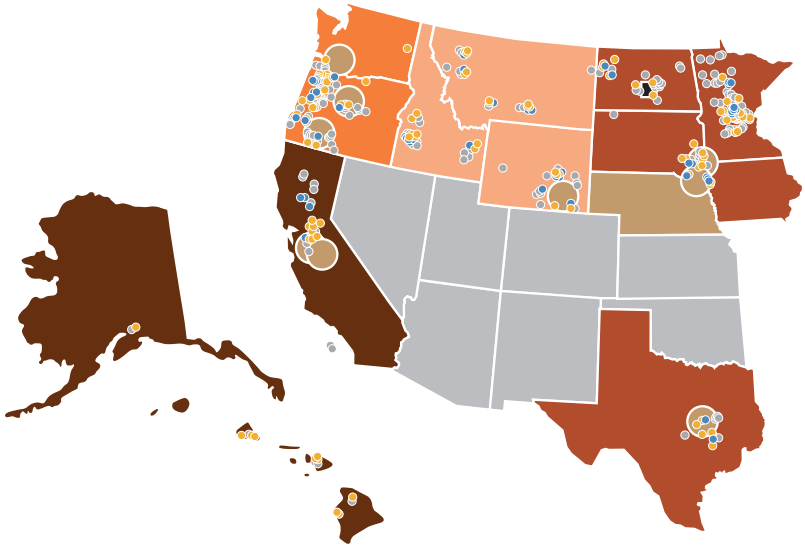


Company Name / Index	6/01/23	12/31/23	12/31/24
Knife River Corporation	100.00	188.98	290.23
S&P 500 Index	100.00	114.03	142.56
S&P 400 Materials Index	100.00	120.11	117.14

REPORTING SEGMENTS

Northwest | Mountain | Central | Pacific | Energy Services | HQ

- **Aggregate site** (182 active sites)
- **Ready-Mix plant** (106 total plants)
- **Asphalt plant** (51 total plants)
- **Liquid asphalt terminal** (9 total terminals)



Note: As of Jan. 1, 2025, reporting segments are West, Mountain, Central and Energy Services.

PRODUCT LINES

AGGREGATES
1.2 billion tons of reserves with strategic locations near end users and/or multimodal transportation. Reliable supply of high-quality materials is a competitive advantage.

READY-MIX CONCRETE
Versatile and specialized value-added product. 106 plants across 13 states, and a fleet of delivery trucks.

ASPHALT
Downstream product used for smooth, durable surfaces on highways, streets and parking lots. 51 plants across 10 states.

LIQUID ASPHALT
Binding agent used with aggregates to produce asphalt. 9 terminals across 7 states.

CONTRACTING SERVICES
Reliable pull-through demand of materials. Public works focused; adds resiliency and contributes to ROIC.

COMPETITIVE EDGE - 2024 Initiatives

EBITDA Margin Improvement

Commercial and operational margin-expansion initiatives

Continued to optimize pricing for materials, leading to high-single-digit increases for aggregates.

Focused on margins for contracting services, improving gross profit margin by 160bps.

Discipline

Strong balance sheet and disciplined allocation of capital

Reduced net leverage to 1.0x, well-below long-term target of 2.5x.[3,6]

Prudent management of our net working capital.

Ample liquidity, with $329M of revolver capacity and $237M of unrestricted cash.

Growth

Strengthen position through organic and inorganic growth opportunities

Completed $131M of acquisitions in 2024 and announced $454M pending acquisition of Strata Corporation (which closed in March 2025).

Robust acquisition pipeline and several organic growth opportunities for 2025.

Excellence

Be best in class in all aspects of the business

Created new position of Chief Excellence Officer and expanded Process Improvement Teams (PIT Crews) from one materials-focused team to multiple teams focused on three key areas: commercial excellence, operational excellence and standardization.

2024 SEGMENT RECAP



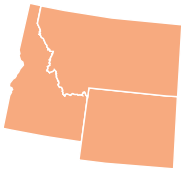
Pacific

	2023	2024	Change
Revenue	$462.2M	$493.1M	+7%
EBITDA[1]	$56.2M	$59.9M	+7%
EBITDA Margin[1]	12.2%	12.1%	-10bps



Northwest

	2023	2024	Change
Revenue	$666.1M	$692.4M	+4%
EBITDA[1]	$121.1M	$149.8M	+24%
EBITDA Margin[1]	18.2%	21.6%	+340bps



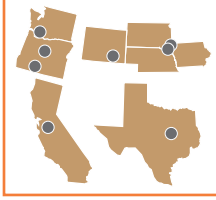
Mountain

	2023	2024	Change
Revenue	$634.0M	$663.1M	+5%
EBITDA[1]	$103.2M	$113.5M	+10%
EBITDA Margin[1]	16.3%	17.1%	+80bps



Central

	2023	2024	Change
Revenue	$825.0M	$818.1M	-1%
EBITDA[1]	$116.6M	$131.6M	+13%
EBITDA Margin[1]	14.1%	16.1%	+200bps



Energy Services

	2023	2024	Change
Revenue	$292.3M	$275.7M	-6%
EBITDA[1]	$78.1M	$60.2M	-23%
EBITDA Margin[1]	26.7%	21.8%	-490bps

Note: As of Jan. 1, 2025, reporting segments are West, Mountain, Central and Energy Services.

PROGRESS ON STRATEGIC OBJECTIVES

2024 Guidance	2024 Result	'Competitive EDGE' Goals	Progress
Revenue $2.85B – $2.95B	$2.9B	**STRONG AND BALANCED REVENUE GROWTH** Increasing Mix of Aggregates	⏩
		CONTINUED ADJ. EBITDA MARGIN[1] EXPANSION Further growth toward long-term goal of 20%[3]	✓
Adj. EBITDA[1] $445M – $465M	$463.0M	**ATTRACTIVE FREE CASH FLOW GENERATION[5]** Free Cash Flow Growth ~ in-line with Adj. EBITDA growth	✓
		SUSTAIN / IMPROVE INDUSTRY-LEADING ROIC[2] 3-Year Avg. ROIC 14.4%[2]	✓
Capital Expenditures $170M – $200M	$170.5M		

Long-term Vision

INCREASING AGGREGATE MIX | 20%+ ADJ. EBIDTA MARGIN[3] | NO. 1 IN MARKETS OF OPERATION

REPORT TO SHAREHOLDERS

Dear Shareholders,

As we approach our second anniversary as a publicly traded company in June 2025, we are proud to have already delivered two years of record results.

We followed up our record 2023 performance with an even better 2024 – a testament to the success of our Competitive EDGE strategy and the dedication of the entire Knife River team.

As we look to 2025 and beyond, I'm excited about the opportunities we have to grow and create long-term value for our shareholders. Knife River is an aggregates-led, vertically integrated construction materials and contracting services company, and we believe we are uniquely positioned to support the infrastructure buildout across our markets.

Record Results

In 2024, Knife River achieved record revenue, net income, adjusted EBITDA[1] and adjusted EBITDA margin.[1] In addition to a strong funding backdrop, we believe our EDGE initiatives directly contributed to our success:

- Our efforts to optimize prices drove annual price increases of 7 percent for aggregates and 10 percent for ready-mix.
- At the same time, we focused on controlling our costs. Our Process Improvement Teams (PIT Crews) visited 58 plants, continuing to improve our operational efficiencies. This helped drive margin improvements across our product lines, leading to record consolidated gross margin for the year.
- On the contracting services side of our business, we improved our gross margin by 160 basis points – a result of disciplined bidding and solid project execution.
- We invested $131 million on six acquisitions in 2024, with a focus on materials-led opportunities.
- We created the position of Chief Excellence Officer to oversee our relentless drive to become Best in Class. This role focuses on expanding our PIT Crews and leading our standardization efforts to implement best practices.

Combined, these EDGE efforts helped us achieve record results, and we improved our Adjusted EBITDA margin[1] toward our long-term goal of exceeding 20 percent.[3] In 2025, we expect EDGE will continue to accelerate our growth.

2025 EDGE Update

As a reminder, the letters in "EDGE" stand for EBITDA Margin[1] Improvement, Discipline, Growth and Excellence. We have several line-of-sight opportunities to help us reach our goals and drive profitable growth.

E: Our adjusted EBITDA margin[1] of 16 percent in 2024 represents a 360-basis-point improvement from 2022. We are committed to our long-term goal of reaching and exceeding 20 percent, which we expect to do by optimizing our prices, controlling our costs, growing (both organically and through acquisitions) and becoming best in class in all areas of our business.[3]

D: In 2024, we mostly completed the hard work of resetting our customer base – and we expect aggregate, ready-mix and asphalt volumes and prices to increase in 2025. In contracting services, we remain committed to our "quality over quantity" approach of pursuing higher margins on bid day and then executing in the field. We also have maintained a strong balance sheet, putting us in a good position to reinvest in our business through growth initiatives.

G: In March 2025, we closed on the acquisition of Strata Corporation, an aggregates-led, vertically integrated company based in our home state of North Dakota. Strata adds well



Brian R. Gray
President and Chief Executive Officer

over 30 years of aggregates for its operations, along with 24 ready-mix plants, three asphalt plants and a contracting services division. We are excited about our acquisition pipeline and have several potential deals in various stages of development. Additionally, we are investing in multiple organic projects to grow our business. These include an aggregates expansion project in Sioux Falls, South Dakota, a greenfield base of operations in Twin Falls, Idaho, and a polymer-modified liquid asphalt production facility in Corson, South Dakota.

E: We are equally excited about the Excellence initiatives we are undertaking, starting with the expansion of our PIT Crews. We have gone from one materials-focused PIT Crew to over a dozen teams that are focused on commercial excellence, operational excellence and standardization. We created the position of Chief Excellence Officer to lead this process, which we believe will drive continued improvements at our current operations and enable quicker integration of our acquisitions.

Each of these opportunities is an investment in our future. Combined, they represent the roadmap for achieving both our near-term and long-term growth goals.

Strong Backlog and Infrastructure Funding

Complementing our internal efforts, we are benefiting from a strong funding environment as our country continues to catch up on investments in infrastructure. We entered 2025 with a good backlog of work – 13 percent higher than the same point a year ago – and continue to add to it.

The majority of our contracting backlog is public work that provides the opportunity to pull through our upstream, higher-margin materials. This business model supports resiliency through economic cycles and has contributed to our industry-leading return on invested capital.[2] Across our footprint, local, state and federal infrastructure spending remains at or near record levels. In our 14 states, approximately 40 percent of the IIJA funding has yet to be obligated. Additionally, in March 2025, the American Society of Civil Engineers released its "Comprehensive Assessment of America's Infrastructure," where it issued the nation's roads a grade of "D+," highlighting that there is much more work to be done to improve our transportation network.

Our Values

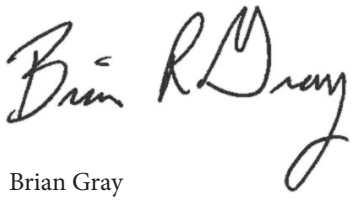
We are proud of our 2024 accomplishments and excited for the many opportunities we have to continue to grow our business, support our team and deliver for our stockholders. Fundamental to our ongoing success is our commitment to transparency and operating with integrity. For us, integrity is the foundation of our four core values of People, Safety, Quality and the Environment.

- **People:** We strive to be a people-first company that takes care of our team and our customers. We focus on workplace culture, training, compensation and engaging with our team members and the public.
- **Safety:** We believe safety is a choice and that all injuries are preventable. We provide our team members with the right tools for every job and the training for each task, and we ask them to take the time to work safely.
- **Quality:** We believe the quality of our governance structure, our team, and the products and services we provide create a business advantage.
- **Environment:** We are committed to meeting or exceeding environmental standards, supporting our customers in compliance and being responsible stewards of the environment.

Our “Life at Knife” is how we live our values. We are proud of our accomplishments in 2024. We achieved record financial results while also improving our safety performance. Our EDGE strategy is working, and our Knife River team is delivering on it. More than that, we are in a strong position to continue delivering for all of our stakeholders as we focus on our values, our strategy and operating with integrity.

Thank you for your interest and investment in Knife River. Together, we believe we have a very bright future as we build strong teams, strong communities and a strong national infrastructure.

Sincerely,



Brian Gray
President and Chief Executive Officer
April 7, 2025

REPORT TO SHAREHOLDERS

Dear Shareholders,

Thank you for your continued support and interest in Knife River. The Knife River Board firmly believes strong corporate governance practices contribute to the effective oversight of Knife River's strategy and long-term creation of value for investors, and we are excited by the continued execution on our EDGE initiatives over the year.

Consistent with our commitment to good governance, we provide timely and transparent information to our investors through robust channels of communication, including public disclosures, events and presentations, and our active shareholder engagement program. Since Knife River began trading on the New York Stock Exchange in June 2023, our management team, with select participation by our independent directors, has participated in many meetings with investors, analysts and other interested parties. Management actively shares this feedback with the board, as well as updates on other trends and developments, to facilitate the board's oversight.

Following last year's annual meeting, the board continued to monitor our governance practices and unanimously approved and recommended that stockholders eliminate the supermajority vote requirements in our amended and restated certificate of incorporation. As described in this Proxy Statement and first previewed last year, the board also made changes to the executive compensation program, specifically the annual and long-term incentive structure put in place starting in 2024.

Moreover, the board continued its commitment to thoughtful board evaluation and refreshment. Since our last annual shareholder meeting in May 2024, at which Thomas W. Hill was elected as a new independent member of the board, the board made further changes to its composition, including appointing Patricia Chiodo as an independent member of the board in June 2024. Tricia brings extensive financial expertise and experience with public companies to the boardroom. With her appointment, our board is now at seven members, including six independent directors and Knife River's President and CEO, Brian Gray.

In 2024, we also continued to advance a number of initiatives important to Knife River's "Life at Knife" and our core values of People, Safety, Quality and the Environment. These initiatives will carry over into 2025 and beyond, and include the company's focus on safety, recruiting and retention, and training and development – all hallmarks of a sustainable business.

Our board is committed to sustainability and working to deliver shareholder value through long-term, profitable growth. We look forward to continued engagement with our shareholders. Thank you again for your support.

Sincerely,



Karen Fagg
Chair of the Board of Directors
April 7, 2025



Karen B. Fagg
Chair of the Board of Directors

Non-GAAP Reconciliations

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP") as well as certain non-GAAP financial measures. The following is provided to supplement certain non-GAAP financial measures discussed in the letter to shareholders and the financial highlights section of this report, in addition to those non-GAAP financial measures reconciled in the company's annual report on Form 10-K.

ROIC

For the years ended December 31,

(in millions)	2022	2023	2024
Operating Income	$194.3	$296.4	$316.2
Average Shareholders' Equity	990.7	1,147.3	1,370.6
Average Debt	684.7	683.4	679.5
Average Invested Capital	1,675.5	1,830.7	2,050.1
Return on Invested Capital	11.6%	16.2%	15.4%
3-year average			14.4%

Net Leverage

For the year ended December 31, 2024

(in millions)	
Net income	$201.7
Depreciation, depletion and amortization	136.9
Interest expense, net	46.4
Income taxes	69.3
EBITDA	454.3
Unrealized gains on benefit plan investments	(2.9)
Stock-based compensation expense	7.8
One-time separation costs	3.8
Adjusted EBITDA	$463.0
Long-term debt	$666.9
Long-term debt - current portion	10.5
Total debt	677.4
Add: unamortized debt issuance costs	12.6
Total debt, gross	690.0
Less: Cash and cash equivalents, excluding restricted cash	236.8
Total debt, net	$453.2
Net leverage	**1.0x**

Footnotes

[1]EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin, including these measures by segment, as applicable, are non-GAAP measures. For definitions and reconciliations of these non-GAAP measures, refer to the section entitled "Non-GAAP Financial Measures" in the company's annual report on Form 10-K.

[2] Return on Invested Capital (ROIC) is calculated by dividing operating income by average invested capital. Average invested capital is the average of outstanding debt and stockholders' equity. ROIC is a non-GAAP measure. For a reconciliation, refer to the section entitled "Non-GAAP Reconciliations."

[3]Knife River's long-term goals for Adjusted EBITDA margin, net leverage and free cash flow are also non-GAAP financial measures that exclude or otherwise have been adjusted for non-GAAP adjustment items from Knife River's GAAP financial statements. When the company provides forward-looking long-term goals for Adjusted EBITDA margin, net leverage and free cash flow, it does not provide reconciliations of these non-GAAP financial measures as Knife River is unable to predict with a reasonable degree of certainty the actual impact of the non-GAAP adjustment items. By their very nature, non-GAAP adjustment items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results, including, but not limited to, the potentially high variability, complexity and low visibility with respect to the items that would be excluded from the applicable GAAP measure in the relevant future period, such as unusual gains and losses, the impact and timing of potential acquisitions and divestitures, certain financing costs and other structural changes or their probable significance. Therefore, Knife River is unable to provide a reconciliation of these measures without unreasonable efforts.

[4]First trading date for Knife River stock.

[5]Free cash flow is calculated by subtracting capital expenditures and adding proceeds from asset sales to cash flows provided by operating activities.

[6]Each of net debt and net leverage is a non-GAAP measure. Net debt is calculated by adding unamortized debt issuance costs to the total debt balance presented on the balance sheet, less any unrestricted cash. Net leverage is calculated by dividing net debt by trailing-twelve-month Adjusted EBITDA. For a reconciliation, refer to the section entitled "Non-GAAP Reconciliations."

KNIFE RIVER

www.kniferiver.com

PO Box 5568
Bismarck, ND 58506-5568

Street Address:
1150 West Century Avenue
Bismarck, ND 58506
(701) 530-1400

April 7, 2025

Fellow Stockholders:

I invite you to attend our annual meeting on May 22, 2025 at 10:00 a.m. CDT online by visiting www.virtualshareholdermeeting.com/KNF2025, where you will have the opportunity to listen to the annual meeting live, submit questions, and vote. The annual meeting will be held entirely online live via audio webcast. Please check our website at www.knfproxy.com for additional information about our annual meeting.

During the annual meeting, we will hear the results of stockholder voting on the items outlined in this Proxy Statement, including election of three Class II directors, the advisory vote regarding the compensation paid to our named executive officers, ratification of our independent auditors, and amendment and restatement of our amended and restated certificate of incorporation to eliminate the supermajority voting requirements. I encourage you to promptly follow the instructions on your notice or proxy card to vote your shares on these items.

Knife River had a strong year in 2024. We achieved record financial results, we further established our Competitive EDGE strategy as the blueprint for achieving our financial goals and delivering long-term stockholder value, and we have several line-of-sight EDGE initiatives that we believe will contribute to our continued success in 2025 and beyond.

I appreciate your investment in Knife River, and I look forward to visiting with you on May 22, 2025.

Sincerely,



Brian R. Gray
President and Chief Executive Officer

1150 West Century Avenue; P.O. Box 5568,
Bismarck, North Dakota, 58506-5568
(701) 530-1400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 22, 2025

April 7, 2025

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the annual meeting) of Knife River Corporation (the company) will be held on Thursday, May 22, 2025, at 10:00 a.m. Central Daylight Saving Time. The annual meeting will be held entirely online live via audio webcast. You will be able to attend and participate in the annual meeting online by visiting www.virtualshareholdermeeting.com/KNF2025, where you will be able to listen to the annual meeting live, submit questions, and vote. After carefully considering the format of the annual meeting, the board of directors (the board) concluded to hold the annual meeting exclusively online live via audio webcast. The board believes the virtual annual meeting offers the same participation opportunities as an in-person annual meeting. In addition, the board believes the virtual annual meeting format allows the company to provide consistent opportunities for engagement to all stockholders, regardless of their geographic location. Therefore, the company plans to hold the annual meeting by means of remote communications only.

The annual meeting will be held for the following purposes:

Items of Business	1. Election of three Class II directors; 2. Advisory vote to approve the compensation paid to the company's named executive officers; 3. Ratification of the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2025; 4. Amendment and restatement of the company's amended and restated certificate of incorporation to eliminate the supermajority voting requirements; and 5. Transaction of any other business that may properly come before the annual meeting or any adjournment(s) thereof.
Record Date	The board has set the close of business on March 28, 2025, as the record date for the determination of stockholders who will be entitled to notice of, and to vote at, the annual meeting and any adjournment(s) thereof.
Annual Meeting Attendance	All stockholders, as of the record date of March 28, 2025, are cordially invited to attend the annual meeting. Whether or not you plan to attend the annual meeting online, please vote your shares as instructed in the Notice of Availability of Proxy Materials (Notice), over the Internet, or by telephone after your receipt of hard copies of the proxy materials, as promptly as possible. You may also request a paper Proxy Card, which will include a postage-paid envelope, to submit your vote by mail, as described in the Notice. You may also vote your shares online and submit your questions during the annual meeting. Instructions on how to vote while participating at the annual meeting live via the Internet are posted at www.virtualshareholdermeeting.com/KNF2025 and can be found in the Proxy Statement in the section entitled "Information About the Annual Meeting - How to Attend and Vote at the Annual Meeting." Stockholders of record who attend the annual meeting online may withdraw their proxy and vote online at the annual meeting if they so desire.
Proxy Materials	This Proxy Statement will first be sent to stockholders requesting written materials on or about April 7, 2025. The Notice will also be sent to certain stockholders on or about April 7, 2025. The Notice contains basic information about the annual meeting and instructions on how to view the company's proxy materials and vote online.

The list of stockholders entitled to vote at the annual meeting will be available for examination 10 days prior to the annual meeting at the company's principal executive office, 1150 West Century Avenue, P.O. Box 5568, Bismarck, North Dakota, 58506-5568.

By order of the Board of Directors,



Karl A. Liepitz
Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be Held on May 22, 2025.

The 2025 Notice of Annual Meeting and Proxy Statement and 2024 Annual Report to Stockholders are available at www.knfproxy.com.

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APPENDIX A A-1

APPENDIX B B-1

Cautionary information and forward-looking statements. This Proxy Statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). From time to time, we may also provide oral or written forward-looking statements in other materials we release to the public. Such forward-looking statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words "anticipates," "estimates," "expects," "intends," "plans," "predicts" and similar expressions, and include statements concerning plans, trends, objectives, goals, strategies, future events, or performance, and underlying assumptions (many of which are based, in turn, upon further assumptions) and other statements that are other than statements of historical facts. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those indicated (both favorably and unfavorably). These risks and uncertainties include, but are not limited to, those described in Part I—Item 1A “Risk Factors” in our 2024 Annual Report on Form 10-K (2024 Form 10-K) and subsequent Securities and Exchange Commission (SEC) filings. Caution should be taken not to place undue reliance on any such forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Website references throughout this Proxy Statement are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this Proxy Statement.

PROXY STATEMENT SUMMARY

To assist you in reviewing the 2024 performance of Knife River Corporation (the company, Knife River, we, us or our, formerly known as Knife River Holding Company) and voting your shares, we call your attention to key elements of our 2025 Proxy Statement. The following is only a summary and does not contain all the information you should consider. You should read the entire Proxy Statement carefully before voting. For more information about these topics, please review the full Proxy Statement and our 2024 Annual Report to Stockholders.

This Proxy Statement will first be sent to stockholders requesting written materials on or about April 7, 2025. The Notice of Availability of Proxy Materials (the Notice) will also be sent to certain stockholders on or about April 7, 2025. The Notice contains basic information about the annual meeting and instructions on how to view the company's proxy materials and vote online. The board of directors (the board) is furnishing proxy materials to solicit proxies for use at the annual meeting and any adjournment(s) thereof.

Annual Meeting Information



Date and Time

May 22, 2025
10:00 a.m. CDT



Virtual Location

www.virtualshareholdermeeting.com/KNF2025



Record Date

March 28, 2025

Summary of Stockholder Voting Matters

Voting Matters		Board Vote Recommendation	See Page
Item 1.	Election of Three Class II Directors	FOR Each Nominee	12
Item 2.	Advisory Vote to Approve the Compensation Paid to the Company's Named Executive Officers	FOR	43
Item 3.	Ratification of the Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for 2025	FOR	79
Item 4.	Amendment and Restatement of the Company's Amended and Restated Certificate of Incorporation to Eliminate the Supermajority Voting Requirements	FOR	83

Who Can Vote

If you held shares of Knife River common stock at the close of business on March 28, 2025, you are entitled to vote at the annual meeting. You are encouraged to vote in advance of the annual meeting using one of the following voting methods.

To attend and participate in the annual meeting, you will need the 16-digit control number included in your Notice or your Proxy Card, or on the instructions that accompanied your proxy materials. If your shares are held in "street name," you should contact your bank, broker, or other holder of record to obtain your 16-digit control number or otherwise vote through the bank, broker, or other holder of record. Only stockholders with a valid 16-digit control number will be able to attend the annual meeting, ask questions, and vote. The annual meeting webcast will begin promptly at 10:00 a.m. Central Daylight Saving Time. We encourage you to access the annual meeting prior to the start time. Online check-in will begin at 9:45 a.m. Central Daylight Saving Time, and you should allow ample time for the check-in procedures.

How to Vote

Registered Stockholders

If your shares are held directly with our stock registrar, you can vote any one of four ways:

By Internet:	Go to the website shown on the Notice or Proxy Card, if you received one, and follow the instructions.
By Telephone:	Call the telephone number shown on the Notice or Proxy Card, if you received one, and follow the instructions given by the voice prompts. Voting via the Internet or by telephone authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated, and returned the Proxy Card by mail. Your voting instructions may be transmitted up until 11:59 p.m. Eastern Time on May 21, 2025.
By Mail:	If you received a paper copy of the Proxy Statement, Annual Report, and Proxy Card, mark, sign, date, and return the Proxy Card in the postage-paid envelope provided.
During the Meeting:	Attend the annual meeting online and follow the instructions posted at www.virtualshareholdermeeting.com/KNF2025. Even if you plan to attend the annual meeting online, we recommend that you also vote by Internet, by telephone, or by mail so that your vote will be counted if you later decide not to attend.

Beneficial Stockholders

If you held shares beneficially in the name of a bank, broker, or other holder of record (sometimes referred to as holding shares "in street name") and do not have a control number, you will receive voting instructions from said bank, broker, or other holder of record. If you do not have a control number, you will be able to attend the annual meeting as a "guest" and listen to the proceedings, but you will not be able to vote, ask questions, or otherwise participate. Even if you plan to attend the annual meeting online, we recommend that you also vote by Internet, by telephone, or by mail so that your vote will be counted if you later decide not to attend.

Company Overview

Knife River is an aggregates-led construction materials and contracting services provider in the U.S. The company's 1.2 billion tons of aggregate reserves provide the foundation for a vertically integrated business strategy, with approximately 37% of our aggregates being used internally to support value-added downstream products (ready-mix concrete and asphalt) and contracting services (heavy-civil construction, asphalt paving, concrete construction, site development and grading services, and in some segments the manufacturing of prestressed concrete products). The company provides construction materials and contracting services for both public and private customers. For the year ended December 31, 2024, approximately 61% of the company's revenue was derived from construction materials and 39% from contracting services. Knife River is strategically focused on being the provider of choice in mid-size, high-growth markets. The company is committed to continued growth and to delivering for its stakeholders - customers, communities, employees and stockholders - by executing on its four core values: **People, Safety, Quality and the Environment.**

Through its network of 182 active aggregate sites, 106 ready-mix plants, 51 asphalt plants and 9 liquid asphalt terminals, as of December 31, 2024, Knife River supplies construction materials and contracting services to customers across 14 states. We have broad access to high-quality aggregates in most of our markets, which forms the foundation of our vertically integrated business model. Knife River shares resources, including plants, equipment and people across its various locations to maximize efficiency. Additionally, we transport our products by truck, rail and barge to complete the vertical value chain. Our strategically located aggregate sites, ready-mix plants and asphalt plants, along with our fleet of ready-mix and dump trucks, enables us to better serve our customers. We believe our integrated business model is a strong competitive advantage that provides scale, efficiency and operational excellence for the benefit of customers, stockholders and the broader communities that we serve.

On May 31, 2023, Knife River completed the separation (the Separation) from its former parent company, MDU Resources Group, Inc. (MDU Resources) to became an independent, publicly traded company and its common stock is listed under the symbol KNF on the New York Stock Exchange (NYSE).

Business Performance Highlights

Knife River provides construction materials and contracting services across 14 states. We are the fourth-largest producer of sand and gravel in the country, and during our peak season we employ nearly 6,000 people. In 2024, we achieved record revenue, net income, Adjusted EBITDA and Adjusted EBITDA margin, driven by strong business fundamentals and our "Competitive EDGE" strategy for delivering long-term, profitable growth.

KNF
LISTED
NYSE

Knife River reported full-year 2024 consolidated revenue of $2.9 billion, a 2% increase from the prior-year period. Net income was $201.7 million, up 10% from the prior-year period. Adjusted EBITDA was $463.0 million, an increase of 7% versus the prior-year period, and Adjusted EBITDA margin increased 70 basis points on a year-over-year basis to 16.0% in 2024. Adjusted EBITDA and Adjusted EBITDA margin are considered non-Generally Accepted Accounting Principles (GAAP) financial measures. See "Appendix A" to this Proxy Statement for definitions and reconciliations to the most directly comparable GAAP financial measure.

Helping to drive these results was Knife River's Competitive EDGE strategy, the company's plan for increasing Adjusted EBITDA margins and executing on other key initiatives aimed at continued profitable growth. "EDGE" is an acronym for EBITDA Margin Improvement, Discipline, Growth and Excellence.

A key part of the Competitive EDGE strategy is optimizing pricing to fully realize the value of the company's core products – aggregates, ready-mix concrete, asphalt, and liquid asphalt – as well as contracting services. Price increases outpaced costs for the year and positively contributed to gross margins. On the contracting services side, Knife River in 2024 was disciplined on the work we chose to bid, targeting higher-margin projects which increased the contracting services gross margin by 160 basis points. With Quality as a core value, the company continues to emphasize quality over quantity in our performance, highlighting opportunities for ongoing margin improvement.

Knife River's end markets include public-sector and private-sector customers. For 2024, public work accounted for approximately 83% of our contracting services revenues. The company continued to benefit from infrastructure funding in the form of federal, state and local initiatives, including the Infrastructure Investment and Jobs Act, the Inflation Reduction Act and the American Rescue Plan Act, as well as dedicated state-level funding in 12 of the 14 states where Knife River operates. As of November 2024, approximately 43 percent of the Infrastructure Investment and Jobs Act's $1.2 trillion in formula funding had yet to be obligated to projects in our market areas.

Knife River had success in other areas of our EDGE strategy, as well. In 2024, we invested $131.0 million to close on six acquisitions. These acquisitions include aggregate-specific purchases in key markets and expanding our ready-mix and liquid asphalt operations. In November 2024, we purchased the business of Albina Asphalt, which has operations in Washington, Oregon and California, expanding the footprint of our high-margin liquid asphalt materials product line. And in March 2025, we acquired Strata Corporation, a leading construction materials and contracting services provider in North Dakota and northwestern Minnesota.



As of December 31, 2024, Knife River produced aggregates from 182 sites across 11 states

Corporate Governance Practices

Knife River is committed to strong corporate governance aligned with stockholder interests. The board, through its nominating and governance committee, regularly monitors leading practices in governance and plans to continue to adopt measures that it determines are in the best interests of the company and its stockholders. The following highlights the company's corporate governance practices and policies. See the sections entitled "Corporate Governance" and "Executive Compensation" for more information on the following:

- ✓ Structure in Place to Fully Declassify Board at the 2027 Annual Meeting
- ✓ Majority Voting for Directors in Uncontested Elections
- ✓ No Shareholder Rights Plan
- ✓ Succession Planning and Implementation Process
- ✓ Separate Board Chair and CEO
- ✓ Active Investor Outreach Program
- ✓ Annual Board and Committee Self-Evaluations
- ✓ Risk Oversight by Full Board and Committees
- ✓ Environmental and Social Oversight by Full Board and Committees
- ✓ Proxy Access for Stockholders
- ✓ One Class of Stock
- ✓ Comprehensive Board Refreshment Process
- ✓ Included a Board Proposal in this Proxy Statement to Eliminate the Supermajority Voting Requirements in our Amended and Restated Certificate of Incorporation
- ✓ All Directors are Independent Other Than Our CEO
- ✓ Executive Sessions of Independent Directors at Every Regularly Scheduled Board Meeting
- ✓ Standing Committees Consist Entirely of Independent Directors
- ✓ Stock Ownership Requirements for Directors and Executive Officers
- ✓ Anti-Hedging and Anti-Pledging Policies for Directors and Executive Officers
- ✓ No Related Party Transactions by Our Directors or Executive Officers
- ✓ Compensation Recovery/Clawback Policy
- ✓ Annual Advisory Approval on Executive Compensation
- ✓ Mandatory Retirement Policy for Directors
- ✓ Directors May Not Serve on More Than Three Public Boards Including the Company's Board
- ✓ Diverse Board in Terms of Gender, Race, Experience, Skills and Tenure
- ✓ Executive Officers May Not Serve on More Than One Other Public Company Board
- ✓ Change in Control Severance Plan with Double Trigger Vesting

Director Nominees

The board recommends a vote FOR the election of each of the following Class II director nominees. Additional information about each director's background and experience, including those directors not up for election this year, can be found in the section entitled "Election of Directors."

Name	Age	Director Since	Primary Occupation	Board Committees
Patricia Chiodo	59	2024	Former Chief Financial Officer of Verra Mobility Corporation	• Audit • Compensation
Patricia L. Moss	71	2023	Former President and Chief Executive Officer of Cascade Bancorp	• Audit (Chair) • Compensation
William J. Sandbrook	67	2023	Former President and Chief Executive Officer of U.S. Concrete, Inc.	• Audit • Nominating and Governance (Chair)

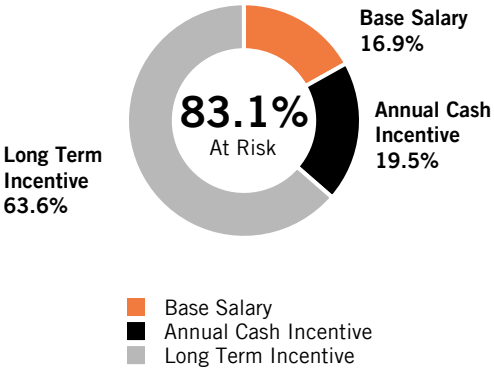
Compensation Highlights

The company's executive compensation program is based on providing market competitive compensation opportunities to attract top talent focused on achievement of short and long-term business results. Our compensation program is structured to align compensation with the company's financial performance as a substantial portion of our executive compensation and is directly linked to performance-based incentive awards. Our compensation practices are designed to ensure alignment between the interests of stockholders and our executives as well as effective compensation governance.

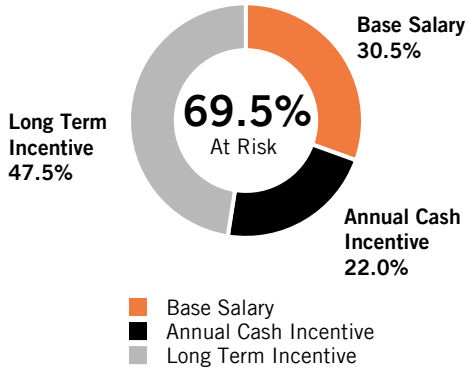
- For 2024, over 80% of our chief executive officer's target compensation and approximately 70% of our other named executive officers' target compensation was at risk.
- For 2024, 100% of our named executive officers' annual cash incentive and 65% of their long-term incentive are performance-based and tied to performance against pre-established, specific, measurable goals. Time-vesting restricted stock units (RSUs) represent 35% of our named executive officers' long-term incentive and require the executive to remain employed with the company through the vesting period.

2024 Named Executive Officers Target Pay

2024 CEO Target Pay Mix



2024 Other Named Executive Officers Average Target Pay Mix



Sustainability Highlights

Knife River is a leading construction materials and contracting services provider in the U.S. We manage our business with a long-term view toward sustainable operations, focusing on how economic, environmental and social impacts help the company support a strong and sustainable national infrastructure. We integrate sustainability efforts into our business strategy because we believe these efforts directly affect long-term business viability and profitability. Our focus on sustainability helps ensure we are a good corporate citizen while creating opportunities to increase revenues and profitability, create a competitive advantage and attract a skilled workforce. Highlights of our enhanced efforts and achievements in the past year are set forth below. For additional information on our sustainability efforts, see our Sustainability Report on our website, which is not part of this Proxy Statement and is not incorporated by reference as part of this Proxy Statement.



Reporting Frameworks

We report sustainability metrics relevant and important to our operations using frameworks developed by the Sustainability Accounting Standards Board (SASB) and we continue to incorporate guidance from the Task Force on Climate-Related Financial Disclosures (TCFD) into our reporting.

Governance of Environmental and Social Responsibility

Knife River is committed to strong corporate governance practices in all areas, including governance of environmental and social responsibility. For more information on the company's governance practices and policies, see the "Corporate Governance" section in this Proxy Statement. Below is an overview of our governance practices related to the oversight of environmental and social responsibility:

Board of Directors

The board is ultimately responsible for the oversight of environmental, health, safety, and other social sustainability matters applicable to the company.

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Audit Committee of the Board

The audit committee assists the board in fulfilling its oversight responsibilities with respect to environmental, social, and other sustainability matters, including climate change risks and opportunities, health, safety, and other social sustainability matters.

Compensation Committee of the Board

The compensation committee assists the board in fulfilling its oversight responsibilities with respect to human capital management matters.

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Management Policy Committee

The management policy committee is comprised of company executive officers. The committee meets monthly, or more frequently as warranted, and is responsible for the management of risks and pursuit of opportunities related to environmental and social sustainability matters, including climate change, health, safety, and other social sustainability matters.

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Executive Sustainability Committee

The executive sustainability committee is comprised of corporate and business segment senior leadership and supports execution of the company's environmental and sustainability strategy and establishes, maintains, and enhances the processes, procedures, and controls for the company's environmental and sustainability disclosures.

Environmental Stewardship

Environmental stewardship is a core value at Knife River. Having a sound, stable environment is critical to continuing our business.

Our three primary environmental goals are to:

- Minimize waste and maximize resources.
- Be a good steward of the environment while providing high-quality and competitively priced products and services.
- Meet or exceed all applicable environmental laws, regulations and permit requirements.

Knife River's commitment to operating in an environmentally responsible manner is reviewed and encouraged through several measures, including oversight by professional environmental staff with reporting and accountability to regional operations leaders, regular review of environmental and sustainability disclosures by the executive sustainability committee, thorough audits of operating activities and thorough property reviews during due diligence on potential acquisitions.

- **Carbon Footprint.** With a baseline of scope 1 and scope 2 carbon emissions established, we continue to evaluate opportunities to improve our carbon emissions intensity.
- **Climate-Related Risks and Opportunities.** We continue our efforts to document our climate-related risks and opportunities through frameworks relevant to our business and stakeholders, such as those suggested by the TCFD guidance. For more information on our climate-related risks and opportunities, see our Sustainability Report.
- **Environmental Recognition.**



  - **Environment Award.** Environmental stewardship is one of Knife River's core values. Each year, our Environment Award recognizes individuals or teams of employees for projects and activities that advance Knife River's sustainability efforts and/or progress in reducing and minimizing environmental impacts.

- **Renewable Diesel.** Since 2021, Knife River has utilized renewable diesel fuel in its on-road and off-road fleets. Engine performance, engine maintenance and fuel efficiency results have been positive. Renewable diesel accounted for approximately 33% of our total diesel fuel consumption in 2024.
- **Water Management.** Knife River uses water to produce aggregates and concrete. All water recovered while washing materials is captured and reused in the washing process. Knife River strives to reuse as much captured wash water and storm water as feasible.
- **Warm-Mix Asphalt.** Knife River produces and places warm-mix asphalt in applications where warm-mix asphalt is allowed. Warm-mix asphalt is produced at cooler temperatures than traditional hot-mix asphalt methods, which reduces the amount of fuel needed in the production process, thereby reducing emissions and fumes.
- **Recycling.** Knife River continues its long-standing practice of recycling and reusing building materials. Recycling conserves natural resources, uses less energy, reduces waste disposal at local landfills, and ultimately costs less for our customers. Knife River recycles or reuses asphalt pavement, refined fuel oil, demolition concrete, returned concrete at ready-mix plants, fly ash, slag, silica fume and other cement-replacement materials, and dimension stone reject material.



Social Responsibility

Knife River understands that it operates at the discretion of various stakeholders, including customers, stockholders, employees, lawmakers and the communities where we do business. It is these stakeholders who allow us to conduct our business and are vital to our success. Knife River remains committed to maintaining the trust of these stakeholders by operating with integrity and being a good corporate citizen. Below are highlights of our social responsibility programs relating to our employees, stockholders, communities and customers.

- **Our Team.** At the core of building strong communities and a strong national infrastructure is building a strong workforce. At Knife River, our People First philosophy focuses on safety and integrity and a commitment to training and developing our team. Our team included nearly 4,800 employees across its 14 states of operations as of December 31, 2024. Our number of employees peaked in the third quarter at just over 5,900. Our Employer Information Report EEO-1 is available on our website at www.kniferiver.com/how-we-do-it. The information on our website is not part of this Proxy Statement and is not incorporated by reference into this Proxy Statement.

  - **Safety.** We are committed to safety and health in the workplace. To ensure safe work environments, the company adheres to the "3 Ts" of safety: Tools, Training and Time. Knife River provides the proper tools for each task, training on that task, and the time to perform the task safely. We have policies and training that support safety in the workplace, including training on safety matters through classroom and toolbox meetings on job sites. We adhere to these key principles regarding safety:

    – All injuries can be prevented.
    – Working safely is a condition of employment for all employees.
    – Management must demonstrate leadership in preventing injuries by providing a safe work environment, adequate resources, performance incentives and appropriate follow-up on any unsafe conditions or actions.
    – All employees are responsible for preventing injuries to themselves and others.
    – All operating exposures can be safeguarded or controlled.
    – Training employees to work safely is essential.
    – Preventing personal injuries and property damage is good business.

    Knife River has a goal of zero workplace injuries. We have developed our safety culture, programs and training as appropriate for the construction materials and contracting services industries, and the types of operations we perform. As a core value, we are continuously striving to improve and implement strategies to enhance our safety objectives.

- **People First.** Knife River is a people-first company and that means all people. We have implemented the philosophy that we are One Team: Stronger Together. Our "One Team" statement: "We treat each other with respect and professionalism. We embrace the backgrounds and viewpoints of our team members. And we continue learning from each other to keep improving. We are one team and we are stronger together."

  - **Building People.** Building a strong workforce begins with employee recruitment. We use a variety of means to recruit new employees for open positions, including posting on our website, employee referrals, union workforce, direct recruitment, advertising, social media, career fairs, partnerships with colleges and technical schools, job service organizations, and associations connected with a variety of professions. We also utilize internship programs to introduce individuals to our business operations and provide a possible source of future employees. Building a strong workforce also requires developing employees in their current positions and for future advancement. Knife River provides opportunities for advancement through job mobility, succession planning, education advancement assistance, and promotions both within and between business segments. We provide employees the opportunity to further develop and grow through various forms of training, mentorship programs, and internship programs.

- **Knife River Training Center.** Knife River is actively engaged in attracting, training and retaining the next generation of construction-industry employees. The state-of-the-art Knife River Training Center is used company-wide to enhance the skills of current employees and to recruit and teach skills to new employees through both classroom education and hands-on experience. It also is used by Knife River's customers and industry peers, who send employees to the center to take courses on heavy equipment, truck driving, leadership development, facilitator training, safety training and more. In 2024, the training center hosted approximately 15,000 users for various trainings, classes, meetings and events, including an estimated 2,300 youth and educators. The training center plays a critical role in Knife River's workforce remaining sustainable and contributes to showcasing construction as a career of choice.

- **Ethics Reporting.** Knife River employees are encouraged to ask questions or report concerns to their supervisor. If employees have concerns that something may be unethical or illegal within the company, they are encouraged to report their concerns to a human resources representative, a company executive, or the compliance officer. For those wishing to remain anonymous, Knife River also has an anonymous reporting hotline. Employees, customers, and other stakeholders can report confidentially and anonymously through this third-party telephone and internet-based reporting system any concerns about possible unethical or illegal activities. Reports are carefully considered and investigated. Summaries of the reports and investigative results are provided to the audit committee of the board.

- **Vendor Code of Conduct.** Knife River has a Vendor Code of Conduct that outlines our expectations of vendors, including ethical business practices, workplace safety, environmental stewardship and compliance with applicable laws and regulations.

- **Our Stockholders.** Knife River management is committed to acting in the best interest of the corporation, protecting its assets, and serving the long-term interests of the company's stockholders. This includes protecting our tangible interests, such as property and equipment as well as intangible assets, such as our reputation, information, and intellectual property. For information on our stockholder outreach program, see "Stockholder Engagement" in the section entitled "Corporate Governance" of this Proxy Statement.

- **Our Communities.** Knife River believes that building strong communities includes being directly involved in their betterment. Whether providing construction materials or contracting services to strengthen our local infrastructure, or providing contributions to local charitable causes, we aim to strengthen the communities where our team members live and work. In addition to in-kind contributions and volunteer resources, we support projects and programs that help make the lives of people in our communities safer, more successful and more resilient. We focus our charitable giving in three key areas: Youth/Education; Military Veterans; and Community Improvement.

- **Our Customers.** Our mission is to be the supplier of choice in providing high-quality construction materials and services with excellent customer service that benefits our customers and builds strong communities. Our successful relationships with customers require that we provide quality products and services competently and efficiently and treat customers with courtesy. We make many commitments to customers about the availability, quality and price of our products and services. Each employee is expected to ensure that Knife River lives up to these promises, including maintaining open communication with customers and responding promptly to inquiries, requests and complaints. As part of our Code of Conduct, we will compete in business only by lawful and ethical means.

BOARD OF DIRECTORS

ITEM 1. ELECTION OF DIRECTORS

The board currently consists of seven directors divided into three classes, as nearly equal in number as reasonably possible.

Under our amended and restated bylaws (our bylaws) and amended and restated certificate of incorporation, until the annual meeting of stockholders in 2027, our board will be divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors.

The directors designated as Class II directors have terms expiring at the annual meeting and are up for re-election at the annual meeting for a two-year term to expire at the 2027 annual meeting of stockholders. The directors designated as Class III directors have terms expiring at the 2026 annual meeting of stockholders and will be up for re-election at that meeting for a one-year term to expire at the 2027 annual meeting of stockholders. The directors designated as Class I directors have terms expiring at the 2027 annual meeting.

Commencing with the 2027 annual meeting of stockholders, the board will no longer be classified, and all directors will be elected annually and for a term of office to expire at the next succeeding annual meeting of stockholders.

The current members of the classes are divided as follows:

Class II terms expire at the 2025 annual meeting:
Patricia Chiodo
Patricia L. Moss
William J. Sandbrook

Class III terms expire at the 2026 annual meeting:
Karen B. Fagg
Brian R. Gray

Class I terms expire at the 2027 annual meeting:
German Carmona Alvarez
Thomas W. Hill

The number of directors may be fixed by resolution adopted from time to time by the board. Any vacancies or newly created directorships may be filled only by the affirmative vote of a majority of directors then in office, even if less than a quorum, or by a sole remaining director. Each director shall hold office until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation, removal, retirement or disqualification.

The board has affirmatively determined each director nominee is independent in accordance with SEC and NYSE rules, our governance guidelines, and our bylaws. There are no arrangements or understandings between any director or executive officer and any other person pursuant to which he or she is or was to be selected as a director or officer of our company. There are no family relationships among our executive officers and directors.

Our bylaws provide for a majority voting standard for the election of directors. See "Additional Information - Majority Voting" below for further detail.

Each of the director nominees has consented to be named in this Proxy Statement and to serve as a director, if elected. We do not know of any reason why any nominee would be unable or unwilling to serve as a director, if elected. If a nominee becomes unable to serve or will not serve, proxies may be voted for the election of such other person nominated by the board as a substitute or the board may choose to reduce the number of directors.

Information about each director nominee's share ownership is presented under "Security Ownership."

The shares represented by the proxies received will be voted for the election of each of the three Class II director nominees named below unless you indicate in the proxy that your vote should be cast against any or each of the director nominees or that you abstain from voting. Each nominee elected as a director will continue in office until his or her successor has been duly elected and qualified or until his or her earlier death, resignation, removal, retirement or disqualification. Cumulative voting in the election of directors is not permitted and a stockholder cannot vote for more than three nominees.

The three nominees for election to the board as Class II directors at the annual meeting, each proposed by the board upon recommendation of the nominating and governance committee, are listed below with brief biographies, along with brief biographies of those directors not up for election this year. The nominees' and continuing directors' ages are current as of December 31, 2024.

The board of directors recommends that the stockholders vote "FOR" the election of each nominee.

Brokers may not vote your shares on the election of directors if you have not given your broker specific instructions on how to vote. Please be sure to give specific voting instructions to your broker so your vote can be counted.

A nominee for director will be elected if the number of shares voted "FOR" such nominee's election exceeds 50% of the number of votes cast with respect to that nominee's election. Abstentions will have no effect on this proposal. Broker non-vote shares are not entitled to vote on this proposal and, therefore, are not counted in the vote.

Director Nominees

Class II Directors with Terms Expiring at the 2025 Annual Meeting



Patricia Chiodo

Age:	Independent Director Since:	Committees:
59	2024	Audit Compensation

Key Contributions to the Board:

With substantial experience in both public and private companies, Ms. Chiodo contributes financial acumen and operational understanding in mergers and acquisitions, corporate strategy, risk management, financial reporting, capital markets, and investor relations. Ms. Chiodo also provides insight on employee recruitment and development, and compensation.

Professional Highlights

- Chief financial officer of Verra Mobility Corporation, a publicly traded smart mobility technology solutions and services company, from June 2015 to July 2022.
- Co-president and chief financial officer of Origami Owl, LLC, a custom jewelry company, from September 2013 to April 2015.
- Chief financial officer and senior vice president of RSC Holdings, Inc., formerly a publicly traded construction and industrial equipment rental company, from October 2010 to April 2012; vice president and controller from April 2005 to August 2010; and assistant controller from 2002 to April 2005.

Other Experience:

- Director of UNS Energy Corporation, a vertically integrated utility services holding company, since February 2022, and chair of the audit committee since July 2024.
- Director of Embark Technology, Inc., formerly a publicly traded autonomous trucking software company, from September 2021 to August 2023, including chair of the audit committee and a member of the compensation committee.
- Director of the advisory board of The Crosby Group, a lifting and rigging equipment company, from June 2019 to January 2023, including a member of the audit committee.
- Director of Acme Lift Company, LLC, a wholesale rental equipment company, from March 2013 to March 2015.



Patricia L. Moss

Age:	Independent Director Since:	Committees:
71	2023	Audit (Chair) Compensation

Key Contributions to the Board:

With substantial experience in the finance and banking industry, including service on the boards of public banking and investment companies, Ms. Moss contributes broad knowledge of finance, business development, human resources, and compliance oversight, as well as public company governance to the board. Through her business experience and knowledge of the Pacific Northwest, Ms. Moss also provides insight on state, local, and regional economic and political issues where a significant portion of our operations and employees are located.

Professional Highlights

- President and chief executive officer of Cascade Bancorp, a financial holding company, from 1998 to January 2012; chief executive officer of Cascade Bancorp's principal subsidiary, Bank of the Cascades, from 1998 to January 2012, serving also as president from 1998 to 2003; and chief operating officer, chief financial officer and secretary of Cascade Bancorp from 1987 to 1998.

Other Experience:

- Former director of publicly traded MDU Resources, an energy delivery and construction services business, from November 2003 until May 2023.
- Vice chair of the Oregon Investment Council, which oversees the investment and allocation of all state of Oregon trust funds, from December 2018 to March 2021, including a member of the investment committee.
- Director of First Interstate BancSystem, Inc., a publicly traded financial services holding company, since May 2017, including a member of the compensation and human capital committee, and the governance and nominating committee.
- Director of Cascade Bancorp and Bank of the Cascades from 1993, and vice chair from January 2012 until May 2017, when Cascade Bancorp merged into First Interstate BancSystem, Inc., and became First Interstate Bank.
- Chair of the Bank of the Cascades Foundation Inc. from 2014 to July 2018; co-chair of the Oregon Growth Board, a state board created to improve access to capital and create private-public partnerships, from May 2012 through December 2018.
- A former member of the Board of Trustees for the Aquila Group of Funds, whose core business is mutual fund management and provision of investment strategies to fund shareholders, from January 2002 to May 2005 (one fund) and from June 2015 to 2024 (three funds).
- Former director of the Oregon Investment Fund Advisory Council, a state-sponsored program to encourage the growth of small businesses in Oregon; the Oregon Business Council, with a mission to mobilize business leaders to contribute to Oregon's quality of life and economic prosperity; the North Pacific Group, Inc., a wholesale distributor of building materials, industrial, and hardwood products; and Clear Choice Health Plans Inc., a multi-state insurance company.

Other Current Public Boards:

- First Interstate BancSystem, Inc.



William J. Sandbrook

Age:	Independent Director Since:	Committees:
67	2023	Audit Nominating and Governance (Chair)

Key Contributions to the Board:

With over 30 years of experience in mining, building materials, construction industries, and public companies, Mr. Sandbrook brings critical knowledge of the construction materials and contracting industry to the board. Mr. Sandbrook also contributes strong business leadership and management capabilities and insights through his various roles as CEO.

Professional Highlights

- President of U.S. Concrete, Inc., formerly a publicly traded construction materials supplier, from August 2011 to April 2019; CEO and director from August 2011 to April 2020; director from April 2020 to May 2021; chairman of its board of directors from May 2018 to April 2020; and vice chairman from September 2017 to May 2018.
- Chief executive officer of Oldcastle Inc.'s Products and Distribution Group, an integrated supplier of construction materials and services, from June 2008 to August 2011; chief executive officer of Oldcastle's Architectural Products Group, responsible for Oldcastle's U.S. and Canadian operations, as well as CRH plc's business in South America, from 2006 to June 2008; and president of Oldcastle Materials West Division from 2003 to 2006.
- Chairman and Co-CEO of Andretti Acquisition Corp., formerly a publicly traded special purpose acquisition company, from January 2022 to April 2024.
- Executive chairman and chairman of the board of Andretti Acquisition Corp. II, a publicly traded special purpose acquisition company, since September 2024.[1]

Other Experience:

- Director of Comfort Systems USA, Inc., a publicly traded mechanical, electrical, and plumbing services provider, since April 2018, where he previously served as a member of the audit committee, and currently serves as a member of the compensation and human capital and nominating, governance and sustainability committees.
- Chair of the National Ready Mixed Concrete Association, an industry association, from March 2019 to March 2020. Mr. Sandbrook was awarded the William B. Allen award from the National Ready Mixed Concrete Association in March 2018 in recognition of his commitment to the concrete industry.
- Inducted to the Pit & Quarry Hall of Fame in 2018, which recognizes individuals who have made significant contributions to the aggregate industry.

Other Current Public Boards:

- Comfort Systems USA, Inc.
- Andretti Acquisition Corp. II (a special purpose acquisition company)

[1] Mr. Sandbrook serves as executive chairman and chairman of the board of Andretti Acquisition Corp. II, a special purpose acquisition company (SPAC). Our board does not consider Mr. Sandbrook to be an executive officer of a publicly-traded company given that his service as executive chairman of a SPAC does not require the same time commitment as being an executive officer of a typical publicly-traded company.

Directors Continuing in Office

Class III Directors with Terms Expiring at the 2026 Annual Meeting



Karen B. Fagg

Age:	Independent Director Since:	Committees:
71	2023	Chair of the Board Nominating and Governance

Key Contributions to the Board:

Through her management experience and knowledge in the fields of engineering, environment, and energy resource development, including four years as director of the Montana Department of Natural Resources and Conservation and over eight years as president, chief executive officer, and chair of her own transportation and water resources engineering services company, Ms. Fagg contributes experience in responsible natural resource development with an informed perspective of the construction, engineering, and energy industries. She also provides insights on executive leadership, managing enterprise risks, workforce management, and succession planning.

Professional Highlights

- Vice president of DOWL LLC, dba DOWL HKM, an engineering and design firm, from April 2008 until her retirement in December 2011.
- President of HKM Engineering, Inc., an engineering and environmental services firm, from April 1995 to June 2000, and chair, chief executive officer, and majority owner from June 2000 through March 2008. HKM Engineering, Inc. merged with DOWL LLC in April 2008.
- Employed with MSE, Inc., Butte, Montana, an energy research and development company, from 1976 through 1988, and vice president of operations and corporate development director from 1993 to April 1995.
- Director of the Montana Department of Natural Resources and Conservation, the state agency charged with promoting stewardship of Montana's water, soil, energy, and rangeland resources from 1989 through 1992.

Other Experience:

- Former director of publicly traded MDU Resources, an energy delivery and construction services business, from November 2005 until May 2023.
- Director and member of the quality committee of the Intermountain Health Peaks Region Board, a health care provider, since January 2023.
- Director and finance committee chair of the Montana State Fund, the state's largest workers' compensation insurance company, from March 2021 to present; Director of SCL Health Montana Regional Board from January 2020 to present, including a term as chair; and member of Carroll College Board of Trustees from 2005 through 2010, and a member of the executive committee from August 2019 through June 2022.
- Former member of several regional, state, and community boards, including director of St. Vincent's Healthcare from October 2003 to October 2009 and January 2016 through January 2020, including a term as chair; director of the Billings Catholic Schools Board from December 2011 through December 2018, including a term as chair; the First Interstate BancSystem Foundation from June 2013 to 2016; the Montana Justice Foundation from 2013 to 2015; Montana Board of Investments from 2002 through 2006; Montana State University's Advanced Technology Park from 2001 to 2005; and Deaconess Billings Clinic Health System from 1994 to 2002.



Brian R. Gray

Age: 54

Director Since: 2023

President and Chief Executive Officer

Key Contributions to the Board:

Serving as president and chief executive officer of Knife River Corporation since 2023, Mr. Gray is the only officer of the company that serves on our board. With over 30 years of experience at the company, he brings industry experience to the board, as well as extensive knowledge of our company and its business operations. He contributes valuable insight into management's views and perspectives and the day-to-day operations of the company.

Professional Highlights

- President of the company since March 2023 and chief executive officer since May 2023. Mr. Gray led the implementation of Knife River's EDGE strategy - the company's plan for driving long-term, profitable growth - and continues to lead the execution of the strategy. As CEO, Mr. Gray champions the company's four core values: People, Safety, Quality and the Environment, and has been instrumental in applying those values to the company's sustainable business practices.
- Region president of the company's Northwest segment from January 2012 to December 2022, where he led the acquisition of eight companies and was influential in the development of the Knife River Training Center and corporate-wide safety, training and sustainability programs. Mr. Gray also established the company's coaching clinic, its "Life at Knife" recruiting effort and the expansion of its Training and Development department.

Other Experience:

- Member of the board of directors of the National Ready Mixed Concrete Association, an industry association, since March 2022; member of the board of directors from March 2018 to March 2021; member of the executive committee for one-year terms from 2020 to 2021, 2022 to 2023, and a new term for 2024 to 2025.
- Member of the board of directors of Oregon State University's Construction Education Foundation from 2012 to present; president for a one-year term in 2022; and vice president for a one-year term in 2020. Mr. Gray was inducted as a member of the academy of distinguished engineers and was the recipient of the Oregon Stater Award in 2022, which recognizes alumni who have a profound impact on the engineering profession.
- Member of the board of directors of the Associated General Contractors Oregon-Columbia chapter, an industry association, since 2007; president from 2017 to 2018; first vice president from 2016 to 2017; second vice president from 2015 to 2016; and secretary from 2014 to 2015.

Class I Directors with Terms Expiring at the 2027 Annual Meeting



German Carmona Alvarez

Age:	Independent Director Since:	Committees:
56	2023	Audit Compensation (Chair)

Key Contributions to the Board:

With over 30 years of global experience managing financial statements and functional areas and 15 years of global experience in the building materials industry, Mr. Carmona Alvarez brings broad industry expertise to the board. Mr. Carmona Alvarez also contributes experience and expertise in human capital management, digital and information technology, finance, and mergers and acquisitions.

Professional Highlights

- Global president of digital consulting of Wood PLC, Aberdeen, United Kingdom, a consulting and engineering company, since January 2023, and global president of applied intelligence from August 2021 through December 2022. Director of Wood PLC USA, Houston, Texas, the United States affiliate of Wood PLC, since 2022.
- Senior vice president and global digital practice leader of NEORIS, a technology and digital strategy consulting firm with presence in 27 countries focusing on the design strategy and execution of agile digital transformation programs, from March 2019 to July 2021.
- Executive vice president of finance, information technology and shared services of CEMEX Inc., a global building materials company from 2016 to 2019; senior vice president of continuous improvement and commercial strategy from 2014 to 2016; senior vice president of aggregates and mining resources from 2012 to 2014; global vice president of organization, compensation and benefits from 2009 to 2012; global vice president of human resources planning and development from 2006 to 2009; corporate vice president of human capital from 2004 to 2006.
- Senior principal of strategy and transformation of The Boston Consulting Group, a general management consulting firm that practices in business strategy, from 2000 to 2004.

Other Experience:

- Former director of publicly traded MDU Resources, an energy delivery and construction services business, from November 2022 until May 2023.
- Former board chair of Strata.ai, a strategy and venture building firm focused on decision science, artificial intelligence and augmented reality, from 2020 to 2022.
- Former board of trustees of ITESM/Tec Milenio, a private institution of higher education, from 2010 to 2017.



Thomas W. Hill

Age:	Independent Director Since:	Committees:
68	2024	Compensation Nominating and Governance

Key Contributions to the Board:

With over 40 years of experience in aggregate, asphalt, cement, and ready-mix, Mr. Hill brings strong business leadership, supports disciplined and strategic growth, and has extensive experience in capital markets and capital allocation strategy. Mr. Hill also contributes experience in corporate governance, overseeing enterprise risk management, and employee recruitment and engagement.

Professional Highlights

- Founder of Summit Materials, Inc., formerly a publicly traded integrated supplier of construction materials; president and chief executive officer, including a member of the board of directors from August 2009 to September 2020; senior advisor from September 2020 to December 31, 2020; and served as a consultant from January 2021 to July 2023.
- Chief executive officer of Oldcastle, Inc., an integrated supplier of construction materials and services, from July 2006 to July 2008; chief executive officer of the materials division, Oldcastle Materials, Inc., from January 2000 to July 2006; and president from 1991 to January 2000.

Other Experience:

- Former director of CRH plc, an integrated supplier of aggregates, cement, asphalt, ready-mixed concrete, and paving and construction services, Dublin, Ireland, from 2002 to June 2008.
- Research and consulting services to Firstlight Management, LP, an investment fund, from June 2022 to February 2024.
- Former treasurer of the National Asphalt Pavement Association, the National Stone Association (now National Stone, Sand and Gravel Association), and the American Road and Transportation Builders Association, including chair from 2002 to 2004, all industry associations.
- Inducted to the Pit & Quarry Hall of Fame in 2024, which recognizes individuals who have made significant contributions to the aggregate industry.

Additional Information - Majority Voting

A majority of votes cast is required to elect a director in an uncontested election. A majority of votes cast means the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to that director's election. "Abstentions" and "broker non-votes" do not count as votes cast "for" or "against" the director's election. In a contested election, which is an election in which the number of nominees for director exceeds the number of directors to be elected and which we do not anticipate, directors will be elected by a plurality of the votes cast.

Unless you specify otherwise when you submit your proxy, the proxies will vote your shares of common stock "for" all directors nominated by the board. If a nominee becomes unavailable for any reason or if a vacancy should occur before the election, which we do not anticipate, the proxies will vote your shares in their discretion for another person nominated by the board.

Our policy on majority voting for directors contained in our corporate governance guidelines requires any proposed nominee for re-election as a director to tender to the board, prior to nomination, his or her irrevocable resignation from the board that will be effective, in an uncontested election of directors only, upon:

- Receipt of a greater number of votes "against" than votes "for" election at our annual meeting of stockholders; and
- Acceptance of such resignation by the board.

Following certification of the stockholder vote, the nominating and governance committee will promptly recommend to the board whether or not to accept the tendered resignation. The board will act on the nominating and governance committee's recommendation no later than 90 days following the date of the annual meeting. Following the board's decision, we will promptly publicly disclose the board's decision in a Form 8-K filed with the SEC. To the extent that one or more directors' resignations are accepted by the board, the nominating and governance committee will recommend to the board whether to fill such vacancy or vacancies or to reduce the size of the board.

Board Composition and Effectiveness

Director Qualifications, Skills, and Experience

In making its nominations, the nominating and governance committee assesses each director nominee by a number of key characteristics, including character, professional achievements, background in publicly traded companies, independence, and willingness to commit the time needed to satisfy the requirements of board and committee membership. Director nominees are chosen to serve on the board based on their qualifications, skills, and experience, as discussed in their biographies, and how those characteristics supplement the resources and talent on the board and serve the current needs of the board and the company.

In addition to ensuring each director has the requisite skills and qualifications, the nominating and governance committee assesses a number of key characteristics, including gender, ethnic background, geographic area of residence, skills, and professional experience. The nominating and governance committee has no formal policy regarding diversity in identifying or recommending director nominees and the board does not make decisions based on any of these criteria in isolation.

The nominating and governance committee believes that diversity of tenure and age further contributes to the overall functioning of the board. The board does not have term limits on the length of a director's service. As set forth in our corporate governance guidelines, directors are not eligible to be nominated or appointed to the board if they are 74 years or older at the time of the election or appointment, although the board may nominate candidates that are 74 years old, or over the age of 74, for election or re-election for what it considers special circumstances, which exceptions the board believes should be rare.

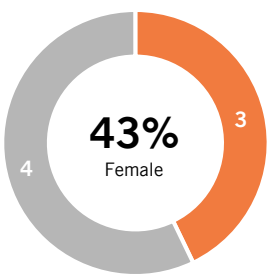
Board Skills and Characteristics

Skills & Expertise	Carmona Alvarez	Chiodo	Fagg	Gray	Hill	Moss	Sandbrook
EXECUTIVE LEADERSHIP Served in a significant leadership position, including CEO, CFO or other senior executive, with an understanding of how to lead complex organizations	✓	✓	✓	✓	✓	✓	✓
ACCOUNTING / AUDITING Experience in the preparation and review of financial statements and the design and implementation of internal control over financial reporting or auditing public company financial statements	✓	✓				✓	✓
CAPITAL MARKETS / FINANCE / M&A Experience overseeing and/or leading company financing, business development, investments, capital structures, and capital allocation strategy	✓	✓		✓	✓	✓	✓
TECHNOLOGY / CYBERSECURITY / DATA PRIVACY Experience working with technology systems and business information security and/or overseeing or managing cybersecurity and other technology-related risks facing the company	✓						
RISK MANAGEMENT / COMPLIANCE Compliance expertise or experience in the identification, assessment, and mitigation of enterprise risk		✓	✓	✓	✓	✓	✓
INDUSTRY EXPERIENCE Experience in our businesses and related industries, including construction and aggregate mining	✓			✓	✓		✓
PUBLIC COMPANY BOARD OVERSIGHT / CORPORATE GOVERNANCE Experience serving as a director on a public company board with an understanding of evolving corporate governance practices that support shareholder value creation and consider the perspectives of other key stakeholders		✓	✓		✓	✓	✓
HUMAN CAPITAL MANAGEMENT Experience managing or overseeing a large and complex workforce, including overseeing workforce planning, employee engagement, talent management, succession planning and rewards	✓		✓	✓	✓	✓	✓
ENVIRONMENT AND SUSTAINABILITY Experience implementing or overseeing environmental, climate, and sustainability initiatives relevant to our industry and business			✓	✓			✓
LEGAL / REGULATORY / GOVERNMENT / PUBLIC POLICY Experience leading or navigating complex legal matters, regulatory frameworks, and/or public policy changes affecting our industry and business			✓		✓		✓

	Carmona Alvarez	Chiodo	Fagg	Gray	Hill	Moss	Sandbrook
Gender/Age/Tenure*							
Gender	M	F	F	M	M	F	M
Age	56	59	71	54	68	71	67
Tenure	3	1	20	2	1	22	2
Race/Ethnicity/Nationality							
African American/Black							
Alaskan Native or Native American							
Asian							
Hispanic/Latinx	✓						
Native Hawaiian or Pacific Islander							
White (not Hispanic or Latinx origins)		✓	✓	✓	✓	✓	✓
Two or more Races or Ethnicities							

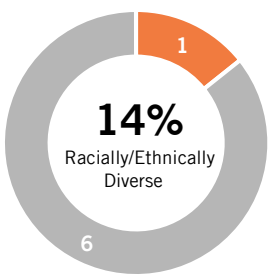
* Ages are current as of December 31, 2024 and tenure includes time of service on the MDU Resources board of directors prior to the Separation.

Gender Diversity



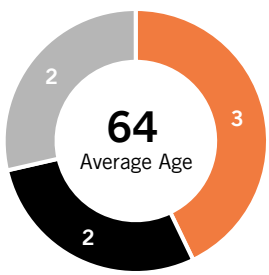
Female
Male

Racial / Ethnic Diversity



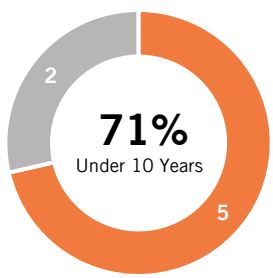
Hispanic/Latinx
White

Age Diversity



<60 Years old
60-70 Years Old
>70 Years Old

Tenure



<10 Years
>10 Years

Board Refreshment Process

Board Evaluations. Our corporate governance guidelines require that the board, in coordination with the nominating and governance committee, annually reviews and evaluate the performance and functioning of the board and its committees. The chair of the board and chair of the nominating and governance committee jointly lead the self-evaluation process. The directors each complete a written questionnaire, with the opportunity to provide comments, to evaluate the performance of the board and committees on which they sit and the performance of other directors as a whole. The results of the written questionnaires are anonymously compiled and provided to the board and each committee where the results are reviewed and discussed in board and committee private sessions. Results from self-evaluations are used to enhance board and governance practices, as well as to identify board and committee priorities. The board completed its annual self-evaluation in November 2024.

Board Composition

The nominating and governance committee is committed to ensuring that the board reflects a diversity of experience, skills, and backgrounds to serve the company's governance and strategic needs.

Board Composition Study. In evaluating the needs of the board and the company, the nominating and governance committee selects candidates based on their qualifications, skills, and experience, and how those characteristics supplement the resources and talent on the board and serve the current needs of the board and the company. To support this process, the nominating and governance committee engaged an independent global search and board effectiveness firm in 2023 to complete a board composition analysis that helped the board define competency criteria, analyze the board's current backgrounds, skills, and experiences and to help identify what the board is likely to need in the future, and recommended director recruiting priorities for future director selection.

Global Search Firm Engagement. The nominating and governance committee has continued to identify individuals as potential board candidates, particularly individuals with industry experience to support the company's strategy and with perspective from the independent board composition study completed in 2023. In March 2023, Knife River management identified and recommended William J. Sandbrook be appointed to the board, effective upon the Separation. After the Separation, the nominating and governance committee engaged an independent global search firm to assist with identifying, evaluating, and recruiting a wide range of potential director candidates, which led to the appointment of Patricia Chiodo in June 2024. Potential director nominees were also brought to the attention of the nominating and governance committee by board members, management, advisory firms, and various organizations. The nominating and governance committee evaluated all potential director candidates brought to its attention.

By tenure, including time of service as a director of MDU Resources prior to the Separation, if the nominees are elected, the board will be comprised of five directors who have served less than 10 years and two directors who have served over 10 years. The nominating and governance committee believes this mix of director tenures provides a balance of experience and institutional knowledge with fresh perspectives.

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

Director Independence

The board has adopted guidelines on director independence that are included in our corporate governance guidelines. Our guidelines require that a substantial majority of the board consists of independent directors. In general, the guidelines require that an independent director must have no material relationship with the company directly or indirectly, except as a director. The board determines independence on the basis of the standards specified by the NYSE, the SEC, the additional standards referenced in our corporate governance guidelines, and other facts and circumstances the board considers relevant. Based on its review, the board has determined that all directors, except for our chief executive officer, Mr. Gray, are independent within the meaning of these rules and standards.

In determining director independence, the board reviewed and considered information about any transactions, relationships, and arrangements between the non-employee directors and their immediate family members and affiliated entities on the one hand, and the company and its affiliates on the other, and in particular the following transactions, relationships, and arrangements:

- Prior to his nomination to the board at the 2024 annual meeting of stockholders, Mr. Hill provided certain research and consulting services to Firstlight, an investment fund, from June 2022 to February 2024. Firstlight had an investment fund dedicated to investing in Knife River common stock (the KNF Fund), and Mr. Hill invested $1,000,000 in the KNF Fund in July 2023. In September 2023, Firstlight contacted the board and recommended Mr. Hill for appointment to the board. Mr. Hill was subsequently elected to the board by the company's stockholders at the 2024 annual meeting of stockholders, upon recommendation of the board. In June 2024, Firstlight notified Mr. Hill that the KNF Fund had sold all of the shares of Knife River common stock then-owned by the KNF Fund.

The board has also determined that all members of the audit, compensation, and nominating and governance committees of the board, and all board nominees, are independent in accordance with our guidelines and applicable NYSE and SEC rules, as applicable.

Oversight of Sustainability

We are an aggregates-led, vertically integrated construction materials and contracting services company and manage our business with a long-term view toward sustainable operations, focusing on how economic, environmental, and social impacts help the company continue building strong communities. We are committed to strong corporate governance in all areas, including governance of environmental and social responsibility.

Board of Directors. The board of directors is ultimately responsible for oversight with respect to environmental, health, safety, and other social sustainability matters applicable to the company.

Audit Committee of the Board. The audit committee is a standing committee of the board with focus that includes our environmental, workplace health, safety, and other social sustainability programs and performance. The audit committee assists the board in fulfilling its oversight responsibilities with respect to environmental and social sustainability matters, including oversight and review of:

- Employee, customer, and contractor safety;
- Climate change risks;
- Compliance with environmental, health, and safety laws;
- Integration of environmental and social principles into company strategy; and
- Significant public disclosures of environmental and sustainability matters.

Compensation Committee of the Board. The compensation committee is a standing committee of the board with focus that includes human capital management matters related to the company's operations.

Management Policy Committee. The company's management policy committee is comprised of company executive officers. The management policy committee meets monthly, or more frequently as warranted, and is responsible for the management of risks and pursuit of opportunities related to environmental and social sustainability matters, including climate change, health, safety, and other social sustainability matters.

Executive Sustainability Committee. The company's executive sustainability committee is comprised of corporate and business segment senior leadership. The executive sustainability committee responsibilities include:

- Supporting execution of, and making recommendations to advance, the company's environmental and sustainability strategy; and
- Establishing, maintaining, and enhancing the processes, procedures, and controls for the company's environmental and sustainability disclosures.

For information on our sustainability reporting, as well as highlights of our environmental stewardship and social responsibility, see "Sustainability Highlights" in the Proxy Statement Summary.

Stockholder Engagement

The company has an active stockholder outreach program. We believe in providing transparent and timely information to our investors and understand the need to align our priorities with our key stakeholders. We engage directly and indirectly with our stockholders, including large institutional stockholders. Management regularly attends and presents at investor conferences, holding both one-on-one meetings and group meetings with interested parties. During 2024, the company participated in virtual and in-person meetings, conference calls, and exchanged written correspondence with numerous stockholders and investment firms, including focused outreach to our top 50 stockholders. Our active stockholder engagement program includes:

ENGAGEMENT

Executive Management, Investor Relations, Senior Leadership and Board Members engage on a regular basis with Institutional Investors, Sell-Side Analysts, Retail Stockholders, Holders of Bonds and Rating Agencies/Firms to solicit feedback and provide updates on a variety of corporate governance and operational matters. Our engagement efforts include:

- Virtual and In-Person One-on-One Meetings
- Investor Group Meetings
- Quarterly Earnings Conference Calls
- Written and Electronic Communications
- Company-Hosted Events and Presentations
- Webcasts with Stockholders and Analysts
- Sell-Side Investor Conferences

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COMMUNICATION

Knife River routinely interacts and communicates with stockholders and interested parties through a number of forums. Our key channels of communication include:

- Knife River website at investors.kniferiver.com
- Sustainability Report
- Quarterly Earnings Webcasts
- Public Events and Presentations
- Annual Proxy Statement
- SEC Filings
- Annual Report
- Disclosures to Various Ratings Assessors
- Annual Stockholder Meeting
- Press Releases

+

FEEDBACK

Knife River actively shares stockholder perspectives, trends and developments about corporate governance matters with our board as we consider evolving our governance and sustainability practices and improve our disclosures. Some of the key topics of engagement include:

- EDGE Strategy
- Long-Term Growth Strategy
- Margin Goal
- Capital Allocation Priorities
- Public Infrastructure Funding
- Enterprise Risk Management
- Competitive Dynamics
- Sustainability
- Board Composition
- Executive Compensation
- Management Background
- History of Knife River

OUTCOMES OF STOCKHOLDER ENGAGEMENT

- **Proposed amendment and restatement of the company's amended and restated certificate of incorporation to eliminate the supermajority voting requirements**
- **2024 executive compensation tied to executing the company's EDGE strategy**
- **Updated financial disclosure for segment reporting, capital allocation, and public infrastructure spending**

Stockholder Communications with the Board

Stockholders and other interested parties who wish to contact the board or any individual director, including our non-employee chair or non-employee directors as a group, should address a communication in care of the secretary at Knife River Corporation, 1150 West Century Avenue, P.O. Box 5568, Bismarck, North Dakota, 58506-5568. The secretary will forward all communications.

Board Leadership Structure

Our corporate governance guidelines provide that the chair of the board and the chief executive officer can be filled by the same person or by different persons based upon the circumstances. If the positions of the chair and the chief executive officer are filled by the same person, or if the chair is not an independent director pursuant to the director independence standards in our corporate governance guidelines, the independent directors will designate a lead independent director.

Currently, the board has separated the positions of chair of the board and chief executive officer. The board believes this structure provides balance and is currently in the best interest of the company and its stockholders. Separating these positions allows the chief executive officer to focus on the full-time job of running our business, while allowing the chair to lead the board in its fundamental role of providing advice to and independent oversight of management. The chair meets and confers regularly between board meetings with the chief executive officer and consults with the chief executive officer regarding the board meeting agendas, the quality and flow of information provided to the board, and the effectiveness of the board meeting process. The board believes this split structure recognizes the time, effort, and energy the chief executive officer is required to devote to the position in the current business environment as well as the commitment required to serve as the chair, particularly as the board's oversight responsibilities continue to grow and demand more time and attention. The fundamental role of the board is to provide oversight of the management of the company in good faith and in the best interests of the company and its stockholders. The board believes having an independent chair is a means to ensure the chief executive officer is accountable for managing the company in close alignment with the interests of stockholders including with respect to risk management as discussed below. The board has found that an independent chair is in a position to encourage frank and lively discussions including during regularly scheduled executive sessions consisting of only independent directors and to assure that the company has adequately assessed all appropriate business risks before adopting its final business plans and strategies. The board believes that having separate positions and having an independent outside director serve as chair is the appropriate leadership structure for the company at this time and demonstrates our commitment to good corporate governance.

Board's Role in Risk Oversight

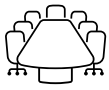
Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including economic risks, strategic risks, operational risks, environmental and regulatory risks, competitive risks, climate and weather conditions, pension plan obligations, cyberattacks or acts of terrorism, and third-party liabilities. The board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate for identifying, assessing, and managing risk. Management is responsible for identifying material risks, implementing appropriate risk management and mitigation strategies, and providing information regarding material risks and risk management and mitigation to the board. The company maintains an enterprise risk management committee with broad expertise, including safety, information technology, quality, environmental, operations, financial, legal, human resources, and risk management, to support the company's enterprise risk management processes. The company's risk oversight framework also aligns with its disclosure controls and procedures. For example, the company's quarterly and annual financial statements and related disclosures are reviewed by the disclosure committee, which includes certain senior management, who participate in the risk assessment practices described below.

The board believes establishing the right "tone at the top" and full and open communication between management and the board are essential for effective risk management and oversight. The board tours company operations in connection with certain board meetings to enhance the board's understanding of risks and risk management measures in place at particular company operations. Our chair also meets regularly with our chief executive officer to discuss strategy and risks facing the company. Senior management attends the quarterly board meetings and is available to address questions or any concerns raised by the board on risk management-related and any other matters. Each quarter, the board and its applicable committees receive

presentations from senior management on enterprise risk management issues and strategic matters involving our operations. Senior management annually presents an assessment to the board of critical enterprise risks that threaten the company's strategy and business model, including risks inherent in the key assumptions underlying the company's business strategy for value creation. Periodically, the board receives presentations from external experts on matters of strategic importance to the board. At least annually, the board holds strategic planning sessions with senior management to discuss strategies, key challenges, and risks and opportunities for the company.

The company believes its enterprise risk management programs help clearly define risk management roles and responsibilities among the board and its committees and management, bring together senior management to discuss risk, promote visibility and constructive dialogue around the risks relevant to the company's strategy and operations and helps facilitate appropriate risk response strategies at the board, board committees, and management.

The Board



While the board is ultimately responsible for risk oversight at our company, our standing board committees assist the board in fulfilling its oversight responsibilities in certain areas of risk.

Audit Committee

Risk Oversight Responsibilities

- ✓ **Financial Reporting and Internal Controls**
- ✓ **Cybersecurity and Artificial Intelligence**
- ✓ **Compliance with Legal and Regulatory Requirements**
- ✓ **Climate Change Risks and Environmental and Social Sustainability**

Compensation Committee

Risk Oversight Responsibilities

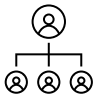
- ✓ **Executive Compensation**
- ✓ **Incentive Plans**
- ✓ **Conflicts of Interest Assessment**
- ✓ **Director Compensation Policy**

Nominating and Governance Committee

Risk Oversight Responsibilities

- ✓ **Board Organization**
- ✓ **Board Membership and Structure**
- ✓ **Succession Planning**
- ✓ **Corporate Governance**

Management



The management policy committee meets monthly, or more frequently as warranted, to receive reports on safety, operations, and business development, and to discuss the company's challenges and opportunities. Reports are also provided by the company's financial, human resources, legal, and information technology departments. Special presentations are made by other employees on matters that affect the company's operations. The company has also developed a robust compliance program to promote a culture of compliance, consistent with the right "tone at the top," to mitigate risk. The program includes training and adherence to our code of conduct and legal compliance guide. We further mitigate risk through our internal audit and legal departments.

- **Audit Committee**. The audit committee assists the board in fulfilling its oversight responsibilities with respect to risk management in a general manner and specifically in the areas of financial reporting, internal controls, cybersecurity, artificial intelligence, compliance with legal and regulatory requirements, related person transactions, and, in accordance with NYSE requirements, discusses with the board policies with respect to risk assessment and risk management and their adequacy and effectiveness. The audit committee receives regular reports on the company's

compliance program, including reports received through our anonymous reporting hotline. It also receives reports and regularly meets with the company's external and internal auditors. During its quarterly meetings in 2024, the audit committee received presentations or reports from management on cybersecurity and the company's mitigation of cybersecurity risks as well as assessment and mitigation reports on other compliance and risk-related topics. The entire board was present for cybersecurity risk presentations and had access to the reports. The audit committee discussed areas where the company may have material risk exposure, steps taken to manage such exposure, and the company's risk tolerance in relation to company strategy. The audit committee reports regularly to the board on the company's management of risks in the audit committee's areas of responsibility.

In addition, the audit committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks related to environmental, health, safety, and other social and sustainability matters that fundamentally affect the company's business interests and long-term viability. The audit committee responsibilities with respect to these matters include reviewing significant risks and exposures to the company regarding current and emerging environmental and social sustainability matters, including climate change risks, and discussing with management and overseeing actions taken by the company in response thereto. The audit committee also reviews the company's efforts to integrate social, environmental, and economic principles, including climate change, greenhouse gas emissions management, energy, water, and waste management, product and service quality, reliability, customer care and satisfaction, public perception, and company reputation, into the company's strategy and operations. The audit committee receives regular reports on the company's safety, including the company's year-to-date recordable incident rates and lost time accident rates.

- **Compensation Committee**. The compensation committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs as well as the company's culture and strategies relating to human capital management.

- **Nominating and Governance Committee**. The nominating and governance committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, board membership and structure, succession planning for our directors and executive officers, and corporate governance.

Board Meetings and Committees

The board held seven meetings during 2024. Each director attended at least 75% of the combined total meetings of the board and the committees on which the director served during 2024, in each case, during the time period which each director served. All directors, who were serving at the time, attended our 2024 annual meeting of stockholders, except one director who was not renominated to stand for re-election at the 2024 annual meeting of stockholders, in accordance with our corporate governance guidelines.

The board has standing audit, compensation and nominating and governance committees, which meet at least quarterly. The table below provides current committee membership.

Name	Audit Committee	Compensation Committee	Nominating and Governance Committee
German Carmona Alvarez	●	C	
Patricia Chiodo	●	●	
Karen B. Fagg			●
Thomas W. Hill		●	●
Patricia L. Moss	C	●	
William J. Sandbrook	●		C

C - Chair ● - Member

Below is a description of each standing committee of the board. The board has affirmatively determined that each of these standing committees consists entirely of independent directors pursuant to rules established by the NYSE, rules promulgated under the SEC, and the director independence standards established by the board. The board has also determined that each member of the audit committee and the compensation committee is independent under the criteria established by the NYSE and the SEC for audit committee and compensation committee members, as applicable.

Audit Committee — Met Nine Times in 2024

The audit committee is a separately-designated committee established in accordance with Section 3(a)(58)(A) of the Exchange Act and is governed by a written charter.

The audit committee met nine times during 2024. The current audit committee members are Patricia L. Moss, chair, German Carmona Alvarez, Patricia Chiodo, and William J. Sandbrook. The board determined that German Carmona Alvarez, Patricia Chiodo, Patricia L. Moss, and William J. Sandbrook are "audit committee financial experts" as defined by SEC rules, and all audit committee members are financially literate within the meaning of the listing standards of the NYSE. All members also meet the independence standard for audit committee members under our director independence guidelines, the NYSE listing standards, and SEC rules.

The audit committee assists the board in fulfilling its oversight responsibilities to the stockholders and serves as a communication link among the board, management, the independent registered public accounting firm, and the internal auditors. The audit committee reviews and discusses with management and the independent registered public accounting firm, before filing with the SEC, the annual audited financial statements and quarterly financial statements. In addition, the audit committee oversees and provides recommendations to the board with respect to the management of risks related to environmental, health, safety, and other social and sustainability matters that fundamentally affect the company's business interests and long-term viability. The audit committee also:

- Assists the board's oversight of:
  - The integrity of our financial statements and system of internal controls;
  - The company's compliance with legal and regulatory requirements and the code of conduct;
  - Discussions with management regarding the company's earnings releases and guidance;
  - The independent registered public accounting firm's qualifications and independence;
  - The appointment, compensation, retention, and oversight of the work of the independent registered public accounting firm;
  - The performance of our internal audit function and independent registered public accounting firm; and
  - Management of risk in the audit committee's areas of responsibility, including cybersecurity, artificial intelligence, financial reporting, legal and regulatory compliance, and internal controls;
- Arranges for the preparation of and approves the report that SEC rules require we include in our annual proxy statement. See the section entitled "Audit Committee Report" for further information;
- Reviews the company's environmental and social sustainability strategies, goals, commitments, policies, and performance;
- Reviews any fatality, serious injury, or illness involving an employee, customer, contractor, or third-party occurring in connection with the company's operations;
- Reviews any material noncompliance by the company with environmental, health, and safety laws and regulations;
- Reviews the company's efforts to integrate social, environmental, and economic principles, including climate change, greenhouse gas emissions management, energy, water and waste management, product and service quality, reliability, customer care and satisfaction, public perception, and company reputation with and into the company's strategy and operations;
- Considers and advises the compensation committee on the company's performance with respect to any incentive compensation metrics relating to environmental and social sustainability matters; and
- Reviews any stockholder proposals related to environmental and social sustainability matters.

Compensation Committee

Met Four Times in 2024

The compensation committee met four times during 2024. The compensation committee consists entirely of independent directors within the meaning of the company's corporate governance guidelines and the NYSE listing standards and who meet the definitions of non-employee directors for purposes of Rule 16-b under the Exchange Act. Current members of the compensation committee are German Carmona Alvarez, chair, Patricia Chiodo, Thomas W. Hill, and Patricia L. Moss.

The compensation committee is governed by a written charter and assists the board in fulfilling its responsibilities relating to the company's compensation policies and programs. It has direct responsibility for determining compensation for our Section 16 officers and for overseeing the company's management of compensation risk in its areas of responsibility. In determining the long-term incentive component of CEO compensation, the compensation committee may consider, among others, the company's performance and relative stockholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the company's CEO in past years. The compensation committee also reviews and recommends any changes to director compensation policies to the board. In addition, the compensation committee oversees human capital management matters related to our operations. The authority and responsibility of the compensation committee is outlined in the compensation committee's charter.

The compensation committee uses analysis and recommendations from outside consultants, the chief executive officer, and the human resources department in making its compensation decisions. The processes and procedures for consideration and determination of compensation of the Section 16 officers as well as the role of our executive officers are discussed in the "Compensation Discussion and Analysis."

The compensation committee has sole authority to retain compensation consultants, legal counsel, or other advisers to assist in its duties. The committee is directly responsible for the appointment, compensation, and oversight of the work of such advisers. The compensation committee retained an independent compensation consultant, Meridian Compensation Partners, LLC (Meridian), to conduct a competitive analysis on non-employee director compensation and executive compensation. Prior to retaining an adviser, the compensation committee considered relevant factors to ensure the adviser's independence from management. Annually the compensation committee conducts a potential conflicts of interest assessment raised by the work of any compensation consultant and how such conflicts, if any, should be addressed. The compensation committee requested and received information from Meridian to assist in its potential conflicts of interest assessment. Based on its review and analysis, the compensation committee determined in 2024 that Meridian was independent from management. Meridian does not provide any services other than consultation services to the compensation committee on executive and director compensation matters. Meridian reports directly to the compensation committee and not to management. Meridian participated in executive sessions with the compensation committee without members of management present.

The board determines compensation for our non-employee directors based upon recommendations from the compensation committee.

Nominating and Governance Committee

Met Five Times in 2024

The nominating and governance committee met five times during 2024. The current committee members are William J. Sandbrook, chair, Karen B. Fagg, and Thomas W. Hill.

The nominating and governance committee is governed by a written charter and provides recommendations to the board with respect to:

- Board organization, membership, and function;
- Committee structure and membership;
- Succession planning for our executive management and directors; and
- Our corporate governance guidelines.

The nominating and governance committee assists the board in overseeing the management of risks in the committee's areas of responsibility.

The committee identifies individuals qualified to become directors and recommends to the board the director nominees for the next annual meeting of stockholders. The committee also identifies and recommends to the board individuals qualified to become our principal officers and the nominees for membership on each board committee. The committee oversees the evaluation of the board and management.

In identifying nominees for director, the committee consults with board members, management, search firms, consultants, organizational representatives, and other individuals likely to possess an understanding of our business and knowledge concerning suitable director candidates.

In evaluating director candidates, the committee, in accordance with our corporate governance guidelines, considers an individual's:

- Background, character, and experience, including experience relative to our company's lines of business;
- Skills and experience which complement the skills and experience of current board members;
- Success in the individual's chosen field of endeavor;
- Skill in the areas of accounting and financial management, banking, business management, human resources, marketing, operations, public affairs, law, technology, risk management, and governance;
- Background in publicly-traded companies, including service on other public company boards of directors;
- Geographic area of residence;
- Diversity of business and professional experience, skills, gender, and ethnic background, as appropriate in light of the current composition and needs of the board;
- Independence, including any affiliation or relationship with other groups, organizations, or entities; and
- Compliance with applicable law and applicable corporate governance, code of conduct and ethics, conflict of interest, corporate opportunities, confidentiality, stock ownership and trading policies, and other policies and guidelines of the company.

The nominating and governance committee assesses these considerations annually in connection with the nomination of directors for election at the annual meeting of stockholders.

Additional Governance Features

Board and Committee Evaluations

Our corporate governance guidelines provide that the board, in coordination with the nominating and governance committee, will annually review and evaluate the performance and functioning of the board and its committees. For more detail on our board evaluation process, see "Board Composition and Effectiveness" in the section entitled "Board of Directors."

Executive Sessions of the Independent Directors

The non-employee directors meet in executive session at each regularly scheduled quarterly board meeting. The chair of the board presides at the executive session of the non-employee directors.

Director Resignation Upon Change of Job Responsibility

Our corporate governance guidelines require a director to tender his or her resignation after a material change in job responsibility. The nominating and governance committee will consider whether to accept or reject the tendered resignation, taking into consideration all factors deemed relevant by the members of the nominating and governance committee in accordance with the corporate governance guidelines. The nominating and governance committee will then promptly recommend to the board whether or not to accept the resignation. The director may not participate in the nominating and governance committee recommendation or board consideration of the resignation.

Majority Voting in Uncontested Director Elections

Our corporate governance guidelines require that in uncontested elections (those where the number of nominees does not exceed the number of directors to be elected), director nominees must receive the affirmative vote of a majority of the votes cast to be elected to our board. Contested director elections (those where the number of director nominees exceeds the number of directors to be elected) are governed by a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. See "Additional Information - Majority Voting" for further detail.

Overboarding Policy

Our corporate governance guidelines state that a director may not serve on more than two other public company boards and our executive officers may not serve on more than one other public company board. Currently, all of our directors and executives are in compliance with this policy.

Board Refreshment

Recognizing the importance of board composition and refreshment for effective oversight, the nominating and governance committee will annually consider the composition and needs of the board, review potential candidates, and recommend to the board nominees for appointment or election. The nominating and governance committee and the board are committed to identifying individuals from all backgrounds whose skills and experiences will enable them to make meaningful contributions to shaping the company's business strategy and priorities. To further board refreshment efforts, the nominating and governance committee has engaged an independent global search firm to assist with identifying, evaluating and recruiting a diverse pool of potential director candidates. As part of its consideration of director succession, the nominating and governance committee from time-to-time reviews, including when considering potential candidates, the appropriate skills and characteristics required of board members. Directors are not eligible to be nominated or appointed to the board if they are 74 years of age or older at the time of election, re-election or appointment, subject to certain exceptions as set forth in the corporate governance guidelines. Given the breadth of our businesses, we believe the mandatory retirement age allows us to benefit from experienced directors, with industry expertise, company institutional knowledge and historical perspective, stability, and comfort with challenging company management, while maintaining our ability to refresh the board through the addition of new members.

Our corporate governance guidelines include our policy on consideration of director candidates recommended to us. We will consider candidates that our stockholders recommend in the same manner we consider other nominees. Stockholders who wish to recommend a director candidate may submit recommendations, along with the information set forth in the guidelines, to the nominating and governance committee chair in care of the secretary at Knife River Corporation, 1150 West Century Avenue, P.O. Box 5568, Bismarck, North Dakota, 58506-5568.

Stockholders who wish to nominate persons for election to our board at an annual meeting of stockholders must follow the applicable procedures set forth in our bylaws. Our bylaws are available on our website. See "Stockholder Proposals, Director Nominations, and Other Items of Business for 2026 Annual Meeting" in the section entitled "Information about the Annual Meeting" for further details.

Insider Trading Policy

The board has adopted the Insider Trading Policy, which governs the purchase, sale and/or other dispositions of the company's securities by directors, officers, employees and other covered persons, and the company itself, which is reasonably designed to promote compliance with insider trading laws, rules and regulations, and NYSE listing standards. A copy of the Insider Trading Policy was filed as Exhibit 19 to the 2024 Form 10-K.

Prohibitions on Hedging/Pledging Company Stock

The company's Insider Trading Policy prohibits executives and directors from hedging their ownership of common stock. Prohibited hedging strategies includes zero-cost collars, equity swaps, straddles, variable prepaid forward contracts, security future contracts, exchange funds, forward sale contracts and other financial transactions that would allow the officer or director to benefit from devaluation of the company's stock. The Insider Trading Policy also prohibits executives and directors from holding company stock in a margin account, with certain exceptions as described in the next sentence, or pledging company stock as collateral for a loan. Company stock may only be held in a margin brokerage account if the stock is explicitly excluded from any margin, pledge, or security provisions of the customer agreement.

Code of Conduct

We have a code of conduct and ethics, which we refer to as the Leading With Integrity Guide. It applies to all directors, officers, and employees. The Leading With Integrity Guide defines our values, our culture, and our commitments to stakeholders while setting expectations of employee conduct for legal and ethical compliance. We also have a Vendor Code of Conduct setting forth our expectations of vendors including ethical business practices, workplace safety, environmental stewardship, and compliance with applicable laws and regulations. Our Vendor Code of Conduct is available on our company website, which is not part of this Proxy Statement and is not incorporated by reference into this Proxy Statement.

We intend to satisfy our disclosure obligations regarding amendments to, or waivers of, any provision of the code of conduct that applies to our principal executive officer, principal financial officer, and principal accounting officer, and that relates to any element of the code of ethics definition in Regulation S-K, Item 406(b), and waivers of the code of conduct for our directors or executive officers, as required by NYSE listing standards, by posting such information on our website.

Proxy Access

Our bylaws allow stockholders to nominate directors for inclusion in our Proxy Statement subject to the following parameters:

Ownership Threshold:	3% of outstanding shares of our common stock
Nominating Group Size:	Up to 20 stockholders may combine to reach the 3% ownership threshold
Holding Period:	Continuously for three years
Number of Nominees:	The greater of two nominees or 20% of our board

We believe these proxy access parameters reflect a well-designed and balanced approach to proxy access that mitigates the risk of abuse and protects the interests of all of our stockholders. Stockholders who wish to nominate directors for inclusion in our Proxy Statement in accordance with proxy access must follow the procedures in our bylaws. See “Stockholder Proposals, Director Nominations, and Other Items of Business for 2026 Annual Meeting.”

Cybersecurity Oversight

The audit committee reviewed reports and received presentations at each of its regular quarterly meetings in 2024 concerning cybersecurity-related issues including information security, technology risks including risks arising from artificial intelligence, and risk mitigation programs. All members of the board received copies of reports and were present during the presentations. The company maintains a Cyber Risk Oversight Committee (CyROC) to provide executive management and the audit committee with analyses, appraisals, recommendations, and pertinent information concerning cyber defense of the company’s electronic information, information technology and operation technology systems, as well as other technology risks including risks arising from artificial intelligence. The CyROC is responsible for guiding the company’s comprehensive cybersecurity policies. The CyROC is chaired by the company’s supervisor of cybersecurity and is comprised of members from financial and operations management as well as information technology leaders. The company has implemented a cybersecurity training and compliance program to facilitate initial and continuing education for employees who have contact or potential contact with the company’s data. External reviews are conducted to assess company information security programs and practices, including incident management, service continuity, and information security compliance programs. The company has not had an indication of a material cybersecurity breach and has not incurred any expenses, penalties, or settlements arising from a material cybersecurity breach. The company maintains a cyber liability insurance policy providing insurance coverage within the policy limits for liability losses and business interruption events arising from a cybersecurity breach. Please refer to Item IC. Cybersecurity in Part I of our 2024 Form 10-K for additional information regarding cybersecurity matters.

Corporate Governance Materials

Stockholders can see our bylaws, corporate governance guidelines, board committee charters, and Leading With Integrity Guide on our website. The information on our website is not part of this Proxy Statement and is not incorporated by reference as part of this Proxy Statement.

Corporate Governance Materials	Website
• Bylaws	investors.kniferiver.com/governance/governance-documents/
• Corporate Governance Guidelines	investors.kniferiver.com/governance/governance-documents/
• Board Committee Charters for the Audit, Compensation and Nominating and Governance Committees	investors.kniferiver.com/governance/governance-documents/
• Leading With Integrity Guide	kniferiver.com/integrity/

Related Person Transaction Disclosure

The board's policy for the review of related person transactions is contained in our corporate governance guidelines. The policy requires the audit committee to review any proposed transaction, arrangement or relationship, or series thereof:

- In which the company was or will be a participant;
- The amount involved exceeds $120,000; and
- A related person had or will have a direct or indirect material interest.

Prior to the company entering into a related person transaction that would be required to be disclosed under the SEC rules, the audit committee will, after a reasonable prior review and consideration of the material facts and circumstances, make a determination or recommendation to the board and appropriate officers of the company with respect to the transactions as the audit committee deems appropriate. The committee will prohibit any such related person transaction if it determines it to be inconsistent with the best interests of the company and its stockholders.

Related persons are directors, director nominees, executive officers, holders of 5% or more of our voting stock, and their immediate family members. Related persons are required promptly to report to our chief legal officer all proposed or existing related person transactions in which they are involved.

Except as described below, we had no related person transactions since the beginning of 2024.

Separation-Related Agreements

On May 30, 2023, Knife River Corporation (formerly known as Knife River Holding Company) entered into a separation and distribution agreement (the separation agreement) with MDU Resources, pursuant to which MDU Resources agreed to transfer its wholly owned subsidiary, KRC Materials, Inc. (formerly known as Knife River Corporation) to us and distribute approximately 90% of our outstanding common stock to MDU Resources' stockholders of record as of the close of business on May 22, 2023 (the Distribution). The Distribution became effective on May 31, 2023. The separation agreement identified the assets to be transferred, the liabilities to be assumed and the contracts to be assigned to each of us and MDU Resources as part of the Separation, and provided for when and how these transfers, assumptions and assignments would occur.

In connection with the Separation and the Distribution, on May 30, 2023, we entered into several other Separation-related agreements with MDU Resources that govern or governed, as applicable, the relationship of the parties following the Distribution, including a transition services agreement, a tax matters agreement, an employee matters agreement, and a stockholder and registration rights agreement (which terminated on November 10, 2023).

Transition Services Agreement

We and MDU Resources entered into a transition services agreement pursuant to which MDU Resources provided certain services to us and we provided services to MDU Resources, on an interim, transitional basis. The services included financial reporting, tax, legal, human resources, payroll services, information technology, risk management and other general and administrative functions. The transition services agreement specified the fees payable for these services. The transition services agreement terminated on the date the last service was provided or received under it in 2024. During 2024, we paid approximately $1.2 million and received approximately $156,000 under the transition services agreement.

Tax Matters Agreement

We and MDU Resources entered into a tax matters agreement that governs the parties' respective rights, responsibilities and obligations after the Distribution with respect to taxes (including taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the Distribution and certain related transactions to qualify as tax-free for U.S. federal income tax purposes), tax attributes, the preparation and filing of tax returns, tax elections, the control of audits and other tax proceedings and assistance and cooperation in respect of tax matters.

The tax matters agreement also imposes certain restrictions on us and our subsidiaries (including, among others, restrictions on share issuances, business combinations, sales of assets and similar transactions) designed to preserve the tax-free status of the Distribution and certain related transactions. The tax matters agreement provides special rules that allocate tax liabilities in the event the Distribution, together with certain related transactions, is not tax-free. In general, under the tax matters agreement, each party is expected to be responsible for any taxes imposed on MDU Resources or us that arise from the failure of the Distribution, together with certain related transactions, to qualify as a transaction that is generally tax-free under Sections 355 and 368(a)(1)(D) and certain other relevant provisions of the Internal Revenue Code of 1986, as amended, to the extent that the failure to so qualify is attributable to actions, events or transactions relating to such party's respective stock, assets or business, or a breach of the relevant representations or covenants made by that party in the tax matters agreement. However, if such failure was the result of any acquisition of our shares or assets, we generally will be responsible for all taxes imposed as a result of such acquisition or breach.

Employee Matters Agreement

We and MDU Resources entered into an employee matters agreement to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs and other related matters. The employee matters agreement governed certain compensation and employee benefit obligations with respect to the current and former employees and non-employee directors of each company.

COMPENSATION OF NON-EMPLOYEE DIRECTORS

Director Compensation for 2024

Our non-employee directors are compensated for their service according to the Knife River Corporation Director Compensation Policy. Only one company employee, Brian R. Gray, the company's president and chief executive officer, serves as a director. Mr. Gray receives no additional compensation for his service on the board. Director compensation is reviewed annually by the compensation committee. The compensation committee's independent compensation consultant provided an analysis of the company's director compensation for 2024. The May 2024 analysis included research on market trends in director compensation as well as a review of director compensation practices of companies in our compensation benchmarking peer group, which was comprised of the same companies used for purposes of benchmarking compensation for our named executive officers. The independent compensation consultant, Meridian, prepared a report on director compensation which indicated the company's average annual cash and equity compensation for the company's non-employee directors ranked above the 75th percentile of the company's peer group. The Director Compensation Policy in effect from January 1, 2024 to May 14, 2024 provided that non-employee directors receive an annual fully-vested stock grant on a calendar year basis, following the board's regularly scheduled meeting in November. Effective as of May 15, 2024, the board revised the Director Compensation Policy to provide for equity compensation in the form of RSUs. In May 2024, the board determined the annual cash and revised form of equity compensation for the company's non-employee directors was appropriate and set the annual compensation of non-employee directors effective as of May 15, 2024, as follows:

Cash Retainer

Each non-employee director currently receives an annual cash retainer of $110,000 for services as a director, which is paid monthly, unless deferred at the election of the director in accordance with the terms of the Deferred Compensation Plan for Directors, as described below. Directors do not receive meeting attendance fees.

Annual Equity Award

Except as noted below, each non-employee director serving on the board from January 1, 2024 to May 14, 2024 received a prorated stock grant for this period of service under the then in effect Director Compensation Policy. In accordance with the revised Director Compensation Policy adopted by the board effective May 15, 2024, each non-employee director serving as of the annual meeting of stockholders was granted RSUs with a value of $150,000 on the date of the grant. On May 15, 2024, each non-employee director received a grant of 1,905 RSUs using the closing price of our common stock on such date of $78.74. On June 27, 2024, in connection with her appointment to the board, Ms. Chiodo received a prorated grant of 1,962 RSUs using the closing price of our common stock of $70.06. The RSUs vest and will be settled in shares of common stock on the day immediately prior to the date of the next annual meeting of stockholders. The RSUs are prorated based on the number of months served during the service period for any non-employee director not serving the full period between the date of grant and the day immediately prior to the date of the next annual meeting of stockholders.

Board Chair/Committee Chair Fees

In addition to the annual cash retainer and equity award described above, our board chair receives an annual cash retainer of $125,000, paid monthly, and an additional RSU grant valued at $25,000, which will vest and be settled in shares of common stock on the day immediately prior to the date of the next annual meeting of stockholders. In addition to the annual cash retainer, as described above, the chair of the audit committee receives an annual cash retainer of $20,000 and the chairs of the compensation committee and nominating and governance committee receive an annual cash retainer of $15,000, in each case, paid monthly.

The following table outlines the compensation paid to our non-employee directors for 2024.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[1][6]	All Other Compensation ($)[2]	Total ($)
German Carmona Alvarez	125,000	205,650	103	330,753
Patricia Chiodo[3]	56,222	137,500	60	193,782
Thomas Everist[4]	107,733	—	43	107,776
Karen B. Fagg	235,000	239,925	103	475,028
Thomas W. Hill[5]	64,167	150,000	69	214,236
Patricia L. Moss	130,000	205,650	103	335,753
William J. Sandbrook	119,435	205,650	103	325,188

(1) The amounts reflected in the column represent the aggregate grant date fair value of the prorated common stock award and the RSUs granted to our directors in 2024. The grant date fair value is calculated in accordance with generally accepted accounting principles for stock-based compensation in Accounting Standards Codification Topic 718 and as described in Note 12 of our audited financial statements in our 2024 Form 10-K. The amount paid in cash for fractional shares is included in the amount reported in the stock awards column to this table.

(2) Includes group life insurance premiums paid on behalf of the director as applicable. Amounts for life insurance premiums reflect prorated amounts for directors serving less than a full year based on the number of months served.

(3) Ms. Chiodo was appointed to the board on June 27, 2024. The fees and RSUs reflected in the table are prorated for her service in 2024.

(4) Mr. Everist did not stand for reelection to the board at the 2024 annual meeting of stockholders. Mr. Everist received cash, in lieu of a prorated common stock award, for his service on the board from January 1, 2024 to May 14, 2024 because he was not an active member of the board on May 15, 2024 and therefore not eligible to receive an equity award.

(5) Mr. Hill was elected to the board at the 2024 annual meeting of stockholders on May 14, 2024. The fees reflected in the table are prorated for his service in 2024.

(6) The number of RSUs outstanding for each of our non-employee directors as of December 31, 2024, is as follows:

Name	Number of Unvested Restricted Stock Units
German Carmona Alvarez	1,905
Patricia Chiodo	1,962
Karen B. Fagg	2,222
Thomas W. Hill	1,905
Patricia L. Moss	1,905
William J. Sandbrook	1,905

Other Compensation

In addition to liability insurance, we maintain group life insurance in the amount of $100,000 on each non-employee director for the benefit of their beneficiaries during the time they serve on the board. The annual cost per director is $103.20. Directors are reimbursed for all reasonable travel expenses, including spousal expenses in connection with attendance at meetings of the board and its committees. Perquisites, if any, were below the disclosure threshold in 2024.

Deferral of Compensation

Directors may defer all or any portion of the annual cash retainer and any other cash compensation paid for service as a director pursuant to the Deferred Compensation Plan for Directors. Deferred amounts are held as phantom stock and are paid out in cash over a five-year period after the director leaves the board.

Stock Ownership Policy

Our director stock ownership policy contained in our corporate governance guidelines requires each director to beneficially own our common stock equal in value to five times the director's annual cash base retainer. Shares acquired through purchases on the open market and received through our Knife River Corporation Long-Term Performance-Based Incentive Plan (LTIP) are considered in ownership calculations as well as other beneficial ownership of our common stock, including by a spouse or other immediate family member residing in the director's household. A director is allowed five years commencing January 1 of the year following the year of the director's initial appointment or election to the board to meet the requirements. The level of common stock ownership is monitored with an annual report made to the compensation committee of the board. All directors are in compliance with the stock ownership policy or are within the first five years of their election to the board. For further details on our director's stock ownership, see the section entitled "Security Ownership."

SECURITY OWNERSHIP

Security Ownership Table

The table below sets forth the number of shares of our common stock that each director, each director nominee, each named executive officer, and all directors and executive officers as a group owned beneficially as of February 28, 2025. Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include shares of common stock issuable upon the vesting and settlement of outstanding equity awards, if any, within 60 days after February 28, 2025. Except as otherwise indicated, all of the shares reflected in the table are shares of common stock and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them (or shares such power with his or her spouse). The information is not necessarily indicative of beneficial ownership for any other purpose.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock issuable upon the vesting and settlement of outstanding awards, if any, held by that person within 60 days of February 28, 2025. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Name	Shares of Common Stock Beneficially Owned (#)	Percent of Class (%)
German Carmona Alvarez	3,529	*
Patricia Chiodo	—	
Nancy K. Christenson	36,402 [(1)]	*
Karen B. Fagg	26,905	*
Brian R. Gray	8,311 [(1)]	*
Trevor J. Hastings	22,934 [(1)]	*
Thomas W. Hill	—	
Karl A. Liepitz	21,242 [(1)]	*
Patricia L. Moss	26,378	*
Nathan W. Ring	10,308 [(1)]	*
William J. Sandbrook	2,239	*
All directors, director nominees, and executive officers as a group (13 in number)	173,203 [(1)]	0.3

* Less than one percent of the class. Percent of class is calculated based on 56,652,361 outstanding shares as of February 28, 2025.

[(1)] Includes full shares allocated to the officer's account in our 401(k) retirement plan.

Stock Hedging and Pledging Policy

The company's Insider Trading Policy prohibits executives and directors from hedging their ownership of common stock. Prohibited hedging strategies includes zero-cost collars, equity swaps, straddles, variable prepaid forward contracts, security future contracts, exchange funds, forward sale contracts and other financial transactions that would allow the officer or director to benefit from devaluation of the company's stock. The Insider Trading Policy also prohibits executives and directors from holding company stock in a margin account, with certain exceptions as described in the next sentence, or pledging company stock as collateral for a loan. Company stock may only be held in a margin brokerage account if the stock is explicitly excluded from any margin, pledge, or security provisions of the customer agreement.

Greater Than 5% Beneficial Owners

Based solely on filings with the SEC as of February 28, 2025, the table below shows information regarding the beneficial ownership of more than 5% of the outstanding shares of our common stock.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	**The Vanguard Group**	6,044,184 [1]	10.69%
	100 Vanguard Blvd.		
	Malvern, PA 19355		
Common Stock	**BlackRock, Inc.**	6,707,973 [2]	11.9%
	50 Hudson Yards		
	New York, NY 10001		

[1] Based solely on the Schedule 13G, Amendment No. 1, filed on February 13, 2024, reporting on beneficial ownership as of February 28, 2025, The Vanguard Group reported sole dispositive power with respect to 5,951,871 shares, shared dispositive power with respect to 92,313 shares, and shared voting power with respect to 35,540 shares.

[2] Based solely on the Schedule 13G, Amendment No. 1, filed on January 23, 2024, reporting on beneficial ownership as of February 28, 2025, BlackRock, Inc. reported sole voting power with respect to 6,595,920 shares and sole dispositive power with respect to 6,707,973 shares.

EXECUTIVE COMPENSATION

ITEM 2. ADVISORY VOTE TO APPROVE THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS

In accordance with Section 14A of the Exchange Act and Rule 14a-21(a), we are asking our stockholders to approve, in an advisory vote, the compensation of our named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K. As discussed in the Compensation Discussion and Analysis, the compensation committee and board believe the current executive compensation program directly links compensation of the named executive officers to our financial performance and aligns the interests of the named executive officers with those of our stockholders. The compensation committee and board also believe the executive compensation program provides the named executive officers with a balanced compensation package that includes an appropriate base salary along with competitive annual and long-term incentive compensation targets. These incentive programs are designed to reward the named executive officers on both an annual and long-term basis if they attain specified goals.

Our overall compensation program and philosophy for 2024 was built on a foundation of these guiding principles:

- We pay for performance, with compensation at risk comprising over 80% of our 2024 total target compensation for the CEO and approximately 70% for the other named executive officers;
- We review competitive compensation data for the named executive officers, to the extent available, and incorporate internal equity in the final determination of target compensation levels;
- We align executive compensation and performance by using annual performance measures based on financial and strategic criteria that are important to stockholder value; and
- We align executive compensation with the interests of our stockholders by awarding the largest component of executive compensation in the form of stock awards where the value of the award is tied to the performance of our stock.

We are asking our stockholders to indicate their approval of our named executive officer compensation as disclosed in this Proxy Statement, including the Compensation Discussion and Analysis, the executive compensation tables, and narrative discussion. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers for 2024. We currently conduct the advisory vote to approve the compensation paid to the company's named executive officers annually, with the next vote following this year's vote occurring at the next annual meeting of stockholders.

Accordingly, the following resolution is submitted for stockholder vote at the annual meeting:

"RESOLVED, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion of this Proxy Statement, is hereby approved."

As this is an advisory vote, the results will not be binding on the company, the board, or the compensation committee and will not require us to take any action. The final decision on the compensation of the named executive officers remains with the compensation committee and the board, although the board and compensation committee will consider the outcome of this vote when making future compensation decisions.

The board of directors recommends a vote "FOR" the approval, on a non-binding advisory basis, of the compensation of the company's named executive officers, as disclosed in this Proxy Statement.

Approval of the compensation of the named executive officers requires the affirmative vote of a majority of the shares of common stock present online or represented by proxy at the annual meeting and entitled to vote on the proposal. Abstentions will count as votes against this proposal. Broker non-vote shares are not entitled to vote on this proposal and, therefore, are not counted in the vote.

Information Concerning Executive Officers

Information concerning our current executive officers, including their ages as of December 31, 2024, present corporate positions, and relevant business experience and qualifications is as follows:

Name	Age	Present Corporate Position and Business Experience
Brian R. Gray	54	Mr. Gray was appointed president of the company, effective March 1, 2023, and chief executive officer, effective May 3, 2023. Prior to that, he was region president of the company's subsidiary, Knife River Corporation - Northwest, effective January 11, 2012. Mr. Gray was appointed as a director of the company effective March 1, 2023. For more information about Mr. Gray, see the section entitled "Item 1. Election of Directors."
Nathan W. Ring	49	Mr. Ring was appointed vice president and chief financial officer of the company, effective May 3, 2023. Prior to that, he obtained 21 years of experience with MDU Resources, an energy delivery and construction services business, including the following MDU Resources subsidiaries: Knife River Corporation (now known as KRC Materials, Inc.), MDU Construction Services Group, Inc., and Centennial Energy Resources, LLC. Prior to his service as vice president and chief financial officer, Mr. Ring was vice president of business development from November 2017 until May 2023. He also served as vice president, controller and chief accounting officer for MDU Resources from 2014 to 2016. Prior to these roles, Mr. Ring held positions as a controller for Knife River and MDU Construction Services Group, Inc.
Karl A. Liepitz	46	Mr. Liepitz was appointed vice president, chief legal officer and secretary of the company, effective May 31, 2023. Prior to that, he was vice president, general counsel and secretary of MDU Resources, an energy delivery and construction services business, from February 2021 until May 2023. Prior to that, he was assistant general counsel and assistant secretary of MDU Resources, from January 2017 until February 2021; and senior attorney and assistant secretary from January 2016 until January 2017. He held legal positions of increasing responsibility with MDU Resources starting in August 2003.
Trevor J. Hastings	51	Mr. Hastings was appointed vice president and chief operating officer of the company, effective May 31, 2023. Prior to that, he was president and chief executive officer of WBI Energy, Inc., an MDU Resources subsidiary and natural gas transportation provider, from October 2017 until May 2023. Prior to that, he was vice president of business development and operations support of Knife River Corporation (now known as KRC Materials, Inc.), from January 2012 until October 2017; and vice president of corporate development from January 2007 until January 2012.
Nancy K. Christenson	69	Ms. Christenson was appointed vice president of administration of the company, effective May 31, 2023. She has over 45 years of experience with Knife River and has oversight of human resources, compensation and benefits, and employee relations. She was appointed vice president of administration of Knife River Corporation (now known as KRC Materials, Inc.) in May 2008, including vice president and chief accounting officer from January 2003 to May 2008; controller from January 1995 to December 2002; and numerous other accounting roles from 1977 to 1994. On January 17, 2025, Ms. Christenson informed the company of her decision to retire from the company in April 2025.
Glenn R. Pladsen	58	Mr. Pladsen was appointed vice president and chief excellence officer of the company, effective January 1, 2025. Prior to that, he was vice president of support services of the company, from May 2023 to December 2024. Mr. Pladsen was named vice president - operations support of Knife River Corporation (now known as KRC Materials, Inc.) from January 2020 to May 2023; and director of information technology starting in 2007.
Marney L. Kadrmas	55	Ms. Kadrmas was appointed vice president and chief accounting officer of the company, effective February 28, 2025. Prior to that, she was chief accounting officer of the company, effective May 31, 2023. Ms. Kadrmas previously served as vice president, region controller and assistant secretary of the company's subsidiary, Knife River Corporation - Northwest, from January 2022 until May 2023; and region controller and assistant secretary from July 2014 to December 2021. Prior to that, she was director of accounting for Knife River Corporation (now known as KRC Materials, Inc.) from 2012 to 2014; and financial planning and reporting manager from 2005 to 2012.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis describes how our named executive officers were compensated for 2024 and how their 2024 compensation aligns with our pay-for-performance philosophy. It also describes the compensation committee's oversight of executive compensation and the rationale and processes used to determine the 2024 compensation of our named executive officers, including the objectives and specific elements of our compensation program.

The Compensation Discussion and Analysis contains statements regarding corporate performance targets and goals. The targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Our Named Executive Officers for 2024 were:

Brian R. Gray	President and Chief Executive Officer (CEO)
Nathan W. Ring	Vice President and Chief Financial Officer (CFO)
Trevor J. Hastings	Vice President and Chief Operating Officer (COO)
Karl A. Liepitz	Vice President, Chief Legal Officer and Secretary (CLO)
Nancy K. Christenson [(1)]	Vice President of Administration

[(1)] On January 17, 2025, Ms. Christenson informed the company of her decision to retire from the company in April 2025.

Executive Summary

Compensation Committee Responsibilities and Objectives

The compensation committee is responsible for designing and approving our executive compensation program and setting compensation opportunities for our named executive officers. The objectives of our executive compensation program for named executive officers are to:

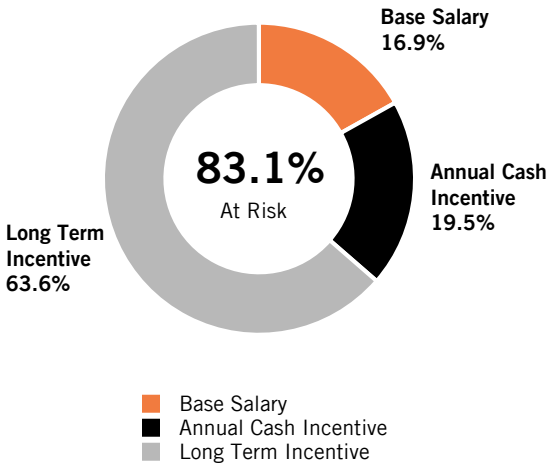
- Recruit, motivate, reward, and retain high performing executive talent required to create superior stockholder value;
- Reward executives for short-term performance as well as for growth in enterprise value over the long-term;
- Ensure effective utilization and development of talent by working in concert with other management processes - for example, performance appraisal, succession planning, and management development;
- Help ensure that compensation programs do not encourage or reward excessive or imprudent risk taking; and
- Provide a competitive package relative to industry-specific and general industry comparisons and internal equity, as appropriate.

The above executive compensation objectives outlined in our executive compensation policy are directly linked to our business strategy to ensure named executive officers are focused on elements that drive our business success and create stockholder value.

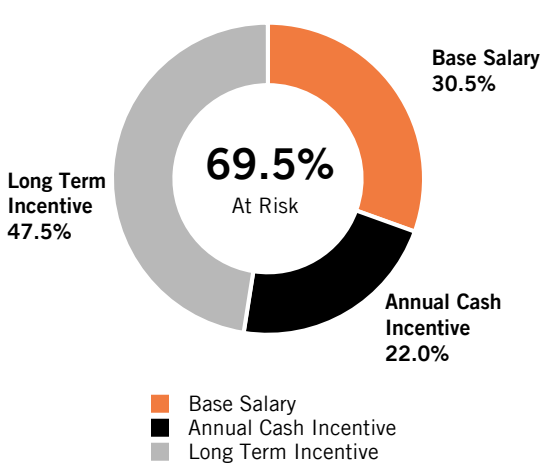
Pay for Performance

To ensure management's interests are aligned with those of our stockholders and the performance of the company, the majority of the CEO's and the other named executive officers' compensation is dependent on the achievement of company performance targets and long-term incentives. The charts below show the 2024 pay mix for the CEO and average 2024 pay mix of the other named executive officers, including base salary and the annual cash and long-term incentives at target.

2024 CEO Target Pay Mix



2024 Other Named Executive Officers Average Target Pay Mix



Stockholder Advisory Vote ("Say on Pay")

At our 2024 annual meeting of stockholders, we held an advisory stockholder vote to approve the compensation paid to our named executive officers, which we refer to as "Say on Pay." The compensation of our named executive officers reported in our 2024 proxy statement was approved by over 96% of the votes cast at the 2024 annual meeting of stockholders.

The compensation committee believes this affirms our stockholders' support of our approach to executive compensation. The compensation committee will continue to consider the outcome of our say-on-pay votes and feedback from stockholders when making future compensation decisions for our named executive officers.

96%
APPROVAL

The compensation of our named executive officers reported in our 2024 proxy statement was approved by over 96% of the votes cast at the 2024 annual meeting of stockholders.

Compensation Practices

Our practices and policies ensure alignment between the interests of our stockholders and our executives as well as effective compensation governance.

What We Do

- ☑ **Pay for Performance** - Annual cash incentive and the performance share award portion of the long-term incentive are tied to performance measures set by the compensation committee and comprise the largest portion of executive compensation.
- ☑ **Independent Compensation Committee** - All members of the compensation committee meet the independence standards under the NYSE listing standards and the SEC rules.
- ☑ **Independent Compensation Consultant** - The compensation committee retains an independent compensation consultant to evaluate executive compensation plans and practices.
- ☑ **Competitive Compensation** - Executive compensation reflects executive performance, experience, relative value compared to other positions within the company, relationship to competitive market value compensation, corporate and business segment economic environment, and the actual performance of the company against pre-established goals.
- ☑ **Annual Cash Incentive** - Payment of annual cash incentive awards is based on overall pre-established annual company performance measures of Adjusted EBITDA, total recordable incident rate (TRIR) and lost time incident rate (LTIR).
- ☑ **Long-Term Equity Incentive** - 2024 long-term incentive awards may be earned at the end of a three-year period. Payment of performance share awards (PSAs), which represent 65% of each named executive officer's long-term incentive, are based on the achievement of pre-established performance measures. Payment of RSUs, which represent 35% of each named executive officer's long-term incentive, are based on retention of the executive at the end of the three-year period. All long-term incentives are settled with shares of common stock, which promotes stock ownership by our named executive officers and aligns their interests with those of stockholders.
- ☑ **Balanced Mix of Pay Components** - The target compensation mix represents a balance of annual cash and long-term equity-based compensation.
- ☑ **Double-Trigger Change in Control Severance Plan** - We maintain reasonable severance practices in line with market practices, including double-trigger change in control provisions in the Change in Control Severance Plan adopted in August of 2024 and in employee equity awards granted after adoption of the Change in Control Severance Plan.
- ☑ **Annual Compensation Risk Analysis** - Risks related to our compensation programs are regularly analyzed through an annual compensation risk assessment.
- ☑ **Stock Ownership and Retention Requirements** - Executive officers are required to own, within five years of appointment or promotion, company common stock equal to a multiple of their base salary. Our CEO is required to own stock equal to six times his base salary, and the other named executive officers are required to own stock equal to two or three times their base salary. Equity incentive awards that have vested into shares of common stock must also be held until stock ownership requirements are met, less any shares that are withheld to cover tax withholding obligations upon the vesting of such awards.
- ☑ **Clawback Policy** - If the company's audited financial statements are restated due to any material noncompliance with the financial reporting requirements under the securities laws, the company is required to pursue recoupment of certain "erroneously awarded" compensation paid to our executive officers.

What We Do Not Do

- ☒ **Stock Options** - The company does not use stock options as a form of incentive compensation.
- ☒ **Employment Agreements** - Executives do not have employment agreements entitling them to continued employment or specific payments upon termination.
- ☒ **Perquisites** - Executives do not receive perquisites that materially differ from those available to employees in general.
- ☒ **Hedge Stock** - Executives are not allowed to hedge company securities.
- ☒ **Pledge Stock** - Executives are not allowed to pledge company securities in margin accounts or as collateral for loans.
- ☒ **No Dividends or Dividend Equivalents on Unvested Shares** - We do not provide for payment of dividends or dividend equivalents on unvested share awards.
- ☒ **Tax Gross-Ups** - Executives do not receive tax gross-ups on their compensation.

2024 Compensation Framework

Components of Compensation

Our executive compensation program is designed to promote sustained long-term profitability and create stockholder value. The components of our named executive officers' compensation are selected to drive financial and operational results as well as align the named executive officer's interests with those of our stockholders. Pay components and performance measures are considered by the compensation committee as fundamental measures of successful company performance and long-term value creation. The components of our 2024 executive compensation included:

Component	Purpose	How Determined	How it Links to Performance
Base Salary	Provides sufficient, regularly paid income to attract and retain executives with the knowledge, skills, and abilities necessary to successfully execute their job responsibilities.	Base salaries are recommended by the CEO for executives other than the CEO to the compensation committee using analysis provided by the independent compensation consultant to target compensation within range of the 50th percentile using peer company and salary survey data. The compensation committee recommends, and the board determines, the base salary of the CEO based on input from the independent compensation consultant.	Base salary is a means to attract and retain talented executives capable of driving success and performance.
Annual Cash Incentive	Provides an opportunity to earn annual cash incentive compensation based on the achievement of financial and operating results important to the success of the company.	The annual cash incentive target is a percentage of base salary for the given executive position established by the compensation committee for executives other than the CEO and by the full board for the CEO. Actual payment of the incentive is determined by the compensation committee based on the achievement of the performance measures and goals. The compensation committee approves the payment for executives other than the CEO and the full board approves the payment for the CEO.	Annual cash incentive performance measures are tied to the achievement of pre-established financial and safety goals, in each case, aimed to drive the success of the company.
Long-Term Incentive Awards	Aligns executive interests with shareholder interests, to reinforce the creation of long-term value and to provide a balanced portfolio of long-term incentives.	The CEO recommends the target award for executives other than the CEO to the compensation committee based on analysis provided by the independent compensation consultant. The compensation committee recommends, and the board determines, the target award for the CEO after consideration of input from the independent compensation consultant. PSAs represent 65% of a named executive officer's long-term incentive award and RSUs represent 35% of a named executive officer's long-term incentive award.	Fosters continued leadership in the company to achieve company objectives through retention of key executives as well as aligning the named executive officer's interests with those of stockholders in increasing long-term stockholder value.

Allocation of Total Target Compensation for 2024

Total target compensation consists of base salary, target annual cash incentive, and long-term incentive compensation. Incentive compensation, which consists of annual cash incentive and long-term equity awards, comprises the largest portion of our named executive officers' total target compensation because:

- Equity awards align the interests of the named executive officers with those of stockholders by making the value of a significant portion of their target compensation dependent upon the value of our common stock, which is beneficial to stockholders;
- Our named executive officers are in positions of authority to drive results and, therefore, bear high levels of responsibility for our corporate performance;
- Variable compensation helps ensure focus on the goals that are aligned with overall company strategy; and
- Annual cash incentive compensation is at risk and dependent upon company performance and the satisfaction of performance objectives.

The compensation committee generally allocates a higher percentage of total target compensation to the long-term incentive than to the target annual cash incentive for our higher level executives because they are in a better position to influence the company's long-term performance. The long-term incentive awards are paid in company common stock. These awards, and our stock ownership policy, promote ownership of our stock by the named executive officers. As a result, the compensation committee believes the named executive officers, as stockholders, will be motivated to deliver long-term value to all stockholders.

The compensation committee approved the following total target compensation for 2024:

NEO	Base Salary ($)	Target Annual Cash Incentive as a % of Base Salary	Target Long-Term Equity Incentive as a % of Base Salary	Total Target Compensation ($)
Brian R. Gray	880,000	115 %	375 %	5,192,000
Nathan W. Ring	525,000	75 %	170 %	1,811,250
Trevor J. Hastings	525,000	75 %	170 %	1,811,250
Karl A. Liepitz	475,000	75 %	170 %	1,638,750
Nancy K. Christenson	400,000	60 %	100 %	1,040,000

2024 Compensation for Named Executive Officers

Annual Base Salary

We provide our named executive officers a base salary at a sufficient level to attract and retain executives with the knowledge, skills, and abilities necessary to successfully execute their job responsibilities. Consistent with our compensation philosophy of linking pay to performance, our named executive officers receive a relatively smaller percentage of their overall target compensation in the form of base salary. In establishing base salaries, the compensation committee considers each named executive officer's individual performance, the scope and complexities of their responsibilities, internal equity, and whether the base salary is competitive as measured against the base salaries of similarly situated executives in our compensation peer group and market compensation data.

The compensation committee reviews the base salaries payable to our named executive officers on an annual basis to ensure they remain competitive. The compensation committee considered information provided in a November 2023 compensation study when determining the base salaries of the company named executive officers for 2024. In November 2023, the compensation committee approved larger increases for Messrs. Gray and Ring and Ms. Christenson to establish their salary levels more in line with the median salaries of similar roles within our peer group.

NEO	2024 Base Salary ($)	2023 to 2024 Increase
Brian R. Gray	880,000	10 %
Nathan W. Ring	525,000	17 %
Trevor J. Hastings	525,000	5 %
Karl A. Liepitz	475,000	1 %
Nancy K. Christenson	400,000	14 %

Annual Cash Incentive Awards

We are committed to linking our annual cash incentive awards for our named executive officers to performance by rewarding achievement of financial performance measures and ensuring our named executive officers are focused and accountable for our growth and profitability. The performance measures selected by the compensation committee are designed to ensure that compensation paid to the named executive officers reflects the success of Knife River.

In February 2024, the compensation committee approved a target annual cash incentive award for each named executive officer based on a percentage of each named executive officer's base salary and approved the annual cash incentive performance measures, which were applicable to all named executive officers, as well as the threshold, target and maximum award opportunity levels.

NEO	2024 Target Annual Cash Incentive % of Annual Base Salary	2023 Target Annual Cash Incentive % of Annual Base Salary
Brian R. Gray	115 %	115 %
Nathan W. Ring	75 %	75 %
Trevor J. Hastings	75 %	75 %
Karl A. Liepitz	75 %	75 %
Nancy K. Christenson	60 %	60 %

The applicable performance metrics, weightings and other award details for each named executive officer are also described in more detail below.

Metric	Weighting	Definition/Notes
Adjusted EBITDA	90%	Adjusted EBITDA is a non-GAAP financial measure and is defined in this context as net income before interest expense (net of interest income), income taxes and depreciation, depletion and amortization expense, adjusted to exclude unrealized gains (losses) on benefit plan investments, stock-based compensation expense, one-time Separation costs, transaction costs incurred for acquisitions, divestitures or other strategic transactions not included in the plan, asset sale gains (losses), multiemployer pension plan withdrawal liabilities and certain other non-operating items.
TRIR	5%	Measure of incidents that result in an employee injury requiring medical treatment beyond first aid divided by total hours worked.
LTIR	5%	Measure of incidents that result in an employee not being able to return to work for their next scheduled shift divided by total hours worked.

Performance Targets and Payout Ranges

To determine the payout associated with each performance metric, the actual performance results are compared to the target performance metric, which results in the percent of target achieved. The payout percentages for actual performance between the specified threshold, target and maximum performance levels is interpolated on a straight-line basis. Achievement of results below the established threshold result in no payout. For the safety metrics, the lower the number, the higher the payout percentage. The threshold, target and maximum performance levels as well as the associated payout opportunity are depicted in the following chart.

	Threshold		Target		Maximum	
Performance Measure	Results	Payout %	Results	Payout %	Results	Payout %
Adjusted EBITDA	$325.5 million	50 %	$434.0 million	100 %	$477.4 million	200 %
TRIR	2.40	50 %	2.10	100 %	1.84	200 %
LTIR	0.91	50 %	0.55	100 %	0.26	200 %

2024 Performance Results

The 2024 performance metric results, percent of target achieved based on those results, and the associated payout percentages reflect the company's 2024 financial performance and are presented below:

Performance Measure	Approved Results	Payout Percentage	% of Award Opportunity Payout	Weighted Award Opportunity Payout %
Adjusted EBITDA	$469.5 million	181.8 %	90 %	163.6 %
TRIR	1.89	180.8 %	5 %	9.0 %
LTIR	0.39	155.2 %	5 %	7.8 %
Total			100.0 %	180.4 %

Based on our actual performance for 2024, the compensation committee approved the following 2024 cash incentive payouts for the named executive officers.

NEO	2024 Target Annual Cash Incentive ($)	Weighted Award Opportunity Payout %	2024 Actual Annual Cash Incentive ($)
Brian R. Gray	1,012,000	180.4 %	1,825,838
Nathan W. Ring	393,750	180.4 %	710,399
Trevor J. Hastings	393,750	180.4 %	710,399
Karl A. Liepitz	356,250	180.4 %	642,742
Nancy K. Christenson	240,000	180.4 %	433,005

Long-Term Incentives

As discussed in more detail below, all of our named executive officers participated in the 2024 Knife River long-term incentive plan, which consisted of 65% PSAs that align long-term compensation with the achievement of pre-determined financial performance measures and 35% RSUs. The use of PSAs provides for alignment with stockholders' interests. The RSUs are designed to incentivize retention of our executives and alignment with the interests of our stockholders. Long-term incentive compensation comprised 63.6% of the CEO's 2024 total target compensation and 47.5% of the average of the other named executive officer's 2024 total target compensation. Any stock subsequently earned is subject to our stock ownership requirements.

Grant of 2024-2026 Long-Term Equity Incentive Awards

On February 22, 2024, the compensation committee determined the target number of PSAs and RSUs to be granted to each named executive officer by dividing the named executive officer's target long-term award amount by the average of the closing prices of our stock from January 18, 2024 through January 31, 2024, which was $65.00 per share. Based on this price, the compensation committee awarded the following long-term incentive awards:

NEO	Base Salary ($)	Target Long-Term Incentive of Base Salary (%)	Target Long-Term Incentive Value ($)	Target Performance Shares (#)[1]	Time-Based Restricted Stock Units (#)[2]
Brian R. Gray	880,000	375 %	3,300,000	33,000	17,769
Nathan W. Ring	525,000	170 %	892,500	8,925	4,805
Trevor J. Hastings	525,000	170 %	892,500	8,925	4,805
Karl A. Liepitz	475,000	170 %	807,500	8,075	4,348
Nancy K. Christenson	400,000	100 %	400,000	4,000	2,153

(1) PSAs represent 65% of the total 2024 long-term equity compensation.

(2) RSUs represent 35% of total 2024 long-term equity compensation.

The PSAs may be earned following a three-year performance period at the rate of 0% to 200% of target, based on the achievement of two equally-weighted performance measures:

- Total Stockholder Return (TSR) relative to that of peer companies over the three-year performance period used to measure alignment of the company's performance relative to a peer group of 36 select companies primarily within the Building Products, Construction & Engineering and Construction Materials Companies in the S&P 1000 Index; and
- Adjusted EBITDA margin growth over the three-year performance period to encourage continued operational margin growth and to align with the company's EDGE strategy.

The independent compensation consultant recommended, and the compensation committee approved, this peer group for purposes of the 2024-2026 long-term incentive award as it is a stable, robust group of companies reflective of our company's size, value, and risk profile.

Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues. Adjusted EBITDA used to calculate Adjusted EBITDA margin growth for the 2024 awards may be adjusted by the compensation committee to remove:

- Gains, losses or impairments on assets sales that are not in the ordinary course of business;
- Withdrawal liabilities relating to multiemployer pension plans; and
- Costs incurred for acquisitions or mergers above that in the approved plan.

Performance Targets and Payout Ranges

To determine the payout associated with each financial measure, the actual performance results are compared to the target performance measure, which results in the percent of target achieved. The payout percentages for actual performance between the specified threshold, target and maximum performance levels is interpolated on a straight-line basis. Achievement of results below the established threshold result in no payout. The threshold, target and maximum performance levels as well as the associated payout opportunity are depicted in the following chart.

	Threshold		Target		Maximum	
Performance Measure	Results	Payout %	Results	Payout %	Results	Payout %
Knife River's relative TSR Percentile Rank	25th	50 %	50th	100 %	75th or higher	200 %
Adjusted EBITDA Margin growth	30% of target	33 %	Target	100 %	200% of target	200 %

We do not disclose the Adjusted EBITDA margin growth target until payout as such disclosure could result in competitive harm and would reveal information about our long-range financial plan, which is not otherwise public.

Other Benefits

The company provides post-employment benefit plans and programs to its named executive officers. We believe it is important to provide post-employment benefits which approximate retirement benefits paid by other employers to executives in similar positions. The compensation committee periodically reviews the benefits provided to maintain a market-based benefits package. Our named executive officers participated in the following plans during 2024 which are described below:

Plans	Brian R. Gray	Nathan W. Ring	Trevor J. Hastings	Karl A. Liepitz	Nancy K. Christenson
Pension Plans	No	No	Yes	Yes	Yes
401(k) Retirement Plan	Yes	Yes	Yes	Yes	Yes
Supplemental Income Security Plan	No	No	Yes	No	Yes
Company Contribution to Deferred Compensation Plan	Yes	Yes	Yes	Yes	Yes

Pension Plans

Effective in 2006, the Knife River Corporation Salaried Employees' Pension Plan (the "KRC pension plan") and the MDU Resources Group, Inc. Pension Plan for Non-Bargaining Unit Employees (the "MDU Resources pension plan") were closed to new employees, and as of December 31, 2009, the defined benefit plans were frozen. For further details regarding the pension plans, refer to the section entitled "Pension Benefits for 2024."

401(k) Retirement Plan

The named executive officers, as well as employees working a minimum of 1,000 hours per year, are eligible to participate in the Knife River Corporation 401(k) Retirement Plan (401(k) plan) and defer annual income up to the Internal Revenue Service (IRS) limit. The named executive officers receive a company match up to 3% depending on their elected deferral rate. Contributions and the company match are invested in various funds based on the employee's election including company common stock.

The company provides increased company contributions to our 401(k) plan in lieu of pension plan contributions. For employees hired after 2006 or employees who were not previously participants in either of the pension plans, the added retirement contribution is 5% of plan eligible compensation. For employees hired prior to 2006 who were participants in the pension plan, the added retirement contributions are based on the employee's age as of December 31, 2009. The retirement contribution is 5% for Mr. Gray and Mr. Ring, 9% for Mr. Hastings, 7% for Mr. Liepitz, and 11.5% for Ms. Christenson. These amounts may be reduced in accordance with the provisions of the 401(k) plan to ensure compliance with IRS limits.

Supplemental Income Security Plan

The company established the Supplemental Income Security Plan (SISP) in June 2023. The SISP provides participants with additional retirement income and/or death benefits payable for 15 years. For further details regarding the company's SISP, refer to the section entitled "Pension Benefits for 2024." Named executive officers participating in the SISP are Mr. Hastings and Ms. Christenson.

Deferred Compensation Plan

The company provides a Deferred Compensation Plan (DCP) which provides a select group of management and other highly compensated employees the opportunity to defer compensation for retirement and other financial purposes. Participants in the plan may defer a portion of their salary and/or annual cash incentive. The compensation committee, upon recommendation from the CEO, may approve company contributions for select participants which vest over a three-year period. Company contributions recognize the participant's contributions to the company and serve as a retention tool. After satisfying the vesting requirements, distribution will be made in accordance with the terms of the plan. For further details regarding the company's DCP, refer to the section entitled "Nonqualified Deferred Compensation for 2024."

For 2024, the compensation committee selected and approved company contributions of $88,000 to Mr. Gray, $52,500 to Mr. Ring, $52,500 to Mr. Hastings, $47,500 to Mr. Liepitz, and $40,000 to Ms. Christenson. These amounts represented 10% of their respective base salaries in effect as of January 1, 2024.

Change in Control Severance Plan

In August 2024, the compensation committee adopted the Knife River Corporation Change in Control Severance Plan (the "CIC plan"). Under the CIC plan, if a participant's employment is terminated by the company other than for cause or by the participant for good reason (in each case, as defined in the CIC Plan) and on or within two years following a change in control (as defined in the CIC Plan), the company will pay or provide to the participant the following: (i) a cash amount equal to the participant's prorated target annual cash incentive for the year of termination, (ii) a cash amount equal to a multiple of the participant's annual base salary plus the participant's target annual cash incentive, and (iii) a cash amount equal to a multiple of the annualized premium cost for continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA). Mr. Gray has a multiple of 3x and each of Messrs. Ring, Hastings, and Liepitz, and Ms. Christenson have a multiple of 2x.

As a condition to receipt of the severance benefits, the CIC plan requires that each participant execute and not revoke a general release of claims against the company and agree to comply with one-year post-termination non-competition and employee and customer non-solicitation covenants, a two-year post-termination non-disparagement covenant, and a perpetual confidentiality covenant.

If any payment or benefits would cause a participant to become subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then the payments and benefits under the CIC plan will be reduced to the extent required so that the participant would not be subject to the excise tax if such reduction would put the participant in a more favorable after-tax position than if the participant were to pay the excise tax.

In connection with the adoption of the CIC plan, the company has changed from "single trigger" to "double trigger" change in control vesting for employee equity awards, commencing with the 2025 equity awards. Commencing with the 2025 employee equity awards, such awards will not automatically vest upon a change in control, but instead will vest upon the grantee's qualifying termination of employment during a specified period following such change in control.

Compensation Decision Process for 2024

The process for making executive compensation decisions for 2024 is depicted below.

November 2023 Compensation Committee Meeting	• Received Market Analysis on executive compensation prepared by Meridian • Approved 2024 salary grade structure • Approved base salary, annual and long-term target incentive compensation opportunities for 2024
February 2024 Compensation Committee Meeting	• Approved annual cash incentive performance measures for 2024 • Approved grant of 2024-2026 long-term equity-based incentive awards including PSAs and RSUs
August 2024 Compensation Committee Meeting	• Approved and adopted the CIC Plan
February 2025 Compensation Committee Meeting	• Approved results and payment of 2024 annual cash incentives

Role of Management and the Compensation Committee

The compensation committee is responsible for carrying out the philosophy and objectives of the board related to executive compensation. The performance of the CEO and each other executive officer is reviewed regularly by the compensation committee. Based on this review, the compensation committee sets compensation for all executive officers other than the CEO. Compensation decisions with respect to our Section 16 officers other than the CEO are based in part on recommendations by the CEO, with respect to salary adjustments and annual cash and equity awards. The compensation committee can accept, reject or modify any recommended adjustments or awards to Section 16 officers. For the CEO, the compensation committee recommends, and the board approves, the levels of annual adjustments and awards based on the criteria it deems to be appropriate under the circumstances with input from the independent compensation consultant.

Role of the Independent Compensation Consultant

The independent compensation consultant, Meridian, is engaged by and reports to the compensation committee. The compensation committee has determined that Meridian was independent from management and did not present any conflicts of interest in 2024. The compensation committee retains sole authority to hire or terminate Meridian, approve its compensation, determine the nature and scope of services, and evaluate performance. Meridian attends compensation committee meetings, either in person or by video conference, as requested, and communicates with the compensation committee chair between meetings as needed.

Meridian makes recommendations regarding, and proposes adjustments to, our executive officer compensation program as it deems appropriate. While Meridian works closely with the appropriate members of our executive management team in performing these activities, Meridian reports directly to the compensation committee and meets on a regular basis without management present. The compensation committee makes all final decisions.

Role of Peer Companies and Competitive Market Data

The compensation committee's independent consultant aids in the selection of appropriate peer companies for our compensation benchmarking peer group by evaluating potential peer companies in the construction materials, building products, construction and engineering, and other related industries within the material sector which are similar in size in terms of revenues and market capitalization as well as being based in the United States and publicly-traded on a major United States stock exchange.

For review of compensation of the CEO, CFO and CLO, the independent compensation consultant used market data from 17 peer companies with median revenues of $2.2 billion. The compensation committee targets each element of compensation for our executive officers at the 50th percentile of the market as determined by the benchmarking analysis, as well as other factors including experience, performance and responsibilities. For positions where peer company proxy data was not available,

Meridian used compensation data from the Willis Towers Watson General Industry Executive Compensation Survey of 35 construction materials, construction & engineering, building products and broader material companies.

2024 Compensation Benchmarking Peer Group Companies

Allegion plc	Eagle Materials Inc.	Simpson Manufacturing Co., Inc.
Arcosa, Inc.	Gibraltar Industries, Inc.	Sterling Infrastructure, Inc.
Armstrong World Industries, Inc.	Granite Construction Incorporated	Summit Materials, Inc.
Compass Minerals International, Inc.[(1)]	Martin Marietta Materials, Inc.	The AZEK Company Inc.
Construction Partners, Inc.	Masonite International Corporation	Vulcan Materials Company
Dycom Industries, Inc.	Minerals Technologies Inc.	

(1) Peer added in 2024.

Compensation Governance

Impact of Tax and Accounting Treatment

The compensation committee may consider the impact of tax or accounting treatment in determining compensation. The compensation committee did not make any adjustments to the 2024 compensation program to address the impact of tax or accounting treatment. The compensation committee may also consider the accounting and cash flow implications of various forms of executive compensation. We expense salaries and annual cash incentive compensation as earned. For our equity awards, we record the accounting expense in accordance with Accounting Standards Codification Topic 718, which is generally expensed over the vesting period.

Stock Ownership Requirements

Executive officers are required within five years of June 1, 2023 (or, if later, the individual's appointment or promotion into an executive level position) to beneficially own our common stock equal to a multiple of their base salary as outlined in the stock ownership policy. Stock owned through our 401(k) plan, or by a spouse, is considered in ownership calculations as well as unvested RSUs. The level of stock ownership compared to the ownership requirement is determined based on the closing sale price of our stock on the last trading day of the year and base salary as of December 31 of the same year. The table shows the named executive officers' holdings as a multiple of their base salary as of December 31, 2024.

Name	Ownership Policy Multiple of Base Salary Within 5 Years	Actual Holdings as a Multiple of Base Salary	Ownership Requirement Must Be Met By:
Brian R. Gray	6X	10.3	06/01/2028
Nathan W. Ring	3X	6.0	06/01/2028
Trevor J. Hastings	3X	9.0	06/01/2028
Karl A. Liepitz	3X	10.2	06/01/2028
Nancy K. Christenson	2X	12.0	06/01/2028

Stock Retention Requirement

The named executive officers must retain all vested share awards net of taxes if the executive has not met the stock ownership requirements under the company's stock ownership policy for executives.

Incentive Award Clawback Policy

The board has adopted the Incentive Compensation Recovery Policy, effective as of October 2, 2023, in accordance with Rule 10D-1 of the Exchange Act and the corresponding NYSE listing standards. The policy applies to our current and former executive officers as defined in Rule 10D-1, including the named executive officers and will be administered by the compensation committee. In the event we are required to prepare an accounting restatement to correct a material noncompliance with any financial reporting requirement under the securities laws, including restatements that correct an error in previously issued financial statements that is material to the previously issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the policy provides for the recovery of erroneously awarded incentive-based compensation received by executive officers on or after the policy's effective date. The recovery of such compensation applies regardless of whether an executive officer engaged in misconduct or otherwise caused or contributed to the requirement for a restatement.

Policy Regarding Hedging Stock Ownership

Our Insider Trading Policy prohibits executive officers, which includes our named executive officers, from hedging their ownership of company common stock. Executives may not enter into transactions that allow the executive to benefit from devaluation of our stock or otherwise own stock technically but without the full benefits and risks of such ownership. See the section entitled "Prohibitions on Hedging/Pledging Company Stock" for our policy on margin accounts and pledging of our stock.

COMPENSATION COMMITTEE REPORT

The compensation committee is primarily responsible for reviewing, approving, and overseeing the company's compensation plans and practices and works with management and the committee's independent compensation consultant to develop the company executive compensation programs. The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Regulation S-K, Item 402(b), with management. Based on the review and discussions referred to in the preceding sentence, the compensation committee recommended to the board that the Compensation Discussion and Analysis be included in our Proxy Statement on Schedule 14A.

German Carmona Alvarez, Chair
Patricia Chiodo
Thomas W. Hill
Patricia L. Moss

Compensation Policies and Practices as They Relate to Risk Management

The company completed its annual risk assessment of our 2024 compensation programs and concluded that our compensation policies and practices do not create risks which could have a material adverse effect on the company. After review and discussion of the assessment with the management policy committee, the company identified the following practices designed to prevent excessive risk taking:

- Business management and governance practices:
  - The company completed implementation of the initial phase of a human capital management system and continues to implement additional phases focused in areas to attract, recruit, train, develop and retain employees to achieve short- and long-term objectives;
  - Risk management is a specific performance competency included in the annual performance assessment of executives;
  - Board oversight and authorization on capital expenditure and operating plans promotes careful consideration of financial assumptions;
  - Board approval on business acquisitions above a specific dollar amount or on any transaction involving the exchange of company common stock;
  - Employee integrity training programs and anonymous reporting systems;
  - Regular risk assessment reports at audit committee meetings; and
  - Prohibitions on holding company stock in an account that is subject to a margin call, pledging company stock as collateral for a loan, and hedging of company stock by executive officers and directors.
- Executive compensation practices:
  - Active compensation committee review of all executive compensation programs as well as comparison of company performance to its peer group;
  - Use of independent compensation consultants to assist in establishing pay targets and compensation structure;
  - Determination of a position's salary grade to be at or near the 50th percentile of base salaries paid to similar positions at peer group companies and/or relevant industry companies;
  - Consideration of peer group and/or relevant industry practices to establish appropriate compensation target amounts;
  - A balanced compensation mix of fixed salary as well as annual and long-term incentives tied to the company's financial and stock performance;
  - Use of interpolation for annual and long-term incentive awards to avoid payout cliffs;
  - Compensation committee negative discretion to adjust any annual cash incentive award payment downward;
  - Use of caps on annual cash incentive awards with the maximum of 200% of target;
  - Incentive compensation recovery policy and additional clawback provisions in the annual and long-term incentive plans in the event of a financial restatement;
  - Use of PSAs for 65% of the long-term incentive award opportunity with relative total stockholder return and Adjusted EBITDA margin growth performance measures;
  - Use of RSUs for 35% of the long-term incentive award opportunity to serve as a retention tool;
  - Use of three-year performance periods for PSAs and RSUs to discourage short-term risk-taking.
  - Substantive annual cash incentive goals measured by Adjusted EBITDA for all executives, which is an important measure to stockholders and encourages balanced performance comprising 90% of the annual cash incentive award opportunity;
  - Inclusion of a safety annual cash incentive goal comprising 10% of the total award opportunity to emphasize the company's commitment to an industry leading safety culture;

- Use of financial performance metrics that are readily monitored and reviewed;
- Regular review of companies in the compensation benchmarking peer group to ensure appropriateness and industry match;
- Stock ownership requirements for the board members and for executive officers; and
- Mandatory holding periods of net after-tax company stock awards to executives until stock ownership requirements are achieved.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table for 2024

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($) (e)[1]	Non-Equity Incentive Plan Compensation ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (h)[2]	All Other Compensation ($) (i)[3]	Total ($) (j)
Brian R. Gray President and Chief Executive Officer (CEO)	2024	880,000	—	4,119,361	1,825,838	—	116,374	6,941,573
	2023	658,334	—	2,620,279	1,644,521	—	68,348	4,991,482
	2022	359,341	—	—	332,717	—	72,308	764,366
Nathan W. Ring Vice President and Chief Financial Officer (CFO)	2024	525,000	—	1,114,035	710,399	—	80,874	2,430,308
	2023	394,408	—	661,819	624,096	—	58,829	1,739,152
	2022	302,952	—	169,102	95,127	—	63,077	630,258
Trevor J. Hastings Vice President and Chief Operating Officer (COO)	2024	525,000	—	1,114,035	710,399	—	94,674	2,444,108
	2023	466,904	100,000	768,210	752,381	58,062	82,322	2,227,879
	2022	400,000	—	405,956	36,720	—	97,478	940,154
Karl A. Liepitz Vice President, Chief Legal Officer and Secretary (CLO)	2024	475,000	—	1,007,980	642,742	—	82,736	2,208,458
	2023	470,000	—	867,663	756,879	8,525	82,428	2,185,495
	2022	440,000	—	714,491	187,110	—	100,604	1,442,205
Nancy K. Christenson Vice President of Administration	2024	400,000	—	499,257	433,005	—	86,619	1,418,881
	2023	326,084	—	353,418	428,167	5,280	75,215	1,188,164
	2022	280,000	—	156,301	87,920	17,630	80,378	622,229

(1) Amounts in this column represent the aggregate grant date fair value of RSUs and PSAs at target calculated in accordance with generally accepted accounting principles for stock-based compensation in Accounting Standards Codification Topic 718 and as described in Note 12 of our audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024. This column was prepared assuming none of the awards were or will be forfeited. For 2024, the aggregate grant date fair value of the outstanding PSAs assume the highest level of payout would be as follows:

Name	Aggregate Grant Date Fair Value at Highest Payout ($)
Brian R. Gray	6,956,866
Nathan W. Ring	1,881,437
Trevor J. Hastings	1,881,437
Karl A. Liepitz	1,702,295
Nancy K. Christenson	843,197

(2) Amounts shown for 2024 represent the change in the actuarial present value for the named executive officers' accumulated benefits under the pension plan and SISP. There were no above-market earnings on deferred compensation in 2024.

Name	Accumulated Pension Change ($)
Brian R. Gray	—
Nathan W. Ring	—
Trevor J. Hastings	(35,025)
Karl A. Liepitz	(5,070)
Nancy K. Christenson	(100,873)

(3) All Other Compensation for 2024 is comprised of:

Name	401(k) Plan ($)[a]	Nonqualified Deferred Compensation Plan ($)[b]	Life Insurance Premium ($)	Total ($)
Brian R. Gray	27,600	88,000	774	116,374
Nathan W. Ring	27,600	52,500	774	80,874
Trevor J. Hastings	41,400	52,500	774	94,674
Karl A. Liepitz	34,500	47,500	736	82,736
Nancy K. Christenson	46,000	40,000	619	86,619

(a) Represents Knife River contributions to the 401(k) plan, which includes matching contributions and retirement contributions associated with the frozen pension plan as of December 31, 2009.

(b) Represents Knife River contribution amounts to the DCP, which are approved by the compensation committee. For further information, see the section entitled "Nonqualified Deferred Compensation for 2024."

Grants of Plan-Based Awards in 2024

Name (a)	Grant Date (b)		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#) (i)	Grant Date Fair Value of Stock and Option Awards ($) (l)
			Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)		
Brian R. Gray		(1)	506,000	1,012,000	2,024,000					
	2/22/2024	(2)				13,695	33,000	66,000		2,837,505
	2/22/2024	(3)							17,769	1,281,856
Nathan W. Ring		(1)	196,875	393,750	787,500					
	2/22/2024	(2)				3,704	8,925	17,850		767,402
	2/22/2024	(3)							4,805	346,633
Trevor J. Hastings		(1)	196,875	393,750	787,500					
	2/22/2024	(2)				3,704	8,925	17,850		767,402
	2/22/2024	(3)							4,805	346,633
Karl A. Liepitz		(1)	178,125	356,250	712,500					
	2/22/2024	(2)				3,351	8,075	16,150		694,315
	2/22/2024	(3)							4,348	313,665
Nancy K. Christenson		(1)	120,000	240,000	480,000					
	2/22/2024	(2)				1,660	4,000	8,000		343,940
	2/22/2024	(3)							2,153	155,317

(1) Annual cash incentive for 2024 granted pursuant to the Knife River Corporation Executive Incentive Compensation Plan.

(2) PSAs for the 2024-2026 performance period granted pursuant to the Knife River Corporation Long-Term Performance-Based Incentive Plan.

(3) RSUs for the 2024-2026 period granted pursuant to the Knife River Corporation Long-Term Performance-Based Incentive Plan.

Narrative Discussion Relating to the Summary Compensation Table and Grants of Plan-Based Awards Table

Annual Cash Incentive

The compensation committee and company management recommended the 2024 annual cash incentive award for our named executive officers. The compensation committee approved these opportunities for our named executive officers except the CEO and the board approved these opportunities for the CEO at its meeting on February 22, 2024. The awards at threshold, target, and maximum are reflected in columns (c), (d), and (e), respectively, of the Grants of Plan-Based Awards Table. The actual amount paid with respect to 2024 performance is reflected in column (g) of the Summary Compensation Table.

As described in the "Annual Cash Incentives" section of the "Compensation Discussion and Analysis," payment of annual cash incentive awards is dependent upon achievement of performance measures; actual payout may range from 0% to 200% of the target.

All our named executive officers were awarded their annual cash incentives pursuant to the Knife River Corporation Executive Incentive Compensation Plan. The compensation committee has full discretion to determine the extent to which goals have been achieved, the payment level, and whether to adjust payment of awards downward based upon individual performance. For further discussion of the specific 2024 incentive plan performance measures and results, see the "Annual Cash Incentives" section in the "Compensation Discussion and Analysis."

Long-Term Incentive

The compensation committee recommended long-term incentive awards for the named executive officers in the form of 65% PSAs and 35% RSUs, which were approved by the compensation committee for our named executive officers except the CEO and by the board for the CEO at its meeting on February 22, 2024. The portion of the long-term incentive associated with PSAs are presented as the number of PSAs at threshold, target, and maximum in columns (f), (g), and (h) of the Grants of Plan-Based Awards Table. The value of the long-term performance-based incentive is based on the aggregate grant date fair value and is included in the amount recorded in column (e) of the Summary Compensation Table and column (l) of the Grant of Plan-Based Awards Table.

Depending on the achievement of the performance measures associated with our 2024-2026 performance period measured as of December 31, 2026, executives will receive from 0% to 200% of the target PSAs in February 2027.

The portion of the long-term incentive associated with RSUs are presented as the number of units in column (i) of the Grants of Plan-Based Awards Table. The value of the RSUs is based on the aggregate grant date value and is included in the amount recorded in column (e) of the Summary Compensation Table and column (l) of the Grant of Plan-Based Awards Table.

The 2024-2026 RSUs will vest on December 31, 2026, if the executives remain employed with the company through the vesting date, unless there is an acceleration of vesting due to retirement, death or disability as described in the plan agreement. Settlement of the RSUs will occur in January 2027.

Salary and Bonus in Proportion to Total Compensation

The following table shows the proportion of salary and bonus to total compensation as presented in the Summary Compensation Table. Bonuses for purposes of this table and the Summary Compensation Table refer to discretionary payments to executive officers outside of our executive incentive plans as described above. No other bonuses were paid to the executive officers in 2024.

Name	Salary ($)	Bonus ($)	Total Compensation ($)	Salary and Bonus as a % of Total Compensation
Brian R. Gray	880,000	—	6,941,573	12.7 %
Nathan W. Ring	525,000	—	2,430,308	21.6 %
Trevor J. Hastings	525,000	—	2,444,108	21.5 %
Karl A. Liepitz	475,000	—	2,208,458	21.5 %
Nancy K. Christenson	400,000	—	1,418,881	28.2 %

Outstanding Equity Awards at Fiscal Year-End 2024

The following table sets forth information regarding RSUs and PSAs that had not vested for each named executive officer as of December 31, 2024.

	Stock Awards			
Name (a)	Number of Shares or Units of Stock That Have Not Vested (#) (g)[1]	Market Value of Shares or Units of Stock That Have Not Vested ($) (h)[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)[3]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)[2]
Brian R. Gray	80,692	8,201,535	33,000	3,354,120
Nathan W. Ring	20,556	2,089,312	8,925	907,137
Trevor J. Hastings	23,544	2,393,012	8,925	907,137
Karl A. Liepitz	26,233	2,666,322	8,075	820,743
Nancy K. Christenson	10,706	1,088,158	4,000	406,560

(1) Below is a breakdown by year of outstanding RSUs.

Name	2023 Award to Vest on December 31, 2025 (#)	2024 Award to Vest on December 31, 2026 (#)	Total (#)
Brian R. Gray	62,923	17,769	80,692
Nathan W. Ring	15,751	4,805	20,556
Trevor J. Hastings	18,739	4,805	23,544
Karl A. Liepitz	21,885	4,348	26,233
Nancy K. Christenson	8,553	2,153	10,706

(2) Value based on the number of RSUs and PSAs reflected in columns (g) and (i), as applicable, multiplied by $101.64, the year-end per share closing stock price for 2024.

(3) PSAs that will vest on December 31, 2026, are shown at the target level (100%) based on results for the first year of the performance period being between threshold and target.

Option Exercises and Stock Vested During 2024

Name (a)	Stock Awards	
	Number of Shares Acquired on Vesting (#) (d)[1]	Value Realized on Vesting ($) (e)[2]
Brian R. Gray	—	—
Nathan W. Ring	4,258	432,783
Trevor J. Hastings	10,223	1,039,066
Karl A. Liepitz	17,993	1,828,809
Nancy K. Christenson	3,935	399,953

(1) Reflects RSUs which vested on December 31, 2024, and were settled on February 27, 2025.

(2) Reflects the value of RSUs based on the closing stock price of $101.64 per share upon the vesting of stock on December 31, 2024.

Pension Benefits for 2024

Name (a)	Plan Name (b)[1]	Number of Years Credited Service (#) (c)[2]	Present Value of Accumulated Benefit ($) (d)
Brian R. Gray	Pension	n/a	—
	SISP	n/a	—
Nathan W. Ring	Pension	n/a	—
	SISP	n/a	—
Trevor J. Hastings	Pension	13	273,185
	SISP	10	344,508
Karl A. Liepitz	Pension	6	32,079
	SISP	n/a	—
Nancy K. Christenson	Pension	32	968,801
	SISP	10	785,140

(1) Messrs. Gray and Ring do not participate in the pension plan or SISP. Mr. Hastings and Ms. Christenson participate in the KRC pension plan and the SISP. Mr. Liepitz is a vested term participant in the MDU Resources pension plan.

(2) Years of credited service related to the pension plan reflects the years of participation in the plan as of December 31, 2009, when the pension plan was frozen. Years of credited service related to the SISP reflects the years toward full vesting of the benefit which is 10 years.

The amounts shown for the KRC pension plan and SISP represent the actuarial present values of the executives' accumulated benefits accrued as of December 31, 2024, calculated using:

- A 5.29% discount rate for the SISP;
- A 5.39% discount rate for the KRC pension plan;
- The Society of Actuaries Pri-2012 Total Dataset Mortality with Scale MP-2021 (post commencement only); and
- No recognition of pre-retirement mortality.

The actuary assumed a retirement age of 60 for the pension and SISP benefits and assumed retirement benefits commence at age 60 for the pension and age 65 for SISP benefits.

Pension Plans

The named executive officers that participate in a pension plan participate in either the KRC pension plan or the MDU Resources pension plan. Knife River was formerly a wholly owned subsidiary of MDU Resources Group, Inc. and certain named executive officers were participants of the MDU Resources pension plan. Both plans apply to employees hired before 2006 and were amended to cease benefit accruals as of December 31, 2009. The benefits under both pension plans are based on a participant's average annual salary over the 60 consecutive month period where the participant received the highest annual salary between 1999 and 2009. Benefits are paid as straight life annuities for single participants and as actuarially reduced annuities with a survivor benefit for married participants unless they choose otherwise.

Supplemental Income Security Plan

The SISP was offered to select key managers and executives with benefits determined by reference to levels defined within the plan. Participation in the SISP was only available to employees that were participants in the MDU Resources Group, Inc. Supplemental Income Security Plan prior to May 22, 2023. The SISP is intended to augment the retirement income provided under the pension plans and is payable to the participant or their beneficiary for a period of 15 years. The SISP benefits are subject to a vesting schedule where participants are 100% vested after ten years of participation in the plan. The annual SISP retirement benefit is $64,320 for Mr. Hastings and $75,000 for Ms. Christenson. The annual SISP death benefit is $128,640 for Mr. Hastings and $150,000 for Ms. Christenson.

Participants can elect to receive the SISP as:

- Monthly retirement benefits only;
- Monthly death benefits paid to a beneficiary only; or
- A combination of retirement and death benefits, where each benefit is reduced proportionately.

Regardless of the election, if the participant dies before the SISP retirement benefit commences, only the SISP death benefit is provided.

The SISP benefits are forfeited if the participant's employment is terminated for cause.

Nonqualified Deferred Compensation for 2024

Deferred Annual Cash Incentive Compensation

Executives participating in the MDU Resources Executive Incentive Compensation Plan could elect to defer up to 100% of their annual cash incentive awards which would accrue interest at a rate determined each year based on an average of the Treasury High Quality Market Corporate Bond Yield Curve for the last business day of each month for the twelve month period from October to September. The interest rate in effect for 2024 was 5.3%. Payment of deferred amounts is in accordance with the participant's election either as lump sum or in monthly installments not to exceed 120 months, following termination of employment or beginning in the fifth year following the year the award was earned. In the event of a change of control, all amounts deferred would immediately become payable. For purposes of deferred annual cash incentive compensation, a change of control is defined as:

- An acquisition during a 12-month period of 30% or more of the total voting power of our stock;
- An acquisition of our stock that, together with stock already held by the acquirer, constitutes more than 50% of the total fair market value or total voting power of our stock;
- Replacement of a majority of the members of our board of directors during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of our board of directors; or
- Acquisition of our assets having a gross fair market value at least equal to 40% of the gross fair market value of all of our assets.

The deferred compensation provision of the MDU Resources Executive Incentive Compensation Plan was frozen to new contributions effective January 1, 2021. Knife River established the Knife River Corporation Executive Incentive Compensation Plan effective with the Separation, including the deferred compensation provision as described in the Deferred Compensation Plan section below.

Nonqualified Defined Contribution Plan

MDU Resources adopted the Nonqualified Defined Contribution Plan, effective January 1, 2012, to provide deferred compensation for a select group of employees. Knife River established the Knife River Corporation Nonqualified Defined Contribution Plan effective with the Separation. Company contributions to participant accounts were approved by the compensation committee and constitute an unsecured promise of the company to make such payments. Participant accounts capture the hypothetical investment experience based on the participant's elections. Participants may select from a group of investment options including fixed income, balance/asset allocation, and various equity offerings. Contributions made prior to 2017 vested four years after each contribution while contributions made in and after 2017 vest ratably over a three-year period in accordance with the terms of the plan. Participants may elect to receive their vested contributions and investment earnings either in a lump sum or in annual installments over a period of years upon separation from service with the company. Plan benefits become fully vested if the participant dies while actively employed. Benefits are forfeited if the participant's employment is terminated for cause. The company's Nonqualified Defined Contribution Plan was frozen to new participants and contributions effective January 1, 2021.

Deferred Compensation Plan

The company adopted the DCP, effective upon the Separation, which mirrored the terms of the MDU Resources Deferred Compensation Plan. Under the company's DCP, participants can defer up to 80% of base salary and up to 100% of their annual cash incentive payment. The company provides discretionary credits to select individuals recommended by the CEO and approved by the compensation committee. Participants are 100% vested in their contributions of salary and/or annual cash incentive but vesting of discretionary employer credits occurs ratably over three years. Participants can establish one or more retirement or in-service accounts which capture the hypothetical investment experience based on a suite of investment options. Participants may elect to receive their vested contributions and investment earnings either in a lump sum or in annual installments over a period of years upon a qualifying distribution event. Plan benefits become fully vested if the participant dies or becomes disabled while actively employed. Benefits are forfeited if the participant's employment is terminated for cause.

The table below represents the combined participant earnings and participant balances under all three nonqualified plans.

Name (a)	Executive Contributions in Last FY ($) (b)	Registrant Contributions in Last FY ($) (c)[1]	Aggregate Earnings in Last FY ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE ($) (f)
Brian R. Gray	—	88,000	69,439	—	582,899
Nathan W. Ring	—	52,500	31,999	—	305,296
Trevor J. Hastings	—	52,500	33,392	—	358,285
Karl A. Liepitz	—	47,500	37,810	—	282,159
Nancy K. Christenson	171,267	40,000	169,895	—	2,780,201

(1) Represents contributions made in 2024 by the company under the DCP.

Potential Payments upon Termination or Change of Control

The Potential Payments upon Termination or Change of Control Table shows the payments and benefits our named executive officers would receive in connection with a variety of employment termination scenarios or upon a change of control. The scenarios include:

- Voluntary or Not for Cause Termination;
- Death;
- Disability;
- Change of Control with Termination; and
- Change of Control without Termination.

For the named executive officers, the information assumes the terminations or the change of control occurred on December 31, 2024.

The table excludes compensation and benefits our named executive officers would earn during their employment with us whether or not a termination or change of control event had occurred. The tables also do not include benefits under plans or arrangements generally available to all salaried employees and that do not discriminate in favor of the named executive officers, such as benefits under a qualified defined benefit pension plan (for employees hired before 2006), accrued vacation pay, continuation of health care benefits, and life insurance benefits. The tables also do not include deferred compensation under the Knife River Corporation Executive Incentive Compensation Plan, Knife River Corporation Nonqualified Defined Contribution Plan, or the Knife River Corporation Deferred Compensation Plan. These amounts are shown and explained in the "Nonqualified Deferred Compensation for 2024" table. This table does not include SISP or SISP death benefits. These are explained in the "Pension Benefits for 2024" table.

Compensation

All named executive officers are participants in the CIC plan and would receive benefits under the CIC plan if a participant experiences a qualifying termination. A qualifying termination means termination of a participant's employment, during the two-year period beginning on and including the date of a change in control, by the participant for good reason or by the company other than for cause. Termination of employment due to a participant's death or disability will not qualify the participant for benefits under the CIC plan. For purposes of the CIC plan, (i) change in control has the meaning given to such term in the LTIP (as defined below); (ii) good reason is defined to include a reduction in the participant's base salary, target annual cash incentive, or target annual long term incentive; a relocation of the participant's primary place of employment by more than fifty miles, or a material reduction in the participant's titles, authority, reporting relationship, duties, or responsibilities; (iii) and cause is defined to include the participant's conviction of a felony, fraud or dishonesty, or willful nonfesance. Upon a qualifying termination, the company will pay or provide to the participant the following:

- A cash amount equal to the participant's prorated target annual cash incentive for the year of termination,
- A cash amount equal to a multiple of the participant's annual base salary plus the participant's target annual cash incentive, and
- A cash amount equal to a multiple of the annualized premium cost for continued coverage under COBRA.

Mr. Gray has a multiple of 3x and each of Messrs. Ring, Hastings, and Liepitz, and Ms. Christenson have a multiple of 2x. As a condition to receipt of the severance benefits, the CIC plan requires that each participant execute and not revoke a general release of claims against the company and agree to comply with one-year post-termination non-competition and employee and customer non-solicitation covenants, a two-year post-termination non-disparagement covenant, and a perpetual confidentiality covenant. If a payment or benefits would cause a participant to become subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, then the payments and benefits under the CIC plan will be reduced to the extent required so that the participant would not be subject to the excise tax if such reduction would put the participant in a more favorable after-tax position than if the participant were to pay the excise tax.

All named executive officers were granted their 2024 annual cash incentive award under the Executive Incentive Compensation Plan, which requires participants to remain employed with the company through the service year to be eligible for a payout, unless otherwise determined by the compensation committee for executive officers, employment termination after age 65, or as provided under the CIC plan. All our scenarios assume a termination or change in control event on December 31, 2024. In these scenarios, the named executive officers would be considered employed for the entire performance period and would be eligible to receive their annual cash incentive award based on the level that the performance measures were achieved. Therefore, no amounts are shown for annual cash incentives in the tables, as they would be eligible to receive their annual cash incentive award with or without a termination or change of control on December 31, 2024.

All named executive officers received their equity share awards under the Long-Term Performance-Based Incentive Plan (LTIP) which consist of PSAs for the 2024-2026 vesting period and RSUs for the 2023-2025 and 2024-2026 vesting periods.

A change of control (with or without termination) is defined in the LTIP as:

- The acquisition by an individual, entity, or group of 20% or more of our then outstanding common stock, subject to certain exceptions;
- A majority of our board of directors whose election or nomination was not approved by a majority of the incumbent board members, subject to certain exceptions;
- Consummation of a merger or similar transaction or sale of all or substantially all of our assets, unless our stockholders immediately prior to the transaction beneficially own more than 60% of the outstanding common stock and voting power of the resulting corporation in substantially the same proportions as before the merger, no person owns 20% or more of the resulting corporation's outstanding common stock or voting power except for any such ownership that existed before such transaction and at least a majority of the board of the resulting corporation is comprised of our directors; or
- Stockholder approval of our liquidation or dissolution.

In the case of a change in control (with or without termination) both the PSAs and the RSUs would be deemed fully earned and vest at their target levels for the named executive officers. In connection with the company's adoption of the CIC plan, the company has changed from "single trigger" to "double trigger" change in control vesting for employee equity awards, commencing with the 2025 equity awards. Commencing with the 2025 employee equity awards, such awards will not automatically vest upon a change in control, but instead will vest upon the grantee's qualifying termination of employment during a specified period following such change in control.

For our PSAs, if a participant terminates employment for any reason other than a change of control or prior to reaching age 55 with 10 years of service, their PSAs are forfeited. If a participant terminates employment for any reason other than for cause after reaching age 55 and completing 10 years of service, PSAs are prorated as follows:

- Termination of employment during the first year of the vesting period = equity share awards are forfeited;
- Termination of employment during the second year of the vesting period = equity share awards earned are prorated based on the number of months employed during the vesting period based on the performance metrics; and
- Termination of employment during the third year of the vesting period = full amount of any equity share awards earned are received, based on the performance metrics.

Under the scenarios of voluntary or not for cause termination, disability or death, Ms. Christenson would receive PSAs as she has reached the age of 55 and has 10 or more years of service. However, since this is the first year of the vesting period for the 2024-2026 award, all PSAs earned by Ms. Christenson would be forfeited.

As Messrs. Gray, Ring, Hastings, and Liepitz have not reached the age of 55, PSAs would be forfeited under the scenarios of voluntary or not for cause termination, death or disability.

Our RSU award agreement provides that RSUs are forfeited if the participant's employment terminates for situations other than death, disability or before the participant has reached age 55 with 10 years of service. If a participant's employment terminates after reaching age 55 and completing 10 years of service, RSUs are prorated as follows:

- Termination of employment during the first year of the vesting period = RSUs are forfeited;
- Termination of employment during the second year of the vesting period = RSUs earned are prorated based on the number of months employed during the vesting period; and
- Termination of employment during the third year of the vesting period = full amount of any RSUs earned are received.

In situations of death or disability, the RSUs earned would be prorated based on the number of full months of employment completed prior to death or disability during the vesting period.

In the case of voluntary or not for cause termination, Ms. Christenson, who has reached age 55, would have forfeited the RSUs granted in 2024, would have vested in 2/3 of the RSUs granted in 2023 based on 24 out of 36 months of the vesting period, and the RSUs granted in 2022 would have vested by their terms regardless of termination. Since Messrs. Gray, Ring, Hastings and Liepitz have not reached age 55, in the case of voluntary or not for cause termination, the RSUs granted in 2022 would have vested by their terms regardless of termination, and they would have forfeited the RSUs granted in 2023 and 2024.

In the case of termination due to death or disability, all our named executive officers would have vested in 1/3 of the RSUs granted in 2024 based on 12 out of 36 months of the vesting period, in 2/3 of the RSUs granted in 2023 based on 24 out of 36 months of the vesting period, and the RSUs granted in 2022 would have vested by their terms regardless of termination.

For purposes of calculating the PSAs and RSUs value shown in the Potential Payments upon Termination or Change of Control Table, the number of vesting shares was multiplied by $101.64, the closing market price for the last business day of the year, which was December 31, 2024.

Benefits

Disability

We provide disability benefits to some of our salaried employees equal to 60% of their base salary, subject to a salary limit of $200,000 for officers and $100,000 for other salaried employees. For all eligible employees, disability payments continue until as follows:

Age When Disabled	Benefits Payable
Prior to age 60	To age 65
Ages 60 to 64	60 months
Ages 65-67	To age 70
Age 68 and over	24 months

Disability benefits are reduced for amounts paid as retirement benefits which include pension and SISP benefits. The disability payments in the Potential Payments upon Termination or Change of Control Table reflect the present value of the disability benefits attributable to the additional $100,000 of base salary recognized for executives under our disability program, subject to the 60% limitation, after reduction for amounts that would be paid as retirement benefits. For Mr. Hastings, who participates in the KRC pension plan, and Mr. Liepitz who is a vested term in the MDU Resources pension plan, the amount represents the present value of the disability benefit after reduction for retirement benefits using a discount rate of 5.39% for the pension plans. Because Ms. Christenson's retirement benefits are greater than the disability benefit, the amount shown is zero. For Messrs. Gray and Ring who do not participate in the pension plans, the amount represents the present value of the disability benefit without reduction for retirement benefits using the discount rate of 5.29%, which is considered a reasonable rate for purposes of the calculation.

Potential Payments upon Termination or Change of Control Table

Executive Benefits and Payments upon Termination or Change of Control	Voluntary or Not for Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
Brian R. Gray					
Compensation:					
PSAs	—	—	—	3,354,120	3,354,120
RSUs	—	4,865,676	4,865,676	8,201,535	8,201,535
Cash Payments under CIC Plan	—	—	—	5,900,651	—
Benefits and Perquisites:					
Disability Benefits	—	—	478,936	—	—
	—	**4,865,676**	**5,344,612**	**17,456,306**	**11,555,655**
Nathan W. Ring					
Compensation:					
PSAs	—	—	—	907,137	907,137
RSUs	—	1,230,081	1,230,081	2,089,312	2,089,312
Cash Payments under CIC Plan	—	—	—	1,988,905	—
Benefits and Perquisites:					
Disability Benefits	—	—	634,323	—	—
	—	**1,230,081**	**1,864,404**	**4,985,353**	**2,996,449**
Trevor J. Hastings					
Compensation:					
PSAs	—	—	—	907,137	907,137
RSUs	—	1,432,548	1,432,548	2,393,012	2,393,012
Cash Payments under CIC Plan	—	—	—	1,963,580	—
Benefits and Perquisites:					
Disability Benefits	—	—	409,148	—	—
	—	**1,432,548**	**1,841,696**	**5,263,729**	**3,300,149**
Karl A. Liepitz					
Compensation:					
PSAs	—	—	—	820,743	820,743
RSUs	—	1,630,238	1,630,238	2,666,322	2,666,322
Cash Payments under CIC Plan	—	—	—	1,828,663	—
Benefits and Perquisites:					
Disability Benefits	—	—	684,951	—	—
	—	**1,630,238**	**2,315,189**	**5,315,728**	**3,487,065**
Nancy K. Christenson					
Compensation:					
PSAs	—	—	—	406,560	406,560
RSUs	979,505	652,495	652,495	1,088,158	1,088,158
Cash Payments under CIC Plan	—	—	—	1,379,275	—
Benefits and Perquisites:					
Disability Benefits	—	—	—	—	—
	979,505	**652,495**	**652,495**	**2,873,993**	**1,494,718**

CEO Pay Ratio Disclosure

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing information regarding the relationship of the median of the annual total compensation of our employees and the annual total compensation of Brian R. Gray, our president and chief executive officer. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

To identify our median employee and to determine the annual total compensation of the median employee and our CEO, we used the following methodology and material assumptions, adjustments and estimates:

- We determined that, as of November 9, 2024, our employee population consisted of approximately 5,748 individuals working at the company and its consolidated subsidiaries, all of which are located within the United States.
- To identify the "median employee" from our employee population, we reviewed the amount of compensation reported to the Internal Revenue Service on Form W-2, box 5 for 2024 (as reflected in our payroll records) for each of our employees, excluding our CEO. Our median employee is an hourly paid employee with six years of work history at a subsidiary company with compensation consisting of wages, bonus, company 401(k) matching contributions, profit sharing and life insurance premiums.
- Once identified, we categorized the median employee's compensation using the same methodology as the compensation components reported in the Summary Compensation Table.

For 2024, our last completed fiscal year:

- The median of the annual total compensation for all employees of our company (other than our CEO) was $79,143; and
- The annual total compensation of our CEO, as reported in the Summary Compensation Table, was $6,941,573.

Based on this information, for 2024, the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees (other than our CEO) was 88 to 1.

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(v) of Regulation S-K, we are providing information regarding the Compensation Actually Paid (CAP), as defined by SEC rules, to our named executive officers and certain company financial performance. As permitted by SEC rules, we are providing such disclosure for only 2024 and 2023, because we were not a reporting company pursuant to Section 13(a) or 15(d) of the Exchange Act prior to such years. The CAP amounts shown in the table below do not reflect the actual amount of compensation earned by or paid to our executives during the applicable year. Please refer to the "Compensation Discussion and Analysis" section in this Proxy Statement for a complete description of how executive compensation relates to company performance and how the compensation committee makes its decisions.

Year[1]	Summary Compensation Table Total for Principal Executive Officer (PEO) ($)[2]	Compensation Actually Paid to PEO ($)[3]	Average Summary Compensation Table Total for Non-PEO Named Executive Officers ($)[4]	Average Compensation Actually Paid to Non-PEO Named Executive Officers ($)[5]	Value of initial fixed $100 investment based on:		Net Income (in thousands) ($)	Company Selected Measure - Adjusted EBITDA (in thousands) ($)[8]
					Total Stockholder Return ($)[6]	Peer Group Total Stockholder Return ($)[7]		
2024	6,941,573	11,332,653	2,125,439	3,513,404	290.23	117.14	201,678	469,502
2023	4,991,482	6,535,447	1,835,172	2,665,370	188.98	120.11	182,872	432,421

(1) Our PEO for 2024 and 2023 was Brian R. Gray. Our non-PEO named executive officers for 2024 were Nathan W. Ring, Trevor J. Hastings, Karl A. Liepitz and Nancy K. Christenson.

(2) Represents Mr. Gray's total compensation as shown in the Summary Compensation Table (SCT) for 2024.

(3) To arrive at 2024 CAP for Mr. Gray, total compensation as reported in the SCT was adjusted for the following:

	2024
SCT Total Compensation for the PEO	6,941,573
less: Reported Value of Stock Awards in the SCT	4,119,361
plus: Stock Award Adjustments[a]	8,510,441
less: Change in Actuarial Present Value of Defined Benefit and Pension Plans as Reported in the SCT	—
plus: Aggregate Service Cost and Prior Service Costs on Defined Benefit and Pension Plans	—
CAP for the PEO	11,332,653

(a) Stock Award Adjustment in determining CAP is as follows (fair value of equity awards was determined using methodologies and assumptions developed in a manner materially consistent with those used to determine the grant date fair value of the awards):

Year	Year-end Fair Value of Equity Awards Granted in the Year which are Unvested	Year-over-Year Change in Fair Value of Equity Awards Granted in Prior Years that are Unvested	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year	Year-over-Year Change in Fair Value of Equity Award Granted in Prior Years that Vested in the Year	Prior Year-end Fair Value of Equity Awards that Failed to Meet Vesting Conditions in the Year	Value of Dividends or Other Earnings Paid on Equity Awards not Otherwise Reflected in Fair Value or Total Compensation	Total Equity Award Adjustments
2024	6,279,191	2,231,250	—	—	—	—	8,510,441

(4) Represents the average total compensation of our non-PEO named executive officers as shown in the SCT for 2024.

(5) To arrive at the 2024 Average CAP for our non-PEO named executive officers, total compensation as reported in the SCT was adjusted for the following:

	2024
Average of SCT Total Compensation for Non-PEO Named Executive Officers	2,125,439
less: Reported Value of Stock Awards in the SCT	933,827
plus: Stock Award Adjustments[(a)]	2,321,792
less: Change in Actuarial Present Value of Defined Benefit and Pension Plans as Reported in the SCT	—
plus: Aggregate Service Cost and Prior Service Costs on Defined Benefit and Pension Plans	—
Average CAP for the Non-PEO Named Executive Officers	3,513,404

(a) Stock Award Adjustments in determining CAP

Year	Year-end Fair Value of Equity Awards Granted in the Year which are Unvested	Year-over-Year Change in Fair Value of Equity Awards Granted in Prior Years that are Unvested	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year	Year-over-Year Change in Fair Value of Equity Award Granted in Prior Years that Vested in the Year	Prior Year-end Fair Value of Equity Awards that Failed to Meet Vesting Conditions in the Year	Value of Dividends or Other Earnings Paid on Equity Awards not Otherwise Reflected in Fair Value or Total Compensation	Total Equity Award Adjustments
2024	1,423,439	575,587	—	322,766	—	—	2,321,792

(6) Represents value of $100 invested in company stock on June 1, 2023 (the date we become a publicly traded company), through the end of the listed fiscal year, assuming dividends, if any, are reinvested in company stock at the frequency paid.

(7) Represents the value of $100 invested in the S&P 400 Materials Index, which is used for the company's stock performance graph in the 2024 Annual Report, on June 1, 2023 (the date we become a publicly traded company), through the end of the listed fiscal year, assuming dividends are reinvested in the compensation peer group stock at the frequency paid.

(8) Adjusted EBITDA is a non-GAAP financial measure and is calculated by adding back income taxes; interest expense (net of interest income); depreciation, depletion and amortization expense; unrealized gains and losses on benefit plan investments; stock-based compensation; and one-time Separation costs to net income.

2024 Most Important Financial Measures

The financial performance measures identified as the most important measures used by the company to link PEO and non-PEO named executive officer 2024 CAP to company performance are listed below in unranked order, each of which is described in more detail in the "Compensation Discussion and Analysis".

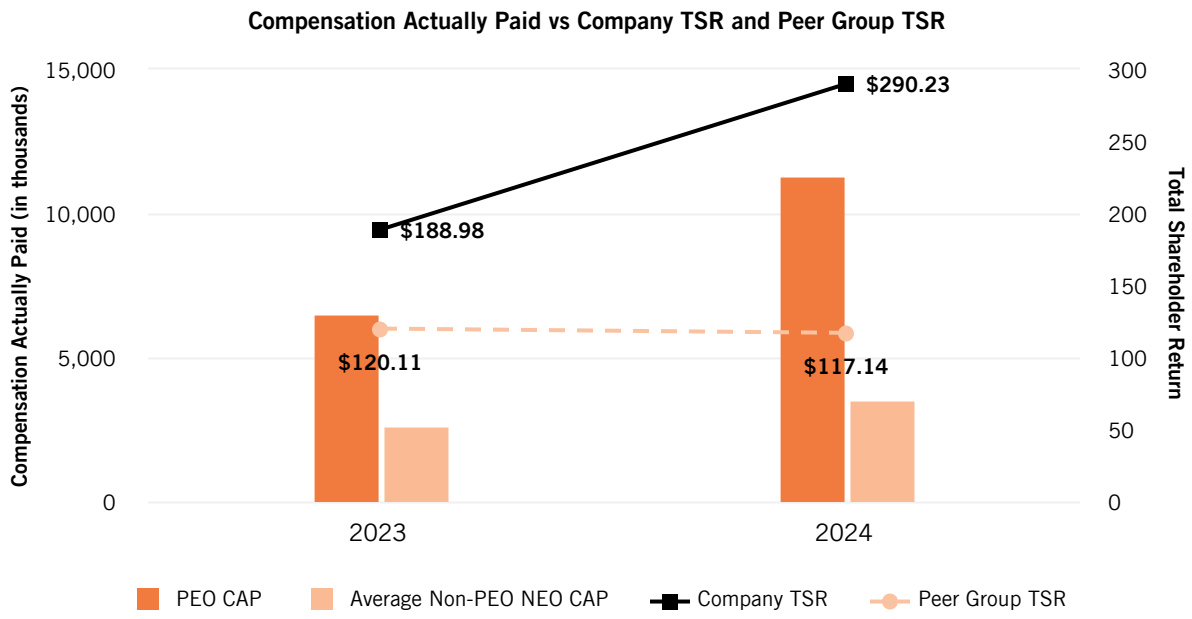
Performance Metrics Most Closely Linked to CAP for 2024
Adjusted EBITDA
Adjusted EBITDA margin growth
Relative Total Stockholder Return

Descriptions of the Information Presented in the Pay Versus Performance Table

We are providing the following graphics to illustrate the relationship between our PEO CAP and our non-PEO named executive officers' CAP as a group and company performance, as set forth and described in and under the "Pay Versus Performance" table, including the company's net income and Adjusted EBITDA and the company and peer group's respective TSR during 2024 and 2023, assuming $100 initial investment on June 1, 2023.

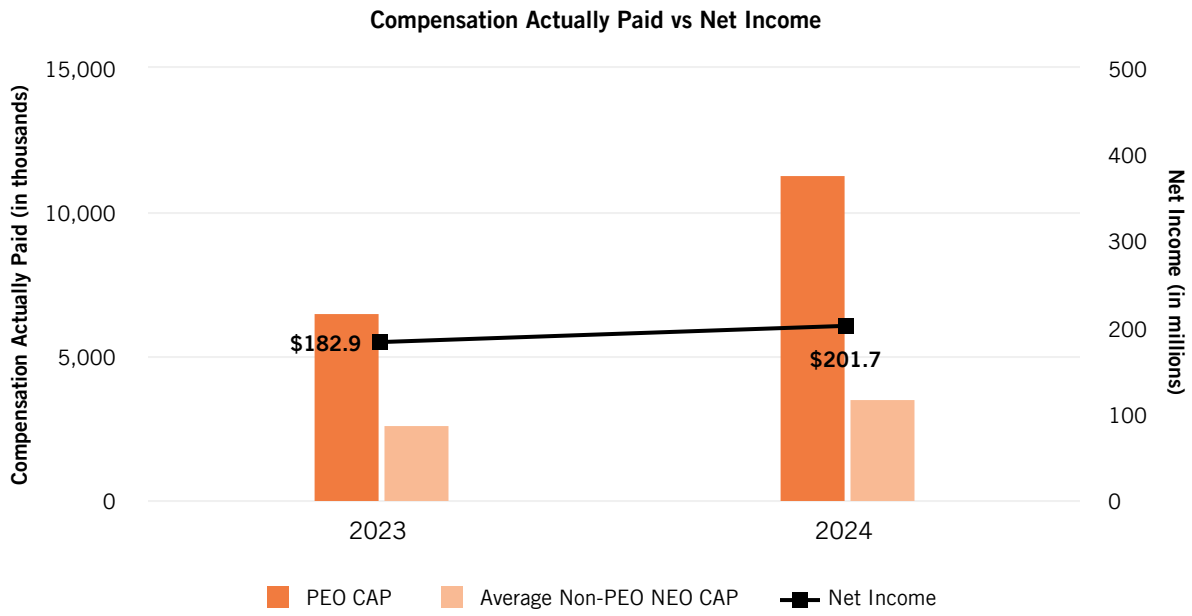
CAP vs. Company TSR and Peer Group TSR

The following chart depicts the PEO and average non-PEO named executive officer CAP compared to the company's TSR and peer group TSR for 2024 and 2023.



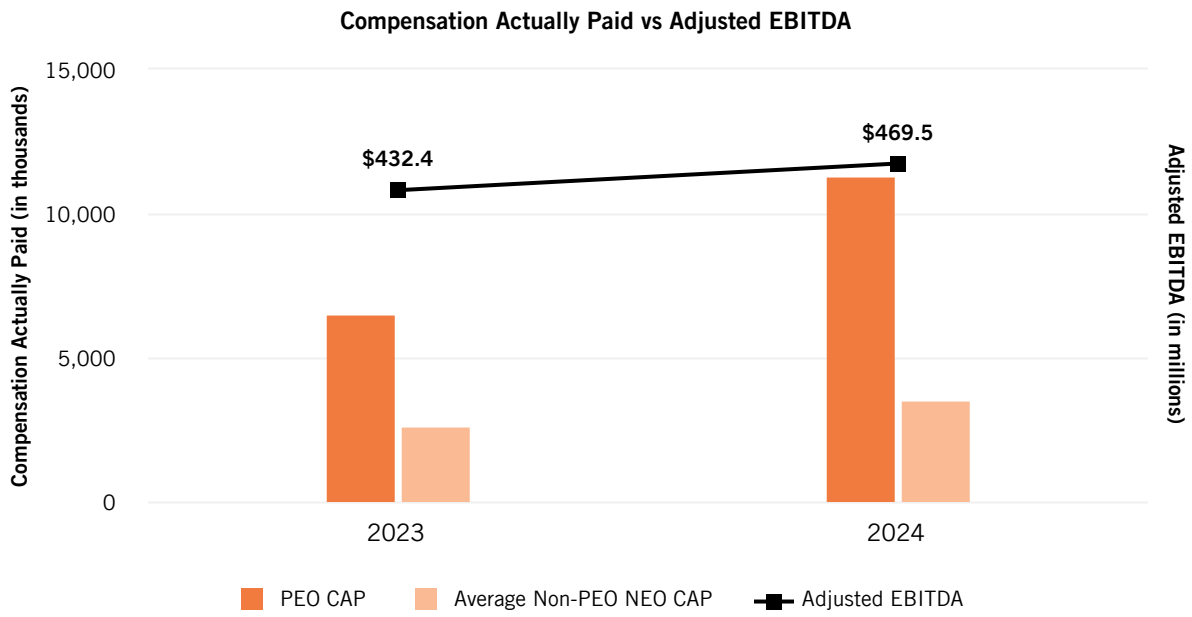
CAP vs. Net Income

The following chart depicts the PEO and average non-PEO named executive officer CAP compared to the company's Net Income for 2024 and 2023.



CAP vs. Adjusted EBITDA

The following chart depicts the PEO and average non-PEO named executive officer CAP compared to the company's Adjusted EBITDA for 2024 and 2023.



AUDIT MATTERS

ITEM 3: RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2025

The audit committee at its February 2025 meeting appointed Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2025. The board concurred with the audit committee's decision. Deloitte & Touche LLP has served as our independent registered public accounting firm since fiscal year 2002.

Although your ratification vote will not affect the appointment or retention of Deloitte & Touche LLP for 2025, the audit committee will consider your vote in determining its appointment of our independent registered public accounting firm for the next fiscal year. The audit committee, in appointing our independent registered public accounting firm, reserves the right, in its sole discretion, to change an appointment at any time during a fiscal year if it determines that such a change would be in our best interests.

A representative of Deloitte & Touche LLP will attend the annual meeting online and will be available to respond to appropriate questions. We do not anticipate that the representative will make a prepared statement at the annual meeting; however, he or she will be free to do so if he or she chooses.

The board of directors recommends a vote "FOR" the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2025.

Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2025 requires the affirmative vote of a majority of the shares of our common stock present online or represented by proxy at the annual meeting and entitled to vote on the proposal. Abstentions will count as votes against this proposal. We do not expect any broker non-votes on the proposal.

Annual Evaluation and Selection of Deloitte & Touche LLP

The audit committee annually evaluates the performance of its independent registered public accounting firm, including the senior audit engagement team, and determines whether to re-engage the current independent accounting firm or consider other firms. Factors considered by the audit committee in deciding whether to retain the current independent accounting firm include:

- Deloitte & Touche LLP's capabilities considering the complexity of our business and the resulting demands placed on Deloitte & Touche LLP in terms of technical expertise and knowledge of our industry and business;
- The quality and candor of Deloitte & Touche LLP's communications with the audit committee and management;
- Deloitte & Touche LLP's independence;
- The quality and efficiency of the services provided by Deloitte & Touche LLP, including input from management on Deloitte & Touche LLP's performance and how effectively Deloitte & Touche LLP demonstrated its independent judgment, objectivity, and professional skepticism;
- The workload capacity and resources of Deloitte & Touche LLP's senior audit engagement team;
- External data on audit quality and performance, including recent Public Company Accounting Oversight Board reports on Deloitte & Touche LLP and its peer firms; and

- The appropriateness of Deloitte & Touche LLP's fees, tenure as our independent auditor, including the benefits of a longer tenure, and the controls and processes in place that help ensure Deloitte & Touche LLP's continued independence.

Based on this evaluation, the audit committee and the board believe that retaining Deloitte & Touche LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2025, is in the best interests of our company and its stockholders.

In accordance with rules applicable to mandatory partner rotation, Deloitte & Touche LLP's lead engagement partner for our audit was changed in February 2024. The audit committee oversees the process for, and ultimately approves, the selection of the lead engagement partner.

Audit Fees and Non-Audit Fees

The following table summarizes the aggregate fees that our independent registered public accounting firm, Deloitte & Touche LLP, billed or is expected to bill us for professional services rendered for 2023 and 2024.

	2024	2023
Audit Fees [1][2]	$2,658,990	$2,290,714
Audit-Related Fees	$—	$—
Tax Fees	$—	$—
All Other Fees	$—	$—
Total Fees [2]	$2,658,990	$2,290,714
Ratio of Tax and All Other Fees to Audit and Audit-Related Fees	0 %	0 %

[1] Audit fees for 2023 and 2024 consisted of fees for the annual audit of our consolidated financial statements, reviews of quarterly financial statements, and other filings with the SEC. Audit Fees for 2024 also included fees related to the annual audit of our internal controls over financial reporting.

[2] Total fees reported above include out-of-pocket expenses related to the services provided of $265,195 for 2024 and $111,039 for 2023.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm

The audit committee pre-approved all services Deloitte & Touche LLP performed in 2024 and 2023 in accordance with the pre-approval policy and procedures the audit committee adopted in 2023. This policy is designed to achieve the continued independence of Deloitte & Touche LLP and to assist in our compliance with Sections 201 and 202 of the Sarbanes-Oxley Act of 2002 and related rules of the SEC.

The policy defines the permitted services in each of the audit, audit-related, tax, and all other services categories, as well as prohibited services. The pre-approval policy requires management to submit annually for approval to the audit committee a service plan describing the scope of work and anticipated cost associated with each category of service. At each regular audit committee meeting, management reports on services performed by Deloitte & Touche LLP and the fees paid or accrued through the end of the quarter preceding such meeting. Management may submit requests for additional permitted services before the next scheduled audit committee meeting to the designated member of the audit committee, currently Patricia L. Moss, for approval. The designated member updates the audit committee at the next regularly scheduled meeting regarding any services approved during the interim period. At each regular audit committee meeting, management may submit to the audit committee for approval a supplement to the service plan containing any request for additional permitted services.

In addition, prior to approving any request for audit-related, tax, or all other services of more than $50,000, Deloitte & Touche LLP is required to provide a statement setting forth the reasons why rendering of the proposed services does not compromise Deloitte & Touche LLP's independence. This description and statement by Deloitte & Touche LLP may be incorporated into the service plan or included as an exhibit thereto or may be delivered in a separate written statement.

AUDIT COMMITTEE REPORT

The audit committee assists the board in fulfilling its oversight responsibilities and serves as a communication link among the board, management, the independent auditors, and the internal auditors. The audit committee (a) assists the board's oversight of (i) the integrity of the company's financial reporting process and system of internal controls, (ii) the company's compliance with legal and regulatory requirements and the code of conduct, (iii) the independent auditors' qualifications and independence, (iv) the performance of the company's internal audit function and independent auditors, and (v) the company's management of risks in the audit committee's areas of responsibility; (b) arranges for the preparation of and approves the report that SEC rules require be included in the company's annual proxy statement; and (c) is also responsible for the appointment, compensation, retention, and oversight of the independent auditors including pre-approval of all audit and non-audit services by the independent auditors. The audit committee acts under a written charter which it reviews at least annually and a copy of which is available on our website.

Management has primary responsibility for the company's financial statements and the reporting process, including the systems of internal control over financial reporting. The independent auditors are responsible for performing an independent audit of the company's consolidated financial statements, issuing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, and assessing the effectiveness of the company's internal controls over financial reporting. The audit committee oversees the company's financial reporting process and internal controls on behalf of the board.

In performing its oversight responsibilities in connection with our financial statements for the year ended December 31, 2024, the audit committee:

- Reviewed and discussed the audited financial statements with management;
- Discussed with the independent auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC; and
- Received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the audit committee concerning independence and discussed with the independent auditors their independence.

Based on the review and discussions referred to above, the audit committee recommended to the board of directors, and the board of directors has approved, that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2024, for filing with the SEC. The audit committee has appointed Deloitte & Touche LLP as the company's independent auditors for 2025. Stockholder ratification of this appointment is included as Item 3 in these proxy materials.

Patricia L. Moss, Chair
German Carmona Alvarez
Patricia Chiodo
William J. Sandbrook

OTHER MATTERS

ITEM 4: AMENDMENT AND RESTATEMENT OF THE COMPANY'S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE THE SUPERMAJORITY VOTING REQUIREMENTS

Background

The board is committed to strong corporate governance aligned with stockholder interests. The board, through its nominating and governance committee, regularly monitors leading practices in governance. After review, the board, upon recommendation of the nominating and governance committee, has unanimously approved and hereby recommends that stockholders approve an amendment and restatement of the company's amended and restated certificate of incorporation, substantially in the form attached to this proxy statement as Appendix B, to eliminate the supermajority voting requirements described herein and make other immaterial, non-substantive and ministerial changes such as updating defined terms (as amended and restated, the "second amended and restated certificate of incorporation"). The following summary of the second amended and restated certificate of incorporation is qualified in its entirety by reference to the text of Appendix B. Proposed additions are underlined, and proposed deletions are stricken through.

The amended and restated certificate of incorporation currently requires the affirmative vote of at least two-thirds (66⅔%) of the outstanding shares of common stock entitled to vote in the election of directors to amend the following provisions in the amended and restated certificate of incorporation:

- Article 6, which details the structure and powers of the board;
- Article 7, which requires that any action required or permitted to be taken by stockholders be effected at a duly called annual or special meeting of stockholders and describes the methods for calling special meetings of stockholders; and
- Article 10, which imposes the supermajority voting requirements to (i) amend, alter, change or repeal the amended and restated certificate of incorporation and (ii) amend, alter or repeal the company's amended and restated bylaws (the "bylaws").

If approved by the requisite stockholder vote at the annual meeting, this proposal will amend and restate the company's amended and restated certificate of incorporation to eliminate the two-thirds (66⅔%) supermajority voting requirement applicable to the matters described above, such that, following the effectiveness of the second amended and restated certificate of incorporation, the approval of those matters will require only a majority of the voting power of all then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class (the "majority vote standard").

Board's Rationale

The two-thirds (66⅔%) supermajority voting requirements in the amended and restated certificate of incorporation generally relate to fundamental corporate governance provisions and can be found in the organizational documents of many public companies. The supermajority voting requirements are designed to protect the company and its stockholders by reducing the likelihood of third parties taking actions that may be inconsistent with the best interests of, or that may otherwise be harmful to, the company, its stockholders and other stakeholders in the near and/or long-term. In addition, the supermajority voting requirements are also designed to ensure that the interests of all stockholders are protected by requiring a significant portion of our stockholders to approve certain actions. Notwithstanding the foregoing, the board recognizes that there are different perspectives on this topic and that such heightened thresholds also limit the ability of the company to take action that may be desired by the holders of a majority of its outstanding capital stock.

Following constructive stockholder engagement, and feedback after the 2024 annual meeting of stockholders, the nominating and governance committee and the board each carefully considered the advantages and disadvantages of maintaining the aforementioned supermajority voting requirements. After careful and deliberate review and considering stockholder feedback, the nominating and governance committee recommended, and the board agreed, that it is in the best interests of the company and its stockholders to eliminate the supermajority voting requirements and, in turn, reduce such thresholds to the majority vote standard described above. The nominating and governance committee and the board each concluded that elimination of the supermajority voting requirements and their replacement with the majority vote standard will enhance the company's corporate governance practices and serve as a useful measure of accountability for the company and the board to stockholders generally.

Therefore, the board, upon the recommendation of the nominating and governance committee, has unanimously determined that it is in the best interests of the company and its stockholders to amend and restate the amended and restated certificate of incorporation to eliminate the supermajority voting requirements, and has unanimously approved, and is recommending that stockholders approve, the amendment and restatement of the amended and restated certificate of incorporation to eliminate the supermajority voting requirements.

Conforming Changes to the Bylaws

Consistent with the provisions of the amended and restated certificate of incorporation, the bylaws also currently include the two-thirds (66⅔%) supermajority voting requirement for the stockholders to amend, alter, change, repeal or adopt the bylaws. If this proposal is approved by the requisite vote of stockholders at the annual meeting, the board intends to similarly remove the related two-thirds (66⅔%) supermajority voting requirement from the bylaws to align the bylaws with the proposed second amended and restated certificate of incorporation.

The board of directors recommends a vote "FOR" the approval of the amendment and restatement of the company's amended and restated certificate of incorporation to eliminate the supermajority voting requirements.

Approval of the amendment and restatement of the company's amended and restated certificate of incorporation to eliminate the supermajority voting requirements requires the affirmative vote of at least two-thirds (66⅔%) of the outstanding shares of common stock entitled to vote in the election of directors. Abstentions and broker non-votes will each count as votes against this proposal.

INFORMATION ABOUT THE ANNUAL MEETING

Who Can Vote?

Stockholders of record at the close of business on March 28, 2025, are entitled to vote each share they owned on that date on each matter presented at the annual meeting and any adjournment(s) thereof. As of March 28, 2025, we had 56,652,361 shares of common stock outstanding each entitled to one vote per share.

To attend and participate in the annual meeting, you will need the 16-digit control number included in your Notice or your Proxy Card, or on the instructions that accompanied your proxy materials. If your shares are held in "street name," you should contact your bank, broker, or other holder of record to obtain your 16-digit control number or otherwise vote through the bank, broker, or other holder of record. Only stockholders with a valid 16-digit control number will be able to attend the annual meeting, vote, and ask questions. The annual meeting webcast will begin promptly at 10:00 a.m. Central Daylight Saving Time. We encourage you to access the annual meeting prior to the start time. Online check-in will begin at 9:45 a.m. Central Daylight Saving Time, and you should allow ample time for the check-in procedures.

Distribution of Our Proxy Materials Using Notice and Access

We distributed proxy materials to certain of our stockholders via the Internet under the SEC's "Notice and Access" rules to reduce our costs and decrease the environmental impact of our proxy materials. Using this method of distribution, on or about April 7, 2025, we mailed the Notice that contains basic information about our annual meeting and instructions on how to view all proxy materials, and vote electronically, on the Internet. If you received the Notice and prefer to receive a paper copy of the proxy materials, follow the instructions in the Notice for making this request and the materials will be sent promptly to you via your preferred method.

How to Vote

You are encouraged to vote in advance of the annual meeting using one of the following voting methods, even if you are planning to attend the annual meeting online.

Registered Stockholders: Stockholders of record who hold their shares directly with our stock registrar can vote any one of four ways:

By Internet: Go to the website shown on the Notice or Proxy Card, if you received one, and follow the instructions.

By Telephone: Call the telephone number shown on the Notice or Proxy Card, if you received one, and follow the instructions given by the voice prompts.

Voting via the Internet or by telephone authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated, and returned the Proxy Card by mail. Your voting instructions may be transmitted up until 11:59 p.m. Eastern Time on May 21, 2025.

By Mail: If you received a paper copy of the Proxy Statement, Annual Report, and Proxy Card, mark, sign, date, and return the Proxy Card in the postage-paid envelope provided.

During the Annual Meeting: Attend the annual meeting online and follow the instructions posted at www.virtualshareholdermeeting.com/KNF2025. Even if you plan to attend the annual meeting online, we recommend that you also vote by Internet, by telephone, or by mail so that your vote will be counted if you later decide not to attend.

Beneficial Stockholders: Stockholders whose shares are held beneficially in the name of a bank, broker, or other holder of record (sometimes referred to as holding shares "in street name") and who do not have a control number will receive voting instructions from said bank, broker, or other holder of record. If you are a beneficial owner who does not have a control number, you will still be able to attend the annual meeting as a "guest" and listen to the proceedings, but you will not be able to vote, ask questions, or otherwise participate. Even if you plan to attend the annual meeting online, we recommend that you also vote by Internet, by telephone, or by mail so that your vote will be counted if you later decide not to attend.

See discussion below regarding the Knife River Corporation 401(k) Plan for voting instructions for shares held under our 401(k) plan.

How to Attend and Vote at the Annual Meeting

The annual meeting will be held entirely online live via audio webcast. In structuring our virtual annual meeting, our goal is to enhance stockholder participation. We have designed the virtual annual meeting to provide stockholders with substantially the same opportunities to participate as if the annual meeting were held in person, and we believe the virtual annual meeting accomplishes this goal. We aim to provide a consistent experience to all stockholders regardless of their geographic location. Any stockholder can attend the annual meeting live online at www.virtualshareholdermeeting.com/KNF2025. If you were a stockholder as of the record date for the annual meeting and you have your 16-digit control number included in your Notice, on your Proxy Card, or on the instructions that accompanied your proxy materials, you can vote at the annual meeting. If you are not a stockholder or do not have a control number, you may still access the annual meeting as a guest, but you will not be able to participate.

A summary of the information you need to attend the annual meeting online is provided below:

- To attend and participate in the annual meeting, you will need the 16-digit control number included in your Notice, on your Proxy Card or on the instructions that accompanied your proxy materials.
- The annual meeting webcast will begin promptly at 10:00 a.m. Central Daylight Saving Time. We encourage you to access the annual meeting prior to the start time. Online check-in will begin at 9:45 a.m. Central Daylight Saving Time, and you should allow ample time for the check-in procedures.
- The virtual meeting platform is fully supported across browsers (Chrome, Firefox, and Safari) and devices (desktops, laptops, tablets, and cell phones) running the most updated version of applicable software and plugins. Participants should ensure that they have a strong Internet connection wherever they intend to participate in the annual meeting. Participants should also give themselves plenty of time to log in and ensure that they can hear streaming audio prior to the start of the annual meeting.
- Instructions on how to attend and participate via the Internet are posted at www.virtualshareholdermeeting.com/KNF2025.
- Assistance with questions regarding how to attend and participate via the Internet will be provided at www.virtualshareholdermeeting.com/KNF2025 on the day of the annual meeting.
- If you want to submit your question during the annual meeting, log into the virtual meeting platform at www.virtualshareholdermeeting.com/KNF2025, type your question into the “Ask a Question” field, and click “Submit.”
- Questions pertinent to annual meeting matters will be answered during the annual meeting, subject to time constraints. Questions regarding personnel matters, including those related to employment, product issues, or suggestions for product innovations, are not pertinent to annual meeting matters and therefore will not be answered. If we receive substantially similar questions, we may group such questions together and provide a single response to avoid repetition. We have designed the format of the virtual annual meeting to ensure that our stockholders are afforded the same rights and opportunities to participate as they would have at an in-person meeting. Any questions pertinent to annual meeting matters that cannot be answered during the annual meeting due to time constraints will be posted online and answered at the “Investors” section of our website at www.kniferiver.com. The questions and answers will be available as soon as practical after the annual meeting and will remain available until one week after posting.

Technical Difficulties

We will have technicians ready to assist you with any technical difficulties you may have accessing the virtual annual meeting website. If you encounter any difficulties accessing the virtual annual meeting website during the check-in or annual meeting time, please call the technical support number that will be posted on the annual meeting login page.

Revoking Your Proxy or Changing Your Vote

You may change your vote at any time before the proxy is exercised.

- If you voted by mail: you may revoke your proxy by executing and delivering a timely and valid later dated proxy, by attending the annual meeting online and voting at the annual meeting by following the instructions at www.virtualshareholdermeeting.com/KNF2025, or by giving written notice of revocation to the corporate secretary.
- If you voted via the Internet or by telephone: you may change your vote with a timely and valid later Internet or telephone vote, as the case may be, or by attending the annual meeting online and voting at the annual meeting by following the instructions at www.virtualshareholdermeeting.com/KNF2025.
- Attendance at the annual meeting online will not have the effect of revoking a proxy unless (1) you give proper written notice of revocation to the corporate secretary before the proxy is exercised, or (2) you vote at the annual meeting by following the instructions at www.virtualshareholdermeeting.com/KNF2025.

Discretionary Voting Authority

If you complete and submit your proxy voting instructions, the individuals named as proxies will follow your instructions. If you are a stockholder of record and you submit proxy voting instructions but do not direct how to vote on each item, the individuals named as proxies will vote as the board recommends on each proposal. The individuals named as proxies will vote on any other matters properly presented at the annual meeting in accordance with their discretion. Our bylaws set forth requirements for advance notice of any nominations or agenda items to be brought up for voting at the annual meeting, and we have not received timely notice of any such matters, other than the items from the board described in this Proxy Statement.

Voting Standards

A majority of outstanding shares of stock entitled to vote in the election of directors must be present online or represented by proxy to hold the annual meeting. Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present at the annual meeting.

If you are a beneficial holder and do not provide specific voting instruction to your broker, the organization that holds your shares will not be authorized to vote your shares, which would result in broker non-votes, on proposals other than the ratification of the selection of our independent registered public accounting firm for 2025.

The following chart describes the proposals to be considered at the annual meeting, the vote required to elect directors and to adopt each other proposal, the manner in which votes will be counted and the board's recommendation:

Item No.	Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of "Broker Non-Votes"	Board Vote Recommendation
1	Election of Three Class II Directors	For, against, or abstain on each nominee	A nominee for director will be elected if the number of shares voted "for" such nominee's election exceeds 50% of the number of votes cast with respect to that nominee's election	No effect	No effect	FOR Each Nominee
2	Advisory Vote to Approve the Compensation Paid to the Company's Named Executive Officers	For, against, or abstain	The affirmative vote of a majority of the shares of common stock present online or represented by proxy at the annual meeting and entitled to vote thereon	Same effect as votes against	No effect	FOR
3	Ratification of the Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for 2025	For, against, or abstain	The affirmative vote of a majority of the shares of common stock present online or represented by proxy at the annual meeting and entitled to vote thereon	Same effect as votes against	Brokers have discretion to vote	FOR
4	Amendment and Restatement of the Company's Amended and Restated Certificate of Incorporation to Eliminate the Supermajority Voting Requirements	For, against, or abstain	The affirmative vote of at least two-thirds (66⅔ %) of the outstanding shares of common stock entitled to vote in the election of directors	Same effect as votes against	Same effect as votes against	FOR

Proxy Solicitation

The board is furnishing proxy materials to solicit proxies for use at the annual meeting and any adjournment(s) thereof. Proxies are solicited principally by mail, but directors, officers, and employees of Knife River or its subsidiaries may solicit proxies personally, by telephone, or by electronic media, without compensation other than their regular compensation. D.F. King & Co, Inc. additionally will solicit proxies for approximately $10,000 plus out-of-pocket expenses. We will pay the cost of soliciting proxies and will reimburse brokers and others for forwarding proxy materials to stockholders.

Householding of Proxy Materials

In accordance with a procedure called "householding," which has been approved by the SEC, we are sending only one Notice or one Annual Report and Proxy Statement, as applicable, to multiple stockholders who share a single address unless we received instructions to the contrary from any stockholder at that address. This practice is designed to reduce our printing and postage costs. However, if a stockholder of record wishes to receive a separate Notice or Annual Report and Proxy Statement, as applicable, in the future, he or she may contact the Office of the Treasurer at Knife River Corporation, 1150 West Century Avenue, P.O. Box 5568, Bismarck, North Dakota, 58506-5568, Telephone Number: (701) 530-1400. Upon receipt of such request, we will promptly deliver a separate Notice or Annual Report and Proxy Statement, as applicable. Eligible stockholders of record who receive multiple copies of our Notice or Annual Report and Proxy Statement, as applicable, can request householding by contacting us in the same manner. Stockholders who own shares through a bank, broker, or other nominee can request householding by contacting such bank, broker, or other nominee.

Knife River Corporation 401(k) Plan

This Proxy Statement is being used to solicit voting instructions from participants in the Knife River Corporation 401(k) plan with respect to shares of our common stock that are held by the trustee of the plan for the benefit of plan participants. If you are a plan participant and also own other shares as a registered stockholder or beneficial owner, you will separately receive a Notice or proxy materials to vote those other shares you hold outside of the Knife River Corporation 401(k) plan. If you are a plan participant, you must instruct the plan trustee to vote your shares by utilizing one of the methods described on the voting instruction form that you receive in connection with shares held in the plan. If you do not give voting instructions, the trustee generally will vote the shares allocated to your personal account in accordance with the recommendations of the board. Your voting instructions may be transmitted up until 11:59 p.m. Eastern Time on May 19, 2025.

Why Hold a Virtual Annual Meeting

After carefully considering the format of the annual meeting, the board concluded to hold the annual meeting exclusively online live via audio webcast. The board believes the virtual annual meeting offers the same participation opportunities as an in-person annual meeting. In addition, the board believes the virtual annual meeting format allows us to provide consistent opportunities for engagement to all stockholders, regardless of their geographic location. Therefore, we plan to hold the annual meeting by means of remote communications only.

Tabulation of Votes

A representative of Broadridge will tabulate our votes and a representative of The Carideo Group, Inc., our inspector of elections, will certify the votes.

Annual Meeting Results

We will announce preliminary voting results at the annual meeting and will publish final results in a Current Report on Form 8-K to be filed with the SEC within four business days following the annual meeting.

Stockholder Proposals, Director Nominations, and Other Items of Business for 2026 Annual Meeting

Stockholder Proposals for Inclusion in Next Year's Proxy Statement: To be included in the proxy materials for our 2026 annual meeting, a stockholder proposal must be received by the corporate secretary no later than December 8, 2025, unless the date of the 2026 annual meeting is more than 30 days before or after May 22, 2026, in which case the proposal must be received at a reasonable time before we begin to print and mail our proxy materials. The proposal must also comply with all applicable requirements of Rule 14a-8 under the Exchange Act.

Director Nominations From Stockholders for Inclusion in Next Year's Proxy Statement: If a stockholder or group of stockholders wishes to nominate one or more director candidates to be included in our proxy statement for the 2026 annual meeting through our proxy access bylaw provision, we must receive proper written notice of the nomination not later than 120 days or earlier than 150 days before the anniversary date that the definitive proxy statement was first released to stockholders in connection with the annual meeting, or between November 8, 2025 and December 8, 2025. The requirements of such notice can be found in our bylaws, a copy of which is on our website, at https://investors.kniferiver.com/governance/governance-documents/. In addition, Rule 14a-19 under the Exchange Act requires additional information be included in director nomination notices, including a statement that the stockholder intends to solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors. If any change occurs with respect to such stockholder's intent to solicit the holders of shares representing at least 67% of such voting power, such stockholder must notify us promptly.

Director Nominations and Other Stockholder Proposals Raised From the Floor at the 2026 Annual Meeting of Stockholders: Under our bylaws, if a stockholder intends to nominate a person as a director, or present other items of business at an annual meeting, the stockholder must provide written notice of the director nomination or stockholder proposal not earlier than the 120th day prior to the first anniversary of the preceding year's annual meeting of stockholders and not later than the close of business of the 90th day prior to the first anniversary of the preceding year's annual meeting of stockholders. Notice of director nominations or stockholder proposals for our 2026 annual meeting must be received between January 22, 2026 and February 21, 2026, and meet all the requirements and contain all the information, including the completed questionnaire for director nominations, provided by our bylaws. The requirements for such notice can be found in our bylaws, a copy of which is on our website, at https://investors.kniferiver.com/governance/governance-documents/. In addition, Rule 14a-19 under the Exchange Act requires additional information be included in director nomination notices, including a statement that the stockholder intends to solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors. If any change occurs with respect to such stockholder's intent to solicit the holders of shares representing at least 67% of such voting power, such stockholder must notify us promptly.

We will make available to our stockholders to whom we furnish this Proxy Statement a copy of our 2024 Form 10-K, excluding exhibits, which is required to be filed with the SEC. You may obtain a copy, without charge, upon written or oral request to the Office of the Treasurer of Knife River Corporation, 1150 West Century Avenue, P.O. Box 5568, Bismarck, North Dakota, 58506-5568, Telephone Number (701) 530-1400. You may also access our 2024 Form 10-K free of charge through our website at www.kniferiver.com.

By order of the Board of Directors,



Karl A. Liepitz
Secretary
April 7, 2025

APPENDIX A

Reconciliation of Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are considered non-GAAP financial measures. These non-GAAP financial measures are not measures of financial performance under GAAP. The items excluded from these non-GAAP financial measures are significant components in understanding and assessing financial performance. Therefore, these non-GAAP financial measures should not be considered substitutes for the applicable GAAP metric. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are most directly comparable to the corresponding GAAP measures of net income and net income margin. Knife River believes these non-GAAP financial measures, in addition to corresponding GAAP measures, are useful to investors by providing meaningful information about operational efficiency compared to its peers by excluding the impacts of differences in tax jurisdictions and structures, debt levels and capital investment. We believe Adjusted EBITDA and Adjusted EBITDA margin are useful performance measures because they allow for an effective evaluation of the company's operating performance by excluding stock-based compensation and unrealized gains and losses on benefit plan investments as they are considered non-cash and not part of the company's core operations. The company also excludes the one-time, non-recurring costs associated with the Separation as those are not expected to continue. We believe EBITDA and Adjusted EBITDA assist rating agencies and investors in comparing operating performance across operating periods on a consistent basis by excluding items management does not believe are indicative of our operating performance. Additionally, EBITDA and Adjusted EBITDA are important financial metrics for debt investors who utilize debt to EBITDA and debt to Adjusted EBITDA ratios. We believe these non-GAAP financial measures are useful performance measures because they provide clarity as to our operational results. Management uses these non-GAAP financial measures in conjunction with GAAP results when evaluating our operating results internally and calculating employee incentive compensation.

EBITDA is calculated by adding back income taxes, interest expense (net of interest income) and depreciation, depletion and amortization expense to net income. Adjusted EBITDA is calculated by adding back unrealized gains and losses on benefit plan investments, stock-based compensation and one-time Separation costs, to EBITDA. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by revenues. These non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, GAAP financial measures such as net income and net income margin and are intended to be helpful supplemental financial measures for investors' understanding of Knife River's operating performance. Knife River's non-GAAP financial measures are not standardized; therefore, it may not be possible to compare these financial measures with other companies' EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin measures having the same or similar names.

The following information reconciles net income to EBITDA and EBITDA to Adjusted EBITDA and provides the calculation of Adjusted EBITDA margin. Interest expense, net, is net of interest income that is included in other income (expense) on the Consolidated Statements of Operations of our audited financial statements in our Annual Report on Form 10-K for the years ended December 31, 2024 and 2023.

Reconciliation of Net Income to Adjusted EBITDA

For the Years Ended	12/31/2024	12/31/2023
Net income	$201.7	$182.9
Depreciation, depletion and amortization	136.9	123.8
Interest expense, net	46.4	52.9
Income taxes	69.3	62.4
EBITDA	$454.3	$422.0
Unrealized (gains) losses on benefit plan investments	($2.9)	($2.7)
Stock-based compensation expense	7.8	3.1
One-time separation costs	3.8	10.0
Adjusted EBITDA	$463.0	$432.4
Revenue	$2,899.0	$2,830.3
Net Income Margin	7.0 %	6.5 %
Adjusted EBITDA Margin	16.0 %	15.3 %

APPENDIX B

Second Amended and Restated Certificate of Incorporation of Knife River ~~Holding Company~~ Corporation

Knife River ~~Holding Company~~ Corporation (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, as it may be amended (the "DGCL"), hereby certifies as follows:

1. The name of this Corporation is Knife River ~~Holding Company~~ Corporation. The original ~~C~~certificate of ~~I~~incorporation was filed with the office of the Secretary of State of the State of Delaware (the "Secretary of State") on November 9, 2022. The name under which the Corporation was originally incorporated was Knife River Holding Company.

2. A ~~C~~certificate of ~~A~~amendment to the original ~~C~~certificate of ~~I~~incorporation was filed with the office of the Secretary of State ~~of the State of Delaware~~ on May 5, 2023 (as amended, the "Original Certificate of Incorporation").

3. An amended and restated certificate of incorporation of the Corporation was filed with the Secretary of State on June 1, 2023 (the "First Amended and Restated Certificate of Incorporation").

4. This Second Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation (the "Board of Directors") and the stockholders of the Corporation in accordance with the provisions of Sections 242 and 245 of the DGCL ~~and by the written consent of its sole stockholder in accordance with Section 228 of the DGCL~~, and is to become effective as of ~~8:16~~ [●] A.M., Eastern time, on ~~June 1, 2023~~ [●], 2025.

5. This Second Amended and Restated Certificate of Incorporation restates and amends the ~~original~~ First Amended and Restated Certificate of Incorporation to read in its entirety as follows:

ARTICLE 1
NAME OF CORPORATION

The name of the Corporation is Knife River Corporation.

ARTICLE 2
REGISTERED OFFICE; REGISTERED AGENT

The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of the registered agent of the Corporation at such address is The Corporation Trust Company. The Corporation may have such other offices, either inside or outside of the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

ARTICLE 3
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

ARTICLE 4
STOCK

Section 1. Authorized Stock. The total number of authorized shares of capital stock of the Corporation shall be 310 million (310,000,000) shares, consisting of (i) 300 million (300,000,000) shares of common stock, par value $0.01 per

share (the "Common Stock"), and (ii) 10 million (10,000,000) shares of preferred stock, par value $0.01 per share (the "Preferred Stock").

Section 2. Common Stock. Except as otherwise provided by law, by this Second Amended and Restated Certificate of Incorporation (as it may hereafter be amended and/or restated, this "Certificate of Incorporation"), or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any series of Preferred Stock, the holders of outstanding shares of Common Stock shall have the right to vote on all matters on which stockholders are entitled to vote, including the election of directors, to the exclusion of all other stockholders. Each holder of record of Common Stock shall be entitled to one (1) vote for each share of Common Stock standing in the name of the stockholder on the books of the Corporation.

Section 3. Preferred Stock. Shares of Preferred Stock may be authorized and issued in one (1) or more series. The Board of Directors (or any committee to which it may duly delegate the authority granted in this ARTICLE 4) is hereby empowered, by resolution or resolutions, to authorize the issuance from time to time of shares of Preferred Stock in one (1) or more series, for such consideration and for such corporate purposes as the Board of Directors (or such committee thereof) may from time to time determine, and by filing a certificate pursuant to applicable law of the State of Delaware as it presently exists or may hereafter be amended to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof to the fullest extent now or hereafter permitted by this ~~Amended and Restated~~ Certificate of Incorporation and the laws of the State of Delaware, including, without limitation, voting rights (if any), dividend rights, dissolution rights, conversion rights, exchange rights and redemption rights thereof, as shall be stated and expressed in a resolution or resolutions adopted by the Board of Directors (or such committee thereof) providing for the issuance of such series of Preferred Stock. Each series of Preferred Stock shall be distinctly designated. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the certificate of designations governing such series) increase or decrease (but not below the number of shares thereof then outstanding);

(c) the amounts payable on, and the preferences, if any, of shares of the series in respect of dividends, and whether such dividends, if any, shall be cumulative or noncumulative;

(d) the dates at which dividends, if any, shall be payable;

(e) the redemption rights and price or prices, if any, for shares of the series;

(f) the terms and amount of any sinking fund provided for purchase or redemption of shares of the series;

(g) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(h) whether shares of the series shall be convertible into or exchangeable for shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made;

(i) the restrictions on the issuance of shares of the same series or of any other class or series; and

(j) the voting rights, if any, of the holders of shares of the series.

ARTICLE 5
TERM

The term of existence of the Corporation shall be perpetual.

ARTICLE 6
BOARD OF DIRECTORS

Section 1. Number of Directors. Subject to any rights of the holders of any class or series of Preferred Stock, the number of directors which shall constitute the Board of Directors shall be fixed from time to time exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the total number of directors that the Corporation would have if there were no vacancies (the "Whole Board").

Section 2. Classes of Directors. Subject to the rights of the holders of any series of Preferred Stock provided for or fixed pursuant to this ~~Amended and Restated~~ Certificate of Incorporation (the "Preferred Stock Directors"), the Board of Directors shall be divided, with respect to the time for which they severally hold office, into three (3) classes, designated Class I, Class II and Class III, as nearly equal in number as reasonably possible. The first (1st) term of office for the Class I directors shall expire at the 2024 annual meeting of stockholders. The first (1st) term of office for the Class II directors shall expire at the 2025 annual meeting of stockholders. The first (1st) term of office for the Class III directors shall expire at the 2026 annual meeting of stockholders. At the 2024 annual meeting of stockholders, the Class I directors shall be elected for a term of office to expire at the 2027 annual meeting of stockholders. At the 2025 annual meeting of stockholders, the Class II directors shall be elected for a term of office to expire at the 2027 annual meeting of stockholders. At the 2026 annual meeting of stockholders, the Class III directors shall be elected for a term of office to expire at the 2027 annual meeting of stockholders. Commencing at the 2027 annual meeting of stockholders and at all subsequent annual meetings of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the DGCL, and all directors shall be elected for a term of office to expire at the next succeeding annual meeting of stockholders. Prior to the 2027 annual meeting of stockholders, in case of any increase or decrease, from time to time, in the number of directors (other than the Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal in number as reasonably possible. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III, with such assignment becoming effective as of the time at which the initial classification of the Board of Directors becomes effective. Unless and except to the extent that the Amended and Restated Bylaws of the Corporation (as <u>they</u> may hereafter be amended <u>and/or restated</u>, the "Bylaws") shall so require, the election of directors of the Corporation need not be by written ballot. Advance notice of stockholder nominations for the election of directors shall be given in the manner and to the extent provided in the Bylaws.

Section 3. Newly Created Directorships and Vacancies. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director, and directors so chosen shall hold office until the next election of the class, if any, for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified or until any such director's earlier death, resignation, removal, retirement or disqualification. Notwithstanding the foregoing, from and after the 2027 annual meeting of stockholders, any director so chosen shall hold office until the next election of directors and until his or her successor shall have been duly elected and qualified or until any such director's earlier death, resignation, removal, retirement or disqualification. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Section 4. Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock, any director(s) of the Corporation may be removed from office at any time by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of Common Stock entitled to vote generally in the election of directors, voting together as a single class (the "Voting Stock") (a) until the 2027 annual meeting of stockholders or such other time as the Board of Directors is no longer classified under Section 141(d) of the DGCL, only for cause by the affirmative vote of the holders of a majority of the Voting Stock and (b) from and including the 2027 annual meeting of stockholders or such other time as the Board of Directors is no longer classified under Section 141(d) of the DGCL, with or without cause, by the affirmative vote of the holders of a majority of the Voting Stock.

Section 5. Rights of Holders of Preferred Stock. Notwithstanding the provisions of this ARTICLE 6, whenever the holders of one (1) or more series of Preferred Stock issued by the Corporation shall have the right, voting separately or together by series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the rights of such Preferred Stock as set forth in the certificate of designations governing such series.

Section 6. No Cumulative Voting. Except as may otherwise be set forth in the resolution or resolutions of the Board of Directors providing the issuance of a series of Preferred Stock, and then only with respect to such series of Preferred Stock, cumulative voting in the election of directors is specifically denied.

ARTICLE 7
STOCKHOLDER ACTION

Section 1. No Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

Section 2. Special Meetings of Stockholders. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, special meetings of stockholders may only be called by or at the direction of (1) the Chair of the Board of Directors, (2) the Lead Independent Director (if one has been appointed) or (3) the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board. At any special meeting of stockholders, only such business shall be conducted or considered as shall have been properly brought before the meeting pursuant to the Corporation's notice of meeting.

ARTICLE 8
DIRECTOR AND OFFICER LIABILITY

To the fullest extent permitted by the DGCL, as the same exists or may hereafter be amended, no director or officer of the Corporation will be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director or officer; provided, however, that the foregoing provisions will not eliminate or limit the liability of (a) a director or officer for any breach of that director's or officer's duty of loyalty to the Corporation or its stockholders, (b) a director or officer for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) a director under Section 174 of the DGCL, as the same exists or as that provision hereafter may be amended, supplemented or replaced, (d) a director or officer for any transactions from which that director or officer derived an improper personal benefit or (e) an officer in any action by or in the right of the Corporation. If the DGCL is amended after the filing of this ~~Amended and Restated~~ Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation, in addition to the limitation on personal liability provided herein, will be limited to the fullest extent permitted by that law, as so amended. Any repeal or modification of this ARTICLE 8 by the stockholders of the Corporation will be prospective only and will not adversely affect any limitation on the personal liability of a director or officer of the Corporation existing at the time of that repeal or modification.

ARTICLE 9
INDEMNIFICATION

The Corporation shall indemnify its directors and officers against all expense, liability and loss reasonably incurred or suffered by such persons in connection with their service as a director or officer, as applicable, of the Corporation, or their service at the request of the Corporation as a director, officer, employee or agent of another corporation or other enterprise, to the fullest extent authorized or permitted by the DGCL as the same exists or may hereafter be amended or modified from time to time (but, in the case of any such amendment or modification, only to the extent that such amendment or modification permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment or modification), and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to

indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board. The right to indemnification conferred by this ARTICLE 9 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition; provided, however, that if the DGCL requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this ARTICLE 9 or otherwise.

The Corporation may, to the extent authorized from time to time by the Board, provide rights to indemnification and to the advancement of expenses to employees, and agents of the Corporation similar to those conferred in this ARTICLE 9 to directors and officers of the Corporation.

The rights to indemnification and to the advancement of expenses conferred in this ARTICLE 9 shall not be exclusive of any other right which any person may have or hereafter acquire under this ~~Amended and Restated~~ Certificate of Incorporation, the Bylaws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal of this ARTICLE 9 by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

ARTICLE 10

AMENDMENTS

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this ~~Amended and Restated~~ Certificate of Incorporation, in the manner now or hereafter prescribed by the DGCL, and all rights herein are granted subject to this reservation. ~~Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, and notwithstanding that a lesser percentage or separate class vote may be specified by applicable law or otherwise, no provision of ARTICLE 6, ARTICLE 7 and this ARTICLE 10 may be amended, altered or repealed in any respect, nor may any provision or bylaw inconsistent therewith be adopted, unless in addition to any other vote required by this Amended and Restated Certificate of Incorporation, any Preferred Stock Certificate of Designation or otherwise required by law, an amendment, alteration or repeal of ARTICLE 6, ARTICLE 7 and this ARTICLE 10 is approved at a meeting of the stockholders called for that purpose by, in addition to any other vote required by law or otherwise, the affirmative vote of the holders of at least two-thirds (66⅔%) of the voting power of all outstanding shares of capital stock then entitled to vote generally in the election of directors, voting together as a single class.~~

In furtherance and not in limitation of the powers conferred by applicable law, the Board of Directors is expressly authorized to adopt, amend, alter or repeal the Bylaws of the Corporation, without the assent or vote of stockholders of the Corporation. Any amendment, alteration or repeal of the Bylaws of the Corporation by the Board of Directors shall require the affirmative vote of at least a majority of the directors then in office. In addition to any other vote otherwise required by law, the stockholders of the Corporation may amend, alter or repeal the Bylaws of the Corporation, provided that any such action will require the affirmative vote of the holders of at least a majority ~~two-thirds (66⅔%)~~ of the voting power of all outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class.

IN WITNESS WHEREOF, the undersigned has duly executed this Second Amended and Restated Certificate of Incorporation, this ~~1~~[st][●] day of ~~June~~[●], ~~2023~~2025.

By: _____

Name: Brian R. Gray

Title: President and Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-41642

Knife River Corporation

(Exact name of registrant as specified in its charter)

Delaware	92-1008893
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1150 West Century Avenue
P.O. Box 5568
Bismarck, North Dakota 58506-5568
(Address of principal executive offices)
(Zip Code)
(701) 530-1400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	KNF	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒.

State the aggregate market value of the voting common stock held by non-affiliates of the registrant as of June 28, 2024: $3,970,815,129.

Indicate the number of shares outstanding of the registrant's common stock, as of February 13, 2025: 56,612,705 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Relevant portions of the registrant's 2025 Proxy Statement, to be filed no later than 120 days from December 31, 2024, are incorporated by reference in Part III, Items 10, 11, 12, 13 and 14 of this Annual Report on Form 10-K.

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The following abbreviations and acronyms used in this Form 10-K are defined below:

Abbreviation or Acronym	
Adjusted EBITDA	EBITDA adjusted to exclude unrealized gains and losses on benefit plan investments, stock-based compensation and one-time Separation costs, a non-GAAP financial metric
Adjusted EBITDA Margin	Adjusted EBITDA divided by revenue, a non-GAAP financial metric
Agency	Publicly-funded work completed for federal and state departments of transportation, as well as cities and counties
Annual Report	Annual Report on Form 10-K for the year ended December, 31 2024
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
Centennial	Centennial Energy Holdings, Inc., a direct wholly owned subsidiary of MDU Resources and the direct parent company of Knife River prior to the Separation
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
Company or Knife River	Knife River Corporation
CyROC	Cyber Risk Oversight Committee
Distribution	The distribution of approximately 90 percent of the outstanding shares of Knife River common stock to MDU Resources stockholders on a pro rata basis of one share of Knife River common stock for every four shares held of MDU Resources common stock
DGCL	Delaware General Corporation Law
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOT	Department of Transportation
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization, a non-GAAP financial metric
EBITDA Margin	EBITDA divided by revenue, a non-GAAP financial metric
EDGE	"Competitive EDGE" strategy implemented by the Company to improve margins and to execute on other strategic initiatives aimed at generating long-term profitable growth. The EDGE acronym stands for EBITDA Margin Improvement, Discipline, Growth and Excellence.
EEO	Federal Equal Employment Opportunity laws in the United States
EIN	Employer Identification Number
EPA	United States Environmental Protection Agency
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FIP	Funding improvement plan
GAAP	Accounting principles generally accepted in the United States of America
GHG	Greenhouse gas
Item 8	Financial Statements and Supplementary Data
IIJA	Infrastructure Investment and Jobs Act
IRS	Internal Revenue Service
Knife River Corporation	The holding company established in conjunction with the Separation and, prior to the Separation, an indirect wholly owned subsidiary of MDU Resources
Knife River - Northwest	A direct wholly owned subsidiary of Knife River
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
MDU Resources	MDU Resources Group, Inc., the indirect parent company of Knife River prior to the Separation
MEPP	Multiemployer pension plan
PCAOB	Public Company Accounting and Oversight Board

Proxy Statement	Company’s 2025 Proxy Statement to be filed no later than April 30, 2025
PRP	Potentially Responsible Party
RP	Rehabilitation plan
Sarbanes-Oxley Act	Federal act passed in 2002 to improve auditing and public disclosures in response to several accounting scandals in the early-2000s
SEC	United States Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Separation	The separation of Knife River from MDU Resources' other businesses and the creation of an independent, publicly traded company
SOFR	Secured Overnight Financing Rate

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are all statements other than statements of historical fact, including without limitation those statements that are identified by the words "anticipates," "estimates," "expects," "intends," "plans," "predicts" and similar expressions, and include statements concerning plans, projections, objectives, goals, strategies, future events or performance, and underlying assumptions (many of which are based, in turn, upon further assumptions), including, but not limited to, with respect to EDGE, growth, shareholder value creation, expected long-term goals, backlog margin, statements related to the acquisition of Strata (as defined later) or other proposed strategies and other statements that are other than statements of historical facts. From time to time, the Company may publish or otherwise make available forward-looking statements of this nature.

Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Nonetheless, the Company's expectations, beliefs or projections, including, but not limited to, with respect to EDGE, growth, shareholder value creation, expected long-term goals, backlog margin, statements related to the acquisition of Strata or other proposed strategies, may not be achieved or accomplished and changes in such assumptions and factors could cause actual future results to differ materially.

Undo reliance should not be placed on forward-looking statements and any forward-looking statement contained in this document speaks only as of the date on which the statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as required by law. New factors emerge from time to time, and it is not possible for management to predict all the factors, nor can it assess the effect of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. All forward-looking statements, whether written or oral and whether made by or on behalf of the Company, are expressly qualified by the risk factors and cautionary statements reported in the section entitled "Item 1A. Risk Factors" and subsequent filings with the SEC.

Summary of Risk Factors

An investment in Knife River is subject to a number of risks. Set forth below is a high-level summary of some, but not all, of these risks. Please read the information in "Item 1A. Risk Factors" for a more thorough description of these risks.

Operations, Growth and Competitive Risks

- We operate in a highly competitive industry.
- We may not be able to secure, permit or economically mine strategically located aggregate reserves.
- Our business is seasonal and subject to weather conditions that could adversely affect our operations.
- We are exposed to risk of loss resulting from nonpayment and/or nonperformance of our customers and counterparties.
- Our success depends, in part, on our ability to execute on our acquisition strategy, to successfully integrate acquired businesses and to retain key employees of acquired businesses.
- Technology disruptions or cyberattacks could adversely impact operations.
- Artificial intelligence presents risks and challenges that can impact our business.
- We may be unable to protect our intellectual property.
- Pandemics, including COVID-19, may have a negative impact on our business operations.

Economic and Political Risks

- Significant changes in prices for commodities, labor, or other production and delivery inputs could negatively affect our businesses.
- Supply chain disruptions may adversely affect our operations.
- Our business is based in large part on government-funded infrastructure projects and building activities, and any reductions or reallocation of spending or related subsidies in these areas could have an adverse effect on us.
- Economic volatility affects our operations, as well as the demand for our products and services.

Legal and Regulatory Compliance Risks

- We may be negatively impacted by pending and/or future litigation, claims or investigations.
- Unexpected factors affecting self-insurance claims and reserve estimates.
- Our operations could be negatively impacted by import tariffs and/or other government mandates.
- Our operations are subject to environmental laws and regulations.
- Our operations could be adversely impacted by severe weather events, including as a result of climate change.
- Stakeholder actions and increased regulatory activity related to environmental and other sustainability matters could adversely impact our operations.
- Changes in tax law may negatively affect our business.

Human Capital Risks

- Our operations may be negatively affected if we are unable to obtain, develop and retain key personnel and skilled labor forces.
- Increasing costs associated with health care plans may adversely affect our results of operations.

Financial and Accounting Risks

- Aggregate resource and reserve calculations are estimates and subject to uncertainty.
- Backlog may not accurately represent future revenue and gross margin.
- We operate in a capital-intensive industry and are subject to capital market and interest rate risks.
- Financial market changes could impact our defined benefit pension plans and obligations.
- Costs related to obligations under MEPPs could have a material negative effect on our results of operations and cash flows.
- We have substantial indebtedness and may incur substantial additional indebtedness.
- Despite our current level of indebtedness, we may be able to incur substantially more debt.
- A lowering or withdrawal of the ratings, outlook or watch assigned to us or our debt by rating agencies may increase our future borrowing costs and reduce our access to capital.

Separation Risks

- We have minimal history of operating as an independent, public company.
- We could be subject to significant tax liabilities or be required to indemnify MDU Resources for material taxes, and other related amounts, in connection with the Separation.
- United States federal income tax consequences may restrict our ability to engage in certain desirable strategic or capital-raising transactions after the Separation.
- We may not achieve some or all of the expected benefits of the Separation.

Shareholder Risks

- The trading market for our common stock has existed only a short period, and the market price and trading volume of our common stock may fluctuate significantly.
- If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.
- Stockholder percentage of ownership in us may be diluted in the future.
- We cannot guarantee the timing, declaration, amount or payment of dividends, if any.
- Exclusive forum selection provisions in our amended and restated bylaws could discourage lawsuits against us and our directors and officers.
- Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law may prevent or delay an acquisition of Knife River.

Strata Acquisition Risks

- We may not be able to fully realize the benefits from the Acquisition.
- The announcement and pendency of the Acquisition may have an adverse effect on our results of operations.
- The failure to complete the Acquisition in a timely manner or at all could negatively impact the market price of our common stock.
- The incurrence by us of substantial indebtedness in connection with the financing of the Acquisition may have an adverse impact on our liquidity.
- We have incurred, and will continue to incur, transaction fees and costs in connection with the Acquisition.

PART I

ITEM 1. BUSINESS

Overview

Knife River Corporation (referred to as we, our, us, the Company or Knife River) is an aggregates-led construction materials and contracting services provider in the United States. Our 1.2 billion tons of aggregate reserves provide the foundation for our vertically integrated business strategy, with approximately 37 percent of our aggregates in 2024 being used internally to support value-added downstream products (ready-mix concrete and asphalt) and contracting services (asphalt paving, heavy-civil construction, concrete construction, site development and grading services, and in some segments the manufacturing of prestressed concrete products). We are strategically focused on being the provider of choice in mid-size, high-growth markets and are committed to our plan for continued growth and to delivering for our stakeholders—customers, communities, employees and stockholders—by executing on our four core values: People, Safety, Quality and the Environment.

Through our network of 182 active aggregate sites, 106 ready-mix plants, 51 asphalt plants and 9 liquid asphalt terminals, we supply construction materials and contracting services to customers across 14 states. Our construction materials are sold to public and private-sector customers, including federal, state and municipal governments, as well as industrial, commercial and residential developers and other private parties. Our contracting services are primarily provided to public-sector customers for the development and servicing of highways, local roads, bridges and other public-infrastructure projects.

We have broad access to high-quality aggregates in most of our markets, which forms the foundation of our vertically integrated business model. We share resources, including plants, equipment and people, across our various locations to maximize efficiency. We also transport our products by truck, rail and barge, depending on the particular market, to complete the vertical value chain. Our strategically located aggregate sites, ready-mix plants and asphalt plants, along with our fleet of ready-mix and dump trucks, enable us to better serve our customers. We believe our integrated and expansive business model is a strong competitive advantage that provides scale, efficiency and operational excellence for the benefit of customers, stockholders and the broader communities that we serve.

The Separation

On May 31, 2023, the Separation of Knife River from MDU Resources was completed as a tax-free spin-off for U.S. federal income tax purposes. Following the Distribution, Knife River became an independent, publicly traded company and its common stock is listed under the symbol “KNF” on the New York Stock Exchange.

Strata Corporation Acquisition

On December 20, 2024, KRC Holdings, Inc. (“Buyer”), a Delaware corporation and an indirect subsidiary of the Company, entered into an Asset and Equity Purchase Agreement (the “Purchase Agreement”) by and among Buyer and (i) Strata Corporation, a North Dakota corporation (“Strata”), (ii) Glacier Resources, Ltd., a North Dakota corporation (“Glacier Resources” and, together with Strata, the “Acquired Companies”), (iii) the equity holders of the Acquired Companies (such equity holders together with a new corporation to be formed in connection with certain pre-closing restructuring activities, the “Equity Sellers”), (iv) Landmark Investments, L.L.C., a North Dakota limited liability company (“Asset Seller” and, together with the Equity Sellers, the “Sellers”), (v) the current equity holders of Asset Seller (the “Asset Seller Owners”), (vi) each of the ultimate beneficiaries of Equity Sellers that are trusts (together with the Sellers and the Asset Seller Owners, the “Seller Group Members”), and (vii) a representative of the Seller Group Members (“Sellers’ Representative”), whereby Buyer (or its designee) will acquire (a) 100% of the issued and outstanding equity interests of Strata, (b) 100% of the issued and outstanding equity interests of Glacier Resources and (c) certain assets of the Asset Seller (the “Acquisition”) for $454.0 million in cash, subject to customary purchase price adjustments pursuant to the terms and subject to the conditions set forth in the Purchase Agreement. In addition to cash on hand, Buyer intends to use a portion of the proceeds from the entry into a new $500 million Term Loan B facility to fund the Acquisition.

Strata Corporation is a leading construction materials and contracting services provider in North Dakota and northwestern Minnesota. Strata is a vertically-integrated, aggregates-based company that will add 28 ready-mix plants, three asphalt plants, a construction division and rail and trucking assets to our existing operations in our Central segment. The Acquisition is expected to close in the first half of 2025, subject to customary closing conditions.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby do not purport to be complete and are subject to, and qualified in their entirety by, the full text of the Purchase Agreement, a copy of which is attached as Exhibit 2.1 to our Current Report on Form 8-K, filed on December 26, 2024.

Business Segments

Our focus is on the vertical integration of our products and services by offering our customers a single source for construction materials and related contracting services. As of December 31, 2024, we operated in 14 states across the United States through six operating segments: Pacific, Northwest, Mountain, North Central, South and Energy Services. These operating segments are used to determine our reportable segments: Pacific, Northwest, Mountain, Central and Energy Services, which are based on our method of internal reporting and management of the business. Four of our reportable segments are aligned by key geographic areas due to the production of construction materials and related contracting services and one is based on product line.

Each geographic segment offers a vertically integrated suite of products and services. Each of our geographic segments mines, processes and sells construction aggregates (crushed stone and sand and gravel); produces and sells asphalt; produces and sells ready-mix concrete as well as vertically integrating our contracting services to support our aggregate-based product lines. Contracting services include heavy-civil construction, asphalt and concrete paving, and site development and grading. Although not common to all locations, the geographic segments also sell cement, merchandise and other building materials and related services. The Energy Services segment, which has locations throughout our geographic footprint, produces and supplies liquid asphalt, primarily for use in asphalt road construction, and is a supplier to some of our other segments.

Additional details about each of the reportable segments as of and for the year ended December 31, 2024, is as follows:

	Pacific	Northwest	Mountain	Central	Energy Services	Consolidated Knife River
States of Operation	**Alaska, California and Hawaii**	**Oregon and Washington**	**Idaho, Montana and Wyoming**	**Iowa, Minnesota, North Dakota, South Dakota and Texas**	**California, Iowa, Nebraska, Oregon, South Dakota, Texas, Washington and Wyoming**	
Aggregate Reserves (tons)	157.2 million	494.0 million	220.9 million	289.7 million	—	1.2 billion
Properties:						
Active Aggregate Sites*	16	52	32	82	—	182
Ready-Mix Plants	21	27	17	41	—	106
Asphalt Plants	4	12	15	20	—	51
Revenue	$493.1 million	$692.4 million	$663.1 million	$818.1 million	$275.7 million	$2,899.0 million
Percent revenue by segment	17%	23%	23%	28%	10%	100%
Revenue Composition:						
Construction Materials	76%	59%	43%	58%	100%	61%
Contracting Services	24%	41%	57%	42%	—%	39%
Public-Sector Services	72%	77%	79%	95%	—%	83%
Private-Sector Services	28%	23%	21%	5%	—%	17%

* Does not include 4 sites that are classified as exploration stage properties.

On January 1, 2025, we completed a reorganization of our operating segments, including the management of the segments, to align with our business strategy. In the first quarter of 2025, we will begin reporting our financial information under four operating segments: West, Mountain, Central and Energy Services. Under the new operating structure, the previous Pacific and Northwest operating segments will become the West operating segment and the North Central and South operating segments will become the Central operating segment.

Business Strategy

Knife River is a leading aggregates-based construction materials and contracting services provider in the United States. We mine and process aggregates, produce and sell asphalt and ready-mix concrete, and provide related contracting services for both public infrastructure and private development projects. Headquartered in Bismarck, North Dakota, we operate across multiple regions in the Western United States, which allows us to benefit from diverse market conditions and varying construction cycles.

Our strategy is to maintain and grow a sustainable, profitable business by leveraging our vertical integration, strategic acquisition program and operational excellence. We strive to offer high-quality products and services while emphasizing safety, empowering our team members, being environmentally responsible and engaging with our local communities.

We believe our aggregates-led, vertically integrated business model—combined with our Western United States geographic footprint and our foundational EDGE strategy—provides a clear competitive advantage in driving long-term, profitable growth. Our EDGE strategy is focused on four key strategic areas:

EBITDA Margin Improvement: Drive sustained Adjusted EBITDA margin expansion towards our long-term goal, through a combination of commercial and operational initiatives that optimize the benefits of our vertically integrated strategy.

Discipline: Maintain a strong balance sheet and disciplined allocation of capital to support long-term profitable growth and value creation.

Growth: Further strengthen our market position through organic and inorganic growth opportunities, with an emphasis on aggregate-based operations in mid-sized, high-growth markets.

Excellence: Be best in class in all aspects of our business, providing ongoing, high-quality training at every level of the company to better serve our customers and provide advancement opportunities for our team.

Since implementing the EDGE strategy in 2023, we have steadily increased our Adjusted EBITDA margin, maintained a strong balance sheet, completed six acquisitions and drove excellence throughout the organization. For a discussion of Adjusted EBITDA and Adjusted EBITDA margin, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations-Non-GAAP Financial Measures.”

Industry

The United States construction materials industry is highly fragmented. Industry participants typically range from small, private companies focused on a single material, product or area to large, publicly traded corporations that provide a broad suite of materials and services. Companies compete on a variety of factors, including price, service, quality, delivery time and proximity to the customer. However, limitations on the distance that materials can be transported efficiently results in primarily local or regional operations. Accordingly, the number and size of competitors varies by geography and product lines.

The United States construction materials industry serves a diverse customer base that includes federal, state and municipal governmental agencies, commercial and residential developers and private parties. The mix of customers varies by region and economic conditions.

The main factors and trends in the United States construction materials and related contracting services industry include:

- **Key economic factors**. Many factors affect product demand, including public spending on roads and infrastructure projects, general economic conditions, including population growth and employment levels, and prevailing interest rates.
- **Location and transportation**. Construction materials are expensive to transport due to their weight ratios, so they are generally produced and delivered locally or regionally. Access to well-positioned reserves is critical.
- **Vertical integration**. Market participants that operate a vertically integrated business model can access certain efficiencies that lead to reduced product costs and other benefits for customers, including greater reliability of supply.
- **Industry fragmentation**. There are thousands of construction materials producers and contracting services providers of varying scope and size. Market participants may enter new geographies or expand existing positions through the acquisition of existing facilities.
- **Seasonality**. Activity in certain areas is seasonal due to the effects of weather. Most of the production and sales of materials and related services in the northern United States occurs between May and October, in line with end market activity.
- **Cyclicality**. The demand for construction materials products and contracting services is significantly influenced by the cyclical nature of the economy.
- **Regulations**. Environmental and zoning approvals are often required for the development and expansion of facilities.
- **Production inputs**. Cost and availability of energy, labor and other inputs can vary over time based on macroeconomic factors and impact profitability of operations.

We participate in the following primary markets: aggregates, ready-mix concrete, asphalt, liquid asphalt and contracting services.

Aggregates

Aggregates, consisting of crushed stone and sand and gravel, are a natural, granular material engineered to various sizes and grades primarily for construction applications. Aggregates also are a major material component in the production of ready-mix concrete and asphalt. Aggregate sources can be found in relatively uniform sediments in certain regions of each state throughout the United States. Generally extracted through open pits at the surface of a site or produced by blasting hard rock from quarries, aggregates are then crushed and screened to customer needs.

The United States aggregates industry is highly fragmented, with many participants operating primarily in local and regional areas. In 2024, the United States Geological Survey reported that throughout the United States a total of 1,400 companies operated 3,500 quarries and 180 sales/distribution yards producing crushed stone and 3,400 companies operated 6,500 pits and 200 sales/distribution yards producing construction sand and gravel. This fragmentation is a result of high transportation costs that typically limit supply areas of producers.

Ready-Mix Concrete

Ready-mix concrete, a mixture principally comprised of aggregates, cement and water, is measured in cubic yards and specifically batched or produced for customers' projects and then transported and poured on site. It also can be poured at a manufacturing facility to produce prefabricated building solutions, such as wall panels, concrete roofing systems, bridge girders, parking garages and stadium components. According to the National Ready Mixed Concrete Association, concrete is the most widely used material in the construction sector today.

Due to the relative speed at which ready-mix concrete sets, supply is generally localized and delivered within close proximity to the production site, with an estimated 7,000-plus ready-mix concrete batching plants in the United States and Canada according to the National Ready Mixed Concrete Association. There has been a steady increase in shipments since the industry cycle low of 257 million cubic yards in 2010. In 2023, the National Ready Mixed Concrete Association estimated shipments of 400 million cubic yards of ready-mix concrete, which is 13 percent below the industry peak of 458 million cubic yards in 2005 and 0.4 percent lower than 2022.

Asphalt

Asphalt is a combination of approximately 95 percent aggregates bound together by approximately 5 percent liquid asphalt. Asphalt is typically used in new road construction as well as road maintenance and repair, covering approximately 94 percent of the 3 million miles of paved roads in the United States, according to the National Asphalt Pavement Association. Given the significant proportion of aggregates in asphalt, local aggregate producers often participate in the asphalt business to ensure an output for the producer's aggregates.

Like ready-mix concrete, asphalt sets rapidly, limiting delivery to within close proximity to the production facility. In 2021, there were approximately 3,600 asphalt production sites in the United States that produced an estimated 432 million tons of asphalt, a 15 percent increase compared to the approximately 375 million tons produced five years prior. The asphalt paving industry also has a record of using economically and environmentally sustainable practices. Asphalt pavement material is highly recyclable, predominantly through reclaimed asphalt pavement. In 2024, we used approximately 1.4 million tons of recycled asphalt pavement in our asphalt production. Additionally, the use of warm-mix asphalt allows producers to reduce temperatures during the mixing process, lowering energy use and carbon emissions.

Liquid Asphalt

Liquid asphalt (sometimes referred to as asphalt cement or asphalt oil) is the binding agent used in combination with aggregates to produce asphalt mix for road construction, streets, parking lots, driveways and more. Our Energy Services segment supplies liquid asphalt to both internal and third-party customers, which helps support our vertically integrated business model. The segment has terminals in seven states, where it stores and manufactures value-added liquid asphalt, polymer modified asphalt and emulsions to meet the requirements of end users.

Contracting Services

We vertically integrate our construction materials with contracting services such as aggregate laydown, asphalt paving, concrete construction, site development and bridges. Demand in the contracting services industry is influenced by the cyclical nature of the construction industry and correlates with the demand for construction materials. The contracting services portion of our business is heavily weighted toward public markets, which provide more stability throughout the economic cycles. The contracting services industry is typically less capital-intensive than construction materials and has relatively fewer barriers to entry. Price is an important competitive factor in the award of service agreements. However, customers often consider several other factors in selecting a service provider, such as technical expertise and experience, safety ratings, geographic presence, financial and operational resources and industry reputation around dependability.

Products and Services

Our core product lines include: aggregates, ready-mix concrete, asphalt and liquid asphalt. We also perform related contracting services.

For the year ended December 31, 2024, our revenue and gross profit by products and services were as follows:

Revenue	($ in millions)	(% of total)	Gross Profit	($ in millions)	Margin
Aggregates	$ 556.1	15.8%	Aggregates	$ 114.3	20.6%
Ready-mix concrete	655.5	18.6%	Ready-mix concrete	106.0	16.2%
Asphalt	441.5	12.6%	Asphalt	68.2	15.4%
Liquid asphalt	238.9	6.8%	Liquid asphalt	51.5	21.6%
Other	265.8	7.6%	Other	53.3	20.1%
Contracting services	1,358.2	38.6%	Contracting services	176.5	13.0%
Total gross revenue	**$ 3,516.0**	**100%**			
Internal sales	(617.0)				
Total revenue	**$ 2,899.0**		**Total gross profit**	**$ 569.8**	**19.7 %**

(1) Aggregates

We supply high-quality aggregates through our 1.2 billion tons of permitted aggregate reserves, which are sourced from our aggregate sites across 11 states. We focus primarily on supplying markets with strong local demand, and in most cases serve customers close to our strategically located aggregate sites. In 2024, we sold 31.8 million tons of aggregates, with 30.3 million being produced from all aggregate mining properties.

We mine crushed stone and sand and gravel from our aggregate sites, as these aggregates are utilized in general construction and are a major component in our production of ready-mix concrete and asphalt paving products. Leveraging our vertically integrated platform, 34 percent of our aggregates revenue was derived from internal sales in 2024. For more information about the aggregate sites, see “Item 2. Properties.”

(2) Ready-Mix Concrete

We produce ready-mix concrete through our 106 ready-mix plants situated across 13 states. Our vertically integrated portfolio of assets allows us to provide most of the aggregates we use in the production of ready-mix concrete. Due to the time-sensitive nature of delivering ready-mix concrete, we focus on supplying customers near our facilities. In 2024, we sold 3.5 million cubic yards of ready-mix concrete.

Incremental to the hauling capabilities across products and services, ready-mix concrete plants are complemented by our fleet of ready-mix trucks and drivers who safely deliver heavy materials on time. We are an industry leader in safe and efficient delivery of ready-mix concrete and have pioneered what has become the industry-standard training program for ready-mix delivery professionals. We continue to update and improve the program with a focus on safety for drivers and the public.

The following table sets forth details applicable to our ready-mix concrete plants and related fleet as of December 31, 2024:

Segment	Plants	Mixer Trucks
Pacific	21	197
Northwest	27	244
Mountain	17	210
Central	41	340
Total	**106**	**991**

(3) Asphalt

We produce and deliver asphalt from 51 plants across 10 states, most often utilizing our own aggregates in the production process. Of the 51 plants, 20 are portable plants that support large asphalt paving projects on roadways, airports and commercial sites. Similar to ready-mix concrete, asphalt sets rapidly, limiting delivery to within close proximity to the production facility. In 2024, we sold 6.5 million tons of asphalt.

Asphalt plants

The following table sets forth details applicable to our non-portable and portable asphalt plants as of December 31, 2024:

Segment	Non-portable Asphalt Plants	Portable Asphalt Plants	Total Asphalt Plants
Pacific	4	—	4
Northwest	11	1	12
Mountain	8	7	15
Central	8	12	20
Total	**31**	**20**	**51**

(4) Liquid asphalt

We distribute liquid asphalt through our Energy Services sites and have the capacity to service neighboring states through storage facilities capable of storing approximately 413,000 tons of liquid asphalt across multiple states, a 50 percent increase over the prior year primarily due to the acquisition of Albina Asphalt in the fourth quarter of 2024. We have nine liquid asphalt terminal sites and six used-oil collection points.

(5) Other

Although not common to all locations, we provide various other products and services, depending on customer needs. These include, but are not limited to, retail sales of cement in Alaska and Hawaii and petroleum recovery services in the Energy Services segment.

Cement supply and storage

Cement is a key ingredient in the production of ready-mix concrete. Our core supply of cement is sourced from a diverse range of suppliers. We have strategically located cement storage facilities in Alaska and Hawaii that can hold approximately 60,000 tons and 90,000 tons of cement, respectively. We have six additional distribution centers with storage and barging capabilities across the islands of Hawaii.

(6) Contracting Services

Our contracting services include responsibilities as general contractor and subcontractor, aggregate laydown, asphalt paving, concrete construction, site development and bridges, and in some segments the manufacturing of prestressed concrete products. Vertical integration allows us to have direct internal access to critical raw materials, resulting in competitive advantages from better control of product inventory. In 2024, most of our contracting services were related to “horizontal” construction, such as streets and highways, airports and bridges for customers in the public sector. In the private sector, our contracting services projects were within the residential, commercial and industrial markets.

The following table sets forth revenue details applicable to our contracting services for the year ended December 31, 2024:

Public Projects		Private Projects	
Streets & Highways	66%	Buildings/Sitework	3%
Airports	5%	Residential	6%
Bridges	4%	Streets & Highways	2%
Marine	2%	Other	6%
Other	6%		
Total	**83%**	**Total**	**17%**

End Markets

Public Sector. Funding for public projects is dependent on federal, state and municipal government budget appropriations for various projects, such as highways, bridges, airports, schools, public buildings and other public-infrastructure projects. We believe public-sector funding is subject to fewer fluctuations in spending, as government funding tends to be less correlated with economic cycles and more reliant on approvals of government appropriation bills toward infrastructure initiatives. States continue to move forward with allocating funds from federal programs, such as the IIJA, which is authorized to provide $1.2 trillion in funding from 2022 through 2026. As of November 2024, approximately 43 percent of IIJA formula funding has yet to be obligated to projects in our market areas. In 2024, six of the 14 states where we operate have passed ballot measures to increase their transportation investment. Additionally, DOT budgets in the states where we operate remain strong, which favorably affects our outlook. We continue to monitor the implementation and impact of these legislative items and state DOT budgets.

Private Sector. Our private-sector customers include both residential and nonresidential construction applications. Unlike public-sector customers, spending by private-sector customers is more dependent on local and national economic cycles. We leverage our diverse geographic footprint to partially offset volatility originating from single local economies, and have the flexibility to reallocate resources from markets experiencing a downturn to markets that may be experiencing an economic upswing.

Residential construction typically includes single-family homes and multi-family units, such as apartments and condominiums. Demand for residential construction is influenced primarily by population growth, employment prospects and mortgage interest rates. While growth rates vary across the United States, overall residential construction demand increased during 2024. According to the United States Census Bureau, residential construction in 2024 was $917.9 billion, which was 5.9 percent above 2023 amounts.

Alternatively, nonresidential construction includes all privately financed construction other than residential structures, such as data centers, warehouses, office buildings, factories, shopping malls, restaurants and other commercial structures. Nonresidential construction tends to lag residential activity and is mostly driven by population and economic growth trends and activity levels. According to the United States Census Bureau, nonresidential construction in 2024 was $743.8 billion, which was 5.3 percent above 2023 amounts. Residential and nonresidential private construction are not major sources of revenue for all our segments, but they are important markets for the materials side of our business. In addition to providing aggregates to these end markets, the majority of our downstream ready-mix volumes go into private-sector projects.

Customers

Our customers consist of public and private-sector customers, with public-sector customers contributing about 83 percent of our revenues from contracting services in 2024. The public side includes federal, state and municipal governmental agencies with contracting services projects related to highways, streets and other public infrastructure. Funding available for construction from governmental agencies largely depends on federal, state and municipal budgets allocated to the expansion and improvement of national infrastructure. The private side includes a broad spectrum of customers across industrial, commercial and residential developers and other private parties. The mix of sales by customer class varies year to year depending on the variability in type of work.

Our top 15 customers accounted for about 22 percent of our 2024 revenue, of which seven were state-level DOTs. We are not dependent on any single customer or group of customers for sales of our products and services, where the loss of which would have a material adverse effect on our business. No individual customer accounted for more than 10 percent of our 2024 revenue.

Competition

We operate in a largely fragmented industry, including large, public companies and many small, privately held companies. Smaller, independent operators make up the majority of our competition; however, we also face competition in some markets from large, publicly traded United States aggregates producers, including Cemex S.A.B. de C.V., CRH plc, Eagle Materials, Inc., Granite Construction, Inc., Heidelberg Materials, Holcim, Martin Marietta Materials, Inc., Construction Partners, Inc., and Vulcan Materials Company. The nature of our competition varies among our products and geographies due to the generally local and regional nature of supply.

We believe we have a competitive advantage in aggregates through our high-quality, strategically located reserves and assets, and our internal fleet of trucks, rail and barge. Our vertical integration and local knowledge enables us to maintain a strong understanding of the needs of our customers. In addition, we have a strong commitment to environmental stewardship, which assists us in obtaining new permits and new reserves.

Seasonality

Results are affected by seasonal fluctuations, with the second and third quarters historically being the quarters with the highest activity. Our ability to provide contracting services in the states where we operate depends on the weather. In states with colder winter weather, our contracting services are primarily performed from May through October, compared to most of the year in states with largely consistent warmer weather.

Employees

"People" is the first of our core values. We consider our employees to be our most valuable resource and they are critical to our success. Significant resources are utilized to attract, develop and retain extraordinary and diverse talent and fully promote each employee's capabilities. Our focus on workforce, talent development, talent acquisition and succession planning has provided for a deep bench of talented employees. Employees in managerial or supervisory positions have an average tenure of 15 years, which demonstrates our workforce's pride in and dedication to the company. We believe we have good relationships with our employees, including our unionized workforce.

As of December 31, 2024, we employed 4,761 people, all of whom were employed in the United States. The total number of hourly personnel at any given time is subject to the volume of projects in progress and fluctuates on a seasonal basis. At the peak of the 2024 construction season, we employed over 5,900 people. The table below provides additional details on the employee demographics as of December 31, 2024.

	Union	Non-Union	Total
Hourly	589	3,204	3,793
Salaried	—	968	968
Total	**589**	**4,172**	**4,761**

Our union employees are represented by 39 collective-bargaining agreements, four of which are currently in negotiations. The majority of the collective-bargaining agreements contain provisions that prohibit work stoppages or strikes and provide dispute resolution through binding arbitration in the event of an extended disagreement. We maintain good working relationships with labor unions and do not anticipate any significant issues with any unions in 2025.

Our compensation programs are designed around competitive market-based pay, coupled with an incentive structure aligned with our financial performance and the employees' individual performance, which aids in attracting, retaining and motivating employees to achieve the best possible results. In addition, full-time employees are eligible for health insurance, physical, mental and financial wellness programs, paid and unpaid leave, retirement plans, life insurance, disability and accident coverage, and more. We also offer a variety of voluntary benefits to allow employees to select the best options to meet their individual needs.

To be the employer of choice for the broadest pool of talent and skill, we are committed to equal employment opportunity and affirmative action and are dedicated to the achievement of equality and opportunity for all employees and applicants for employment. We strive to meet or exceed all EEO and affirmative action laws, directives and legislation. Our EEO/Affirmative Action Policy ensures employees are not discriminated against.

We are committed to the development and training of our employees and have taken significant steps to showcase construction as a career of choice. We own and operate a state-of-the-art training facility, the Knife River Training Center, which is used corporate-wide to enhance the skills of both our new, and existing employees through both classroom education and hands on experience. The training facility also offers a variety of courses around leadership development available for all employees.

We prioritize providing opportunities for advancement through job mobility, mentorships, succession planning and promotions. We operate under a philosophy to promote from within and offer advancement opportunities at all levels of employment, which helps retain talented employees. We engage in talent and succession planning processes and review succession plans with senior leaders at least annually, focusing on high-performing and high-potential talent, diverse talent, and succession for critical roles. We provide annual compliance training for all office staff and had 100 percent participation in 2024. We are also currently rolling out Coaches Clinics for mid-level management and have expanded our internship program.

For additional information related to human capital and other information, refer to our 2024 Sustainability Report, which is expected to be published to our website in the first quarter of 2025, and is not incorporated by reference herein.

Health and Safety

Safety is a core value at our company and is foundational to establishing a culture of safety excellence in the workplace, not just for our employees, but for the safety and well-being of our contractors, customers, and the residents of the communities where we operate.

Our safety program utilizes the three Ts: Tools, Training and Time, as a structure for us to provide our employees with the proper tools and training to safely and successfully perform their jobs. We continuously promote our commitment to the safety and health of our employees through a variety of resources, including continual training, education programs, and benefit offerings.

We also adhere to seven key principles regarding safety:

- All injuries can be prevented;
- Working safely is a condition of employment for all employees;
- Management must demonstrate leadership in preventing injuries by providing a safe work environment, adequate resources, performance incentives and appropriate follow-up on any unsafe conditions or actions;
- All employees are responsible for preventing injuries to themselves and others;
- All operating exposures can be safeguarded or controlled;
- Training employees to work safely is essential; and
- Preventing personal injuries and property damage is good business.

We have a goal of zero workplace injuries and have developed a safety culture complete with programs, trainings, and best practices appropriate for our industry and operations. As a core value, we are continuously striving to improve and implement strategies to enhance our safety objectives.

Environmental Regulations

With environment being one of our core values, our pledge to operate in an environmentally responsible manner is reviewed and encouraged through several measures, including oversight by professional environmental staff with reporting and accountability to regional operations leaders, regular review of environmental and sustainability disclosures by the executive Sustainability Committee, thorough audits of operating activities, and in-depth property reviews during due diligence on potential acquisitions.

We are subject to complex federal, state and local environmental compliance and reclamation regulations. These federal, state and local laws and regulations include, among others: the federal Clean Air Act and the federal Clean Water Act; the Resource Conservation and Recovery Act; the federal Mine Safety and Health Administration; the federal Occupational Safety and Health Administration; the federal CERCLA; the federal EPA; and, occasionally, the Endangered Species Act. These laws and regulations impose numerous obligations and limitations on our operations, including:

- Zoning and land use requirements to obtain a permit or other approval before conducting regulated activities;
- Restriction on the types, quantities and concentration of materials that can be released into the environment (including noise and discharges to air and water);
- Restrictions on the management of hazardous wastes and underground storage tank systems, as well as obligations to clean up or remediate spills of hazardous materials into the environment;
- Limitation or prohibition of activities on certain lands lying within wilderness, wetlands or other protected areas;
- Obligations to restore or reclaim former mining areas;
- Requirements to comply with specific health and safety criteria addressing worker protection; and
- The imposition of substantial liabilities for pollution which may result from our operations.

Our operations are also subject to California emission reductions and regulatory compliance. The California Air Resources Board has implemented several regulations around air quality standards, including reporting requirements. These regulations are based on source categories, several of which impact our company. The three categories having the most impact to our California operations are: off-road diesel particulate and oxides of nitrogen; on-road diesel particulate and oxides of nitrogen; and harbor craft diesel particulate and oxides of nitrogen. In addition, beginning in 2026, we will be required to publicly report on 2025 scope 1 and scope 2 GHG emissions, and beginning in 2027 reporting on 2026 scope 3 GHG emissions will be required. Noncompliance with these laws and regulations can subject us to fines, loss of licenses or registrations, or various forms of civil or criminal prosecution, any of which could have a material adverse effect on our reputation, business, financial position, results of operations and cash flows.

In addition, certain environmental laws, such as CERCLA and EPA, impose strict requirements for companies to pay to remediate and restore sites where hazardous substances, hydrocarbons or solid wastes have been disposed, stored or released. We may be required to remediate contaminated properties currently or formerly owned or operated by us or materials we have disposed of, regardless of whether such contamination resulted from actions taken by us or from the conduct of others at the time those actions were taken. In addition, in connection with certain acquisitions, we could assume, or be required to provide indemnification against, environmental liabilities that could expose us to material losses. Furthermore, the existence of contamination at properties owned, leased or operated by us could result in increased operation costs or restrictions on our ability to use those properties as intended, including for mining purposes. One such site is the Portland, Oregon, Harbor Superfund Site where Knife River -

Northwest was named as a PRP by the EPA related to a commercial property site acquired in 1999. For further information related to environmental reclamation obligations, see Item 8. Note 18.

Our company is also subject to comprehensive environmental permit requirements, which are usually associated with new mining operations, although requirements vary widely from state to state and even within states. In some areas, land use regulations and associated permitting requirements are minimal. However, some states and local jurisdictions have very demanding requirements for permitting new mines. Environmental impact reports are sometimes required before a mining permit application can be considered for approval. These reports can take several years to complete. The report can include projected impacts of the proposed project on air and water quality, wildlife, noise levels, traffic, scenic vistas and other environmental factors. The reports generally include suggested actions to mitigate the projected adverse impacts. Nonetheless, we have been successful in obtaining mining and other land-use permits that provide for sufficient permitted reserves to support our operations. Individual permits applicable to our various operations are managed and tracked as they relate to the statuses of the application, modification, renewal, compliance and reporting procedures.

We regularly monitor and review our operations, which includes reviewing procedures and policies for compliance with our operating permits and related laws and regulations. We have incurred, and may incur in the future, significant operating and capital expenditures to comply with environmental laws and regulations. During 2024, we incurred $3.1 million related to compliance. Capital expenditures related to environmental compliance are anticipated to be $5.6 million in 2025, $9.1 million in 2026 and $9.4 million in 2027. These amounts do not include expenditures related to what may be ultimately determined with regard to the issues described previously for the Portland, Oregon, Harbor Superfund Site. Additionally, we have recorded asset retirement liabilities on our balance sheet related to the reclamation obligations for our mining activities.

We believe we are in compliance with all applicable environmental laws and regulations and that any existing non-compliance is not likely to have a material adverse effect on our results of operations. However, there can be no assurance that future compliance costs or liabilities associated with such laws and regulations or activities will not be significant.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's website at https://www.sec.gov and on our website free of charge at https://www.kniferiver.com as soon as reasonably practicable after they are filed with or furnished to the SEC. Our website and the information contained on or connected to that site are not incorporated into this report.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a number of risks and uncertainties. The factors and other matters discussed herein are important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements included elsewhere in this Annual Report. If any of the risks described below actually occur, our business, prospects, financial condition or financial results could be materially impacted and the trading price of our common stock could decline, and investors could lose all or part of their investment. The following are the most material risk factors applicable to us and are not necessarily listed in order of importance or probability of occurrence and not necessarily inclusive of all risks. We may also be subject to other risks or uncertainties not presently known or that are currently deemed to be immaterial but may materially adversely affect our business, prospects, financial condition, financial results or the trading price of our common stock in future periods.

Operations, Growth and Competitive Risks

We operate in a highly competitive industry.

We are subject to competition throughout the markets we serve as they are highly fragmented and we compete with a number of regional, national and international companies. These companies may have greater financial and other resources than us, while other competitors are smaller and more specialized, and concentrate their resources in particular areas of expertise. Our results are also affected by the number of competitors in a market, the production capacity that a particular market can accommodate, the pricing practices of other competitors and the entry of new competitors in a market. Significant competition could lead to lower prices, higher wages, lower sales volumes and higher costs, negatively affecting our financial condition, results of operations and liquidity.

In addition, construction materials and related contracting services are marketed under highly competitive conditions and are subject to competitive forces such as price, quality, service, delivery time and proximity to the customer. Our customers make competitive determinations based upon qualifications, experience, performance, reputation, technology, customer relationships, price, quality and ability to provide the relevant services in a timely, safe and cost-efficient manner. Increased competition may result in the inability to win bids for future projects and failure to effectively compete could negatively affect our results of operations, financial position and cash flows.

Furthermore, new acquisition opportunities may be subject to competitive bidding environments, which may increase the prices we pay to successfully grow our business through acquisitions.

We may not be able to secure, permit or economically mine strategically located aggregate reserves.

We must obtain governmental, environmental, mining, and/or other permits at many of our facilities. New quarry sites can take years to develop and in a number of states in which we operate it can be difficult to permit new aggregate sites or expand existing aggregate sites due to community resistance and regulatory requirements, among other things. In addition, construction aggregates are difficult to transport efficiently and freight costs can make certain deposits uneconomical to mine if located in areas of little growth or without the ability to supply growing markets served by rail or barge. Failure to secure, permit and mine such reserves could negatively impact our business, financial condition and results of operations.

Our business is seasonal and subject to weather conditions that could adversely affect our operations.

A majority of our business is seasonal, with results of operations affected by weather conditions. Construction materials production and related contracting services typically follow the activity in the construction industry, with heavier contracting services workloads in the spring, summer and fall. Extreme or unusually adverse weather conditions, which have occurred and may reoccur, such as extreme temperatures, heavy or sustained rainfall or snowfall, wildfires and storms may affect the demand for products and the ability to perform services on construction work. Unseasonably wet and/or cold weather in the states where we operate can delay the start or cause an early end to the construction season or cause temporary delays on specific projects, which can impact both our construction materials sales and contracting services revenues. We could also be impacted by drought conditions, which may restrict the availability of water supplies and inhibit the ability to conduct operations. As a result,

extreme or unusually adverse weather conditions could negatively affect our results of operations, financial position and cash flows.

We are exposed to risk of loss resulting from the nonpayment and/or nonperformance of our customers and counterparties.

Our customers include public and private entities that have been, and may continue to be, negatively impacted by the economy. A recessionary construction economy can increase the likelihood that we will not be able to collect on all accounts receivable or may experience a delay in payment from some customers. If our customers or counterparties experience financial difficulties, which has occurred and may reoccur, we could experience difficulty in collecting receivables. While no one customer accounted for over 10 percent of our revenue in 2024 or 2023, we face collection risk as a normal part of business where we perform services and subsequently bill clients for such services. In the event that we have concentrated credit risk from customers in a specific geographic area or industry, negative trends or a worsening in financial conditions in that specific geographic area or industry, we could become more susceptible to disproportionately high levels of default. Nonpayment and/or nonperformance by our customers and counterparties could have a negative impact on our results of operations and cash flows.

Our success depends, in part, on our ability to execute on our acquisition strategy, to successfully integrate acquired businesses and to retain key employees of acquired businesses.

Our current geographic and asset footprint is the result of a deliberate acquisition growth strategy, which began in 1992 following our first aggregate company acquisition. Since then, we have acquired and integrated 90 complementary businesses, which have contributed significantly to our growth. Management continues to evaluate and pursue strategic acquisition opportunities as part of our ongoing growth strategy, such as the pending Acquisition. Management is unable to predict the timing or size of any future acquisitions. Potential risks associated with acquisitions, including the pending Acquisition, could include, among other things: our ability to identify attractive acquisitions; our ability to offer potential acquisition targets competitive transaction terms; our ability to raise additional equity and/or incur additional indebtedness, which could increase our leverage; regulatory approval; and reputational or other damage due to the prior conduct of an acquired company.

In addition, the investigation of potential acquisitions and the negotiation, drafting and execution of relevant agreements, disclosure documents, regulatory filings and other instruments require substantial management time and attention and costs for third-party consultants. If a proposed acquisition, including the pending Acquisition, is not completed for any reason, including events beyond our control, the costs incurred up to that point for the transaction likely would not be recoverable.

Acquisitions typically require integration of the acquired company's project management, finance, information technology, risk management, purchasing, human resources and fleet management functions. We may be unable to successfully integrate an acquired business, such as the pending Acquisition, into our existing business, and an acquired business may not be as profitable as expected or at all. Acquisitions involve risks that the acquired business will not perform as expected and that the expectations concerning the value, strengths and weaknesses of the acquired business will prove incorrect. The inability to successfully integrate new businesses in a timely and orderly manner could increase costs and result in dis-synergies and negatively impact our results of operations and prevent us from realizing expected rates of return on the acquired business. Factors affecting the successful integration of an acquired business include, such as the pending Acquisition, but are not limited to, the following:

- Responsibility for certain liabilities of an acquired business, whether or not known, which could include, among other things, tax liabilities, product and other tort liabilities, breach of contract claims, environmental liabilities, permitting and regulatory compliance issues and liabilities for employment practices.
- Ability to retain local managers, key employees and customers who are important to the operations of the acquired business.
- Implementation of financial and management information systems, business practices and policies.

- Conforming standards, controls, procedures and policies, business cultures and compensation structures among Knife River and the acquired company.
- Pursuit of multiple acquisition opportunities simultaneously.
- Unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

In addition, potential acquisitions may be in states in which we do not currently operate, which could result in unforeseen operating difficulties and difficulties in coordinating geographically dispersed operations, personnel and facilities.

Our results of operations from potential acquisitions could, in the future, result in impairment charges for any of the intangible assets, including goodwill, or other long-lived assets, particularly if economic conditions worsen unexpectedly. As a result of these changes, our financial condition, results of operations and liquidity could be materially adversely affected. In addition, many of the businesses that we have acquired and may acquire have unaudited financial statements that have been prepared by the management of such companies and have not been independently reviewed or audited. We cannot assure that the financial statements of companies we have acquired or may acquire would not be materially different if such statements were independently reviewed or audited. If such statements were to be materially different, the tangible and intangible assets we acquire may be more susceptible to impairment charges, which could have a material adverse effect on our results of operations.

We cannot guarantee that we will continue to acquire businesses at valuations consistent with prior acquisitions or that we will complete future acquisitions at all. We also cannot know whether there will be attractive acquisition opportunities at reasonable prices or that financing will be available.

Technology disruptions or cyberattacks could adversely impact operations.

We use technology in substantially all aspects of our business operations and require uninterrupted operation of information technology and operation technology systems, including disaster recovery and backup systems and network infrastructure. These systems may be vulnerable to physical and cybersecurity failures or unauthorized access, due to: hacking, human error, theft, sabotage, malicious software, ransomware, third-party compromise, acts of terrorism, acts of war, acts of nature or other causes.

Should a compromise or system failure occur, interdependencies to technology may disrupt our ability to fulfill critical business functions. This may include interruption of facilities for delivery of construction materials or other products and services, any of which could adversely affect our reputation, business, cash flows and results of operations or subject us to legal costs.

Our accounting systems and our ability to collect information and invoice customers for products and services could be disrupted. If our operations are disrupted, it could result in decreased revenues and remediation costs that could adversely affect our results of operations and cash flows.

Through the ordinary course of business, we require access to sensitive customer, supplier, employee, financial and other data. A breach of our systems could compromise sensitive data and could go unnoticed for some time. Such an event could result in negative publicity and reputational harm, remediation costs, legal claims and fines that could have an adverse effect on our financial results. Third-party service providers that perform critical business functions for us or have access to sensitive information within Knife River also may be vulnerable to security breaches and information technology risks that could adversely affect us.

Cyberattacks continue to increase in frequency and sophistication, which could cause our information systems to be a target of ongoing and sophisticated cyberattacks by a variety of sources with the apparent aim to breach our cyber-defenses. Such incidents could have a material adverse effect on our business, financial condition or results of operations. Management is continuously reevaluating the need to upgrade and/or replace systems and network infrastructure. These upgrades and/or replacements could adversely impact operations by imposing increased costs, creating delays or outages, or creating difficulties transitioning to new systems. System disruptions, if not anticipated and appropriately mitigated, could adversely affect us.

The SEC has adopted rules that require us to provide greater disclosures around cybersecurity risk management, strategy and governance, as well as to disclose the occurrence of material cybersecurity incidents. These rules and regulations may also require us to report a cybersecurity incident before we have been able to fully assess the impact or remediate the underlying issue. Efforts to comply with such reporting requirements could divert management's attention from our incident response and could potentially reveal system vulnerabilities to threat actors. Failure to timely report incidents under these or other similar rules could also result in monetary fines, sanctions, or subject us to other forms of liability. This regulatory environment is increasingly challenging and may present material obligations and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks.

While our insurance policies include liability coverage for certain of these matters, if we experience a significant security incident, we could be subject to liability or other damages that exceed our insurance coverage and we cannot be certain that such insurance policies will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our results of operations, financial condition and cash flows.

Artificial intelligence presents risks and challenges that can impact our business by posing security risks to our confidential information, proprietary information and personal data.

Issues in the development and use of artificial intelligence, combined with an uncertain regulatory environment, may result in reputational harm, liability or other adverse consequences to our business operations. We have not yet incorporated artificial intelligence into our business processes or systems but may adopt and integrate generative artificial intelligence tools for specific use cases. Our vendors may incorporate generative artificial intelligence tools into their offerings without disclosing this use to us, and the providers of these generative artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards with respect to privacy and data protection and may inhibit us or our vendors' ability to maintain an adequate level of service and experience. If we, our vendors, or our third-party partners experience an actual or perceived breach of privacy or security incident because of the use of generative artificial intelligence, we may lose valuable intellectual property and confidential information and our reputation and the public perception of the effectiveness of our security measures could be harmed. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and adversely impact our business.

We may be unable to protect our intellectual property, or may be alleged to have infringed upon the intellectual property rights of others, which could result in a loss of our competitive advantage and a diversion of resources.

Our efforts to protect our intellectual property rights may not be sufficient or effective to prevent misappropriation or infringement of our intellectual property, which could result in a loss of our competitive advantage. In addition, any of our intellectual property rights may be challenged, which could result in being declared invalid or unenforceable. We have, and may, litigate to protect our intellectual property from misappropriation or infringement by others, which could be expensive and cause a diversion of resources and ultimately may not be successful.

Moreover, competitors or other third parties may allege that we, or consultants or other third parties retained or indemnified by us, infringe on their intellectual property rights. The potential risks and uncertainties of intellectual property-related litigation and an assertion of an infringement claim against us may cause us to spend significant amounts to defend the claim, and possibly pay significant monetary damages. In the event of a settlement or adverse judgment, our results of operations may materially decline if we are prohibited from using the relevant intellectual property, especially if we are required to pay to the alleged owner of the relevant intellectual property licensing fees, royalties or damages. Even in instances where we believe that claims and allegations of intellectual property infringement against us are without merit, defending against such claims may be time consuming and expensive and may result in the diversion of time and attention of our management and employees.

Pandemics, including COVID-19, may have a negative impact on our business operations, revenues, results of operations, liquidity and cash flows.

Pandemics have disrupted national, state and local economies. To the extent a pandemic adversely impacts our businesses, operations, revenues, liquidity or cash flows, it could also have a heightened effect on other risks described in this section. The degree to which a pandemic will impact us depends on future developments, including the resurgence of COVID-19 and its variants, federal and state mandates, actions taken by governmental authorities, effectiveness of vaccines being administered, and the pace and extent to which the economy recovers and remains under relatively normal operating conditions.

Other factors associated with a pandemic that could impact our businesses and future operating results, revenues and liquidity include impacts related to the health, safety, and availability of employees and contractors; extended rise in unemployment; public and private-sector budget changes and constraints; counterparty credit; costs and availability of supplies; capital construction and infrastructure operation and maintenance programs; financing plans; pension valuations; travel restrictions; and legal matters. The economic and market disruptions resulting from a pandemic could also lead to greater than normal uncertainty with respect to the realization of estimated amounts, including estimates for backlog, revenue recognition, intangible assets, other investments and provisions for credit losses.

Economic and Political Risks

Significant changes in prices for commodities, labor, or other production and delivery inputs could negatively affect our businesses.

Our operations are exposed to fluctuations in prices for labor, energy-related products, cement, asphalt cement, fuel, raw materials and utilities, among other things. Prices are generally subject to change in response to fluctuations in supply and demand and other general economic and market conditions beyond our control. The global political environment is a primary driver in price changes to commodities and inputs out of our control. In recent years, we have experienced elevated commodity and supply chain costs including the costs of labor, raw materials, energy-related products and other inputs used in the production and distribution of our products and services. During the years 2023 and 2022, inflationary pressures significantly increased the cost of raw materials by greater than 10 percent in comparison to average historical increases of approximately 3 percent.

High energy prices, specifically for diesel fuel, natural gas and liquid asphalt, have impacted and could affect the margins realized, as well as demand for construction materials and related contracting services. Increased labor costs, due to labor shortages, competition from other industries, or other factors, could also negatively affect our results of operations. Due to their size and weight, aggregates are costly to transport efficiently. Our products and services are generally localized around our aggregate sites and served by truck or in certain markets by rail or barge. We could be negatively impacted by freight costs due to rising fuel costs; rate increases for third-party freight; truck, railcar or barge shortages, including shortages of truck drivers and rail crews; rail service interruptions; and minimum tonnage requirements, among other things. To the extent price increases or other mitigating factors are not sufficient to offset these increased costs adequately or timely, and/or if the price increases result in a significant decrease in sales volumes, our results of operations, financial position and cash flows could be negatively impacted.

Supply chain disruptions may adversely affect our operations.

At times or in certain markets, we rely on third-party vendors and manufacturers to supply or transport many of the materials necessary for our operations. Disruptions, shortages or delays in the transportation of materials; price increases from suppliers or manufacturers; or inability to source needed materials have occurred and may continue to occur, which could adversely affect our results of operations, financial condition, cash flows and harm customer relationships. Further, supply chain disruptions can occur from events out of our control such as fires, floods, severe weather, natural disasters, environmental incidents or other catastrophes. National and regional demand for cementitious and liquid asphalt may at times outpace the supply in the market. This imbalance creates a temporary shortage which may cause prices to increase faster than downstream products. Any material disruption at our facilities or those of our customers or suppliers or otherwise within our supply chain, whether as a result of downtime, work stoppages or facility damage, could prevent us from meeting customer demands or expected

timelines, require us to incur unplanned capital expenditures, or cause other material disruptions to our operations, any of which could have a material adverse effect on our operations, financial position and cash flows.

Our business is based in large part on government-funded infrastructure projects and building activities, and any reductions or reallocation of spending or related subsidies in these areas could have an adverse effect on us.

Certain of our businesses depend on government spending for infrastructure and other similar building activities. As a result, demand for some of our products is influenced by local, state and federal government fiscal policies, tax incentives and other subsidies, and other general macroeconomic and political factors. Projects in which we participate may be funded directly by governments or privately funded, but are otherwise tied to or impacted by government policies and spending measures.

Government spending is often approved only on a short-term basis and some of the projects in which our products are used require longer-term funding commitments. If government funding is not approved or funding is lowered as a result of poor economic conditions, lower than expected revenues, competing spending priorities, or other factors, it could limit infrastructure projects available, increase competition for projects, result in excess inventory, and decrease sales, all of which could adversely affect the financial condition of our business.

Additionally, certain regions or states may require or possess the means to finance only a limited number of large infrastructure projects and periods of high demand may be followed by years of little to no activity. There can be no assurances that governments will sustain or increase current infrastructure spending and tax incentive and other subsidy levels, and any reductions thereto or delays therein could affect our business, liquidity and financial condition, and results of operations.

Economic volatility affects our operations, as well as the demand for our products and services.

Unfavorable economic conditions can negatively affect the level of public and private expenditures on projects and the timing of these projects which, in turn, can negatively affect demand for our products and services. The level of demand for construction materials and contracting services could be adversely impacted by the economic conditions in the industries and market areas we serve, as well as in the general economy. Local, state and federal budget limitations also affect the funding available for infrastructure spending, which could have an adverse impact on our earnings and results of operations.

Legal and Regulatory Compliance Risks

We may be negatively impacted by pending and/or future litigation, claims or investigations.

We are and/or may become party to, among other things, personal injury, environmental, commercial, contract, warranty, antitrust, tax, property entitlements and land use, product liability, health and safety, and employment claims. The outcome of pending or future lawsuits, claims, investigations or proceedings is often difficult to predict and could be adverse and material in amount. In addition to the monetary cost, litigation can divert management's attention from our core business opportunities. Development of new information in these matters can often lead to changes in management's estimated liabilities associated with these proceedings including the judge's rulings or judgements, jury verdicts, settlements or changes in applicable law. The outcome of such matters is often difficult to predict, and unfavorable outcomes could have a material impact to our results of operations, financial position and cash flows.

Unexpected factors affecting self-insurance claims and reserve estimates could adversely affect us.

We use a combination of insurance and self-insurance to provide for potential liabilities for workers' compensation, general liability, vehicle accident, property and medical benefit claims. Historical claims experience, demographic and severity factors and other actuarial assumptions are subject to a high degree of variability and are used to estimate the liabilities associated with the risks retained by us. Among the causes of this variability are unpredictable external factors affecting future inflation rates, litigation trends, legal interpretations, benefit level changes, medical stop loss coverage and claim settlement patterns. A significant change in external factors could have a material impact to our financial position and liquidity.

Our operations could be negatively impacted by import tariffs and/or other government mandates.

We operate in or provide services to capital-intensive industries in which federal trade policies could significantly impact the availability and cost of materials. Imposed and proposed tariffs could significantly increase the prices and delivery lead times on raw materials and finished products that are critical to us and our customers, such as cement and steel, among other things. We face competition from manufacturers both in the United States and around the world, some of which may engage in competition and trade practices involving the importation of competing products in the United States or other foreign laws, regulations or practices. Prolonged lead times on the delivery of raw materials and further tariff increases on raw materials and finished products could adversely affect our business, financial condition and results of operations.

For example, in February 2025, the current United States presidential administration imposed tariffs on foreign imports into the United States, which may negatively impact our results of operations if such tariffs are not suspended or revoked. At this time, it remains unclear what additional actions, if any, will be taken by the United States or other governments with respect to international trade agreements, the imposition of additional tariffs on goods imported into the United States, tax policy related to international commerce, increased export control, sanctions and investment restrictions, or other trade matters. Other effects of these changes, including impacts on the price of raw materials, responsive or retaliatory actions from governments and the opportunity for competitors not subject to such changes to establish a presence in markets where we participate, could also have significant impacts on our results of operations, though whether any of the foregoing actions will be taken remains unclear. Furthermore, we may not be able to increase prices enough to offset the impact of tariffs, which could negatively impact our margins. If we raise prices in response to tariffs, the demand for our products and services may decrease, which could also have a negative impact on our revenue. We cannot predict what further action may be taken with respect to export restrictions, tariffs or trade relations between the United States and other governments. Any further changes in the United States or international trade policy could have an adverse impact on our business, financial condition and results of operations.

Our operations are subject to environmental laws and regulations that may increase costs, impact or limit business plans, or expose us to environmental liabilities.

We are subject to environmental laws and regulations affecting many aspects of our operations, including air and water quality, wastewater discharge, the generation, transportation and disposal of solid waste and hazardous substances, aggregate permitting and other environmental considerations. These laws and regulations can increase capital, operating and other costs; cause delays as a result of litigation and administrative proceedings; and create environmental compliance, remediation, containment, monitoring and reporting obligations for construction materials facilities. Environmental laws and regulations can also require us to install pollution control equipment at our facilities, clean up spills and other contamination, and correct environmental hazards, including payment of all or part of the cost to remediate sites where we had past activities, or the activities of other parties, caused environmental contamination. These laws and regulations generally require us to obtain and comply with a variety of environmental licenses, permits, inspections and other approvals. Although we strive to comply with all applicable environmental laws and regulations, public and private entities and private individuals may interpret our legal or regulatory requirements differently and seek injunctive relief or other remedies against us. We cannot predict the outcome, financial or operational, of any such litigation or administrative proceedings.

Existing environmental laws and regulations may be revised and new laws and regulations seeking to protect the environment may be adopted or become applicable to us. These laws and regulations could require us to limit the use or output of certain facilities; restrict the use of certain fuels; prohibit or restrict new or existing services; replace certain fuels with renewable fuels; retire and replace certain facilities and equipment; install pollution controls; remediate environmental impacts; remove or reduce environmental hazards; or forego or limit the development of resources. Revised or new laws and regulations that increase compliance and disclosure costs and/or restrict operations could adversely affect our results of operations and cash flows.

Our operations could be adversely impacted by severe weather events, including as a result of climate change.

Severe weather events, such as tornadoes, hurricanes, rain, drought, ice and snowstorms, and high- and low-temperature extremes, occur in regions in which we operate and maintain infrastructure. Climate change could change the frequency and severity of these weather events, which may create physical and financial risks. Such risks could have an adverse effect on our financial condition, results of operations and cash flows. Increases in severe weather conditions or extreme temperatures may cause infrastructure construction projects to be delayed or canceled and limit resources available for such projects resulting in decreased revenue or increased project costs. In addition, drought conditions could restrict the availability of water supplies or limit the ability to obtain water use permits, inhibiting the ability to conduct operations. To date, we have not experienced any material impacts to our financial condition, results of operations or cash flows due to the physical effects of climate change.

Climate change may impact a region's economic health, which could impact its revenues. Our financial performance is tied to the health of the regional economies served where we provide construction materials and services. Increases in severe weather events or significant changes in temperature and precipitation patterns could adversely affect the economies of the states and communities we serve.

The insurance industry has been and may be adversely affected by severe weather events, which may impact availability of insurance coverage, insurance premiums and insurance policy terms.

The price of energy also has an impact on the economic health of communities. The cost of additional regulatory requirements related to climate change, such as regulation of carbon dioxide emissions under the federal Clean Air Act, requirements to replace fossil fuels with renewable energy or to obtain emissions credits, or other environmental regulation or taxes could impact the availability of goods and the prices charged by suppliers, which would normally be borne by consumers through higher prices for energy and purchased goods, and could adversely impact economic conditions of areas served by us. To the extent financial markets view climate change and emissions of GHG as a financial risk, this could negatively affect our ability to access capital markets or result in less competitive terms and conditions.

Public concern over climate change has resulted in, and may continue to result in, new or increased regional, federal and global legal and regulatory requirements, including taxation, to reduce or mitigate carbon emissions and to limit or impose additional costs on hydrocarbon and water usage or other climate-related objectives. In October 2023, California passed two climate disclosure bills (SB 253 - Climate Corporate Accountability Act and SB 261 - Climate-Related Financial Risk Act) that will require disclosure from both public and private entities that do business in the state of California. SB 253 mandates reporting entities to disclose Scope 1, Scope 2 and Scope 3 GHG emissions. SB 261 mandates reporting companies to disclose climate risk reports. Both California laws are set to take effect in 2026. We may experience increases to our costs of operation to comply with new regulatory requirements due to investments in facilities and equipment or the relocation of our facilities. If we or our suppliers are required to comply with these laws and regulations, or if we choose to take additional voluntary steps to reduce or mitigate our impact on the climate, we may experience increased costs for energy, production, transportation, and raw materials, increased capital expenditures, or increased insurance premiums and deductibles, each of which could adversely impact our operations. In particular, proposed, new or inconsistent regulation and taxation of fuel and energy could increase the cost of complying with such laws and regulations as well as the cost of operation, including fuel required to operate our facilities or transport and distribute our products, thereby increasing the distribution and supply chain costs associated with our products. Any assessment of the potential impact of future climate change legislation, regulations or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change in the jurisdictions in which we operate.

Beyond the commercial pressures implicated by climate change concerns, our operations may face potential adverse physical effects. In August of 2023, Hawaii experienced a series of wildfires across the island of Maui which impacted our operations, however, not materially. If any of our properties and facilities experience a significant operational disruption or catastrophic loss due to the increased frequency or the severity of natural disasters or severe weather events, it could delay or disrupt production, shipments, and revenue, and result in potentially significant expenses to repair or replace these properties, which may negatively affect our business and financial results.

Stakeholder actions and increased regulatory activity related to environmental and other sustainability matters, particularly climate change and reducing GHG emissions, as well as human capital practices and policies, could adversely impact our operations, costs of or access to capital and impact or limit business plans.

We could face stakeholder scrutiny related to environmental and other sustainability matters as well as human capital practices and policies. There has been an increased focus from stakeholders and regulators related to these matters across all industries in recent years, with investors (including institutional investors), activists, proxy advisory firms, customers, employees and lenders, placing increasing importance on the impacts and social cost associated with climate change as well as these types of practices and policies of companies, including sustainability performance and risk mitigation efforts. There is also risk that we could be perceived as, or accused of, "greenwashing," i.e., the process of conveying misleading information or making false claims that overstate potential benefits, which could lead to reputational harm. Investors (including institutional investors), activists, proxy advisory firms, customers, employees and lenders, may also require us to implement sustainability and/or human capital responsibility procedures or standards before they continue to do business with us. In addition, some investors use these criteria to guide their investment strategies, and may not invest in us, or divest their holdings of us, if they believe our policies on these topics are inadequate or, on the other hand, have a negative response to such policies. Our various stakeholders or regulators may also have divergent opinions on these types of matters as well as conflicting expectations regarding our culture, values, goals and business, which makes it difficult to achieve a consistently positive perception amongst all of our various stakeholders. Moreover, we may determine that it is in the best interest of our company and our stockholders to prioritize other investments over the achievement of our current goals based on economic, technological developments, regulatory and social factors, business strategy or pressure from investors, activists, or other stakeholders.

Concern that GHG emissions contribute to global climate change has led to international, federal, state and local legislative and regulatory proposals to reduce or mitigate the effects of GHG emissions. We monitor, analyze and report GHG emissions from our operations. We will continue to monitor GHG regulations and their potential impact on operations.

Due to the uncertain availability of technologies to control GHG emissions and the unknown obligations that potential GHG emission legislation or regulations may create, we cannot determine the potential financial impact on our operations. We may experience significant future cost increases associated with regulatory compliance for sustainability matters, including fees, licenses, reporting, auditing, and the cost of capital improvements for our operating facilities to meet sustainability and/or environmental regulatory requirements.

In addition, the increasing focus on climate change and stricter regulatory requirements may result in us facing adverse reputational risks associated with certain of our operations producing GHG emissions. If we are unable to satisfy the increasing climate-related expectations of certain stakeholders, we may suffer reputational harm, which may cause our stock price to decrease or difficulty in accessing the capital or insurance markets. Such efforts, if successfully directed at us, could increase the costs of or access to capital or insurance and interfere with business operations and the ability to make capital expenditures.

Changes in tax law may negatively affect our business.

Changes to federal, state and local tax laws have the ability to benefit or adversely affect our earnings and customer costs. For instance, the expiration of certain United States Tax Cuts and Jobs Act provisions in 2026 and ongoing global adoption of minimum tax rules may increase our tax burden and operational complexity. The current United States presidential administration and Congress are actively considering various policy choices which may have the impact of changing, possibly materially, how we are taxed in the future compared to how we are taxed today and potentially in comparison to our competitors. Significant changes to corporate tax rates could result in the impairment of deferred tax assets that are established based on existing law at the time of deferral. A number of factors may increase our future effective income tax rate, including: governmental authorities increasing taxes or eliminating deductions, particularly the depletion deduction the mix of earnings from depletable versus non-depletable businesses, the jurisdictions in which earnings and/or revenues are taxed, the resolution of issues arising from tax audits with various tax authorities, changes in the valuation of our deferred tax assets and liabilities, adjustments to estimated taxes upon finalization of various tax returns, changes in available tax credits, changes in

stock-based compensation, other changes in tax laws and the interpretation of tax laws and/or administrative practices.

Human Capital Risks

Our operations may be negatively affected if we are unable to obtain, develop and retain key personnel and skilled labor forces.

We must attract, develop and retain executive officers and other professional, technical and labor forces with the skills and experience necessary to successfully manage, operate and grow. Competition for these employees is high, due in part to changing workforce demographics, a shortage of younger employees who are qualified to replace employees as they retire, seasonality, and remote work opportunities, among other things. In some cases, competition for these employees is on a regional or national basis. At times of low unemployment, it can be difficult for us to attract and retain qualified and affordable personnel. A shortage in the supply of skilled personnel creates competitive hiring markets, increased labor expenses, decreased productivity and potentially lost business opportunities to support our operating and growth strategies. Additionally, if we are unable to hire employees with the requisite skills, we may be forced to incur significant training expenses. As a result, our ability to maintain productivity, relationships with customers, competitive costs, and quality services is limited by the ability to employ, retain and train the necessary skilled personnel and could negatively affect our results of operations, financial position and cash flows.

It is also critical to develop and train employees, hire new qualified personnel, and successfully manage the short and long-term transfer of critical knowledge and skills, including leadership development and succession planning throughout our company. The loss of key personnel, coupled with an inability to adequately train other personnel, hire new personnel or transfer knowledge and skills, could significantly impact our ability to perform under our contracts and execute on new or growing training programs.

Additionally, approximately 12 percent of our workforce is comprised of employees that are covered by collective bargaining agreements with various unions. If we encounter difficulties with renegotiations or renewals of collective bargaining arrangements or are unsuccessful in those efforts, we could incur additional costs and experience work stoppages. Union actions at suppliers also can affect us. Any delays or work stoppages could adversely affect the ability to perform under contracts, which could negatively impact our results of operations, cash flows and financial condition.

Increasing costs associated with health care plans may adversely affect our results of operations.

We are primarily self-insured for the health care benefits for eligible employees. Health care costs may continue to increase if overall total health care claims increase and could have an adverse impact on operating results, financial position and liquidity, particularly if we cannot continue to carry stop loss insurance. Legislation related to health care could also change our benefit program and costs.

Financial and Accounting Risks

Aggregate resource and reserve calculations are estimates and subject to uncertainty.

We estimate aggregate reserves and resources based on available data. The estimates depend upon the interpretation of surface and subsurface investigations, major assumptions and other supporting data, which can be unpredictable. The quantity and quality must be considered as only an estimate until reserves are actually extracted and processed. This uncertainty in aggregate resource and reserve calculations may adversely impact our results of operations.

Backlog may not accurately represent future revenue and gross margin.

Backlog consists of the uncompleted portion of services to be performed under job-specific contracts. Contracts are subject to delay, default or cancellation, and contracts in our backlog are subject to changes in the scope of services to be provided, as well as adjustments to the costs relating to the applicable contracts. Backlog may also be affected by project delays or cancellations resulting from weather conditions, external market factors and economic

factors beyond our control, among other things. Accordingly, there is no assurance that backlog will be realized. The timing of contract awards and duration of large new contracts can significantly affect backlog. Backlog at any given point in time may not accurately represent the revenue or margin that is realized in any period. Also, the backlog as of the end of the year may not be indicative of the revenue and gross margin expected to be earned in the following year and should not be relied upon as a stand-alone indicator of our future financial results.

We operate in a capital-intensive industry and are subject to capital market and interest rate risks.

Our operations require significant capital investment to purchase and maintain the property and equipment required to mine and produce our products. In addition, our operations include a significant level of fixed and semi-fixed costs. Consequently, we rely on capital markets, particularly in the first half of the year due to the seasonal nature of the industry, as sources of liquidity for capital requirements not satisfied by cash flows from operations. If we are unable to access capital at competitive rates, the ability to implement business plans, make capital expenditures or pursue acquisitions we would otherwise rely on for future growth may be adversely affected. Market disruptions may increase the cost of borrowing or adversely affect our ability to access one or more financial markets. Higher interest rates on borrowings have impacted and could further impact our results of operations. Such market disruptions could include: a significant economic downturn, financial distress of unrelated industry leaders in the same line of business, deterioration in capital market conditions, turmoil in the financial services industry, volatility in commodity prices, pandemics, terrorist attacks, acts of war, and cyberattacks, among other things.

The debt capital market environment could impact our ability to borrow money in the future. Additional financing or refinancing might not be available and, if available, may not be at economically favorable terms. Further, an increase in our leverage could lead to deterioration in our credit ratings. A downgrade in our credit ratings, regardless of the cause, could also limit the ability to obtain additional financing and/or increase the cost of obtaining financing. There is no guarantee we will be able to access the capital markets at financially economical interest rates, which could negatively affect our business. We are also exposed to interest rate volatility risk on our variable rate debt as changes in central bank federal policies, as well as macro-economic factors, impact interest rates. While we believe we will continue to have adequate credit available to meet our needs, there can be no assurance of that.

We may be required to obtain financing in order to fund certain strategic acquisitions, if they arise, such as the pending Acquisition, or to refinance outstanding debt. It is possible a large strategic acquisition would require us to issue new equity and other debt and could result in a ratings downgrade notwithstanding our issuance of equity securities to fund the transaction. We are also exposed to credit market risk, through the interest payable on any variable-rate debt, including the interest cost on future borrowings under our credit facilities.

Financial market changes could impact our defined benefit pension plans and obligations.

We have two frozen defined benefit pension plans for certain current and former employees. Assumptions regarding future costs, returns on investments, interest rates and other actuarial assumptions have a significant impact on the funding requirements and expense recorded relating to these plans.

Adverse changes in economic indicators, such as consumer spending, inflation data, interest rate changes, political developments and threats of terrorism, among other things, can create volatility in the financial markets. These changes could impact the assumptions and negatively affect the value of assets held in our pension plans and may increase the amount and accelerate the timing of required funding contributions for those plans.

Costs related to obligations under MEPPs could have a material negative effect on our results of operations and cash flows.

We participate in MEPPs for employees represented by certain unions. We are required to make contributions to these plans in amounts established under numerous collective bargaining agreements between our operating subsidiaries and those unions.

We may be obligated to increase our contributions to underfunded plans that are classified as being in endangered, seriously endangered or in critical status as defined by the Pension Protection Act of 2006. Plans

classified as being in one of these statuses are required to adopt Rehabilitation Plans or Funding Improvement Plans to improve their funded status through increased contributions, reduced benefits or a combination of the two.

We may also be required to increase our contributions to MEPPs if the other participating employers in such plans withdraw from the plans and are not able to contribute amounts sufficient to fund the unfunded liabilities associated with their participation in the plans. The amount and timing of any increase in our required contributions to MEPPs may depend upon one or more factors, including the outcome of collective bargaining; actions taken by trustees who manage the plans; actions taken by the plans' other participating employers; the industry for which contributions are made; future determinations that additional plans reach endangered, seriously endangered or critical status; newly enacted government laws or regulations and the actual return on assets held in the plans; among others. We could experience increased operating expenses as a result of required contributions to MEPPs, which could have an adverse effect on our results of operations, financial position or cash flows.

In addition, pursuant to the Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act, we could incur a partial or complete withdrawal liability upon withdrawing from a plan, exiting a market in which it does business with a union workforce or upon termination of a plan. We could also incur additional withdrawal liability if our withdrawal from a plan is determined by that plan to be part of a mass withdrawal.

We have substantial indebtedness and may incur substantial additional indebtedness, which could adversely affect our business, profitability and our ability to meet obligations.

We had $690.0 million in aggregate principal amount of indebtedness outstanding as of December 31, 2024. Such indebtedness consists of $425 million 7.75% notes due 2031, $265 million in aggregate principal amount of term loans and a $350 million revolving credit facility, under which we had no aggregate principal amount of loans outstanding as of December 31, 2024. In addition, in the first half of 2025 we expect to enter into a new senior secured Term Loan B facility of $500 million, increase the total commitments under our existing revolving credit facility from $350 million to $500 million and extend the maturity date of our existing senior secured credit facilities from 2028 to 2030.

This amount of debt could potentially have important consequences to us and our investors, including:

- Requiring a substantial portion of our cash flow from operations to make interest payments on this debt.
- Making it more difficult to satisfy debt service and other obligations.
- Increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing.
- Increasing our vulnerability to general adverse economic and industry conditions.
- Reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business.
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry.
- Placing us at a competitive disadvantage relative to our competitors that may not be as highly leveraged with debt.
- And limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase ordinary shares.

In addition, our actual cash requirements in the future may be greater than expected and our cash flow from operations may not be sufficient to repay all of the outstanding debt as it becomes due. Further, we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance our debt.

Despite our current level of indebtedness, we may be able to incur substantially more debt, which could increase the risks to our financial condition described above.

We may be able to incur substantial additional indebtedness in the future, such as the debt we plan to incur to finance the Acquisition in part. Although certain of the agreements governing our existing indebtedness contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions, including compliance with various financial conditions. Additional indebtedness incurred in compliance with our existing debt instruments could be substantial. To the extent new debt is added to our current debt levels, the leverage risks described in the immediately preceding risk factor would increase. The foregoing risks would also apply to the credit agreement governing the Term Loan B facility we expect to enter into upon consummation of the Acquisition.

A lowering or withdrawal of the ratings, outlook or watch assigned to us or our debt by rating agencies may increase our future borrowing costs and reduce our access to capital.

The rating, outlook or watch assigned to us or our debt could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, current or future circumstances relating to the basis of the rating, outlook, or watch such as adverse changes to our business, so warrant. Our credit ratings may also change as a result of the differing methodologies or changes in the methodologies used by the rating agencies. Any future lowering of our debt's ratings, outlook or watch likely would make it more difficult or more expensive for us to obtain additional debt financing.

Separation Risks

We have minimal history of operating as an independent, public company, and our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information included in this Annual Report refers to our business (i) as operated by and integrated with MDU Resources for periods prior to the Separation and (ii) as a stand-alone company for the period after the Separation. The historical financial information included in this Annual Report is derived from the audited consolidated financial statements and accounting records of MDU Resources and us. Accordingly, the historical financial information included in this Annual Report does not necessarily reflect the financial condition, results of operations and cash flows that we would have achieved as a separate, publicly traded company during the periods presented prior to the Separation or those that we will achieve in the future, primarily as a result of the factors described below:

- Prior to the Separation, our business was operated by MDU Resources as part of its broader corporate organization, rather than as an independent company, and MDU Resources or one of its affiliates performed certain corporate functions for us. Our historical results reflect allocations of corporate expenses from MDU Resources for such functions prior to the Separation, which are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company.
- Prior to the Separation, we shared economies of scope and scale in costs, employees and vendor relationships. Although we entered into a transition services agreement with MDU Resources following the Separation, these arrangements may not retain or fully capture the benefits that we had enjoyed as a result of being integrated with MDU Resources and may result in paying higher charges than in the past for these services. This could have a material adverse effect on our business, financial position, results of operations and cash flows as a stand-alone company.
- Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, had, prior to the Separation, been satisfied as part of the corporate-wide cash management policies of Centennial. Following the Separation, our results of operations and cash flows are now likely to be more volatile, and we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly.

- The cost of capital for our business as a stand-alone company may be higher than MDU Resources' cost of capital prior to the Separation.
- As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the Dodd-Frank Act and is required to prepare our financial statements according to the rules and regulations required by the SEC. Complying with these requirements has resulted in significant costs and could require us to divert substantial resources, including management time, from other activities.

Other significant changes have occurred in our cost structure, management, financing and business operations as a result of operating as a company separate from MDU Resources. For additional information about the past financial performance of our business and the basis of presentation of the historical audited consolidated financial statements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8 - Financial Statements and Supplementary Data."

If the Separation, together with certain related transactions, does not qualify as a transaction that is generally tax-free for United States federal income tax purposes, we could be subject to significant tax liabilities and, in certain circumstances, we could be required to indemnify MDU Resources for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.

In connection with the Separation, MDU Resources received a private letter ruling from the IRS and one or more opinion(s) of its tax advisors, regarding certain United States federal income tax matters relating to the Separation and the Distribution. The IRS private letter ruling was based upon and relied on, and the opinion(s) of tax advisors was based upon and relied on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of MDU Resources and Knife River, including those relating to the past and future conduct of MDU Resources and Knife River. If any of these representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if MDU Resources or Knife River breach any of the representations or covenants contained in any of the Separation-related agreements and documents or in any documents relating to the IRS private letter ruling and/or the opinion(s) of tax advisors, the IRS private letter ruling and/or the opinion(s) of tax advisors may be invalid and the conclusions reached therein could be jeopardized.

Notwithstanding receipt by MDU Resources of the IRS private letter ruling and the opinion(s) of tax advisors, the IRS could determine that the Separation and/or certain related transactions should be treated as taxable transactions for United States federal income tax purposes if it determines that any of the representations, assumptions, or undertakings upon which the IRS private letter ruling or the opinion(s) of tax advisors were based are false or have been violated. In addition, the IRS private letter ruling does not address and the opinion(s) of tax advisors do not address all of the issues that are relevant to determining whether the Separation, together with certain related transactions, qualifies as a transaction that is generally tax-free for United States federal income tax purposes. Further, the opinion(s) of tax advisors represent the judgment of such tax advisors and are not binding on the IRS or any court, and the IRS or a court may disagree with the conclusions in the opinion(s) of tax advisors. Accordingly, notwithstanding receipt by MDU Resources of the IRS private letter ruling and the opinion(s) of tax advisors, there can be no assurance that the IRS will not assert that the Separation and/or certain related transactions do not qualify for tax-free treatment for United States federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail in such challenge, MDU Resources, Knife River and MDU Resources stockholders could be subject to significant United States federal income tax liability.

If the Separation, together with related transactions, were to fail to qualify as a transaction that is generally tax-free for United States federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code, in general, for United States federal income tax purposes, MDU Resources would recognize taxable gain as if it had sold Knife River common stock in a taxable sale for its fair market value, and MDU Resources stockholders who receive such Knife River shares in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

Under the tax matters agreement, we may be required to indemnify MDU Resources against any additional taxes and related amounts resulting from the Separation (and any related costs and other damages) to the extent such amounts resulted from (a) an acquisition of all or a portion of its equity securities or assets, whether by merger or otherwise (and regardless of whether we participated in or otherwise facilitated the acquisition), (b) other actions or

failures to act by us or (c) any inaccuracy or breach of our representations, covenants or undertakings contained in any of the Separation-related agreements and documents or in any documents relating to the IRS private letter ruling and/or the opinion(s) of tax advisors. Any such indemnity obligations could be material.

United States federal income tax consequences may restrict our ability to engage in certain desirable strategic or capital-raising transactions after the Separation.

Under current law, a separation can be rendered taxable to the parent corporation and its stockholders as a result of certain post-separation acquisitions of shares or assets of the spun-off corporation. For example, a separation may result in taxable gain to the parent corporation under Section 355(e) of the Internal Revenue Code if the Separation were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50 percent or greater interest (by vote or value) in the spun-off corporation.

To preserve the United States federal income tax treatment of the Separation, and in addition to our indemnity obligation described below, the tax matters agreement restricts us, for the two-year period following the distribution, except in specific circumstances, from:

- Entering into any transaction pursuant to which all or a portion of our common stock or assets would be acquired, whether by merger or otherwise.
- Issuing equity securities beyond certain thresholds.
- Repurchasing shares of our capital stock other than in certain open-market transactions.
- Ceasing to actively conduct certain aspects of our business.
- And/or taking or failing to take any other action that would jeopardize the expected United States federal income tax treatment of the distribution and certain related transactions.

These restrictions may limit our ability to pursue certain strategic transactions or other transactions that it may believe to be in the best interests of its stockholders or that might increase the value of our business.

We may not achieve some or all of the expected benefits of the Separation, and the Separation may materially and adversely affect our financial position, results of operations and cash flows.

We may be unable to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all for a variety of reasons, including, among others, that: (a) management may be required to spend significant amounts of time and effort on post Separation activities, which may divert management's attention from operating and growing our business; (b) we may be more susceptible to market fluctuations and other adverse events than if it was still a part of MDU Resources; (c) our business is less diversified than MDU Resources' business prior to the Separation; and (d) the other actions required to separate MDU Resources' and our respective businesses could disrupt our operations. If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, it could have a material adverse effect on our financial position, results of operations and cash flows.

Shareholder Risks

The trading market for our common stock has existed only a short period, and the market price and trading volume of our common stock may fluctuate significantly.

The trading price of our common stock has been and may continue to be volatile and the trading volume may fluctuate and cause significant price variations to occur. For many reasons, including the other risks identified in this section, the market price of our common stock may be more volatile than our market peers. These factors may result in short-term or long-term negative pressure on the value of our common stock. We cannot predict the prices at which our common stock may trade.

The market price of shares of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including: actual or anticipated fluctuations in our operating results, declining

operating revenues derived from our core business, the operating and stock price performance of comparable companies, margin trading, short sales, hedging and derivative transactions involving our common stock, changes in the regulatory and legal environment in which we operate, market conditions in the construction materials and contracting services market, and the domestic and global economy as a whole.

If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts downgrades our stock or publishes misleading or unfavorable research about our business, our stock price could decline. If one or more of the analysts ceases coverage of our common stock or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our common stock price or trading volume to decline.

Stockholder percentage of ownership in us may be diluted in the future.

Our stockholders' percentage ownership in our company may be diluted because of equity awards that have been and will be granted to our directors, officers and employees or otherwise as a result of equity issuances for acquisitions or capital market transactions.

In addition, our amended and restated certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock that have such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as our board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock.

We cannot guarantee the timing, declaration, amount or payment of dividends, if any, on our common stock.

The timing, declaration, amount and payment of any dividends are within the discretion of our board of directors, and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, covenants associated with certain of our debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets, and other factors deemed relevant by our board of directors. Moreover, if we determine to pay any dividend in the future, there can be no assurance that we will continue to pay such dividends or the amount of such dividends.

Our amended and restated bylaws designates the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another state court of the State of Delaware, or, if no state court located in the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Knife River's stockholders, which could discourage lawsuits against us and our directors and officers.

Our amended and restated bylaws provides that, unless the board of directors otherwise determines, the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware does not have jurisdiction, another state court of the State of Delaware, or, if no state court located in the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of our company, any action asserting a claim of breach of a fiduciary duty owed by any director or officer to our company or our stockholders, creditors or other constituents, any action asserting a claim against us or any director or officer arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against us or any director or officer governed by the internal affairs doctrine.

In addition, our amended and restated bylaws further provide that, unless the board of directors otherwise determines, the federal district courts of the United States of America shall be the sole and exclusive forum for any action asserting a claim arising under the Securities Act. The exclusive forum provision does not apply to actions

arising under the Exchange Act or the rules and regulations thereunder. While the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision described above. Our stockholders will not be deemed to have waived compliance with the federal securities laws and the rules and regulations thereunder.

This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers, and such provision may also make it more expensive for our stockholders to bring such claims.

Although our amended and restated bylaws include the exclusive forum provision described above, it is possible that a court could rule that this provision is inapplicable or unenforceable. Alternatively, if a court outside of Delaware were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law may prevent or delay an acquisition of Knife River, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws, and Delaware law, contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids more expensive to the acquiror and to encourage prospective acquirors to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings and the right of our board of directors to issue preferred stock without stockholder approval. Delaware law also imposes some restrictions on mergers and other business combinations between any holder of 15 percent or more of our outstanding common stock and our company.

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of our company and our stockholders. Accordingly, in the event that our board of directors determines that a potential business combination transaction is not in the best interests of our company and our stockholders but certain stockholders believe that such a transaction would be beneficial to our company and our stockholders, such stockholders may elect to sell their shares in our company and the trading price of our common stock could decrease.

These and other provisions of our amended and restated certificate of incorporation, amended and restated bylaws and the DGCL could have the effect of delaying, deferring or preventing a proxy contest, tender offer, merger or other change in control, which may have a material adverse effect on our business, financial condition and results of operations. In addition, applicable state insurance laws and regulations could delay or impede a change of control of our company.

Strata Acquisition Risks

We may not be able to fully realize the benefits from the Acquisition.

The acquisition of Strata may not perform as expected. If we are unsuccessful at, among other things, integrating Strata into our operations or managing the Strata business, our revenues and margins could be adversely affected and our business could suffer. See also *"Operations, Growth, and Competitive Risks – our success depends, in part, on our ability to execute on our acquisition strategy to successfully integrate acquired businesses and to retain key employees of the acquired business.*"

The announcement and pendency of the Acquisition may have an adverse effect on our results of operations.

On December 20, 2024, Buyer entered into the Purchase Agreement relating to the Acquisition. Upon the terms and subject to the conditions set forth in the Purchase Agreement, Buyer (or its designee) will acquire (a) 100% of the issued and outstanding equity interests of Strata, (b) 100% of the issued and outstanding equity interests of Glacier Resources and (c) certain assets of the Asset Seller for $454.0 million in cash, subject to customary purchase price adjustments.

Uncertainty about the effect of the Acquisition on our employees, partners, customers and other third parties may disrupt our sales, marketing, operations or other key business activities and may have a material adverse effect on our business, financial condition, operating results, and cash flows. Any loss or distraction of such employees could have a material adverse effect on our business, financial condition and operating results. In addition, we have devoted, and will continue to devote, significant management and other internal resources towards the completion of the Acquisition and planning for integration, which could materially adversely affect our business, financial condition, operating results, and cash flows.

The failure to complete the Acquisition in a timely manner or at all could negatively impact the market price of our common stock. It could also adversely affect our business, financial condition, operating results and cash flows.

Completion of the Acquisition is subject to conditions beyond our control that may prevent, delay or otherwise adversely affect its completion in a material way, including, but not limited to, those described herein.

The obligation of the parties to consummate the Acquisition is subject to the satisfaction or waiver of certain customary closing conditions, including, among others, the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the receipt of all consents, clearances, waivers, approvals, or authorizations under any other antitrust law. We cannot guarantee that the closing conditions set forth in the Purchase Agreement will be satisfied or, even if satisfied, that no event of termination will take place.

Furthermore, if the Acquisition is significantly delayed or not completed, we may suffer other consequences that could adversely affect our business, results of operations and stock price, including the following:

- we would have incurred significant costs in connection with the Acquisition that we would be unable to recover;
- we may be subject to negative publicity or be negatively perceived by the investment or business communities;
- we may be subject to legal proceedings related to the Acquisition;
- any disruptions to our business resulting from the announcement and pendency of the Acquisition, including any adverse changes in our relationships with our customers, suppliers, other business partners and employees, may continue or intensify in the event the Acquisition is not consummated; and
- we may not be able to take advantage of alternative business opportunities or effectively respond to competitive pressures.
- we may be subject to paying a $15.0 million termination fee if the Acquisition is not finalized.

There can be no assurance that our business, financial condition, operating results and cash flows will not be adversely affected, as compared to our condition prior to the announcement of the Acquisition, if the Acquisition is not consummated.

The incurrence by us of substantial indebtedness in connection with the financing of the Acquisition may have an adverse impact on our liquidity, limit our flexibility in responding to other business opportunities, and increase our vulnerability to adverse economic and industry conditions.

We expect to incur a significant amount of indebtedness in connection with the financing of the Acquisition, which we expect will be funded, in part, by entering into a new senior secured Term Loan B facility of $500 million. The use of indebtedness to finance the Acquisition will reduce our liquidity and could cause us to place more reliance on cash generated from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow for working capital and capital expenditure needs or to pursue other potential strategic plans. We expect that the agreements we will enter into with respect to the indebtedness we will incur to finance the Acquisition will contain certain restrictive covenants that limit, and in some circumstances prohibit, our ability to, among other things: obtain future financing, incur or guarantee additional debt, incur certain liens, enter into transactions with affiliates, transfer or sell certain assets, make acquisitions or needed capital expenditures, withstand the current or future downturns in our business, or the economy in general, conduct operations or otherwise take advantage of business opportunities that may arise, any of which could place us at a competitive disadvantage relative to our competitors. Our ability to comply with these negative covenants can be affected by events beyond our control. In addition, a breach of the negative covenants could result in an event of default with respect to the indebtedness, which, if not cured or waived, could result in the indebtedness becoming immediately due and payable and could have a material adverse effect on our business, financial condition, or operating results.

We have incurred, and will continue to incur, transaction fees and costs in connection with the Acquisition.

As of December 31, 2024, we have incurred $2.6 million of expenses and fees for professional services and other transaction costs in connection with the Acquisition and expect to continue to incur additional costs. These expenses are payable by us whether or not the Acquisition is completed. While we have assumed that a certain amount of transaction expenses will be incurred, factors beyond our control could affect the total amount or the timing of these expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses may exceed the costs historically borne by us. These costs could adversely affect our business, financial condition, operating results and cash flows.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Overall Risk Management. We have implemented a cyber risk management program to help ensure that our electronic information and information systems are protected from various threats and are built on and follow the Cybersecurity Maturity Model Certification for information security requirements and the protection of sensitive information. The cyber risk management program is maintained as part of our overall governance, enterprise risk management program and compliance program. Our information systems experience ongoing and often sophisticated cyberattacks by a variety of sources with the apparent aim to breach our cyber-defenses. We also have cyber event related insurance. We are continuously reevaluating the need to upgrade and/or replace systems and network infrastructure. These upgrades and/or replacements could adversely impact operations by imposing increased expenses, creating delays or outages, or experiencing difficulties transitioning to new systems. System disruptions, if not anticipated and appropriately mitigated, could adversely affect our company. We continually assess risks from cybersecurity threats and adapt and enhance our controls accordingly.

Risks from Cybersecurity Threats. Although risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition, such incidents could have a material adverse effect in the future as cyberattacks continue to increase in frequency and sophistication.

Employee Cybersecurity Training. We provide ongoing cybersecurity training and compliance programs to facilitate education for employees who may have access to our data and critical systems. Employee phishing tests are conducted on a monthly basis.

Engage Third-parties on Risk Management. Periodic external reviews, including penetration tests and security framework assessments, are conducted by auditors, external assessors, and/or consultants to assess and ensure compliance with our information security programs and practices. Internal and external auditors assess our information technology general controls on an annual basis.

Oversee Third-party Risk. We monitor risks associated with our vendors, which include processes such as completing due diligence on third party service providers before engaging with them for their services; assessing the third party's cybersecurity posture by reviewing audit reports of the third party, completing cyber questionnaires, and reviewing applicable certification; including cybersecurity contractual language in contracts to limit risk; and monitoring and reassessing third party's to ensure ongoing compliance with their cybersecurity obligations.

Other Risk Factors. See the risk factor "Technology disruptions or cyberattacks could adversely impact operations" in the section entitled "Item 1A. Risk Factors - Operations, Growth and Competitive Risks."

Governance

Board of Directors Oversight. The board, as a whole and through its committees, has responsibility for oversight of risk management. In its risk oversight role, the board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate for identifying, assessing, and managing risk. The audit committee of the board of directors of our company is responsible for oversight of risks from cybersecurity threats.

Management's Role Managing Risk. The vice president of support services plays a large role in informing the audit committee on cybersecurity risks. The audit committee receives presentations and reports from the vice president of support services on cybersecurity related issues which include information security, technology risks and risk mitigation programs regularly at the quarterly board meetings. In addition to scheduled meetings, the vice president of support services and audit committee maintain an ongoing dialogue regarding emerging or potential cybersecurity risks.

Cybersecurity Incident Response. We have an incident response plan to identify, protect, detect, respond to, and recover from cybersecurity threats and incidents that is also tested on an annual basis. The incident response plan is updated based on results of the test or as new cyber related developments occur. The incident response plan indicates the vice president of support services, executive leadership which includes the chief executive officer, chief financial officer, chief accounting officer, chief legal officer, corporate controller and the board of directors are to be notified of any material cybersecurity incidents through a defined escalation process. The defined escalation process is a risk-based process that specifies who is to be contacted and when at each risk level.

Monitor, Manage, and Safeguard Against Cybersecurity Incidents and Risks. Our vice president of support services, along with the supervisor of cybersecurity, a designated security team of professionals and third-party cybersecurity experts are responsible for monitoring, assessing and managing risks as well as developing and implementing policies, procedures, and practices based on the range of threats we face. There are processes around access management, data security, encryption, asset management, secure system development, security operations, network and device security to provide safeguards from a cybersecurity incident along with continual monitoring of various threat intelligence feeds.

Cyber Risk Management Personnel. Through training and compliance programs, the concept that all employees are responsible for the data and critical systems they access is reinforced. The information technology department has the responsibility to implement cybersecurity controls under the overall guidance of the cybersecurity team. This cybersecurity team includes internal cybersecurity experts that have a combined 28 years of general information technology experience and 18 years of cyber specific related experience. The internal cyber team members have obtained various degrees and certificates in network administration, security administration and information system management. We also partner with a third-party cybersecurity firm that assists us and many other clients in setting direction, implementing cybersecurity technology and supporting our security operations center. Our internal information technology department is led by two directors, one with 25 years of experience in information technology leadership roles at Knife River and the other with 15 years of experience in information technology roles at MDU Resources and Knife River combined. The information technology department, including the cybersecurity team, reports to the vice president of support services, who has 18 years of information technology leadership and operational leadership experience with Knife River and over 30 years of total information technology experience. The vice president of support services reports to the chief executive officer.

Cyber Risk Oversight Committee. Additionally, we established CyROC to provide executive management and the audit committee with analyses, appraisals, recommendations, and pertinent information concerning cyber defense of our electronic information, information technology and operation technology systems. The CyROC is responsible for guiding our comprehensive cybersecurity policies. The CyROC is chaired by our supervisor of cybersecurity and is comprised of members from financial and operations management, as well as technology leaders.

ITEM 2. PROPERTIES

We currently maintain our principal executive office at 1150 W. Century Ave., Bismarck, North Dakota 58503. In addition to the principal office, we maintain and operate physical locations in 14 states throughout the United States. Our operations include the following properties:

	Pacific	Northwest	Mountain	Central	Energy Services	Consolidated Knife River
Active Aggregate Sites	16	52	32	82	—	182
Ready-Mix Plants	21	27	17	41	—	106
Asphalt Plants	4	12	15	20	—	51
Liquid Asphalt Terminals	—	—	—	—	9	9
Cement Terminals	8	—	—	—	—	8

Aggregate sites and reserves

We mine crushed stone and sand and gravel at our active aggregate sites across our segments. The aggregates produced are utilized in general construction and are a major component in the production of ready-mix concrete and asphalt.

Our aggregate sites contain both reserves and resources. Mineral reserves are defined as an estimate of tonnage that, in the opinion of the qualified person, can be economically mined or extracted, which includes diluting materials and allowances for losses that may occur throughout the process. Mineral reserves are classified into two categories as follows:

Proven — those reserves for which the quantity is computed from dimensions revealed by drill data, together with other direct and measurable observations, such as outcrops, trenches and quarry faces. The grade and quality of those reserves are computed from the results of detailed sampling, and the sampling and measurement data are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well established.

Probable — those reserves for which quantity, grade and quality are computed partly from specific measurements and partly from projections based on reasonable geologic evidence. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation. Reported proven and probable reserves include only quantities that are owned in fee or under lease and for which all appropriate zoning and permitting have been obtained or are expected to be obtained through permit, contract or grandfathered status.

Mineral resources are defined as a concentration or occurrence of material of economic interest in such form, grade or quality, and quantity that has a reasonable prospect to be economically extracted. Mineral resources are classified into three categories as follows:

Measured — based on conclusive geological evidence and sampling, meaning that evidence is sufficient to test and confirm geological and grade or quality continuity. After applying modifying factors, measured resources may be converted to either proven or probable reserves.

Indicated — based on adequate geological evidence and sampling, meaning that evidence is sufficient to establish geological and grade or quality continuity with reasonable certainty. After applying modifying factors, indicated resources may be converted to probable reserves.

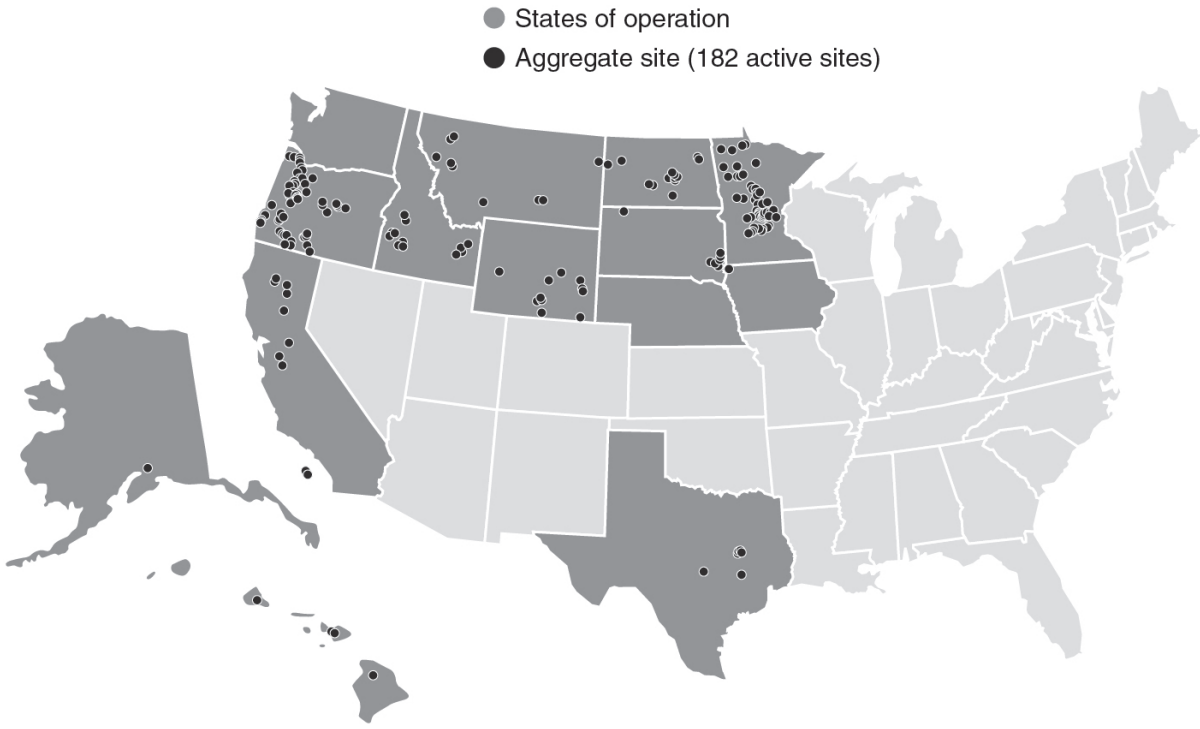
Inferred — based on limited geological evidence and sampling, meaning that evidence is only sufficient to establish that geological and grade or quality continuity is more likely than not. Upon further studies, inferred resources may be converted to reserves.

Aggregate reserve and resource estimates are calculated based on the best available data. Supporting data includes, but is not limited to, drill holes, geologic testing and other subsurface investigations; and surface feature investigations, such as, mine high walls, aerial photography and topography. Using available data, a final topography map is created with computer software and is used to calculate the volume variance between existing and final topographies. Volumes are then converted to tons using appropriate conversion factors. Property setbacks and other regulatory restrictions and limitations are identified to determine the total area available for mining. We also consider mine plans, economic viability and production history in the aggregate reserve and resource estimates. Our reserve estimates include only salable tonnage and thus exclude waste materials that are generated in the crushing and processing phases of the operation. The reserves are based on estimates of volumes that can be economically extracted and sold to meet current and anticipated market and product applications.

Our reserves and resources are on properties that are permitted, or are expected to be permitted, for mining under current regulatory requirements. The data used to calculate reserve and resource estimates may require revisions in the future to account for changes in customer requirements, regulatory requirements and unknown geological occurrences.

We classify the applicable quantity of a particular deposit as a reserve or resource by reviewing and analyzing, independently, each geological formation, testing results and production processes, along with other modifying factors, to determine an expected yield of recoverable tonnage an area will produce. These results may have an effect on mine plans and the selection of processing equipment. The results are reviewed by the qualified person and presented to the management team.

Management assesses the risks associated with aggregate reserve and resource estimates. These estimates may be affected by variability in the properties of the material, limits of the accuracy of the geotechnical data and operational difficulties in extraction of the computed material. Additionally, management assesses the risks associated in obtaining and maintaining the various land use, mining and environmental permits necessary for the properties to operate as mines. Annual reviews of mining reserves are conducted by the qualified individual and include procedures such as ensuring financial assumptions related to life of mine expenses are based on the most accurate estimates available.



We have reviewed our properties and have determined we do not have any individual sites that are material. The following tables set forth details applicable to our aggregate production and aggregate sites as of December 31, 2024, by the various regions where the sites are located.

Production Area	Total Annual Aggregate Production	
	Crushed Stone	Sand & Gravel
	(Tons in thousands)	
Pacific	1,991	2,950
Northwest	6,108	3,430
Mountain	1,173	5,420
Central	3,110	3,568
Total	12,382	15,368

Production Area	Aggregate Sites			
	Crushed Stone		Sand & Gravel	
	Owned	Leased	Owned	Leased
Pacific	—	6	10	1
Northwest	12	16	16	10
Mountain	2	7	15	9
Central	9	2	52	19
Total	23	31	93	39

The following table sets forth details applicable to our aggregate reserves as of December 31, 2024.

Production Area	Aggregate Sites	Crushed Stone			Sand & Gravel			Total Mineral Reserves
		Proven Mineral Reserves	Probable Mineral Reserves	Total Mineral Reserves	Proven Mineral Reserves	Probable Mineral Reserves	Total Mineral Reserves	
		(Tons in thousands)						
Pacific	16	78,899	39,064	**117,963**	39,253	—	**39,253**	**157,216**
Northwest	52	384,064	17,083	**401,147**	71,369	21,512	**92,881**	**494,028**
Mountain	32	79,822	—	**79,822**	131,205	9,884	**141,089**	**220,911**
Central	82	110,081	86,581	**196,662**	86,460	6,528	**92,988**	**289,650**
Total	182	652,866	142,728	**795,594**	328,287	37,924	**366,211**	**1,161,805**

1 The average selling price per ton for crushed stone and sand and gravel was $19.59 and $12.80, respectively, in 2024. The average selling price includes freight and delivery and other revenues.

2 The aggregates mined are of suitable grade and quality to be used as construction materials and no further grade or quality disclosure is applicable.

The following table sets forth details applicable to our aggregate resources as of December 31, 2024.

Production Area	Aggregate Sites	Crushed Stone			Sand & Gravel			Inferred Mineral Resources
		Measured Mineral Resources	Indicated Mineral Resources	Measured + Indicated Mineral Resources	Measured Mineral Resources	Indicated Mineral Resources	Measured + Indicated Mineral Resources	
		(Tons in thousands)						
Pacific	1	—	—	—	4,673	—	**4,673**	**54,660**
Northwest	2	128,613	105,112	**233,725**	44,715	20,976	**65,691**	**209,162**
Mountain	1	—	47,749	**47,749**	27,628	9,765	**37,393**	**1,733**
Central	0	—	—	—	—	—	—	—
Total	4	128,613	152,861	**281,474**	77,016	30,741	**107,757**	**265,555**

* Pacific, Northwest and Mountain all have sites that include both reserves and resources, which are included in the number of aggregate sites for reserves.

Our mining properties are categorized as follows: (1) Production Stage – properties with reported proven or probable reserves where we are actively mining aggregates, (2) Development Stage – properties with reported proven or probable reserves where we are not actively mining aggregates, and (3) Exploration Stage – properties with no reported reserves.

Of our 182 active properties, 144 are in a production stage and 38 are in a development stage. As of December 31, 2024, 1.04 billion tons of estimated proven and probable reserves are located on production stage properties and 119 million tons on developmental stage properties. We classify aggregates located on exploration stage properties as resources. Our aggregate annual production in tons for all aggregate mining properties, including project specific sites and sites with short-term leases that are not included in the previous tables, was 30.3 million, 30.7 million and 32.2 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The average selling price per ton for crushed stone and sand and gravel was $19.59 and $12.80, respectively, in 2024. Actual pricing varies by location and market. The price for each commodity was calculated by dividing 2024 revenues by tons sold. The average pricing is based on salable product, or materials that are ready for sale. We believe the current sales price is reasonable and justifiable to estimate the aggregates' current fair value, while the Consolidated Balance Sheets reflect the historical costs.

We conduct our mining operations across 116 owned properties, of which 113 are active sites, and another 70 leased properties, of which 69 are active sites. Our reserves are comprised of 630 million tons on properties that are owned and 532 million tons that are leased. The remaining reserve life in years was calculated by dividing remaining reserves by the three-year average production from 2022 through 2024. We estimate the useful life of our owned reserves are approximately 36 years based on the most recent three-year production average. Approximately 36 percent of the reserves under lease have lease expiration dates of more than 20 years and the weighted average years remaining on all leases containing estimated proven aggregate reserves is approximately 16 years. The average time necessary to produce remaining aggregate reserves from our leased sites is approximately 45 years. Some sites have leases that expire prior to the exhaustion of the estimated reserves. The estimated reserve life assumes, based on our experience, that leases will be renewed to allow sufficient time to fully recover these reserves. Actual useful lives of these reserves will be subject to, among other things, fluctuations in customer demand, customer specifications, geological conditions and changes in mining plans.

Internal Controls Over Aggregate Reserves

Reserve and resource estimates are based on the analyses of available data by qualified internal mining engineers, operating personnel and third-party geologists. Senior management reviews and approves reserve and resource quantity estimates and reserve classifications, including the major assumptions used in determining the estimates, such as life, pricing, cost and volume, among other things, to ensure they are materially accurate. For aggregate reserve and resource additions, management, which includes the qualified person, performs its due diligence and reviews the study of technical, economic and operating factors, as well as applicable supplemental information, including a summary of the site's geotechnical report. We maintain a database of all aggregate reserves, which is reconciled at least annually and reviewed and approved by the qualified person.

The evaluation, classification and estimation of reserves has inherent risks, including changing geotechnical, market and permitting conditions. The qualified person and management work together to assess these risks regularly and amend the reserve and resource assessments as new information becomes available.

ITEM 3. LEGAL PROCEEDINGS

SEC regulations require us to disclose certain information about proceedings arising under federal, state or local environmental provisions if we reasonably believe that such proceedings may result in monetary sanctions above a stated threshold. Pursuant to SEC regulations, we have adopted a threshold of $1.0 million for purposes of determining whether disclosure of any such proceedings is required.

For information regarding legal proceedings required by this item, see Item 8 - Note 18, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

For information regarding mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K, see Exhibit 95 to this Form 10-K, which is incorporated herein by reference.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Holders

Our common stock is listed on the New York Stock Exchange under the ticker symbol "KNF." As of February 13, 2025, our common stock was held by approximately 7,900 stockholders of record.

Dividends

We have not paid cash dividends on our common stock and do not anticipate declaring or paying dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of the board of directors and will depend on then-existing conditions, including financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors the board of directors considers relevant.

Purchases of Equity Securities by the Issuer

None.

ITEM 6.

Reserved

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with our audited consolidated financial statements and related notes included elsewhere in this Annual Report. Among other things, those financial statements include more detailed information regarding the basis of presentation for the financial data included in the following discussion. Certain percentages presented in this discussion and analysis are calculated from the underlying whole-dollar amounts and therefore may not recalculate from the rounded numbers used for disclosure purposes. This discussion contains forward-looking statements about our business, operations and industry that involve risks and uncertainties, such as statements regarding management's plans, objectives, expectations and intentions. Future results and financial condition may differ materially from those currently anticipated as a result of the factors described under the sections entitled "Forward-Looking Statements" and "Item 1A. Risk Factors."

Overview

At Knife River, we are a people-first construction materials and contracting services company. We provide construction materials and contracting services to build safe roads, bridges and airport runways, and other critical infrastructure needs that connect people with where they want to go and with the supplies they need. We also champion a positive workplace culture by focusing on safety, training, compensation and work-life balance.

We are one of the leading providers of crushed stone and sand and gravel in the United States and, as of December 31, 2024, operated through six operating segments across 14 states: Pacific, Northwest, Mountain, North Central, South and Energy Services. These operating segments are used to determine our reportable segments and are based on our method of internal reporting and management of our business, as discussed in Item 8 - Note 15. Our reportable segments are: Pacific, Northwest, Mountain, Central and Energy Services. The geographic segments primarily provide aggregates, asphalt and ready-mix concrete, as well as related contracting services such as heavy-civil construction, asphalt paving, concrete construction, site development and grading. The Energy Services segment produces and supplies liquid asphalt and related services, primarily for use in asphalt road construction.

As an aggregates-led construction materials and contracting services provider in the United States, our 1.2 billion tons of aggregate reserves provide the foundation for a vertically integrated business strategy, with

approximately 37 percent of our aggregates in 2024 being used internally to support value-added downstream products (ready-mix concrete and asphalt) and contracting services (heavy-civil construction, laydown, asphalt paving, concrete construction, site development and grading services, bridges, and in some segments the manufacturing of prestressed concrete products). Our aggregate sites and associated asphalt and ready-mix plants are primarily in strategic locations near mid-sized, high-growth markets, providing us with a transportation advantage for our materials that supports competitive pricing and increased margins. We provide our products and services to both public and private markets, with public markets tending to be more stable across economic cycles, which helps offset the cyclical nature of the private markets.

We provide various products and services and operate a variety of facility types, including aggregate quarries and mines, ready-mix concrete plants, asphalt plants and distribution facilities in the following states:

- Pacific: Alaska, California and Hawaii
- Northwest: Oregon and Washington
- Mountain: Idaho, Montana and Wyoming
- Central: Iowa, Minnesota, North Dakota, South Dakota and Texas
- Energy Services: California, Iowa, Nebraska, Oregon, South Dakota, Texas, Washington and Wyoming

The following table presents a summary of products and services provided, as well as modes of transporting those products:

	Products and Services							Modes of Transportation			
	Aggregates	Asphalt	Ready-Mix Concrete	Construction Services	Precast/ Prestressed Concrete	Liquid Asphalt	Cement	Heavy Equipment	Trucking	Rail	Barge
Pacific	X	X	X	X	X		X	X	X	X	X
Northwest	X	X	X	X	X			X	X	X	X
Mountain	X	X	X	X				X	X		
Central	X	X	X	X	X			X	X	X	
Energy Services						X			X	X	

Basis of Presentation

On May 31, 2023, we became a stand-alone publicly traded company. Prior to the Separation, we operated as a wholly owned subsidiary of Centennial and an indirect, wholly owned subsidiary of MDU Resources and not as a stand-alone company. The accompanying audited consolidated financial statements and footnotes for the periods prior to the Separation were prepared on a “carve-out” basis using a legal entity approach in conformity with GAAP and were derived from the audited consolidated financial statements of MDU Resources as if we operated on a stand-alone basis during these periods. For periods subsequent to the Separation, the financial statements are presented on a consolidated basis in conformity with GAAP. For additional information related to the basis of presentation, see Item 8 - Note 1.

Prior to the Separation, we participated in Centennial’s centralized cash management program, including its overall financing arrangements. We also had related party note agreements in place with Centennial for the financing of our capital needs. Interest expense in the Consolidated Statements of Operations, for the periods prior to the Separation, reflects the allocation of interest on the borrowings associated with the related-party note agreements. Upon the completion of the Separation, we implemented our own financing agreements with lenders. For additional information on our current debt financing, see Item 8 - Note 9.

All intercompany balances and transactions between the businesses comprising Knife River have been eliminated in the accompanying audited consolidated financial statements.

Market Conditions and Outlook

Our markets remain resilient, and construction activity remains generally strong. Approximately 80 percent of our contracting services revenue each year comes from public-sector projects, enhancing stability through market cycles. For more information on factors that may negatively impact our business, see the section entitled "Item 1A. Risk Factors."

Backlog. Contracting services backlog was as follows as of December 31:

	2024	2023	2022
		(In millions)	
Pacific	$ 100.9	$ 51.2	$ 72.2
Northwest	129.3	196.2	210.7
Mountain	339.9	256.7	313.5
Central	175.5	158.1	222.5
Total	$ 745.6	$ 662.2	$ 818.9

Backlog as of December 31, 2024, is 13 percent higher than the prior period and expected margins are comparable. Of the $745.6 million of backlog at December 31, 2024, we expect to complete an estimated $630.5 million during 2025. Approximately 86 percent of our backlog as of December 31, 2024, relates to publicly funded projects, including street and highway construction projects, which are driven primarily by public works projects for state departments of transportation. Further, there continues to be infrastructure development, which is expected to provide bidding opportunities in our markets throughout 2025.

Period-over-period increases or decreases in backlog may not be indicative of future revenues, margins, net income or EBITDA. For a discussion of EBITDA and EBITDA margin, see “Non-GAAP Financial Measures” later in this section. While we believe the current backlog of work remains firm, prolonged delays in the receipt of critical supplies and materials, among other things, could result in customers seeking to delay or terminate existing or pending agreements and could reduce expected margins. See the section entitled “Item 1A. Risk Factors” for a list of factors that can cause revenues or margins to be realized in periods and at levels that are different from originally projected.

Public Funding. Funding for public projects is dependent on federal and state funding, such as appropriations to the Federal Highway Administration. States have moved forward with allocating funds from federal programs, such as the IIJA, which is authorized to provide $1.2 trillion in funding from 2022 through 2026. As of November 2024, approximately 43 percent of IIJA formula funding has yet to be obligated to projects in our market areas. Also in 2024, six of the 14 states where we operate have passed ballot measures to increase their transportation investment. Additionally, DOT budgets in the states where we operate remain strong, which favorably affects our bidding season in early 2025. We continue to monitor the implementation and impact of these legislative items and the state DOT budgets.

Profitability. Our management team continually monitors our margins and has been proactive in applying strategies to increase margins to support our long-term profitability goals and to create shareholder value. In 2023, we began implementing EDGE initiatives and established teams to deliver training, assist with targeting higher-margin bidding opportunities across the regions and pursue growth opportunities, as well as identifying ways to increase efficiencies and reduce costs. In 2023, its first year of operation, the Materials Process Improvement Team (Materials PIT Crew) traveled to 10 locations throughout our operational footprint, visiting 67 individual aggregate, asphalt and ready-mix concrete plants. In 2024, the team traveled to eight additional locations and 58 individual plants, in addition to follow-up trips to sites visited in the prior year. The Materials PIT Crew also hosted a *Plant Equipment Best Practices* training seminar at our training center in Oregon in December of 2024. This training was attended by approximately 150 front line plant operators and maintenance personnel and was supported by our internal subject matter experts and a number of plant equipment manufacturers. Also in 2024, a broader process improvement framework was established with teams focused on standardization, commercial excellence and operational excellence, due in part to the success of the Materials PIT Crew.

Acquisitions. Our management team has also continued to evaluate growth opportunities, both through organic growth and acquisitions they believe will generate shareholder value. In 2024, we invested $131.0 million of capital to close on six acquisitions. The acquisitions include aggregate-specific purchases in key markets and expanding our ready-mix and liquid asphalt operations. In November 2024, we purchased the business of Albina Asphalt, which has operations in Washington, Oregon and California and expanded the footprint of our high-margin liquid asphalt materials product line. In December 2024, we also entered into a definitive agreement to acquire Strata Corporation, a leading construction materials and contracting services provider in North Dakota and northwestern Minnesota. The acquisition of Strata is expected to close in the first half of 2025, subject to customary closing conditions. In addition to cash on hand, we intend to use a portion of the proceeds from the issuance of a new $500 million Term Loan B facility to fund the purchase of Strata.

Workforce. As a people-first company, we continually take steps to address safety, recruitment and retention of our employees. Safety is one of our core values, and as part of our safety culture, we believe that all incidents and injuries are preventable. We continue to advance our culture of safety through engagement, and empowering our team members to take action and make meaningful changes that improve the well-being of themselves and others.

Focusing on the development and retention of our employees is key to our success. We continue to deploy resources to attract, develop and retain qualified and diverse talent. As the United States faces shortages in the availability of individuals to fill careers in our industry, we have taken significant steps to showcase construction as a career of choice.

We own and operate a state-of-the-art training facility, the Knife River Training Center, which is used corporate-wide to enhance the skills of both our new and existing employees through classroom education and hands-on experience. One of the most popular courses at the Knife River Training Center is the commercial driver's license training, which is helping to address an industry-wide labor shortage. The training facility also offers a variety of courses around leadership development for all our employees.

We employ professional instructors as part of our Training and Development team, which is based out of the Knife River Training Center. This team has a long-standing tradition of offering quality training to both frontline and leadership-level employees. In 2024, the team provided training to nearly 1,100 students through 74 separate courses. Training courses include: commercial driver’s license/new truck driver, experienced truck driver, new and experienced equipment operator, sales, leadership/facilitator development and construction industry engagement.

Consolidated Overview

Revenue includes revenue from the sale of construction materials and contracting services. Revenue for construction materials is recognized at a point in time when delivery of the products has taken place. Contracting services revenue is recognized over time using an input method based on the cost-to-cost measure of progress on a project.

Cost of revenue includes all material, labor and overhead costs incurred in the production process for our products and services. Cost of revenue also includes depreciation, depletion and amortization attributable to the assets used in the production process.

Gross profit includes revenue less cost of revenue, as defined above, and is the difference between revenue and the cost of making a product or providing a service, before deducting selling, general and administrative expenses, income taxes, interest expense and other expenses.

Selling, general and administrative expenses include the costs for estimating, bidding and business development, as well as costs related to corporate and administrative functions. Selling expenses can vary depending on the volume of projects in process and the number of employees assigned to estimating and bidding activities. Other general and administrative expenses include outside services; information technology; depreciation and amortization; training, travel and entertainment; office supplies; healthcare; allowance for expected credit losses; gains or losses on the sale of assets; expenses for the transition services agreement with MDU Resources; and other miscellaneous expenses.

Other income (expense) includes net periodic benefit costs for our benefit plan expenses, other than service costs; interest income; realized and unrealized gains and losses on our nonqualified benefit plan investments; earnings or losses on joint venture arrangements; and other miscellaneous income or expenses, including income related to the transition services agreement with MDU Resources.

Income tax expense consists of corporate income taxes related to our net income. Income taxes are presented at the corporate services level and not at the individual segments. The effective tax rate can be affected by many factors, including changes in tax laws, regulations or rates, new interpretations of existing laws or regulations and changes to our overall levels of income before income tax.

The discussion that follows focuses on the key financial measures we use to evaluate the performance of our business at the consolidated level, which include revenue, EBITDA and EBITDA margin. EBITDA and EBITDA margin are non-GAAP financial measures as these are measures of profitability used by management and our chief operating decision maker to assess operating results. For more information and reconciliations to the nearest GAAP measures, see the section entitled "Non-GAAP Financial Measures."

Comparison for the Years Ended December 31, 2024, 2023 and 2022.

Years ended December 31,	2024	2023	2022	2024 vs 2023 % change	2023 vs 2022 % change
		(In millions)			
Revenue	$ 2,899.0	$ 2,830.3	$ 2,534.7	2 %	12 %
Cost of revenue	2,329.2	2,291.4	2,173.8	2 %	5 %
Gross profit	569.8	538.9	360.9	6 %	49 %
Selling, general and administrative expenses	253.6	242.5	166.6	5 %	46 %
Operating income	316.2	296.4	194.3	7 %	53 %
Interest expense	55.2	58.1	30.1	(5)%	93 %
Other (expense) income	10.0	7.0	(5.4)	(43)%	230 %
Income before income taxes	271.0	245.3	158.8	10 %	54 %
Income taxes	69.3	62.4	42.6	11 %	46 %
Net income	$ 201.7	$ 182.9	$ 116.2	10 %	57 %
EBITDA*	$ 454.3	$ 422.0	$ 306.7	8 %	38 %
Adjusted EBITDA*	$ 463.0	$ 432.4	$ 313.4	7 %	38 %

* EBITDA and Adjusted EBITDA are non-GAAP financial measures. For more information and reconciliations to the nearest GAAP measures, see the section entitled “Non-GAAP Financial Measures.”

The following tables summarize our operating results for the years ended December 31, 2024, 2023 and 2022.

	Revenues			EBITDA[1]			EBITDA margin[1]		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	(In millions)								
Pacific	$ 493.1	$ 462.2	$ 418.1	$ 59.9	$ 56.2	$ 44.0	12.1 %	12.2 %	10.5 %
Northwest	692.4	666.1	600.2	149.8	121.1	103.9	21.6 %	18.2 %	17.3 %
Mountain	663.1	634.0	542.0	113.5	103.2	72.6	17.1 %	16.3 %	13.4 %
Central	818.1	825.0	779.8	131.6	116.6	86.6	16.1 %	14.1 %	11.1 %
Energy Services	275.7	292.3	238.4	60.2	78.1	28.3	21.8 %	26.7 %	11.9 %
Segment totals	2,942.4	2,879.6	2,578.5	515.0	475.2	335.4	17.5 %	16.5 %	13.0 %
Corporate Services and Eliminations	(43.4)	(49.3)	(43.8)	(60.7)	(53.2)	(28.7)	N.M.	N.M.	N.M.
Total	$2,899.0	$ 2,830.3	$2,534.7	$ 454.3	$ 422.0	$ 306.7	15.7 %	14.9 %	12.1 %

1 EBITDA and EBITDA margin are non-GAAP financial measures. For more information and reconciliations to the nearest GAAP measures, see the section entitled "Non-GAAP Financial Measures."

2 N.M: not meaningful

	Revenues			Gross profit			Gross margin		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	(In millions)								
Aggregates	$ 556.1	$ 547.9	$ 496.6	$ 114.3	$ 109.7	$ 69.5	20.6 %	20.0 %	14.0 %
Ready-mix concrete	655.5	653.9	609.5	106.0	101.2	85.9	16.2 %	15.5 %	14.1 %
Asphalt	441.5	452.4	427.5	68.2	61.5	41.7	15.4 %	13.6 %	9.8 %
Liquid asphalt	238.9	253.2	207.5	51.5	69.7	25.4	21.6 %	27.5 %	12.2 %
Other*	265.8	249.0	199.8	53.3	47.9	38.3	20.1 %	19.2 %	19.2 %
Contracting services	1,358.2	1,307.3	1,187.7	176.5	148.9	100.1	13.0 %	11.4 %	8.4 %
Internal sales	(617.0)	(633.4)	(593.9)	—	—	—	— %	— %	— %
Total	$2,899.0	$2,830.3	$2,534.7	$ 569.8	$ 538.9	$ 360.9	19.7 %	19.0 %	14.2 %

* Other includes cement, merchandise, fabric, spreading and other products and services that individually are not considered to be a major line of business.

	2024	2023	2022
Sales (thousands):			
Aggregates (tons)	31,832	33,637	33,994
Ready-mix concrete (cubic yards)	3,484	3,837	4,015
Asphalt (tons)	6,454	6,760	7,254
Average selling price:			
Aggregates (per ton)*	$ 17.47	$ 16.29	$ 14.61
Ready-mix concrete (per cubic yard)	$ 188.11	$ 170.42	$ 151.80
Asphalt (per ton)	$ 68.40	$ 66.92	$ 58.93

* The average selling price includes freight and delivery and other revenues.

2024 Compared to 2023

Revenue

Revenue increased $68.7 million as increased pricing added $122.9 million during the year as a result of our pricing initiatives across all product lines, except liquid asphalt. In 2024, we saw price increases of low-double-digits for ready-mix concrete, high-single-digits for aggregates and low-single digits for asphalt. Our contracting services revenue also increased in most regions, particularly in the Mountain, Northwest and Pacific regions, as we benefited from additional public-agency work and timing of projects. Partially offsetting these increases were decreased ready-mix, aggregate and asphalt sales volumes of $120.5 million, primarily due to EDGE-related initiatives of quality over quantity of work, timing of projects and lower demand for private projects. Liquid asphalt revenue decreased due to lower pricing as a result of reduced supply input costs across our market areas.

Gross Profit and Gross Margin

Gross profit improved $30.9 million while gross margin improved 70 basis points. Contracting services margins increased 160 basis points as we saw an increase in revenues along with improved bid margins and favorable project execution during the year. Also contributing to the improvement was higher margins on asphalt, aggregates and ready-mix concrete as higher sales prices outpaced costs while volumes declined as we continue to choose quality of work over quantity of work. Liquid asphalt continued to see a reduction in gross profit, as a result of lower revenues due to the pricing decrease.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $11.1 million. Our reportable segments had higher costs of $4.1 million, which was primarily related to higher payroll-related costs, largely due to additional staffing, competitive wage increases, and higher professional services. These increases were offset in part by higher asset sale gains of $3.4 million and the absence of non-cash asset impairments of $5.8 million on aggregate sites discussed in Item 8 - Note 2.

Corporate Services had increased costs of $7.0 million. The increase in costs for non-Separation related expenses totaled $7.4 million, which was primarily higher due diligence and integration costs related to corporate development and completed acquisitions of $7.5 million and higher information technology costs of $3.4 million. These costs were partially offset by lower payroll-related costs of $2.4 million, largely due to lower bonus accruals, and a reduction in insurance loss reserves at our captive insurer of $2.6 million. As a result of the Separation, we experienced higher recurring costs as a publicly traded company of $6.3 million, including payroll-related costs of $9.5 million, largely due to additional staff and stock-based compensation expenses for the management team and board of directors; information technology costs of $2.8 million; professional services of $1.8 million; and fees of $750,000 primarily related to fees on new debt issued in conjunction with the Separation, partially offset by a reduction in general corporate expenses from MDU Resources of $8.9 million. We also incurred less one-time costs of $6.5 million primarily consisting of insurance costs related to the Separation and the transition services agreement with MDU Resources.

Interest Expense

Interest expense decreased $2.9 million due primarily to lower average debt balances, offset by higher average interest rates.

Other Income (Expense)

Other income (expense) increased $3.0 million, primarily due to increased interest income on higher cash balances.

Income Tax Expense

Income tax expense increased $6.9 million corresponding with higher income before income taxes.

2023 Compared to 2022

Revenue

Revenue improved $295.6 million as increased pricing added $217.3 million across all regions and product lines, supported by demand, increased market pricing and EDGE-related pricing initiatives. We also saw increased contracting services revenue in most regions, especially in the Mountain and Northwest regions that benefited from strong demand and more available work. Higher liquid asphalt sales volumes also contributed to the increased revenue. Partially offsetting these increases were decreased asphalt, ready-mix concrete and aggregate sales volumes of $69.2 million, primarily attributable to the absence in 2023 of certain impact projects, lower internal sales volumes resulting from the strategy to target improved bid margins, project timing and the sale of non-strategic assets in southeast Texas in December 2022.

Gross Profit and Gross Margin

Gross profit improved by $178.0 million while gross margin improved 480 basis points. Higher sales prices outpacing costs across our materials product lines contributed $126.0 million in gross profit, which was largely the result of increased market pricing and EDGE-related initiatives, including operating efficiencies and pricing optimization. Higher contracting services margins contributed $48.9 million to gross profit, primarily related to improved bid margins, certain impact projects and job productivity gains. Additionally, liquid asphalt margins benefited from cost improvements and higher sales volumes.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased $75.9 million. As a result of the Separation, we experienced increased recurring costs, including payroll-related costs of $12.3 million, largely due to additional staff and stock-based compensation expense for the management team and board of directors; insurance costs of $2.8 million; and professional services of $2.6 million, which were offset in part by a reduction in general corporate expenses from MDU Resources of $7.6 million, as discussed in Item 8 - Note 1. Also, as part of the Separation, we incurred one-time costs of $10.0 million primarily related to professional services, insurance costs and the transition services agreement with MDU Resources. Further contributing to the higher selling, general and administrative costs were increased payroll-related costs of $27.7 million, due in part to higher incentive accruals across the segments based on our performance; non-cash asset impairments of $5.8 million on aggregate sites discussed in Item 8 - Note 2; absence of a gain of $6.7 million recognized in 2022 on the sale of non-strategic assets in southeast Texas; higher office expenses of $2.6 million; increased expected credit losses of $1.5 million directly associated with an increase in receivable balances over 90 days and the absence of bad debt recoveries in 2022; and higher information technology and other costs.

Interest Expense

Interest expense increased $28.0 million due primarily to higher average interest rates. Interest rates were higher as a result of settling related-party notes payable as part of the Separation and entering into new debt agreements with higher interest rates, which resulted in additional interest expense in the period of $29.5 million. Partially offsetting the increase was lower average debt balances. For additional information, see Item 8 - Notes 9 and 19.

Other Income (Expense)

Other income (expense) increased $12.4 million, due in part to improved returns on our nonqualified benefit plan investments of $5.5 million; increased interest income of $5.2 million on higher cash balances and on the cash held in escrow for the $425.0 million of senior notes issued prior to the completion of the Separation; and income resulting from the transition services agreement with MDU Resources, as discussed in Item 8 - Note 19.

Income Tax Expense

Income tax expense increased $19.8 million corresponding with higher income before income taxes.

Business Segment Financial and Operating Data

A discussion of key financial data from our business segments follows. We provide segment level information by revenue, EBITDA and EBITDA margin as these are measures of profitability used by management and our chief operating decision maker to assess operating results.

On January 1, 2025, we completed a reorganization of our operating segments, including the management of the segments, to align with our business strategy. In the first quarter of 2025, we will begin reporting our financial information under four operating segments: West, Mountain, Central and Energy Services. Under the new operating structure, the previous Pacific and Northwest operating segments will become the West operating segment and the North Central and South operating segments will become the Central operating segment.

Results of Operations – Pacific

Years ended December 31,	2024	2023	2022	2024 vs 2023 % change	2023 vs 2022 % change
		(In millions)			
Revenue	$ 493.1	$ 462.2	$ 418.1	7 %	11 %
EBITDA	$ 59.9	$ 56.2	$ 44.0	7 %	28 %
EBITDA margin	12.1%	12.2%	10.5%		

	2024	2023	2022
		(In millions)	
Revenues:			
Aggregates	$ 112.3	$ 104.8	$ 92.3
Ready-mix concrete	145.8	142.3	127.5
Asphalt	30.7	32.2	35.7
Other*	149.3	142.7	114.2
Contracting services	141.9	126.3	129.5
Internal sales	(86.9)	(86.1)	(81.1)
	$ 493.1	$ 462.2	$ 418.1

* Other includes cement, precast/prestressed concrete, merchandise, and other products that individually are not considered to be a major line of business for the segment.

2024 Compared to 2023

Our revenue increased $30.9 million in 2024. Price increases across all product lines as a result of EDGE-related initiatives and aggregate product mix contributed $36.9 million of additional revenue in 2024. We also had a $15.5 million increase in contracting services, primarily driven by large public agency-related construction projects in northern California. Partially offsetting the increased revenue was reduced volumes of $27.6 million across the remaining product lines, partly due to increased competition in the California market as well as reduced demand in marine construction.

We saw an increase in EBITDA of $3.7 million, while EBITDA margin decreased 10 basis points. The increase in EBITDA was due in part to additional gross profit in northern California's contracting services, primarily related to increased public agency-related construction projects and operational efficiencies recognized during the year. Also contributing to the increase was lower selling, general and administrative expenses of $2.3 million due to a gain of $2.2 million on equipment sales in California and the absence of a non-cash impairment in 2023 of $2.2 million on a leased aggregate site, as discussed in Item 8 - Note 2, offset in part by higher professional services. Gross profit on our construction materials decreased $4.6 million in 2024 as a result of lower volumes and higher production costs.

2023 Compared to 2022

Our revenue increased $44.1 million in 2023. This increase was across most product lines and was the result of increased prices to cover rising costs and the early stages of EDGE-related pricing implementation, as well as increased sales of higher priced products, adding $32.0 million. We saw strong cement product sales volumes to third-party customers in Alaska and strong aggregate sales volumes of $6.0 million, primarily from increased demand in Hawaii as the local economy continues to regain momentum for public and private work. Ready-mix concrete sales volumes increased in northern California as a result of an acquisition in December 2022, which were offset in part by lower sales volumes in Alaska due to fewer projects over the prior year. Partially offsetting the increased revenues was the absence in 2023 of an impact project in California of $11.2 million, which affected both contracting services workloads and asphalt volumes. Northern California experienced mild weather in the fourth quarter which also contributed to a strong finish to the year.

We saw an increase in EBITDA of $12.2 million and EBITDA margin of 170 basis points in 2023. These improvements are the direct result of increased pricing outpacing costs and strong demand, as previously discussed. We also experienced lower fuel and asphalt oil costs. Partially offsetting the increase was higher selling, general and administrative expenses of $11.6 million and lower contracting services gross profit of $1.9 million as a result of cost overruns on a project in California. The increased selling, general and administrative expenses includes higher payroll-related costs of $5.9 million, due in part to higher incentive accruals based on the our performance; a non-cash asset impairment of $2.2 million on a leased aggregate site, as discussed in Item 8 - Note 2; higher rent expense of $700,000; increased building repairs of $500,000; and other miscellaneous expenses.

Results of Operations – Northwest

Years ended December 31,	2024	2023	2022	2024 vs 2023 % change	2023 vs 2022 % change
		(In millions)			
Revenue	$ 692.4	$ 666.1	$ 600.2	4 %	11 %
EBITDA	$ 149.8	$ 121.1	$ 103.9	24 %	17 %
EBITDA margin	21.6%	18.2%	17.3%		

	2024	2023	2022
		(In millions)	
Revenues:			
Aggregates	$ 184.8	$ 189.9	$ 171.6
Ready-mix concrete	167.8	163.4	158.0
Asphalt	104.6	103.3	97.3
Other*	18.1	15.8	14.8
Contracting services	324.8	300.4	262.7
Internal sales	(107.7)	(106.7)	(104.2)
	$ 692.4	$ 666.1	$ 600.2

* Other includes merchandise, transportation services and other products that individually are not considered to be a major line of business for the segment.

2024 Compared to 2023

Our revenue increased $26.3 million in 2024, most of which was due to large public agency-related construction projects driving an increase in contracting services and asphalt sales volumes. In addition, improved pricing on ready-mix concrete and aggregates provided $38.1 million more in revenue. Offsetting the increases were a decrease

in ready-mix and aggregates sales volumes due to EDGE-related pricing initiatives and lower demand in the residential and commercial markets.

We saw an increase in both EBITDA of $28.7 million and EBITDA margin of 340 basis points. These improvements resulted from higher construction gross profit of $15.5 million due to favorable job execution, efficiencies gained at our Spokane prestress facility and more available public agency work. We also benefited from improved ready-mix concrete margins as a result of increased pricing and favorable project execution in southern Oregon and increased asphalt margins due to lower asphalt oil and variable production costs. In addition, our selling, general and administrative expenses decreased $3.0 million due to the absence of a non-cash asset impairment in 2023 of $3.6 million on an aggregate site, as discussed in Item 8 - Note 2; higher gains on the sale of equipment; lower bad debt expense of $500,000; and lower professional services, offset in part by higher payroll-related costs of $3.6 million due to additional staffing.

2023 Compared to 2022

Our revenue increased $65.9 million in 2023, largely the result of EDGE-related pricing initiatives on all product lines, which together contributed $52.0 million. In addition, higher demand for contracting services work related to public agencies and railroad projects, as well as prestress data center and other projects, accounted for an increase in revenues of $37.7 million. Partially offsetting the increases were lower sales volumes across all product lines of $22.2 million, due in large part to the timing of impact projects in 2023 and decreased demand for asphalt paving and residential work.

We saw an increase in EBITDA of $17.2 million and EBITDA margin of 90 basis points in 2023. These improvements are the result of higher sales prices outpacing costs across all product lines by $26.1 million, largely resulting from EDGE-related pricing initiatives and product mix, and lower fuel, asphalt oil and equipment costs, which were offset in part by lower volumes across all product lines. Contracting services improved $8.0 million, largely due to the strong backlog of work established and the reduction of job losses as compared to the prior year, which were offset in part by startup costs related to the new prestress facility. We also had higher selling, general and administrative expenses which includes $3.9 million of higher payroll-related costs largely related to higher wages and performance-based incentives; a non-cash asset impairment of $3.6 million on an aggregate site, as discussed in Item 8 - Note 2; and $3.0 million lower asset sale gains.

Results of Operations – Mountain

Years ended December 31,	2024	2023	2022	2024 vs 2023 % change	2023 vs 2022 % change
		(In millions)			
Revenue	$ 663.1	$ 634.0	$ 542.0	5 %	17 %
EBITDA	$ 113.5	$ 103.2	$ 72.6	10 %	42 %
EBITDA margin	17.1%	16.3%	13.4%		

	2024	2023	2022
		(In millions)	
Revenues:			
Aggregates	$ 101.8	$ 100.5	$ 83.3
Ready-mix concrete	117.1	120.5	106.7
Asphalt	120.9	112.9	93.3
Contracting services	459.0	433.0	368.7
Internal sales	(135.7)	(132.9)	(110.0)
	$ 663.1	$ 634.0	$ 542.0

2024 Compared to 2023

Our revenue increased $29.1 million in 2024, primarily from an increase in Idaho public agency construction work and airport work, which drove increases in both contracting services revenue and asphalt volumes. We also benefited from the continued implementation of our EDGE-related pricing initiative throughout all product lines, which contributed $24.6 million in additional revenue. Offsetting these increases were lower ready-mix concrete volumes of $14.4 million due to a decrease in demand for residential and commercial work, as well as lower aggregates sales volumes of $11.0 million, largely due to the timing of wind energy projects and lower internal sales from the lack of large aggregate projects in 2024.

We saw an increase in EBITDA of $10.3 million and EBITDA margin of 80 basis points in 2024. These increases are the result of higher pricing across all product lines from our EDGE-related pricing initiatives outpacing cost increases. Gross profit on contracting services and asphalt also benefited from the increase in public agency construction work and airport work, as previously mentioned. Partially offsetting the increase were lower aggregates and ready-mix concrete volumes of $4.9 million, as previously discussed. In addition, selling, general and administrative expenses increased $3.2 million, largely due the absence of asset sale gains in 2023 and higher payroll-related costs.

2023 Compared to 2022

Our revenue improved $92.0 million in 2023, 70 percent of which was derived from contracting services from strong demand for public agency, airport and commercial work throughout the region. Pricing momentum across all product lines and throughout the region contributed $40.3 million. The increased pricing was in response to rising costs, demand and growing markets, as well as the early stages of EDGE-related pricing implementation. Aggregate volumes increased in the majority of locations with Wyoming recognizing an increase due to a number of wind energy projects throughout the state and certain areas of Montana saw higher volumes due to four airport projects. Wyoming also experienced wetter weather conditions in 2023 which negatively impacted both ready-mix concrete and asphalt sales volumes, partially contributing to a $7.3 million decrease to revenue.

We saw an increase in EBITDA of $30.6 million and EBITDA margin of 290 basis points in 2023. The improvement was the result of higher contracting services revenues and margins contributing profit of $19.7 million due to strong markets for public agency, airport and commercial work, as well as cost savings and job efficiencies. Higher sales prices outpaced costs across all product lines by $11.9 million. In addition, we also experienced lower fuel and equipment costs and had higher gains on asset sales. Partially offsetting the increase was higher selling, general and administrative expenses, as a result of higher payroll-related costs of $2.4 million, including increased incentive accruals based on our performance.

Results of Operations – Central

Years ended December 31,	2024	2023	2022	2024 vs 2023 % change	2023 vs 2022 % change
		(In millions)			
Revenue	$ 818.1	$ 825.0	$ 779.8	(1)%	6 %
EBITDA	$ 131.6	$ 116.6	$ 86.6	13 %	35 %
EBITDA margin	16.1%	14.1%	11.1%		

	2024	2023	2022
		(In millions)	
Revenues:			
Aggregates	$ 157.2	$ 152.7	$ 149.4
Ready-mix concrete	224.8	227.7	217.3
Asphalt	185.3	204.0	201.2
Other*	31.7	28.8	25.0
Contracting services	432.5	447.6	426.8
Internal sales	(213.4)	(235.8)	(239.9)
	$ 818.1	$ 825.0	$ 779.8

* Other includes merchandise and other products that individually are not considered to be a major line of business for the segment.

2024 Compared to 2023

Our revenue decreased $6.9 million in 2024 as a result of lower asphalt and ready-mix concrete volumes and $15.1 million less contracting services revenues, largely due to our EDGE-related initiative of quality of work over quantity of work. The north central region also saw less contracting services work and asphalt sales volumes in 2024 related to the timing of projects with more work completed in late 2023 due to favorable weather later in the construction season. Partially offsetting the decrease in volumes was the benefit of higher prices on ready-mix concrete and asphalt of $24.4 million with the continued implementation of EDGE-related pricing initiatives. Overall, our aggregate sales volumes across the segment increased $4.7 million.

We saw an increase in EBITDA of $15.0 million and EBITDA margin of 200 basis points in 2024. These improvements are the result of increased margins across all product lines, largely due to continued EDGE-related pricing initiatives. Our contracting services work contributed an additional $4.9 million of gross profit, largely due to higher margin work, disciplined project bidding and favorable project execution. Offsetting these increases were higher selling, general and administrative expenses of $5.4 million, largely due to additional payroll-related costs of $5.7 million, due in part to additional staffing, and increased professional services fees, offset by higher gains on the sale of non-strategic assets in Texas of $2.3 million.

2023 Compared to 2022

Our revenue increased $45.2 million in 2023, as a result of higher selling prices across all product lines providing $76.1 million of additional revenue, largely due to EDGE-related pricing initiatives. Contracting services saw a benefit of $20.8 million from improved bid margins and favorable weather across the regions, a large concrete and asphalt paving job in the north central region and increased paving work in Texas. Partially offsetting these increases were lower sales volumes of $33.0 million across most product lines largely as the regions continue to target improved bid margins on projects which also impacts internal sales volumes and the absence of an impact project in South Dakota. Also, decreased ready-mix concrete and aggregates sales due to a sale of non-strategic assets in southeast Texas in December 2022 impacted revenue.

We saw an increase in EBITDA of $30.0 million and EBITDA margin of 300 basis points in 2023. The increase in EBITDA was largely due to higher sales prices across all product lines which contributed $30.0 million and higher contracting services margins of $22.5 million related to improved bid margins, impact projects and job productivity gains. The increase was offset in part by higher selling, general and administrative expenses and decreased sales volumes. Selling, general and administrative expenses increased $14.6 million, largely the absence of a gain of $6.7 million recognized in 2022 on the sale of non-strategic assets in southeast Texas; additional payroll-related costs of $6.0 million, due in part to higher incentive accruals based on our performance; and increased insurance costs of $1.4 million.

Results of Operations – Energy Services

Years ended December 31,	2024	2023	2022	2024 vs 2023 % change	2023 vs 2022 % change
		(In millions)			
Revenue	$ 275.7	$ 292.3	$ 238.4	(6)%	23 %
EBITDA	$ 60.2	$ 78.1	$ 28.3	(23)%	176 %
EBITDA margin	21.8%	26.7%	11.9%		

	2024	2023	2022
		(In millions)	
Revenues:			
Liquid asphalt	$ 238.9	$ 253.2	$ 207.5
Other*	50.6	49.3	45.2
Internal sales	(13.8)	(10.2)	(14.3)
	$ 275.7	$ 292.3	$ 238.4

* Other includes transportation services, fabric, spreading and other products that individually are not considered to be a major line of business for the segment.

2024 Compared to 2023

Our revenue decreased $16.6 million in 2024, largely due to lower pricing as a result of reduced supply input costs across our market areas. Liquid asphalt sales volumes were up 4 percent, primarily from strong demand in California and Texas, which were partially offset by decreased volumes in the Midwest due to less carryover jobs year-over-year. The acquisition of Albina during the fourth quarter of 2024 also contributed additional liquid asphalt sales volumes.

Our EBITDA decreased $17.9 million and EBITDA margin decreased 490 basis points in 2024. The decrease in EBITDA was driven by reduced market pricing bringing our margins back within a normal range and an increase in operating costs, primarily $1.5 million in plant repairs at our California terminal. Higher selling, general and administrative expenses of $735,000, largely due to higher payroll-related costs with the addition of Albina employees in the fourth quarter of 2024, also reduced EBITDA.

2023 Compared to 2022

Our revenue improved $53.9 million in 2023, largely driven by higher liquid asphalt sales volumes from additional sales opportunities across most of our primary markets, higher sales to other reportable segments and sales late in the year due to favorable weather conditions. Higher liquid asphalt sales prices also positively impacted revenue.

We saw an increase in EBITDA of $49.8 million and EBITDA margin of 1,480 basis points in 2023. This increase was primarily related to increased market pricing and higher sales volumes. Partially offsetting these increases were higher operating costs for scheduled tank repair and maintenance costs and higher selling, general and administrative expenses, primarily $1.4 million of payroll-related costs.

Corporate Services and Eliminations

Corporate Services includes all expenses related to the corporate functions of our company, as well as insurance activity of our captive insurer; interest expense on a majority of our long-term debt; interest income; and unrealized gains and losses on investments for our nonqualified benefit plans.

2024 Compared to 2023

Corporate Services had negative EBITDA of $60.7 million, or $7.5 million less EBITDA in 2024, compared to the prior year. Corporate Services had increased selling, general and administrative expenses of $7.0 million. The increase in costs for non-Separation related expenses totaled $7.4 million, which was primarily due to higher due diligence and integration costs related to corporate development and completed acquisitions of $7.5 million and higher information technology costs of $3.4 million. These costs were partially offset by lower payroll-related costs of $2.4 million, largely due to lower bonus accruals, and a reduction in insurance loss reserves at our captive insurer of $2.6 million. As a result of the Separation, we experienced higher recurring costs as a publicly traded company of $6.3 million, including payroll-related costs of $9.5 million, largely due to additional staff and stock-based compensation expenses for the management team and board of directors; information technology costs of $2.8 million; professional services of $1.8 million; and fees of $750,000 primarily related to fees on new debt issued in conjunction with the Separation, partially offset by a reduction in general corporate expenses from MDU Resources of $8.9 million. We also incurred less one-time costs of $6.5 million primarily consisting of insurance costs related to the Separation and the transition services agreement with MDU Resources.

2023 Compared to 2022

Corporate Services contributed negative EBITDA of $53.2 million, or $24.5 million less EBITDA in 2023 than the prior year. The decrease was due primarily to higher selling, general and administrative expenses of $31.8 million directly related to the Separation from MDU Resources. In 2023, we experienced increased recurring costs, including payroll-related costs of $12.3 million, largely due to additional staff and stock-based compensation expense for the management team and board of directors; professional services of $2.6 million; fees of $1.2 million, primarily related to fees on the new debt issued in conjunction with the Separation; and insurance costs of $400,000. These recurring costs were offset in part by a reduction in general corporate expenses from MDU Resources of $7.6 million, as discussed in Item 8 - Note 1. Also, as part of the Separation, we incurred one-time costs of $10.0 million primarily related to professional services, insurance costs and the transition services agreement with MDU Resources. Further contributing to higher selling, general and administrative costs were increased payroll-related costs due to higher incentive accruals based on our performance. Partially offsetting these increased costs were improved returns on our nonqualified benefit plan investments of $5.5 million.

Liquidity and Capital Resources

At December 31, 2024, we had unrestricted cash and cash equivalents of $236.8 million and working capital of $617.6 million. Working capital is calculated as current assets less current liabilities. We have a centralized cash management model and intend to use cash on hand and third-party credit facilities to fund day-to-day operations. We believe we have sufficient liquid assets, cash flows from operations and borrowing capacity to meet our financial commitments, debt obligations and anticipated capital expenditures for at least the next 12 months.

Given the seasonality of our business, we typically experience significant fluctuations in working capital needs and balances throughout the year. Working capital requirements generally increase in the first half of the year as we build up inventory and focus on preparing equipment and facilities and other start-up costs for our construction season. Working capital levels then typically decrease as the construction season winds down and we collect on receivables.

Our ability to fund our cash needs will depend on the ongoing ability to generate cash from operations and obtain debt financing with competitive rates. We rely on access to capital markets as sources of liquidity for capital requirements not satisfied by cash flows from operations, particularly in the first half of the year due to the seasonal nature of the industry. Our principal uses of cash in the future will be to fund our operations, working capital needs, capital expenditures, repayment of debt and strategic business development transactions.

Debt Financing Activities

Facility	Facility Limit	Amount Outstanding	Letters of Credit	Expiration Date
		(In millions)		
Revolving credit agreement	$ 350.0	$ —	$ 20.6	5/31/2028
Term loan A	275.0	264.7	—	5/31/2028
Senior notes	425.0	425.0	—	4/30/2031

On April 25, 2023, we issued $425.0 million of 7.75 percent senior notes due May 1, 2031, pursuant to an indenture. On May 31, 2023, we entered into a senior secured credit agreement consisting of a $275.0 million term loan and a $350.0 million revolving credit facility, each with a SOFR-based interest rate and a maturity date of May 31, 2028. Outstanding letters of credit reduce the amount available under the revolving credit agreement. In addition, in the first half of 2025 we expect to enter into a new senior secured Term Loan B facility of $500 million, increase the total commitments under our existing revolving credit facility from $350 million to $500 million and extend the maturity date of our existing senior secured credit facilities from 2028 to 2030.

In order to borrow under the debt instruments, we must be in compliance with the applicable covenants and certain other conditions, all of which we are in compliance at December 31, 2024. In the event that we do not comply with the applicable covenants and other conditions, we would be in default on our agreements and alternative sources of funding may need to be pursued and there can be no assurance that, if needed, we will be able to secure additional debt or equity financing on terms acceptable to us or at all. For additional information on our debt, see Item 8 - Note 9.

Off-Balance Sheet Arrangements

As of December 31, 2024, we had aggregate outstanding letters of credit issued under our revolving credit facility in the amount of $20.6 million. Other than these letters of credit further discussed in Item 8 - Note 18, we do not currently have any off-balance sheet arrangements that have, or are reasonably likely to have, a material impact on current or future financial conditions, results of operations or cash flows.

Capital Expenditures

We are committed to disciplined capital allocation, including reinvesting in our company to maintain fixed assets, improve operations and grow our business.

In 2024, we spent $170.5 million, compared to $124.3 million in 2023, on the replacement of depleting aggregate reserves, construction equipment, plant improvements and buildings. In 2024, we spent $132.9 million on six acquisitions, which include aggregate, ready-mix and liquid asphalt operations, and initial greenfield projects. Capital expenditures for 2024 and 2023 were funded by internally generated funds and borrowings under credit facilities.

For 2025, we have estimated capital expenditures for maintenance and improvement to be between $155 million and $215 million and approximately $522 million for the pending acquisition of Strata and organic growth projects. Capital expenditures for future acquisitions and future organic growth opportunities would be incremental to our outlined capital program; these opportunities are dependent upon economic and other competitive conditions. It is anticipated that capital expenditures for 2025 will be funded by various sources, including internally generated cash and debt. In addition to cash on hand, we intend to use a portion of the proceeds from the issuance of a new $500 million Term Loan B facility to fund the purchase of Strata. Separately, we also intend to increase the total commitments under our existing revolving credit facility from $350 million to $500 million and extend the maturity date of our existing senior secured credit facilities from 2028 to 2030.

Cash Flows

Years ended December 31,	2024	2023	2022
		(In millions)	
Net cash provided by (used in)			
Operating activities	$ 322.3	$ 335.7	$ 207.5
Investing activities	(294.8)	(117.9)	(155.9)
Financing activities	(8.7)	34.4	(55.3)
Increase (decrease) in cash, cash equivalents and restricted cash	18.8	252.2	(3.7)
Cash, cash equivalents and restricted cash – beginning of year	262.3	10.1	13.8
Cash, cash equivalents and restricted cash – end of year	$ 281.1	$ 262.3	$ 10.1

Operating activities

Years ended December 31,	2024	2023	2022
		(In millions)	
Net income	$ 201.7	$ 182.9	$ 116.2
Adjustments to reconcile net income to net cash provided by operating activities	137.4	128.8	112.4
Changes in current assets and current liabilities, net of acquisitions:			
Receivables	14.1	(54.8)	(32.5)
Due from related-party	—	16.1	(8.0)
Inventories	(44.3)	3.7	(31.0)
Other current assets	10.9	(19.6)	—
Accounts payable	7.3	33.1	17.5
Due to related-party	—	(7.3)	3.6
Other current liabilities	(4.0)	49.0	21.4
Pension and postretirement benefit plan contributions	(2.7)	(1.8)	(.4)
Other noncurrent changes	1.9	5.6	8.3
Net cash provided by operating activities	$ 322.3	$ 335.7	$ 207.5

Cash provided by operating activities for the year ended December 31, 2024, decreased $13.4 million, largely related to higher working capital needs. Cash used by working capital components increased $36.1 million in 2024. This increased usage of cash was driven largely by higher accrued compensation due in part to additional employees associated with the Separation; higher liquid asphalt and aggregate volumes as well as higher costs of aggregate inventory; timing of prepaid insurance due to Separation; the removal of all related-party balances due to the Separation; and fluctuations in the timing of payment on accounts payable. In addition, stronger collections on receivable balances during 2024 and higher net income partially offset the decrease in cash.

Cash provided by operating activities for the year ended December 31, 2023, increased $128.2 million, largely related to increased earnings in 2023 and lower working capital needs. Cash provided by working capital components totaled $20.2 million in 2023, compared to $29.0 million in 2022. This decreased usage of cash was driven largely by lower payments on operating expenses at the end of the period and decreased liquid asphalt inventory balances, partially offset by increased accounts receivable balances at the end of the year associated with higher revenues during 2023. In addition, the timing of insurance costs associated with the captive insurer had a positive impact on cash.

Investing activities

Years ended December 31,	2024	2023	2022
		(In millions)	
Capital expenditures	$ (172.4)	$ (124.3)	$ (178.2)
Acquisitions, net of cash acquired	(131.0)	—	1.7
Net proceeds from sale or disposition of property and other	12.0	8.3	22.9
Investments	(3.4)	(1.9)	(2.3)
Net cash used in investing activities	$ (294.8)	$ (117.9)	$ (155.9)

The increase in cash used in investing activities from 2024 to 2023 was primarily due to the completion of six acquisitions in 2024 and higher capital expenditures, including a liquid asphalt expansion project, aggregate reserve replacements and routine replacement of construction equipment. The increase in cash usage was offset in part by additional proceeds from asset sales, largely as a result of the sale of non-strategic assets in Texas in 2024.

The decrease in cash used in investing activities from 2023 to 2022 was primarily due to a reduction in capital expenditures for the prestress facility in Washington that was completed during the third quarter of 2023, offset in part by decreased proceeds from asset sales as a result of the sale of non-strategic assets in southeast Texas in December 2022.

Financing activities

Years ended December 31,	2024	2023	2022
		(In millions)	
Issuance of current related-party notes, net	$ —	$ —	$ 208.0
Issuance (repayment) of long-term related-party notes, net	—	205.3	(207.0)
Issuance of long-term debt	—	700.0	—
Repayment of long-term debt	(7.0)	(3.6)	(.3)
Debt issuance costs	—	(16.7)	(.8)
Tax withholding on stock-based compensation	(1.7)	—	—
Net transfers to Centennial	—	(850.6)	(55.2)
Net cash provided by (used in) financing activities	$ (8.7)	$ 34.4	$ (55.3)

The increase in cash flows used in financing activities from 2024 to 2023 was largely related to changes in our debt structure in 2023 as a result of the Separation, which included the issuance of senior notes, term loans, and a revolving credit facility and a transfer of the majority of the proceeds to Centennial. For further information, see Item 8 - Note 9.

The increase in cash flows provided by financing activities from 2023 to 2022 was largely related to the changes in debt as a result of the Separation, which included the issuance of senior notes, term loans and a revolving credit facility, and a transfer of the majority of the proceeds to Centennial.

Material Cash Requirements

For more information on our contractual obligations on long-term debt, operating leases and purchase commitments, see Item 8 - Notes 9, 10 and 18. At December 31, 2024, our material cash requirements under these obligations were as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
			(In millions)		
Long-term debt maturities[1]	$ 10.5	$ 31.1	$ 223.4	$ 425.0	$ 690.0
Estimated interest payments[2]	49.3	96.2	71.7	49.4	266.6
Operating leases	15.5	21.1	10.3	11.3	58.2
Purchase commitments	52.8	30.7	4.0	7.6	95.1
	$ 128.1	$ 179.1	$ 309.4	$ 493.3	$ 1,109.9

1 Unamortized debt issuance costs are excluded from the table.

2 Represents the estimated interest payments using our long-term debt outstanding at December 31, 2024, assuming current interest rates and consistent amounts outstanding until their respective maturity dates over the periods indicated in the table above.

Material short-term cash requirements include repayment of outstanding borrowings and interest payments on those agreements, payments on operating lease agreements, payment of obligations on purchase commitments and asset retirement obligations. At December 31, 2024, the current portion of asset retirement obligations was $7.1 million and was included in other accrued liabilities on the Consolidated Balance Sheets.

Our material long-term cash requirements include repayment of outstanding borrowings and interest payments on those agreements, payments on operating lease agreements, payment of obligations on purchase commitments and asset retirement obligations. At December 31, 2024, we had total liabilities of $59.4 million related to asset retirement obligations that are excluded from the table above. Due to the nature of these obligations, we cannot determine precisely when the payments will be made to settle these obligations. For more information, see Item 8 - Note 11.

Defined Benefit Pension Plans

Our company has noncontributory qualified defined benefit pension plans for certain employees. Plan assets consist of investments in equity and fixed income securities. Various assumptions are used in calculating the benefit expense (income) and liability (asset) related to the pension plans. Actuarial assumptions include assumptions about the discount rate and expected return on plan assets. For 2024, we assumed a discount rate of 5.4 percent and long-term rate of return on our qualified defined pension plan assets of 6.0 percent. Increased discount rates for 2024 compared to 2023 resulted in actuarial gains. Differences between actuarial assumptions and actual plan results are deferred and amortized into expense when the accumulated differences exceed 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets. Therefore, this change in asset values will be reflected in future expenses of the plans beginning in 2025. The funded status of the plans did not change significantly with the gains on the assets because the liabilities decreased as well due to the increase in the discount rate.

At December 31, 2024, the pension plans' accumulated benefit obligations exceeded the plans' assets by approximately $345,000. Pretax pension expense (income) reflected in the Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022, was $289,000, $343,000 and $10,000, respectively. Our pension expense is currently projected to be approximately $350,000 in 2025. We do not expect to make any pension plan contributions in 2025, as the plan is fully funded and is based on using a full yield curve. During 2024, we contributed $2.1 million to our pension plans which was driven by additional discretionary contributions to increase the funded status of the plans. There were no minimum required contributions for the years ended December 31, 2023 and 2022. For more information on our pension plans, see Item 8 - Note 17.

New Accounting Standards

For information regarding new accounting standards, see Item 8 - Note 2, which is incorporated herein by reference.

Critical Accounting Estimates

We have prepared our financial statements in conformity with GAAP. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Management reviews these estimates and assumptions based on historical experience, changes in business conditions and other relevant factors believed to be reasonable under the circumstances.

Critical accounting estimates are defined as estimates that require management to make assumptions about matters that are uncertain at the time the estimate was made, and changes in the estimates could have a material impact on our financial position or results of operations. Our critical accounting estimates are subject to judgments and uncertainties that affect the application of the significant accounting policies discussed in Item. 8 - Note 2. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, our financial position or results of operations may be materially different when reported under different conditions or when using different assumptions in the application of the following critical accounting estimates.

Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The recognition of revenue requires us to make estimates and assumptions that affect the reported amounts of revenue. The accuracy of revenues reported on the audited consolidated financial statements depends on, among other things, management's estimates of total costs to complete projects because we use the cost-to-cost measure of progress on contracting services contracts for revenue recognition.

To determine the proper revenue recognition method for contracts, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. For most contracts, the customer contracts with us to provide a significant service of integrating a complex set of tasks and components into a single project. Hence, our contracts are generally accounted for as one performance obligation.

We recognize contracting services revenue over time using an input method based on the cost-to-cost measure of progress for contracts because it best depicts the transfer of assets to the customer which occurs as we incur costs on the contract. Under the cost-to-cost measure of progress, the costs incurred are compared with total estimated costs of a performance obligation. Revenues are recorded proportionately to the costs incurred. This method depends largely on the ability to make reasonably dependable estimates related to the extent of progress toward completion of the contract, contract revenues, and contract costs. Since contract prices are generally set before the work is performed, the estimates pertaining to every project could contain significant unknown risks such as volatile labor, material and fuel costs, weather delays, adverse project site conditions, unforeseen actions by regulatory agencies, performance by subcontractors, job management and relations with project owners. Changes in estimates could have a material effect on our results of operations, financial position and cash flows. For the years ended December 31, 2024, 2023 and 2022, our total contracting services revenue was $1.4 billion, $1.3 billion and $1.2 billion, respectively.

Several factors are evaluated in determining the bid price for contract work. These include, but are not limited to, the complexities of the job, past history performing similar types of work, seasonal weather patterns, competition and market conditions, job site conditions, workforce safety, reputation of the project owner, availability of labor, materials and fuel, project location and project completion dates. As a project commences, estimates are continually

monitored and revised as information becomes available and actual costs and conditions surrounding the job become known. If a loss is anticipated on a contract, the loss is immediately recognized.

Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Generally, contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration of services provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and the measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue on a cumulative catch-up basis.

Our contracts for contracting services generally contain variable consideration including liquidated damages, performance bonuses or incentives, claims, unpriced change orders and penalties or index pricing. The variable amounts usually arise upon achievement of certain performance metrics or change in project scope. We estimate the amount of revenue to be recognized on variable consideration using one of the two prescribed estimation methods, the expected value method or the most likely amount method, depending on which method best predicts the most likely amount of consideration we expect to be entitled to or expect to incur. Assumptions as to the occurrence of future events and the likelihood and amount of variable consideration are made during the contract performance period, using estimates of variable consideration and assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available to management. We only include variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. Changes in circumstances could impact management's estimates made in determining the value of variable consideration recorded. When determining if the variable consideration is constrained, we consider if factors exist that could increase the likelihood or the magnitude of a potential reversal of revenue. We update our estimate of the transaction price each reporting period and the effect of variable consideration on the transaction price is recognized as an adjustment to revenue on a cumulative catch-up basis.

We believe our estimates surrounding the cost-to-cost method are reasonable based on the information that is known when the estimates are made. We have contract administration, accounting and management control systems in place that allow our estimates to be updated and monitored on a regular basis. Because of the many factors that are evaluated in determining bid prices, it is inherent that our estimates have changed in the past and will continually change in the future as new information becomes available for each job.

Business Combinations

We account for acquisitions on the audited consolidated financial statements starting from the date of the acquisition, which is the date that control is obtained. The acquisition method of accounting requires acquired assets and liabilities assumed be recorded at their respective fair values as of the date of the acquisition. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed is recorded as goodwill. The estimation of fair values of acquired assets and liabilities assumed requires significant judgment and various assumptions. Although independent appraisals may be used to assist in the determination of the fair value of certain assets and liabilities, the appraised values may be based on significant estimates provided by management. The amounts and useful lives assigned to depreciable and amortizable assets compared to amounts assigned to goodwill, which is not amortized, can affect the results of operations in the period of and periods subsequent to a business combination.

In determining fair values of acquired assets and liabilities assumed, we use various observable inputs for similar assets or liabilities in active markets and various unobservable inputs, which includes the use of valuation models. Fair values are based on various factors including, but not limited to, age and condition of property, maintenance records, auction values for equipment with similar characteristics, recent sales and listings of comparable properties, data collected from drill holes and other subsurface investigations and geologic data. We primarily use the market and cost approaches in determining the fair value of land and property, plant and equipment. A combination of the market and income approaches are used for aggregate reserves and intangibles, primarily a discounted cash flow model. Although we may engage independent third-party consultants to assist with

the valuation of aggregate reserves and intangibles, the valuations are based on significant estimates that are approved by management. The process is highly subjective and requires a large degree of management judgement. Assumptions used may vary for each specific business combination due to unique circumstances of each transaction. Assumptions may include discount rate, time period, terminal value and growth rate. The values generated from the discounted cash flow model are sensitive to the assumptions used. Inaccurate assumptions can lead to deviations from the values generated.

There is a measurement period after the acquisition date during which we may adjust the amounts recognized for a business combination. Any such adjustments are recorded in the period the adjustment is determined with the corresponding offset to goodwill. These adjustments are typically based on obtaining additional information that existed at the acquisition date regarding the assets acquired and the liabilities assumed. The measurement period ends once we have obtained all necessary information that existed as of the acquisition date, but does not extend beyond one year from the date of the acquisition. Once the measurement period has ended, any adjustments to assets acquired or liabilities assumed are recorded in income from continuing operations.

Goodwill

We perform our goodwill impairment testing annually in the fourth quarter. In addition, the test is performed on an interim basis whenever events or circumstances indicate that the carrying amount of goodwill may not be recoverable. Examples of such events or circumstances may include a significant adverse change in business climate, weakness in an industry in which our reporting units operate or recent significant cash or operating losses with expectations that those losses will continue.

We have determined that the reporting units for our goodwill impairment test are our operating segments as they constitute a business for which discrete financial information is available and for which segment management regularly reviews the operating results. Goodwill impairment, if any, is measured by comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the goodwill of the reporting unit is not impaired. If the carrying value of a reporting unit exceeds its fair value, we must record an impairment loss for the amount that the carrying value of the reporting unit, including goodwill, exceeds the fair value of the reporting unit. For the years ended December 31, 2024, 2023 and 2022, there were no impairment losses recorded. At October 31, 2024, the fair value of each of our reporting units substantially exceeded the carrying value.

Determining the fair value of a reporting unit requires judgment and the use of significant estimates, which include assumptions about our future revenue, profitability and cash flows, long-term growth rates, amount and timing of estimated capital expenditures, inflation rates, weighted average cost of capital, operational plans, and current and future economic conditions, among others. The fair value of each reporting unit is determined using a weighted combination of income and market approaches. We believe the estimates and assumptions used in our impairment assessments are reasonable and based on available market information.

A discounted cash flow methodology is used for our income approach. Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specified period and a residual value related to future cash flows beyond the projection period. Both values are discounted using a rate that reflects the best estimate of our weighted average cost of capital.

Under the market approach, we estimate fair value using various multiples derived from enterprise value to EBITDA for comparative peer companies as well as comparable market transaction multiples to EBITDA for each respective reporting unit. These multiples are applied to operating data for each reporting unit to arrive at an indication of fair value. In addition, we add a reasonable control premium when calculating the fair value utilizing the peer multiples, which is estimated as the premium that would be received in a sale in an orderly transaction between market participants.

Significant judgment is used in estimating our five-year forecast. The assumptions underlying cash flow projections are in sync as applicable with our strategy and assumptions. Future projections are heavily correlated with the current year results of operations. Future results of operations may vary due to economic and financial impacts. The long-term growth rates used in the five-year forecast are developed by management based on industry

data, management's knowledge of the industry and management's strategic plans. The long-term growth rate used was 3 percent in 2024, 2023 and 2022.

Long-Lived Assets Excluding Goodwill

Long-lived assets, which include aggregate reserves and related assets, represent 55 percent of our total assets as of December 31, 2024. We review the carrying values of our long-lived assets when events or changes in circumstances indicate that such carrying values may not be recoverable.

We test long-lived assets for impairment at a level significantly lower than that of goodwill impairment testing. Long-lived assets or groups of assets are evaluated for impairment at the lowest level of largely independent identifiable cash flows at an individual operation or group of operations collectively serving a local market.

When indications of or triggers for impairment are noted, impairment testing is completed. The impairment testing requires the use of significant estimates, judgements and uncertainties by management, which may vary from actual results. Estimates and judgements may include, among other things, whether triggering events have occurred, estimates of future cash flows, the asset's useful life, disposal activity obligations, growth and production.

The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value.

No impairment losses were recorded in 2024 or 2022. During the year ended December 31, 2023, we recognized non-cash asset impairments of $5.8 million as a result of certain aggregate sites no longer being economically feasible to mine and having no remaining value. Unforeseen events and changes in circumstances could require the recognition of impairment losses at some future date.

Non-GAAP Financial Measures

This Annual Report includes financial information prepared in accordance with GAAP, as well as EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin, as well as total segment measures, as applicable, that are considered non-GAAP measures of financial performance. These non-GAAP financial measures are not measures of financial performance under GAAP. The items excluded from these non-GAAP financial measures are significant components in understanding and assessing financial performance. Therefore, these non-GAAP financial measures should not be considered substitutes for the applicable GAAP metric.

EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin are most directly comparable to the corresponding GAAP measures of net income and net income margin We believe these non-GAAP financial measures, in addition to corresponding GAAP measures, are useful to investors by providing meaningful information about operational efficiency compared to our peers by excluding the impacts of differences in tax jurisdictions and structures, debt levels and capital investment. We believe Adjusted EBITDA and Adjusted EBITDA margin are useful performance measures because they allow for an effective evaluation of our operating performance by excluding stock-based compensation and unrealized gains and losses on benefit plan investments as they are considered non-cash and not part of our core operations. We also exclude the one-time, non-recurring costs associated with the Separation as those are not expected to continue. We believe EBITDA and Adjusted EBITDA assist rating agencies and investors in comparing operating performance across operating periods on a consistent basis by excluding items management does not believe are indicative of our operating performance. Additionally, EBITDA and Adjusted EBITDA are important financial metrics for debt investors who utilize debt to EBITDA and debt to Adjusted EBITDA ratios. We believe these non-GAAP financial measures, including total segment measures, as applicable, are useful performance measures because they provide clarity as to our operational results. Our management uses these non-GAAP financial measures in conjunction with GAAP results when evaluating our operating results internally and calculating employee incentive compensation.

EBITDA is calculated by adding back income taxes, interest expense (net of interest income) and depreciation, depletion and amortization expense to net income. EBITDA margin is calculated by dividing EBITDA by revenues. Adjusted EBITDA is calculated by adding back unrealized gains and losses on benefit plan investments, stock-based compensation and one-time Separation costs to EBITDA. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues. These non-GAAP financial measures are calculated the same for both the segment and consolidated metrics and should not be considered as alternatives to, or more meaningful than, GAAP financial measures such as net income and net income margin and are intended to be helpful supplemental financial measures for investors' understanding of our operating performance. Our non-GAAP financial measures are not standardized; therefore, it may not be possible to compare these financial measures with other companies' EBITDA, EBITDA margin, Adjusted EBITDA and Adjusted EBITDA margin measures having the same or similar names.

The following information reconciles consolidated net income to EBITDA and Adjusted EBITDA and provides the calculation of EBITDA margin and Adjusted EBITDA margin. Interest expense, net, is net of interest income that is included in other income (expense) on the Consolidated Statements of Operations.

Years ended December 31,	2024	2023	2022
		(In millions)	
Net income	$ 201.7	$ 182.9	$ 116.2
Depreciation, depletion and amortization	136.9	123.8	117.8
Interest expense, net	46.4	52.9	30.1
Income taxes	69.3	62.4	42.6
EBITDA	$ 454.3	$ 422.0	$ 306.7
Unrealized (gains) losses on benefit plan investments	(2.9)	(2.7)	4.0
Stock-based compensation expense	7.8	3.1	2.7
One-time separation costs	3.8	10.0	—
Adjusted EBITDA	$ 463.0	$ 432.4	$ 313.4
Revenue	$ 2,899.0	$ 2,830.3	$ 2,534.7
Net income margin	7.0%	6.5%	4.6%
EBITDA margin	15.7%	14.9%	12.1%
Adjusted EBITDA margin	16.0%	15.3%	12.4%

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions that are entered into in the normal course of business. We have policies and procedures to assist in controlling these market risks and from time to time have utilized derivatives to manage a portion of our risk.

Interest rate risk

As of December 31, 2024, we had $264.7 million in term loans outstanding which bear interest at a variable rate. As of December 31, 2024, the rate in effect was 6.18 percent, therefore, a hypothetical increase of 1.00 percent to the interest rate at December 31, 2024, would have increased the all-in rate to 7.18 percent, the effect of which would increase our interest expense by $2.6 million over the next 12 months based on the balances outstanding for these borrowings as of December 31, 2024.

We use fixed and variable rate long-term debt to partially finance capital expenditures, including acquisitions, and mandatory debt retirements. These debt agreements expose us to market risk related to changes in interest rates. We manage this risk by attempting to take advantage of favorable market conditions when timing the placement of long-term financing. We may take advantage of interest rate swap agreements in the future to minimize our interest rate risk. For additional information on our long-term debt, see Item 8 - Notes 8 and 9. At December 31, 2024 and 2023, we had no outstanding interest rate hedges.

Commodity price risk

We are subject to commodity price risk with respect to price changes in diesel fuel, liquid asphalt and cement. While we generally use price increases, escalation clauses in construction services contracts, fuel surcharges and purchase commitments to mitigate the impacts of higher costs, these measures may not be sufficient to offset these increased costs. For the year ended December 31, 2024, our costs associated with diesel fuel, liquid asphalt and cement were $394.7 million. Accordingly, a hypothetical 10 percent increase or decrease would have increased or decreased, respectively, our operating results over the next 12 months by $39.5 million based on the costs associated with diesel fuel, liquid asphalt and cement for the year ended December 31, 2024.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management's Report on Internal Control Over Financial Reporting

The management of Knife River Corporation is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may be inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*.

Based on our evaluation under the framework in *Internal Control-Integrated Framework (2013),* management concluded that the Company's internal control over financial reporting was effective as of December 31, 2024.

The scope of our assessment of the effectiveness of our internal control over financial reporting did not include Albina Asphalt as we acquired them on November 2, 2024. The assets acquired from Albina were 4% of consolidated assets as of December 31, 2024 and revenues were less than 1% of consolidated revenue during the year ended December 31, 2024. We excluded Albina from the scope of our assessment in accordance with the Securities and Exchange Commission's guidance that allows a recently acquired business to be omitted from the scope of the assessment for one year from the date of its acquisition.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report.

/s/ Brian R. Gray	/s/ Nathan W. Ring
Brian R. Gray	Nathan W. Ring
President and Chief Executive Officer	Vice President and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Knife River Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Knife River Corporation and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue from Contracts with Customers—Contracting Services Revenue—Refer to Notes 1, 2, 4 and 5 to the financial statements

Critical Audit Matter Description

The Company recognizes contracting services revenue over time using an input method based on the cost-to-cost measure of progress for contracts because it best depicts the transfer of assets to the customer which occurs as Knife River incurs costs on the contract. Under the cost-to-cost measure of progress, the costs incurred are compared with total estimated costs of a performance obligation. Revenues are recorded proportionately to the costs incurred. This method depends largely on the ability to make reasonably dependable estimates related to the extent of progress toward completion of the contract, contract revenues, contract costs. The accounting for these contracts involves judgment, particularly as it relates to the process of estimating total costs and profit for the performance obligation. For the year ended December 31, 2024, the Company recognized $1.4 billion of contracting services revenue.

Given the judgments necessary to estimate total costs and profit for the performance obligations used to recognize revenue for construction contracts, auditing such estimates required extensive audit effort due to the volume and complexity of construction contracts and a high degree of auditor judgment when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimates of total costs and profit for the performance obligations used to recognize revenue for contracts included the following, among others:

- We tested the operating effectiveness of management's controls over contracting services revenue, including controls over management's estimation of total costs and profit for the performance obligations.
- For certain contracts, we developed an expectation of the amount of contracting services revenue based on prior year markups, and taking into account current year events, applied to the contracting services contract costs in the current year and compared our expectation to the amount of contracting services revenue recorded by management.
- For certain contracts, we selected a sample of contracting services contracts and performed the following:
  - Evaluated whether the contracts were properly included in management's calculation of contracting services revenue based on the terms and conditions of each contract, including whether continuous transfer of control to the customer occurred as progress was made toward fulfilling the performance obligation.
  - Compared the transaction prices to the consideration expected to be received based on current rights and obligations under the contracts and any modifications that were agreed upon with the customers.
  - Tested management's identification of distinct performance obligations by evaluating whether the underlying goods and services were highly interdependent and interrelated.
  - Tested the accuracy and completeness of the costs incurred to date for the performance obligation.
  - Evaluated the estimates of total cost and profit for the performance obligation by:
    - Comparing total costs incurred to date to the costs management estimated to be incurred to date and selecting specific cost types to compare costs incurred to date to management's estimated costs at completion.
    - Evaluating management's ability to achieve the estimates of total cost and profit by performing corroborating inquiries with the Company's project managers and engineers, and comparing the estimates to management's work plans, engineering specifications, and supplier contracts.
    - Comparing management's estimates for the selected contracts to costs and profits of similar performance obligations, when applicable.

  - Tested the mathematical accuracy of management's calculation of contracting services revenue for the performance obligation.

- For certain contracts, we evaluated management's ability to estimate total costs and profits accurately by comparing actual costs and profits to management's historical estimates for performance obligations that have been fulfilled.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
February 21, 2025

We have served as the Company's auditor since 2002.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Knife River Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Knife River Corporation and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 21, 2025, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Albina Asphalt, which was acquired on November 2, 2024, and whose financial statements constitute 4% of total assets and less than 1% of revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at Albina Asphalt.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
February 21, 2025

KNIFE RIVER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

Years ended December 31,	2024	2023	2022
	(In thousands, except per share amounts)		
Revenue:			
Construction materials	**$ 1,540,749**	$ 1,523,040	$ 1,347,008
Contracting services	**1,358,256**	1,307,310	1,187,721
Total revenue	**2,899,005**	2,830,350	2,534,729
Cost of revenue:			
Construction materials	**1,147,429**	1,133,042	1,086,193
Contracting services	**1,181,747**	1,158,373	1,087,642
Total cost of revenue	**2,329,176**	2,291,415	2,173,835
Gross profit	**569,829**	538,935	360,894
Selling, general and administrative expenses	**253,635**	242,538	166,599
Operating income	**316,194**	296,397	194,295
Interest expense	**55,242**	58,096	30,121
Other income (expense)	**10,042**	7,007	(5,353)
Income before income taxes	**270,994**	245,308	158,821
Income taxes	**69,316**	62,436	42,601
Net income	**$ 201,678**	$ 182,872	$ 116,220
Net income per share:			
Basic	**$ 3.56**	$ 3.23	$ 2.05
Diluted	**$ 3.55**	$ 3.23	$ 2.05
Weighted average common shares outstanding:			
Basic	**56,607**	56,568	56,566
Diluted	**56,844**	56,668	56,566

KNIFE RIVER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended December 31,	2024	2023	2022
		(In thousands)	
Net income	**$ 201,678**	$ 182,872	$ 116,220
Other comprehensive income:			
Reclassification adjustment for loss on derivative instruments included in net income, net of tax of $0, $28 and $107 in 2024, 2023 and 2022, respectively	**—**	90	328
Pension and postretirement liability adjustment:			
Pension and postretirement liability gains arising during the period, net of tax of $567, $252 and $3,586 in 2024, 2023 and 2022, respectively	**1,709**	751	10,935
Amortization of pension and postretirement liability losses included in net periodic benefit cost, net of tax of $103, $64 and $292 in 2024, 2023 and 2022, respectively	**308**	192	875
Pension and postretirement liability adjustment	**2,017**	943	11,810
Other comprehensive income	**2,017**	1,033	12,138
Comprehensive income attributable to common stockholders	**$ 203,695**	$ 183,905	$ 128,358

KNIFE RIVER CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31,	2024	2023
	(In thousands, except shares and per share amounts)	
Assets		
Current assets:		
Cash, cash equivalents and restricted cash	**$ 281,134**	$ 262,320
Receivables, net	**267,240**	266,785
Costs and estimated earnings in excess of billings on uncompleted contracts	**31,283**	27,293
Inventories	**380,336**	319,623
Prepayments and other current assets	**27,675**	37,522
Total current assets	**987,668**	913,543
Noncurrent assets:		
Net property, plant and equipment	**1,441,700**	1,315,047
Goodwill	**297,225**	274,478
Other intangible assets, net	**29,414**	10,821
Operating lease right-of-use assets	**49,378**	44,706
Investments and other	**45,817**	41,218
Total noncurrent assets	**1,863,534**	1,686,270
Total assets	**$ 2,851,202**	$ 2,599,813
Liabilities and Stockholders' Equity		
Current liabilities:		
Long-term debt - current portion	**$ 10,475**	$ 7,082
Accounts payable	**140,834**	107,656
Billings in excess of costs and estimated earnings on uncompleted contracts	**42,126**	51,376
Accrued compensation	**50,655**	48,098
Current operating lease liabilities	**14,844**	12,948
Other taxes payable	**8,286**	9,300
Accrued interest	**5,535**	7,247
Other accrued liabilities	**97,282**	103,564
Total current liabilities	**370,037**	347,271
Noncurrent liabilities:		
Long-term debt	**666,911**	674,577
Deferred income taxes	**174,727**	174,542
Noncurrent operating lease liabilities	**34,534**	31,758
Other	**128,908**	105,653
Total liabilities	**1,375,117**	1,333,801
Commitments and contingencies		
Stockholders' equity:		
Common stock, 300,000,000 shares authorized, $0.01 par value, 57,043,841 shares issued and 56,612,705 shares outstanding at December 31, 2024; 57,009,542 shares issued and 56,578,406 shares outstanding at December 31, 2023	**570**	570
Other paid-in capital	**620,897**	614,513
Retained earnings	**867,546**	665,874
Treasury stock held at cost - 431,136 shares	**(3,626)**	(3,626)
Accumulated other comprehensive loss	**(9,302)**	(11,319)
Total stockholders' equity	**1,476,085**	1,266,012
Total liabilities and stockholders' equity	**$ 2,851,202**	$ 2,599,813

KNIFE RIVER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Equity

Years ended December 31, 2024, 2023 and 2022	Common Stock		Other Paid-In Capital	Retained Earnings	MDU Resources' Stock Held by Subsidiary		Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Shares	Amount			Shares	Amount	Shares	Amount		
					(In thousands, except shares)					
Balance at December 31, 2021	80,000	$ 800	$549,714	$430,446	(538,921)	$(3,626)	—	$ —	$ (24,490)	$ 952,844
Net income	—	—	—	116,220	—	—	—	—	—	116,220
Other comprehensive income	—	—	—	—	—	—	—	—	12,138	12,138
Net transfers to Centennial	—	—	(608)	(52,005)	—	—	—	—	—	(52,613)
Balance at December 31, 2022	80,000	$ 800	$549,106	$494,661	(538,921)	$(3,626)	—	$ —	$ (12,352)	$1,028,589
Net income	—	—	—	182,872	—	—	—	—	—	182,872
Other comprehensive income	—	—	—	—	—	—	—	—	1,033	1,033
Stock-based compensation	—	—	2,888	(37)	—	—	—	—	—	2,851
Common stock issued for board of director fees	12,192	—	702	—	—	—	—	—	—	702
Retirement of historical common stock in connection with the Separation	(80,000)	(800)	800	—	—	—	—	—	—	—
Issuance of common stock in connection with the Separation	56,997,350	570	(570)	—	—	—	—	—	—	—
Transfer of MDU Resources stock held by subsidiary	—	—	—	—	538,921	3,626	—	—	—	3,626
Receipt of treasury stock at historical cost	—	—	—	—	—	—	(431,136)	(3,626)	—	(3,626)
Net transfers from Centennial and MDU Resources including Separation adjustments	—	—	62,972	—	—	—	—	—	—	62,972
Net transfers to Centennial pre-Separation	—	—	(1,385)	(11,622)	—	—	—	—	—	(13,007)
Balance at December 31, 2023	57,009,542	$ 570	$614,513	$665,874	—	$ —	(431,136)	$(3,626)	$ (11,319)	$1,266,012
Net income	—	—	—	201,678	—	—	—	—	—	201,678
Other comprehensive income	—	—	—	—	—	—	—	—	2,017	2,017
Stock-based compensation	—	—	8,057	(6)	—	—	—	—	—	8,051
Common stock issued for employee compensation, net of tax withholding	31,298	—	(1,673)	—	—	—	—	—	—	(1,673)
Common stock issued for board of director fees	3,001	—	—	—	—	—	—	—	—	—
Balance at December 31, 2024	**57,043,841**	**$ 570**	**$620,897**	**$867,546**	**—**	**$ —**	**(431,136)**	**$(3,626)**	**$ (9,302)**	**$1,476,085**

KNIFE RIVER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31,	2024	2023	2022
		(In thousands)	
Operating activities:			
Net income	**$ 201,678**	$ 182,872	$ 116,220
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	**136,871**	123,805	117,798
Deferred income taxes	**(350)**	(1,606)	2,078
Provision for credit losses	**1,099**	2,001	538
Amortization of debt issuance costs	**2,762**	3,115	483
Stock-based compensation costs	**7,826**	2,888	1,272
Pension and postretirement benefit plan net periodic benefit cost	**1,628**	1,182	1,306
Unrealized (gains) losses on investments	**(2,918)**	(2,202)	2,525
Gains on sale of assets	**(9,215)**	(27)	(14,092)
Equity in (loss) earnings of unconsolidated affiliates	**(279)**	(286)	438
Changes in current assets and liabilities, net of acquisitions:			
Receivables	**14,061**	(54,817)	(32,506)
Due from related-party	**—**	16,050	(8,004)
Inventories	**(44,303)**	3,654	(31,033)
Other current assets	**10,907**	(19,556)	44
Accounts payable	**7,308**	33,092	17,489
Due to related-party	**—**	(7,310)	3,578
Other current liabilities	**(4,003)**	48,977	21,417
Pension and postretirement benefit plan contributions	**(2,651)**	(1,756)	(426)
Other noncurrent changes	**1,903**	5,650	8,319
Net cash provided by operating activities	**322,324**	335,726	207,444
Investing activities:			
Capital expenditures	**(172,427)**	(124,283)	(178,162)
Acquisitions, net of cash acquired	**(130,981)**	—	1,745
Net proceeds from sale or disposition of property and other	**11,996**	8,284	22,878
Investments	**(3,389)**	(1,890)	(2,339)
Net cash used in investing activities	**(294,801)**	(117,889)	(155,878)
Financing activities:			
Issuance of current related-party notes	**—**	—	208,000
Issuance (repayment) of long-term related-party notes, net	**—**	205,275	(207,007)
Issuance of long-term debt	**—**	700,000	—
Repayment of long-term debt	**(7,036)**	(3,653)	(298)
Debt issuance costs	**—**	(16,640)	(807)
Tax withholding on stock-based compensation	**(1,673)**	—	—
Net transfers to Centennial	**—**	(850,589)	(55,212)
Net cash provided by (used in) financing activities	**(8,709)**	34,393	(55,324)
Increase (decrease) in cash, cash equivalents and restricted cash	**18,814**	252,230	(3,758)
Cash, cash equivalents and restricted cash - beginning of year	**262,320**	10,090	13,848
Cash, cash equivalents and restricted cash - end of year	**$ 281,134**	$ 262,320	$ 10,090

Note 1 – Organization and Basis of Presentation

Knife River is a people-first construction materials and contracting services company. We provide construction materials and contracting services to build safe roads, bridges and airport runways and other critical infrastructure needs that connect people with where they want to go and with the supplies they need. We are one of the leading providers of crushed stone and sand and gravel in the United States and operate across 14 states. As of December 31, 2024, we conducted our operations through five reportable segments: Pacific, Northwest, Mountain, Central and Energy Services.

Separation from MDU Resources

On May 31, 2023, MDU Resources completed the previously announced separation of Knife River through the distribution of approximately 90 percent of the outstanding shares of common stock, par value $.01 per share, of Knife River to the stockholders of record of MDU Resources as of the close of business on May 22, 2023. MDU Resources retained approximately 10 percent of the outstanding shares of Knife River common stock. The Distribution was structured as a pro rata distribution of one share of Knife River common stock for every four shares of MDU Resources common stock. In November 2023, MDU Resources disposed of all 5,656,621 retained shares of Knife River common stock in an underwritten public offering. As a result of the Distribution, Knife River is now an independent public company and its common stock is listed under the symbol “KNF” on the New York Stock Exchange.

The Separation was completed pursuant to a separation and distribution agreement and other agreements with MDU Resources related to the Separation, including, but not limited to, a tax matters agreement, an employee matters agreement and a transition services agreement. For an interim period following the Separation, certain functions continued to be provided by MDU Resources under a transition services agreement. For more information on the transition services agreement, see Note 19.

Basis of Presentation

Prior to the Separation, we operated as a wholly owned subsidiary of Centennial and an indirect, wholly owned subsidiary of MDU Resources and not as a stand-alone company. The accompanying audited consolidated financial statements and footnotes for the periods prior to the Separation were prepared on a “carve-out” basis using a legal entity approach in conformity with GAAP and were derived from the audited consolidated financial statements of MDU Resources as if we operated on a stand-alone basis during these periods.

All revenues and costs as well as assets and liabilities directly associated with the business activity of Knife River are included in the financial statements. In the periods prior to the Separation, the audited consolidated financial statements include expense allocations for certain functions provided by MDU Resources and Centennial, including, but not limited to certain general corporate expenses related to senior management, legal, human resources, finance and accounting, treasury, information technology, communications, procurement, tax, insurance and other shared services. These general corporate expenses are included in the Consolidated Statements of Operations within selling, general and administrative expenses and other income (expense). The amounts allocated to us were $10.7 million and $18.0 million for the years ended December 31, 2023 and 2022, respectively. These expenses were allocated to us on the basis of direct usage when identifiable, with the remainder principally allocated on the basis of percent of total capital invested or other allocation methodologies that were considered to be a reasonable reflection of the utilization of the services provided to the benefits received, including the following: number of employees paid and stated as cost per check; number of employees served; weighted factor of travel, managed units, national account spending equipment and fleet acquisitions; purchase order dollars spent and purchase order line count; number of payments; vouchers or unclaimed property reports; labor hours; time tracked; and projected workload. The allocations may not, however, reflect the expense we would have incurred as a stand-alone company for the periods presented. These costs also may not be indicative of the expenses that we will incur in the future or would have incurred if we had obtained these services from a third party.

Prior to the Separation, we participated in Centennial's centralized cash management program, including its overall financing arrangements. Interest expense in the Consolidated Statements of Operations for the periods prior to the Separation reflects the allocation of interest on borrowing and funding associated with the related-party note agreements. Upon the completion of the Separation, we implemented our own financing agreements with lenders. For additional information on our current debt financing, see Note 9.

Related-party transactions between us and MDU Resources or Centennial for general operating activities and intercompany debt have been included in the audited consolidated financial statements for periods prior to the Separation. The cash settlement of these transactions are included in the Consolidated Statements of Cash Flows as operating or financing activities following the nature of the transactions. The aggregate net effect of related-party transactions not settled in cash as part of the Separation have been reflected in the Consolidated Balance Sheets and Statements of Stockholders' Equity within "Other paid-in capital" and within the Consolidated Statements of Cash Flows following the nature of the transactions with a majority included in the financing section. See Note 19 for additional information on related-party transactions.

Management has also evaluated the impact of events occurring after December 31, 2024, up to the date of issuance of these audited consolidated financial statements on February 21, 2025, that would require recognition or disclosure in the audited Consolidated Financial Statements.

Principles of consolidation

For all periods, the audited consolidated financial statements were prepared in accordance with GAAP and include the accounts of Knife River and our wholly owned subsidiaries. All intercompany accounts and transactions between our businesses have been eliminated in the accompanying audited consolidated financial statements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the audited consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as long-lived assets and goodwill; fair values of acquired assets and liabilities under the acquisition method of accounting; aggregate reserves; property depreciable lives; tax provisions; revenue recognized using the cost-to-cost measure of progress for contracts; expected credit losses; environmental and other loss contingencies; estimated total costs on contracting services contracts; actuarially determined benefit costs; asset retirement obligations; lease classification; present value of right-of-use assets and lease liabilities; and the valuation of stock-based compensation. These estimates are based on management's best knowledge of current events, historical experience, actions that we may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Note 2 – Significant Accounting Policies

New accounting standards

The following table provides a brief description of the accounting pronouncements applicable to us and the potential impact on our audited consolidated financial statements and/or disclosures:

Standard	Description	Standard Effective Date	Impact on financial statements/ disclosures
Recently adopted ASU's			
ASU 2023-07 - Improvements to Reportable Segment Disclosures	In November 2023, the FASB issued guidance on modifying the disclosure requirements to improve reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. The guidance also expands the interim disclosure requirements. The guidance is to be applied on a retrospective basis to the financial statements and footnotes and early adoption is permitted.	Adopted for the year ended December 31, 2024.	We updated our disclosures for the year ended December 31, 2024, to incorporate the required changes.
ASU 2023-09 - Improvements to Income Tax Disclosures	In December 2023, the FASB issued guidance on modifying the disclosure requirements to increase transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The guidance is to be applied on a prospective basis to the financial statements and footnotes, however, retrospective adoption is also permitted. The guidance also permits early adoption.	Adopted for the year ended December 31, 2024.	We updated our disclosures, which were not material, for the year ended December 31, 2024.
Recently issued ASU's not yet adopted			
ASU 2024-03 - Disaggregation of Income Statement Expenses	In November 2024, the FASB issued guidance on modifying the disclosure requirements to improve the disclosures for a public entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The guidance is to be applied either on a prospective basis to the financial statements issued for reporting periods after the effective date or on a retrospective basis to the financial statements to all prior periods presented in the financial statements. Early adoption is permitted.	Annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027.	We are currently evaluating the impact the guidance will have on our disclosures for the year ended December 31, 2027 and interim periods for fiscal year 2028.

Cash, cash equivalents and restricted cash

We consider all highly liquid investments with an original maturity of three months or less, when purchased, to be cash and cash equivalents. Restricted cash represents deposits held by our captive insurance company that is required by state insurance regulations to remain in the captive insurance company. Cash, cash equivalents and restricted cash at December 31 was comprised of:

	2024	2023
	(In thousands)	
Cash and cash equivalents	**$ 236,799**	$ 219,324
Restricted cash	**44,335**	42,996
Cash, cash equivalents and restricted cash	**$ 281,134**	$ 262,320

Business combinations

For all business combinations, we preliminarily allocate the purchase price of the acquisitions to the assets acquired and liabilities assumed based on their estimated fair values as of the acquisition dates and are considered provisional until final fair values are determined, or the measurement period has passed. We expect to record adjustments as we accumulate the information needed to estimate the fair value of assets acquired and liabilities assumed, including working capital balances, estimated fair value of identifiable intangible assets, property, plant and equipment, total consideration and goodwill. The excess of the purchase price over the aggregate fair value is recorded as goodwill. We calculated the fair value of the assets acquired in 2024 using a market or cost approach (or a combination of both). Fair values for some of the assets were determined based on Level 3 inputs including estimated future cash flows, discount rates, growth rates, sales projections, retention rates and terminal values, all of which required significant management judgment and are susceptible to change. The final fair value of the net assets acquired may result in adjustments to the assets and liabilities, including goodwill, and will be made as soon as practical, but no later than 12 months from the respective acquisition dates. Any subsequent measurement period adjustments are not expected to have a material impact on our results of operations.

Revenue recognition

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. We are considered an agent for certain taxes collected from customers. As such, we present revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

We generate revenue from contracting services and construction materials sales. We focus on the vertical integration of our contracting services with our construction materials to support the aggregate-based product lines. We provide contracting services to a customer when a contract has been approved by both the customer and a representative of Knife River, obligating a service to be provided in exchange for the consideration identified in the contract. The nature of the services provided generally include integrating a set of services and related construction materials into a single project to create a distinct bundle of goods and services, which we have determined are generally a single performance obligation. We determine the transaction price to include the fixed consideration required pursuant to the original contract price together with any additional consideration, to which we expect to be entitled to, associated with executed change orders plus the estimate of variable consideration to which we expect to be entitled, subject to the constraint discussed below.

The nature of our contracts gives rise to several types of variable consideration. Examples of variable consideration include: liquidated damages; performance bonuses or incentives and penalties; claims; unpriced change orders; and index pricing. The variable amounts usually arise upon achievement of certain performance metrics or change in project scope. We estimate the amount of revenue to be recognized on variable consideration using the most likely amount method, which best predicts the most likely amount of consideration we expect to be entitled to or expect to incur. Assumptions as to the occurrence of future events and the likelihood and amount of

variable consideration are made during the contract performance period. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on the assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available to management. We only include variable consideration in the estimated transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. Changes in circumstances could impact management's estimates made in determining the value of variable consideration recorded. When determining if the variable consideration is constrained, we consider if factors exist that could increase the likelihood or the magnitude of a potential reversal of revenue. We update our estimate of the transaction price each reporting period and the effect of variable consideration on the transaction price is recognized as an adjustment to revenue on a cumulative catch-up basis.

Contracting services revenue is recognized over time using an input method based on the cost-to-cost measure of progress on a project. We have determined this method to be appropriate for measuring revenue because the costs incurred have been determined to represent the best indication of the overall progress toward the transfer of such goods or services promised to a customer. Under the cost-to-cost measure of progress, the costs incurred are compared with total estimated costs of a performance obligation. Revenues are recorded proportionately to the costs incurred. The percentage of completion is determined on a performance obligation basis.

We also sell construction materials to external customers and internal customers. The contract for material sales is the use of a sales order or an invoice, which includes the pricing and payment terms. All material contracts contain a single performance obligation for the delivery of a single distinct product or a distinct separately identifiable bundle of products and services. Revenue is recognized at a point in time when the performance obligation has been satisfied with the delivery of the products or services. The warranties associated with the sales are those consistent with a standard warranty that the product meets certain specifications for quality or those required by law. For most contracts, amounts billed to customers are due within 30 days of receipt. There are no material obligations for returns, refunds or other similar obligations.

Receivables and allowance for expected credit losses

Receivables consist primarily of trade and contract receivables from the sale of goods and services net of expected credit losses. A majority of our receivables are due in 30 days or less. The total balance of receivables past due 90 days or more was $14.3 million and $16.7 million at December 31, 2024 and 2023, respectively. Receivables, net consisted of the following at December 31:

	2024	2023
	(In thousands)	
Trade receivables	**$ 134,480**	$ 124,134
Contract receivables	**104,547**	112,037
Retention receivables	**32,558**	36,782
Receivables, gross	**271,585**	272,953
Less expected credit loss	**4,345**	6,168
Receivables, net	**$ 267,240**	$ 266,785

Our expected credit losses are determined through a review using historical credit loss experience, changes in asset specific characteristics, current conditions and reasonable and supportable future forecasts, among other specific account data, and is performed at least quarterly. We develop and document our methodology to determine our allowance for expected credit losses. Risk characteristics we use may include customer mix, knowledge of customers and general economic conditions of the various local economies, among others. Specific account balances are written off when management determines the amounts to be uncollectible. Management has reviewed the balance reserved through the allowance for expected credit losses and believes it is reasonable.

Details of our expected credit losses were as follows:

	Pacific	Northwest	Mountain	Central	Energy Services	Total
			(In thousands)			
At December 31, 2022	$ 1,945	$ 1,253	$ 1,278	$ 901	$ 100	$ 5,477
Current expected credit loss provision	161	842	1,109	(112)	1	2,001
Less write-offs charged against the allowance	53	1,091	94	71	1	1,310
At December 31, 2023	$ 2,053	$ 1,004	$ 2,293	$ 718	$ 100	$ 6,168
Current expected credit loss provision*	379	38	35	575	72	1,099
Less write-offs charged against the allowance	575	421	1,548	372	6	2,922
At December 31, 2024	**$ 1,857**	**$ 621**	**$ 780**	**$ 921**	**$ 166**	**$ 4,345**

* Includes the impact of businesses acquired.

Inventories

Inventories at December 31 consisted of:

	2024	2023
	(In thousands)	
Finished products	**$ 252,563**	$ 225,319
Raw materials	**91,334**	61,776
Supplies and parts	**36,439**	32,528
Total	**$ 380,336**	$ 319,623

Inventories are valued at the lower of cost or net realizable value using the average cost method. Inventories include production costs incurred as part of our aggregate mining activities. These inventoriable production costs include all mining and processing costs associated with the production of aggregates. Stripping costs incurred during the production phase, which represent costs of removing overburden and waste materials to access mineral deposits, are a component of inventoriable production costs.

Property, plant and equipment

Additions to property, plant and equipment are recorded at cost. Gains or losses resulting from the retirement or disposal of assets are recognized as a component of operating income. Generally, property, plant and equipment are depreciated on a straight-line basis over the average useful lives of the assets with the exception of large marine equipment, which is computed using units-of-production.

Aggregate mining development costs are capitalized and classified as land improvements and depreciated over the lower of the estimated life of the reserves or the life of the associated improvement. We begin capitalizing development costs at a point when reserves are determined to be proven or probable and economically mineable. Capitalization of these costs ceases when production commences. The cost of acquiring reserves in connection with a business combination are valued at fair value. Aggregate reserves, from both owned and leased mining sites, are a component within property, plant and equipment and are depleted using the units-of-production method. We use proven and probable aggregate reserves as the denominator in our units-of production calculation. Exploration costs are expensed as incurred in cost of revenue and production costs are either expensed or capitalized to inventory.

Capitalized interest

The interest cost on capital projects is capitalized and included in the cost of the project. Capitalization commences in the pre-acquisition or construction stage of the project and continues until the project is substantially complete and ready for its intended use. When no debt is incurred specifically for a project, interest is capitalized using the weighted average cost of our outstanding borrowings. For the year ended December 31, 2024, the amount we capitalized into net property, plant and equipment on the Consolidated Balance Sheet was immaterial.

Impairment of long-lived assets, excluding goodwill

We review the carrying values of our long-lived assets, including mining and related assets, whenever events or changes in circumstances indicate that such carrying values may not be recoverable. We test long-lived assets for impairment at a level significantly lower than that of goodwill impairment testing. Long-lived assets or groups of assets that are evaluated for impairment at the lowest level of largely independent identifiable cash flows at an individual operation or group of operations collectively serving a local market. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value. No impairment losses were recorded in 2024 or 2022. During the year ended December 31, 2023, we recognized non-cash asset impairments of $5.8 million as a result of certain aggregate sites no longer being economically feasible to mine and having no remaining value.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination. Goodwill is required to be tested for impairment annually, which we complete in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired.

We have determined the reporting units for our goodwill impairment test are our operating segments as they each constitute a business for which discrete financial information is available and for which management regularly reviews the operating results. For more information on our operating segments, see Note 15. Goodwill impairment, if any, is measured by comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the goodwill of the reporting unit is not impaired. If the carrying value of a reporting unit exceeds its fair value, we must record an impairment loss for the amount that the carrying value of the reporting unit, including goodwill, exceeds the fair value of the reporting unit. For the years ended December 31, 2024, 2023 and 2022, there were no impairment losses recorded. Our annual goodwill impairment test was performed in the fourth quarter of 2024 and determined the fair value of each of our reporting units substantially exceeded the carrying value as of October 31, 2024.

We use a weighted average combination of both an income approach and a market approach to estimate the fair value of our reporting units for our goodwill impairment analysis. Determining the fair value of a reporting unit requires judgment and the use of significant estimates, which include assumptions about our future revenue, profitability and cash flows, amount and timing of estimated capital expenditures, inflation rates, weighted average cost of capital, operational plans, and current and future economic conditions, among others. We believe the estimates and assumptions used in our impairment assessments are reasonable and based on available market information.

Investments

Our investments include the cash surrender value of life insurance policies and insurance contracts. We measure our investment in the insurance contracts at fair value with any unrealized gains and losses recorded on the Consolidated Statements of Operations.

Government Assistance

We account for government assistance received for capital projects by reducing the cost of the project by the amount of assistance received. We record government assistance received as taxable income and write-up the tax basis of the asset to include the amount of the assistance received.

Government assistance received for the years ended December 31, 2024, 2023 and 2022, was not material.

Joint Ventures

We account for unconsolidated joint ventures using either the equity method or proportionate consolidation. As of December 31, 2024, we held an interest of 25 percent in a joint venture formed primarily for the purpose of pooling resources on construction contracts. Proportionate consolidation is used for joint ventures that include unincorporated legal entities and activities of the joint venture which are construction-related. For those joint ventures accounted for under proportionate consolidation, only our pro rata share of assets, liabilities, revenues and expenses are included in the Consolidated Balance Sheets and Consolidated Statements of Operations.

For those joint ventures accounted for using proportionate consolidation, we recorded in our Consolidated Statements of Operations revenue of $0, $4.9 million, and $9.1 million for the years ended December 31, 2024, 2023 and 2022, respectively. Also for the years ended December 31, 2024 and 2023, we reported operating losses of $3,000 and $1.9 million, respectively, and operating income of $823,000 for the year ended December 31, 2022. We had interest in assets from these joint ventures of $45,000 for both December 31, 2024 and 2023 and $912,000 as of 2022.

For joint ventures accounted for under the equity method, our investment balances for the joint ventures are included in Investments in the Consolidated Balance Sheets and our pro rata share of net income is included in Other income in the Consolidated Statements of Operations. Our investments in equity method joint ventures were a net asset of $1.9 million and $68,000 for December 31, 2024 and 2023, respectively. In 2024 and 2023, we recognized income from equity method joint ventures of $279,000 and $55,000, respectively, and a loss from equity method joint ventures of $426,000 in 2022.

Leases

The recognition of leases requires us to make estimates and assumptions that affect the lease classification and the assets and liabilities recorded. The accuracy of lease assets and liabilities reported on the audited Consolidated Financial Statements depends on, among other things, management’s estimates of interest rates used to discount the lease assets and liabilities to their present value, as well as the lease terms based on the unique facts and circumstances of each lease.

Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. We recognize leases with an original lease term of 12 months or less in income on a straight-line basis over the term of the lease and do not recognize a corresponding right-of-use asset or lease liability. We determine the lease term based on the non-cancelable and cancelable periods in each contract. The non-cancelable period consists of the term of the contract that is legally enforceable and cannot be canceled by either party without incurring a significant penalty. The cancelable period is determined by various factors that are based on who has the right to cancel a contract. If only the lessor has the right to cancel the contract, we will assume the contract will continue. If the lessee is the only party that has the right to cancel the contract, we look to asset, entity and market-based factors. If both the lessor and the lessee have the right to cancel the contract, we assume the contract will not continue.

The discount rate used to calculate the present value of the lease liabilities is based upon the implied rate within each contract. If the rate is unknown or cannot be determined, we use an incremental borrowing rate, which is determined by the length of the contract, asset class and our borrowing rates, as of the commencement date of the contract.

Insurance

Our wholly-owned captive insurance company, Spring Creek Insurance Company, which is subject to applicable insurance rules and regulations, insures our exposure related to workers' compensation, general liability and automobile liability on a primary basis. We also purchase excess coverage from unrelated insurance carriers and obtain third-party coverage for other forms of insurance including, but not limited to, excess liability, contractor's pollution liability, marine liability, directors and officers liability and employment practices liability.

Spring Creek Insurance Company establishes a reserve for estimated ultimate losses on reported claims and those incurred but not yet reported utilizing actuarial projections. The reserves are classified within other accrued liabilities or noncurrent liabilities - other on the Consolidated Balance Sheets based on projections of when the estimated loss will be paid. The estimates that are utilized to record potential losses on claims are inherently subjective, and actual claims could differ from amounts recorded, which could result in increased or decreased expense in future periods.

Additionally, we maintain a self-insurance reserve for health insurance programs offered to eligible employees, included within other accrued liabilities on the Consolidated Balance Sheets. The reserve includes an estimate for losses on reported claims as well as for amounts incurred but not yet reported, based on historical trends.

Asset retirement obligations

We record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, we capitalize a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we either settle the obligation for the recorded amount or incur a gain or loss.

Net income per share

The calculation for basic and diluted net income per share for any period presented prior to the Separation have been retrospectively adjusted to the number of shares outstanding on May 31, 2023, the Separation and Distribution date. For periods prior to the Separation, it is assumed that there are no dilutive equity instruments as there were no Knife River stock-based awards outstanding at the time.

Basic net income per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the applicable period. Diluted net income per share is computed by dividing net income by the total of the weighted average number of shares of common stock outstanding during the applicable period, plus the effect of non-vested performance share awards and restricted stock units. Weighted average common shares outstanding is comprised of issued shares of 57,043,841 less shares held in treasury of 431,136. Basic and diluted net income per share are calculated as follows, based on a reconciliation of the weighted-average common shares outstanding on a basic and diluted basis:

Years ended December 31,	2024	2023	2022
	(In thousands, except per share amounts)		
Net income	**$ 201,678**	$ 182,872	$ 116,220
Weighted average common shares outstanding - basic	**56,607**	56,568	56,566
Effect of dilutive performance share awards and restricted stock units	**237**	100	—
Weighted average common shares outstanding - diluted	**56,844**	56,668	56,566
Shares excluded from the calculation of diluted earnings per share	**—**	—	—
Net income per share - basic	**$ 3.56**	$ 3.23	$ 2.05
Net income per share - diluted	**$ 3.55**	$ 3.23	$ 2.05

Stock-based compensation

We determine compensation expense for stock-based compensation awards based on the estimated fair values at the grant date and recognize the related compensation expense over the vesting period. We use the straight-line amortization method to recognize compensation expense related to restricted stock units, which only has a service condition. This method recognizes stock compensation expense on a straight-line basis over the requisite service period for the entire award. We recognize compensation expense related to performance awards that vest based on performance metrics and service conditions on a straight-line basis over the service period. Inception-to-date expense is adjusted based upon the determination of the potential achievement of the performance target at each reporting date. We recognize compensation expense related to performance awards with market-based performance metrics on a straight-line basis over the requisite service period. Forfeitures are recognized as they occur, and expenses are adjusted on a cumulative catch-up basis at the time of any forfeitures.

Prior to the Separation, key employees participated in various stock-based compensation plans authorized and managed by MDU Resources. All awards granted under the plans were based on MDU Resources' common shares, however, we recognized the expense for our participants in our financial statements.

At the time of the Separation, each outstanding MDU Resources' time-vested restricted stock unit and performance share awards held by a Knife River employee was converted into Knife River time-vested restricted stock units. The converted awards continue to vest over the original vesting period, which is generally three years from the grant date. All performance share awards that were converted at the time of the Separation were first adjusted using a combined performance factor based on MDU Resources' actual performance as of December 31, 2022. The number of restricted stock units was determined by taking the closing per share price of MDU Resources on May 31, 2023, and dividing by the closing per share price of Knife River on June 1, 2023. The ratio used to convert the MDU Resources' stock-based compensation awards was designed to preserve the aggregate intrinsic value of the award immediately after the Separation when compared to the aggregate intrinsic value of the award immediately prior to the Separation. The existing unvested stock-based awards issued through MDU Resources' stock-based compensation plans were modified in connection with the Separation to maintain an equivalent value immediately before and after Separation. Incremental fair value for unvested awards will be recorded over the remaining vesting periods.

Income taxes

Knife River and its subsidiaries file consolidated federal income tax returns and combined and separate state income tax returns. Pursuant to the tax sharing agreement that exists between Knife River and its subsidiaries, federal income taxes paid by Knife River, as parent of the consolidated group, are allocated to the individual subsidiaries based on separate company computations of tax. However, all income tax expense is reported within the Corporate Services segment. We make a similar allocation for state income taxes paid in connection with combined state filings.

We provide deferred federal and state income taxes on all temporary differences between the book and tax basis of our assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record uncertain tax positions in accordance with accounting guidance on accounting for income taxes on the basis of a two-step process in which (1) we determine whether it is more-likely-than-not that the tax position will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of the tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Tax positions that do not meet the more-likely-than-not criteria are reflected as a tax liability. We recognize interest and penalties accrued related to unrecognized tax benefits in income taxes.

Note 3 – Acquisitions

In 2024, we acquired the assets of two separate aggregate providers, one in Oregon and one in South Dakota. The acquisitions were considered asset purchases, therefore, the purchase price was allocated to the assets acquired based on their respective fair values and no goodwill was recognized. The aggregate purchase price for these transactions was $10.3 million.

In 2024, we completed four acquisitions which were accounted for as business combinations under *ASC 805 - Business Combinations*. The business combinations included operations that expanded our aggregates, ready-mix and liquid asphalt operations in our current geographic locations. The aggregate purchase price for these acquisitions totaled $120.7 million, subject to future post-closing adjustments. The results of these acquisitions have been included in our audited consolidated financial statements beginning on the acquisition dates. Pro forma financial amounts reflecting the effects of the business combinations are not presented, as none of these business combinations, individually or in the aggregate, were material to our financial position or results of operations.

The estimated fair value of the assets acquired and liabilities assumed are preliminary, as we continue to gather information to finalize the valuation of these assets and liabilities. The fair values are considered provisional until final fair values are determined, or the measurement period has passed. We expect to record adjustments as we accumulate the information needed to estimate the fair value of assets acquired and liabilities assumed, including working capital balances, estimated fair value of identifiable intangible assets, property, plant and equipment, total consideration and goodwill. We engaged a third-party valuation firm to assist us in the analysis of the fair value of Albina Asphalt. All estimates, key assumptions, and forecasts were either provided by or reviewed by management. While we chose to utilize a third-party valuation firm, the fair value analysis and related valuations represent the conclusions of management and not the conclusions or statements of any third party.

The excess of the total purchase price over the fair value of assets acquired and liabilities assumed was allocated to goodwill. We believe that the goodwill relates to several factors, including potential synergies related to market opportunities for multiple product offerings and economies of scale expected from combining our operations with the businesses acquired. See Note 7 for further information on the amount of goodwill recognized in each segment and the amortization periods of the intangible assets identified.

The final fair value of the net assets acquired may result in adjustments to the assets and liabilities, including goodwill, and will be made as soon as practical, but no later than one year from the respective acquisition dates. However, any subsequent measurement period adjustments are not expected to have a material impact on our results of operations.

The preliminary allocation of the aggregate purchase price for these individually immaterial acquisitions during 2024 is as follows:

	2024 Acquisitions
	(In thousands)
Assets	
Current assets:	
Receivables, net	$ 13,155
Inventories	16,410
Other current assets	1,060
Total current assets	30,625
Property, plant and equipment	51,087
Noncurrent assets:	
Goodwill	22,747
Other intangible assets	21,065
Other assets	1,884
Total deferred charges and other assets	45,696
Total assets acquired	$ 127,408
Liabilities	
Current liabilities:	
Accounts payable	$ 4,060
Current operating lease liabilities	615
Other accrued liabilities	515
Total current liabilities	5,190
Noncurrent liabilities:	
Noncurrent operating lease liabilities	1,269
Other	217
Total noncurrent liabilities	1,486
Total liabilities assumed	$ 6,676
Total consideration (fair value)	$ 120,732

For the year ended December 31, 2024, we incurred acquisition costs of $7.7 million. These costs are included in selling, general and administrative expenses on the Consolidated Statement of Operations.

Note 4 – Revenue from contracts with customers

In the following table, revenue is disaggregated by category for each reportable segment. We believe this level of disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenue for contracting services is recognized over time while revenue for construction materials is recognized at a point in time. For more information on our reportable segments, see Note 15.

Presented in the following tables are the sales of materials to both third parties and internal customers. Due to consolidation requirements, the internal sales revenues must be eliminated against the construction materials product used in the contracting services to arrive at the external operating revenues.

Year ended December 31, 2024	Pacific	Northwest	Mountain	Central	Energy Services	Corporate Services	Total
				(In thousands)			
Aggregates	$ 112,343	$ 184,830	$ 101,810	$ 157,165	$ —	$ —	$ 556,148
Ready-mix concrete	145,753	167,779	117,108	224,803	—	—	655,443
Asphalt	30,651	104,655	120,827	185,305	—	—	441,438
Liquid asphalt	—	—	—	—	238,939	—	238,939
Other	149,317	18,044	36	31,734	50,585	16,104	265,820
Contracting services public-sector	101,692	249,685	360,790	410,072	—	—	1,122,239
Contracting services private-sector	40,194	75,090	98,268	22,465	—	—	236,017
Internal sales	(86,884)	(110,190)	(135,947)	(213,672)	(54,872)	(15,474)	(617,039)
Revenues from contracts with customers	$ 493,066	$ 689,893	$ 662,892	$ 817,872	$ 234,652	$ 630	$ 2,899,005

Year ended December 31, 2023	Pacific	Northwest	Mountain	Central	Energy Services	Corporate Services	Total
				(In thousands)			
Aggregates	$ 104,726	$ 189,946	$ 100,505	$ 152,691	$ —	$ —	$ 547,868
Ready-mix concrete	142,291	163,382	120,534	227,735	—	—	653,942
Asphalt	32,178	103,327	112,897	204,018	—	—	452,420
Liquid asphalt	—	—	—	—	253,196	—	253,196
Other	142,742	15,751	16	28,745	49,363	12,414	249,031
Contracting services public-sector	71,362	197,372	308,711	426,318	—	—	1,003,763
Contracting services private-sector	54,978	103,011	124,282	21,276	—	—	303,547
Internal sales	(86,115)	(109,108)	(133,328)	(235,875)	(57,373)	(11,618)	(633,417)
Revenues from contracts with customers	$ 462,162	$ 663,681	$ 633,617	$ 824,908	$ 245,186	$ 796	$ 2,830,350

Year ended December 31, 2022	Pacific	Northwest	Mountain	Central	Energy Services	Corporate Services	Total
				(In thousands)			
Aggregates	$ 92,266	$ 171,633	$ 83,343	$ 149,419	$ —	$ —	$ 496,661
Ready-mix concrete	127,569	157,951	106,654	217,335	—	—	609,509
Asphalt	35,735	97,299	93,263	201,171	—	—	427,468
Liquid asphalt	—	—	—	—	207,474	—	207,474
Other	114,079	14,844	36	24,956	45,245	618	199,778
Contracting services public-sector	81,989	173,981	249,573	412,487	—	—	918,030
Contracting services private-sector	47,497	88,713	119,136	14,345	—	—	269,691
Internal sales	(81,105)	(105,647)	(110,095)	(242,563)	(54,006)	(466)	(593,882)
Revenues from contracts with customers	$ 418,030	$ 598,774	$ 541,910	$ 777,150	$ 198,713	$ 152	$ 2,534,729

Note 5 – Uncompleted contracts

Costs, estimated earnings, and billings on uncompleted contracts at December 31 are summarized as follows:

	2024	2023
	(In thousands)	
Costs incurred on uncompleted contracts	**$ 1,300,669**	$ 1,395,603
Estimated earnings	**222,368**	208,926
Estimated revenue on uncompleted contracts	**1,523,037**	1,604,529
Less billings to date	**(1,533,880)**	(1,628,612)
Net contract liability	**$ (10,843)**	$ (24,083)

The timing of invoicing to customers does not necessarily correlate with the timing of revenues being recognized under the cost-to-cost method of accounting. Contracts from contracting services are billed as work progresses in accordance with agreed upon contractual terms. Generally, billing to the customer occurs contemporaneous to revenue recognition. A variance in timing of the billings may result in a contract asset or a contract liability. A contract asset occurs when revenues are recognized under the cost-to-cost measure of progress, which exceeds amounts billed on uncompleted contracts. Such amounts will be billed as standard contract terms allow, usually based on various measures of performance or achievement. A contract liability occurs when there are billings in excess of revenues recognized under the cost-to-cost measure of progress on uncompleted contracts. Contract liabilities decrease as revenue is recognized from the satisfaction of the related performance obligation.

Such amounts are included in the accompanying Consolidated Balance Sheets at December 31 under the following captions:

	2024	2023	Change	Location on Consolidated Balance Sheet
		(In thousands)		
Contract assets	$ 31,283	$ 27,293	$ 3,990	Costs and estimated earnings in excess of billings on uncompleted contracts
Contract liabilities	(42,126)	(51,376)	9,250	Billings in excess of costs and estimated earnings on uncompleted contracts
Net contract liabilities	$ (10,843)	$ (24,083)	$ 13,240	

	2023	2022	Change	Location on Consolidated Balance Sheet
		(In thousands)		
Contract assets	$ 27,293	$ 31,145	$ (3,852)	Costs and estimated earnings in excess of billings on uncompleted contracts
Contract liabilities	(51,376)	(39,843)	(11,533)	Billings in excess of costs and estimated earnings on uncompleted contracts
Net contract liabilities	$ (24,083)	$ (8,698)	$ (15,385)	

We recognized $50.6 million and $37.5 million in revenue for the years ended December 31, 2024 and 2023, respectively, which was previously included in contract liabilities at December 31, 2023 and 2022, respectively.

We recognized a net increase in revenues of approximately $32.6 million and $12.3 million for the years ended December 31, 2024 and 2023, respectively, from performance obligations satisfied in prior periods.

Remaining performance obligations

The remaining performance obligations, also referred to as backlog, include unrecognized revenues that we reasonably expect to be realized. These unrecognized revenues can include: projects that have a written award, a letter of intent, a notice to proceed, an agreed upon work order to perform work on mutually accepted terms and

conditions and change orders or claims to the extent management believes additional contract revenues will be earned and are deemed probable of collection. The majority of our contracts for contracting services have an original duration of less than one year.

At December 31, 2024, our remaining performance obligations were $745.6 million. We expect to recognize the following revenue amounts in future periods related to these remaining performance obligations: $630.5 million within the next 12 months; $77.2 million within the next 13 to 24 months; and $37.9 million thereafter.

Note 6 – Property, Plant and Equipment

Property, plant and equipment at December 31 was as follows:

	2024	2023	Depreciable Lives
		(In thousands)	
Land	**$ 175,313**	$ 154,475	—
Aggregate reserves	**624,280**	589,034	*
Buildings and improvements	**241,129**	216,473	15-30
Machinery, vehicles and equipment	**1,721,427**	1,590,908	3-30
Construction in progress	**43,535**	28,844	—
Less: accumulated depreciation and depletion	**1,363,984**	1,264,687	
Net property, plant and equipment	**$ 1,441,700**	$ 1,315,047	

* Depleted on the units-of-production method based on proven and probable aggregate reserves.

Total depreciation and depletion expense was $132.2 million, $119.2 million and $113.6 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 7 – Goodwill and other intangible assets

The changes in the carrying amount of goodwill were as follows:

	Balance at January 1, 2024	Goodwill Acquired During the Year	Measurement Period Adjustments	Reallocation of Goodwill	Balance at December 31, 2024
			(In thousands)		
Pacific	$ 32,621	$ 75	$ —	$ —	$ 32,696
Northwest	90,978	—	—	—	90,978
Mountain	26,816	—	—	—	26,816
North Central	75,879	735	—	—	76,614
South	38,708	—	—	—	38,708
Energy Services	9,476	21,937	—	—	31,413
Total	$ 274,478	$ 22,747	$ —	$ —	$ 297,225

	Balance at January 1, 2023	Goodwill Acquired During the Year	Measurement Period Adjustments	Reallocation of Goodwill	Balance at December 31, 2023
			(In thousands)		
Pacific	$ 38,339	$ —	$ (62)	$ (5,656)	$ 32,621
Northwest	90,978	—	—	—	90,978
Mountain	26,816	—	—	—	26,816
North Central	75,879	—	—	—	75,879
South	38,708	—	—	—	38,708
Energy Services	3,820	—	—	5,656	9,476
Total	$ 274,540	$ —	$ (62)	$ —	$ 274,478

In the fourth quarter of 2023, in connection with the reorganization of our reporting structure, a portion of the Pacific reporting unit's businesses were reorganized into the Energy Services reporting unit. As a result of the reorganization, we reallocated $5.7 million of the goodwill balance associated with the Pacific reporting unit to the Energy Services reporting unit based on the relative fair values of the Pacific reporting unit components. The estimated fair values were determined using the income approach. We reassessed the goodwill in connection with the reorganization and determined there was no impairment.

Other amortizable intangible assets at December 31, were as follows:

	Average Useful Life In Years	2024	2023
		(In thousands)	
Customer relationships	1-10	**$ 30,703**	$ 18,540
Less accumulated amortization		**11,060**	9,102
		19,643	9,438
Noncompete agreements	1-5	**3,950**	4,039
Less accumulated amortization		**3,524**	3,473
		426	566
Tradename	10	**7,470**	602
Less accumulated amortization		**124**	602
		7,346	—
Other	3-18	**3,700**	1,877
Less accumulated amortization		**1,701**	1,060
		1,999	817
Total		**$ 29,414**	$ 10,821

The previous tables include goodwill and intangible assets associated with the business combinations completed during 2024. For our acquisitions in 2024, the weighted average useful life for customer relationships was ten years, noncompete agreements was three years, tradename was ten years and other intangible assets was 11 years. For more information related to these business combinations, see Note 3.

Amortization expense for amortizable intangible assets for the years ended December 31, 2024, 2023 and 2022, was $2.5 million, $2.6 million and $2.8 million, respectively. Estimated amortization expense for identifiable intangible assets as of December 31, 2024, was:

	2025	2026	2027	2028	2029	Thereafter
			(In thousands)			
Amortization expense	$4,224	$3,947	$3,877	$3,720	$2,953	$10,693

Note 8 – Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value guidance establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the assets and liabilities measured on a recurring basis are determined using the market approach.

Financial Instruments Measured at Fair Value on a Recurring Basis

We measure our investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. We anticipate using these investments, which consist of insurance contracts, to satisfy our obligations under our unfunded, nonqualified defined benefit and defined contribution plans for our executive officers and certain key management employees, and invest in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled $28.4 million and $24.9 million as of December 31, 2024 and 2023, respectively, are classified as investments on the Consolidated Balance Sheets. The net unrealized gains on these investments for the years ended December 31, 2024 and 2023, were $2.9 million and $1.9 million, respectively. The net unrealized losses on these investments for the year ended December 31, 2022, were $2.8 million. The change in fair value, which is considered part of the cost of the plan, is classified in other income on the Consolidated Statements of Operations.

Our assets measured at fair value on a recurring basis were as follows:

	Fair Value Measurements at December 31, 2024, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
		(In thousands)		
Assets:				
Money market funds	$ —	$ 4,082	$ —	$ 4,082
Insurance contracts	—	28,377	—	28,377
Total assets measured at fair value	$ —	$ 32,459	$ —	$ 32,459

	Fair Value Measurements at December 31, 2023, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
	(In thousands)			
Assets:				
Money market funds	$ —	$ 3,241	$ —	$ 3,241
Insurance contracts	—	24,896	—	24,896
Total assets measured at fair value	$ —	$ 28,137	$ —	$ 28,137

Our Level 2 money market funds are valued at the net asset value of shares held at the end of the period, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the Level 2 insurance contracts are based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

We believe the methods used to estimate fair value are consistent with those used by other market participants. The use of other methods or assumptions could result in a different estimate of fair value.

Nonfinancial Instruments Measured at Fair Value on a Nonrecurring Basis

We apply the provisions of the fair value measurement standard to our nonrecurring, non-financial measurements, including long-lived asset impairments. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. We review the carrying value of our long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

The assets and liabilities of the acquisitions that occurred during 2024 were calculated using a market or cost approach. The fair value of some of the assets was determined based on Level 3 inputs including estimated future cash flows, discount rates, growth rates and sales projections, all of which require significant management judgment. For more information on these Level 2 and Level 3 fair value measurements, see Note 3.

Our long-term debt is not measured at fair value on the Consolidated Balance Sheets and the fair value is being provided for disclosure purposes only. The fair value was categorized as Level 2 in the fair value hierarchy and was based on discounted cash flows using current market interest rates. The estimated fair value of our Level 2 long-term debt was as follows:

	December 31, 2024	December 31, 2023
	(In thousands)	
Carrying amount	**$ 689,950**	$ 696,985
Fair value	**$ 707,853**	$ 725,086

The carrying amounts of our remaining financial instruments included in current assets and current liabilities approximate their fair values.

Note 9 – Debt

Certain debt instruments of ours contain restrictive and financial covenants and cross-default provisions. In order to borrow under the debt instruments, we must be in compliance with the applicable covenants and certain other conditions, all of which management believes we, as applicable, were in compliance with at December 31, 2024. In the event we do not comply with the applicable covenants and other conditions, we would be in default on our agreements and alternative sources of funding may need to be pursued.

Long-term Debt Outstanding Long-term debt outstanding was as follows:

	Weighted Average Interest Rate at December 31, 2024	December 31, 2024	December 31, 2023
		(In thousands)	
Term loan agreement due on May 31, 2028	6.18 %	**$ 264,688**	$ 271,562
Senior notes due on May 1, 2031	7.75 %	**425,000**	425,000
Other notes due on January 1, 2061	— %	**262**	423
Less unamortized debt issuance costs		**12,564**	15,326
Total long-term debt		**677,386**	681,659
Less current maturities		**10,475**	7,082
Net long-term debt		**$ 666,911**	$ 674,577

Senior Notes

On April 25, 2023, we issued $425.0 million of 7.75 percent senior notes due May 1, 2031, pursuant to an indenture.

Term Loan and Revolving Credit Facility

On May 31, 2023, we entered into a five-year secured credit agreement, which provides for a $275.0 million term loan and a $350.0 million revolving credit facility. As of December 31, 2024, we had no borrowings outstanding under the revolving credit facility and had a borrowing capacity of $329.4 million under the revolving credit facility, which is net of $20.6 million of outstanding letters of credit.

The secured credit agreement bears interest equal to, at our option, either (i) a base rate determined by reference to the highest of (a) the prime rate, (b) the federal funds rate plus 0.50 percent, and (c) SOFR plus 1.10 percent, plus an applicable margin of 0.75 percent to 1.50 percent, based upon our leverage ratio, for base rate loans or (ii) a SOFR rate determined by the interest period relevant to such borrowing plus an applicable margin of 1.75 percent to 2.50 percent, based upon our leverage ratio. We will incur a quarterly commitment fee on the undrawn portion of the revolving credit facility of 0.25 percent to 0.50 percent, based on our leverage ratio.

The term loan has a mandatory annual amortization of 2.50 percent for years one and two, 5.00 percent for years three and four, and 7.50 percent in the fifth year. The agreement contains customary covenants and provisions, including a covenant of us not to permit, at any time, the ratio of total debt to trailing twelve month Adjusted EBITDA, as defined by the agreement, to be greater than 4.75 to 1.00. The agreement also contains an interest coverage ratio covenant stating that our trailing twelve month Adjusted EBITDA, as defined by the agreement, to interest expense is to be no less than 2.25 to 1.00. The covenants also include restrictions on the sale of certain assets, loans and investments.

Schedule of Debt Maturities Long-term debt maturities, which excludes unamortized debt issuance costs, for the five years and thereafter following December 31, 2024, were as follows:

	2025	2026	2027	2028	2029	Thereafter
	(In thousands)					
Long-term debt maturities	$ 10,475	$ 13,850	$ 17,187	$ 223,438	$ —	$ 425,000

Note 10 – Leases

Most of the leases we enter into are for equipment, buildings and vehicles as part of our ongoing operations. We determine if an arrangement contains a lease at inception of a contract and account for all leases in accordance with ASC 842 - *Leases*.

Lessee accounting

The leases we have entered into as part of our ongoing operations are considered operating leases and are recognized on the Consolidated Balance Sheets as operating lease right-of-use assets, current operating lease liabilities and noncurrent operating lease liabilities. The corresponding lease costs are included in cost of revenue and selling, general and administrative expenses on the Consolidated Statements of Operations.

Generally, the leases for vehicles and equipment have a term of five years or less and buildings have a longer term of up to 35 years or more. To date, we do not have any residual value guarantee amounts probable of being owed to a lessor, financing leases or material agreements with related parties.

The following tables provide information on operating leases at and for the years ended December 31:

	2024	2023	2022
		(In thousands)	
Lease costs:			
Operating lease cost	**$ 18,844**	$ 18,199	$ 17,941
Variable lease cost	**337**	383	98
Short-term lease cost	**56,373**	53,987	55,871
Total lease costs	**$ 75,554**	$ 72,569	$ 73,910

	2024	2023
	(Dollars in thousands)	
Weighted average remaining lease term	**1.95 years**	1.62 years
Weighted average discount rate	**5.65 %**	5.13 %
Cash paid for amounts included in the measurement of lease liabilities	**$ 18,844**	$ 18,199

The reconciliation of future undiscounted cash flows to operating lease liabilities presented on the Consolidated Balance Sheet at December 31, 2024, was as follows (in thousands):

2025	$ 15,478
2026	12,006
2027	9,082
2028	6,478
2029	3,901
Thereafter	11,301
Total	58,246
Less discount	8,868
Total operating lease liabilities	$ 49,378

Note 11 – Asset Retirement Obligations

We have asset retirement obligations, which are liabilities associated with our legally required obligations to reclaim owned and leased aggregate properties, asphalt plant sites, ready-mix plant sites and other properties. For the years ended December 31, 2024 and 2023, the current portion of our liability, which is included in other accrued liabilities, was $7.1 million and $6.9 million, respectively. The noncurrent amount, which is included in other liabilities, was $52.3 million and $34.9 million, respectively. Total accretion and depreciation expenses for the years ended December 31, 2024, 2023 and 2022, were $3.4 million, $2.6 million and $2.1 million, respectively, and are included in cost of revenue on the Consolidated Statements of Operations. A reconciliation of our liability for the years ended December 31 was as follows:

	2024	2023
	(In thousands)	
Balance at beginning of year	**$ 41,782**	$ 37,361
Revisions in estimated cash flows	**12,929**	4,269
Liabilities incurred	**3,509**	921
Liabilities settled	**(999)**	(2,726)
Accretion expense	**2,209**	1,957
Balance at end of year	**$ 59,430**	$ 41,782

Note 12 – Stock-Based Compensation

Periods Prior to the Separation

Prior to the Separation, certain key employees participated in stock-based compensation plans sponsored by MDU Resources. Under these plans, employees were granted time-vested restricted stock units and performance share awards. The shares vest over three years, contingent on continued employment. As previously discussed in Note 2, the outstanding restricted stock units and performance share awards granted to our employees were converted to restricted stock units of Knife River at the time of the Separation.

Prior to the Separation, stock-based compensation expense in the Consolidated Statements of Operations is representative of those employees of Knife River. Additionally, stock-based compensation expense was allocated to Knife River for corporate employees of MDU Resources. This stock-based compensation expense was allocated using a proportional cost allocation method and is included as a component of corporate allocations for periods prior to the Separation. The amounts presented for the periods prior to the Separation are not necessarily indicative of future awards and do not necessarily reflect the costs that we would have incurred as an independent company.

Periods Post Separation

At the time of the Separation, each outstanding MDU Resources' time-vested restricted stock unit and performance share award held by a Knife River employee was converted into Knife River time-vested restricted stock units. The conversion of the stock and the fair value of the awards was determined using the policies described in Note 2. As a result of the award modification, we will incur $185,000 of incremental stock-based compensation expense. Of this amount, $53,000 and $88,000 was recognized during the years ended December 31, 2024 and 2023, respectively, and approximately $44,000 will be recognized in 2025. There was no incremental compensation expense incurred related to the performance share awards.

Effective June 1, 2023, we established a stock-based compensation plan under which we are currently authorized to grant 2.5 million restricted stock units and other stock awards. As of December 31, 2024, there were 2.4 million shares available to grant under this plan. Shares are either purchased on the open market or new shares of common stock are issued to satisfy the vesting of stock-based awards.

The following table summarizes stock-based compensation expense recorded in selling, general and administrative expense on the Consolidated Statements of Operations:

Years ended December 31,	2024	2023	2022
		(In thousands)	
Restricted stock units	$ 4,384	$ 2,921	$ 1,272
Performance share awards	2,915	—	—
Tax benefit associated with stock-based compensation	2,933	1,219	288

As of December 31, 2024, total remaining unrecognized compensation expense related to stock-based compensation was approximately $11.1 million (before income taxes), which will be amortized over a weighted average period of 1.8 years.

For the year ended December 31, 2024, the following summarizes the activity of the performance share awards and restricted stock units.

	Performance Share Awards		Restricted Stock Units	
	Number of Shares	Weighted Average Grant-Date Fair Value	Number of Shares	Weighted Average Grant-Date Fair Value
Nonvested at the beginning of period	—	$ —	221,217	$ 38.67
Granted	101,688	85.99	68,859	73.02
Vested shares	—	—	(67,656)	37.00
Nonvested at end of period	101,688	$ 85.99	222,420	$ 49.82

Restricted Stock Units

During the year ended December 31, 2024, we granted 68,859 restricted stock units to certain executive officers, employees and members of our board of directors. The restricted stock units generally vest over three years, contingent on continued employment for employees, and over one year for our board of directors. We use the straight-line amortization method to recognize compensation expense related to restricted stock units, which only has a service condition. The fair value of all restricted stock units is based on the market value of our stock on the date of grant.

The weighted average grant-date fair value per share for the restricted stock units granted in 2024 and 2023 was $73.02 and $39.57, respectively. The total fair value of restricted stock units that vested during the years ended December 31, 2024 and 2023, was $2.5 million and $2.0 million, respectively.

Performance Share Awards

During the year ended December 31, 2024, we granted 101,688 performance share awards to certain executive officers and employees. The performance share awards vest over three years, contingent on continued employment for employees, and are tied to either a market condition or performance metric. We recognize compensation expense related to performance share awards with performance-based metrics on a straight-line basis over the requisite service period.

Under the performance metric for these performance share awards, participants may earn from zero to 200 percent of the apportioned target grant of shares. The performance metric is based on adjusted EBITDA margin growth. The weighted average grant-date fair value per share granted in 2024 was $72.14.

Under the market condition for these performance share awards, participants may earn from zero to 200 percent of the apportioned target grant of performance share awards based on our total stockholder return relative to that of the selected peer group. Compensation expense was based on the grant-date fair value as determined by Monte Carlo simulation. The blended volatility term structure ranges are comprised of 50 percent historical volatility and 50 percent implied volatility. Risk-free interest rates were based on U.S. Treasury security rates in effect as of the grant date. Assumptions used for grants applicable to the market condition for shares granted in 2024 were:

	2024
Weighted average grant date fair value	$99.83
Blended volatility range	35.84 % - 39.82 %
Risk-free interest rate range	4.62 % - 5.30 %

Note 13 – Accumulated other comprehensive loss

The after-tax changes in the components of accumulated other comprehensive loss were as follows:

	Net Unrealized Loss on Derivative Instruments Qualifying as Hedges	Postretirement Liability Adjustment	Total Accumulated Other Comprehensive Loss
		(In thousands)	
At December 31, 2022	$ (90)	$ (12,262)	$ (12,352)
Other comprehensive income before reclassifications	—	751	751
Amounts reclassified from accumulated other comprehensive loss	90	192	282
Net current-period other comprehensive income	90	943	1,033
At December 31, 2023	—	(11,319)	(11,319)
Other comprehensive income before reclassifications	—	1,709	1,709
Amounts reclassified from accumulated other comprehensive loss	—	308	308
Net current-period other comprehensive income	—	2,017	2,017
At December 31, 2024	**$ —**	**$ (9,302)**	**$ (9,302)**

The following amounts were reclassified out of accumulated other comprehensive loss into net income. The amounts presented in parentheses indicate a decrease to net income on the Consolidated Statements of Operations. The reclassifications for the years ended December 31 were as follows:

	2024	2023	2022	Location on Consolidated Statements of Operations
		(In thousands)		
Reclassification adjustment for loss on derivative instruments included in net income	**$ —**	$ (118)	$ (435)	Interest expense
	—	28	107	Income taxes
	—	(90)	(328)	
Amortization of postretirement liability losses included in net periodic benefit cost	**(411)**	(256)	(1,167)	Other income
	103	64	292	Income taxes
	(308)	(192)	(875)	
Total reclassifications	**$ (308)**	$ (282)	$ (1,203)	

Note 14 – Cash flow information

Cash expenditures for interest and income taxes for the years ended December 31 were as follows:

	2024	2023	2022
		(In thousands)	
Interest paid, net	**$ 56,916**	$ 54,925	$ 28,148
Income taxes paid, net	**$ 62,181**	$ 76,689	$ 21,186

Noncash investing and financing transactions at December 31 were as follows:

	2024	2023	2022
		(In thousands)	
Property, plant and equipment additions in accounts payable	**$ 22,167**	$ 12,672	$ 13,965
Right-of-use assets obtained in exchange for new operating lease liabilities	**$ 20,777**	$ 14,967	$ 11,763
Equity contribution from Centennial related to the Separation	**$ —**	$ 64,724	$ —
Equity contribution to MDU Resources for asset/liability transfers related to the Separation	**$ —**	$ (1,537)	$ —
MDU Resources' stock issued in connection with a business combination	**$ —**	$ 383	$ 7,304
Accrual for holdback payment related to a business combination	**$ —**	$ —	$ 70

Note 15 – Business segment data

We focus on the vertical integration of our products and services by offering customers a single-source for construction materials and related contracting services. We operate in 14 states across the United States. Our operating segments include: Pacific, Northwest, Mountain, North Central, South and Energy Services. The operating segments are used to determine our reportable segments and are based on our method of internal reporting and management of the business. As of December 31, 2024, our reportable segments were: Pacific, Northwest, Mountain, Central and Energy Services. Our reportable segments are aligned by key geographic areas due to the production of construction materials and related contracting services and one of which is based on product line.

Each segment is led by a segment manager that reports to our chief operating officer. The chief executive officer and the chief operating officer are considered our chief operating decision maker. Our chief operating decision maker uses EBITDA to evaluate the performance of the segments, perform analytical comparisons to budget and uses historical and projected EBITDA to allocate resources, including capital allocations.

Each geographic segment offers a vertically integrated suite of products and services, including aggregates, ready-mix concrete, asphalt, and contracting services, while the Energy Services segment produces and supplies liquid asphalt, primarily for use in asphalt road construction, and is a supplier to some of the other segments. Each geographic segment mines, processes, and sells construction aggregates (crushed stone and sand and gravel); produces and sells asphalt; and produces and sells ready-mix concrete as well as vertically integrating our contracting services to support the aggregate based product lines including heavy-civil construction, asphalt and concrete paving, and site development and grading. Although not common to all locations, the geographic segments also sell cement, merchandise and other building materials and related services.

Corporate Services represents the unallocated costs of certain corporate functions, such as accounting, legal, treasury, information technology, human resources; and other corporate expenses that support the operating segments and is excluded from our segment results. Corporate Services also includes an immaterial amount of external revenue from the Knife River Training Center. We account for intersegment sales and transfers as if the sales or transfers were to third parties. The accounting policies applicable to each segment are consistent with those used in the audited consolidated financial statements.

The information below follows the same accounting policies as described in Note 2. Information on our segments as of December 31, and for the years then ended was as follows:

For the year ended December 31, 2024	Pacific	Northwest	Mountain	Central	Energy Services	Total
			(In thousands)			
Revenues from external customers	$ 493,066	$ 689,893	$ 662,892	$ 817,872	$ 234,652	$ 2,898,375
Intersegment revenues	86,884	110,190	135,947	213,672	54,872	601,565
Total segment revenue	579,950	800,083	798,839	1,031,544	289,524	3,499,940
Other revenues[1]						16,104
Less: Elimination of intersegment revenue						617,039
Total consolidated revenue						$ 2,899,005
Cost of revenue excluding depreciation, depletion and amortization	480,142	604,177	652,066	843,977	219,255	
Selling, general and administrative expenses excluding depreciation, depletion and amortization	39,284	45,430	33,377	56,460	10,207	
Other segment items[2]	(625)	(706)	108	502	104	
Total segment EBITDA	$ 59,899	$ 149,770	$ 113,504	$ 131,609	$ 60,166	$ 514,948
Consolidated income before income taxes						$ 270,994
Plus:						
Depreciation, depletion and amortization						136,871
Interest expense, net[3]						46,409
Less unallocated amounts:						
Other corporate revenue						630
Other corporate expenses						(61,304)
Total segment EBITDA						$ 514,948
Capital Expenditures	$ 32,641	$ 58,771	$ 48,322	$ 55,365	$ 117,730	$ 312,829
Assets	$ 451,050	$ 825,408	$ 355,078	$ 706,795	$ 252,130	$ 2,590,461
Other assets						4,560,924
Elimination of intercompany receivables and investment in subsidiaries						4,300,183
Total consolidated assets						$ 2,851,202

1 Other revenues is comprised of revenue included within our corporate services.
2 Other segment items is comprised of other income (expense) items on the income statement.
3 Interest expense, net is interest expense net of interest income.

Year ended December 31, 2023	Pacific	Northwest	Mountain	Central	Energy Services	Total
			(In thousands)			
Revenues from external customers	$ 462,162	$ 663,681	$ 633,617	$ 824,908	$ 245,186	$ 2,829,554
Intersegment revenues	86,115	109,108	133,328	235,875	57,373	621,799
Total segment revenue	548,277	772,789	766,945	1,060,783	302,559	3,451,353
Other revenues[1]						12,414
Elimination of intersegment revenue						633,417
Total consolidated revenue						$ 2,830,350
Cost of revenue excluding depreciation, depletion and amortization	449,853	603,178	633,596	893,412	214,668	
Selling, general and administrative expenses excluding depreciation, depletion and amortization	41,584	47,913	30,264	51,049	9,809	
Other segment items[2]	(634)	(600)	57	331	42	
Total segment EBITDA	$ 56,206	$ 121,098	$ 103,142	$ 116,653	$ 78,124	$ 475,223
Consolidated income before income taxes						245,308
Plus:						
Depreciation, depletion and amortization						123,805
Interest expense, net[3]						52,891
Less unallocated amounts:						
Other corporate revenue						796
Other corporate expenses						(54,015)
Total segment EBITDA						$ 475,223
Capital Expenditures	$ 21,512	$ 31,653	$ 25,506	$ 39,302	$ 4,099	$ 122,072
Assets	$ 432,820	$ 781,640	$ 315,661	$ 663,134	$ 128,383	$ 2,321,638
Other assets						4,049,800
Elimination of intercompany receivables and investment in subsidiaries						3,771,625
Total consolidated assets						$ 2,599,813

1 Other revenues is comprised of revenue included within our corporate services.
2 Other segment items is comprised of other income (expense) items on the income statement.
3 Interest expense, net is interest expense net of interest income.

Year ended December 31, 2022	Pacific	Northwest	Mountain	Central	Energy Services	Total
			(In thousands)			
Revenues from external customers	$ 418,030	$ 598,774	$ 541,910	$ 777,150	$ 198,713	$2,534,577
Intersegment revenues	81,105	105,647	110,095	242,563	54,006	593,416
Total segment revenue	499,135	704,421	652,005	1,019,713	252,719	3,127,993
Other revenues[1]						618
Elimination of intersegment revenue						593,882
Total consolidated revenue						$2,534,729
Cost of revenue excluding depreciation, depletion and amortization	424,417	564,555	552,215	896,919	216,787	
Selling, general and administrative expenses excluding depreciation, depletion and amortization	29,972	35,459	27,171	36,165	7,624	
Other segment items[2]	(702)	(522)	(15)	(57)	2	
Total segment EBITDA	$ 44,044	$ 103,885	$ 72,604	$ 86,572	$ 28,310	$ 335,415
Consolidated income before income taxes						158,821
Plus:						
Depreciation, depletion and amortization						117,798
Interest expense, net[3]						30,121
Less unallocated amounts:						
Other corporate revenues						152
Other corporate expenses						(28,827)
Total segment EBITDA						$ 335,415
Capital Expenditures	$ 31,462	$ 60,697	$ 35,098	$ 46,574	$ 5,651	$ 179,482
Assets	$ 408,805	$ 772,159	$ 293,121	$ 607,200	$ 138,323	$2,219,608
Other assets						3,439,435
Elimination of intercompany receivables and investment in subsidiaries						3,364,724
Total consolidated assets						$2,294,319

1 Other revenues is comprised of revenue included within our corporate services.
2 Other segment items is comprised of other income (expense) items on the income statement.
3 Interest expense, net is interest expense net of interest income.

Note 16 – Income Taxes

Income tax expense on the Consolidated Statements of Operations for the years ended December 31 was as follows:

	2024	2023	2022
		(In thousands)	
Current:			
Federal	**$ 51,899**	$ 45,746	$ 27,293
State	**17,767**	18,296	13,230
	69,666	64,042	40,523
Deferred:			
Income taxes:			
Federal	**(1,082)**	263	1,715
State	**732**	(1,869)	363
	(350)	(1,606)	2,078
Total income tax expense	**$ 69,316**	$ 62,436	$ 42,601

Components of deferred tax assets and deferred tax liabilities at December 31 were as follows:

	2024	2023
	(In thousands)	
Deferred tax assets:		
Deferred compensation/compensation related	**$ 23,751**	$ 22,358
Asset retirement obligations	**15,420**	10,862
Operating lease liabilities	**12,725**	11,468
Accrued pension costs	**9,528**	10,556
Capitalized inventory overheads	**8,359**	7,388
Net operating loss/credit carryforward	**5,528**	10,811
Section 174 costs	**4,051**	3,207
Other	**4,645**	6,251
Total deferred tax assets	**$ 84,007**	$ 82,901

	2024	2023
	(In thousands)	
Deferred tax liabilities:		
Basis differences on property, plant and equipment	**$ 209,488**	$ 206,507
Intangible assets	**13,574**	12,220
Operating lease right-of-use-assets	**12,725**	11,468
Other	**17,419**	16,437
Total deferred tax liabilities	**253,206**	246,632
Valuation allowance	**5,528**	10,811
Net deferred income tax liability	**$ (174,727)**	$ (174,542)

As of December 31, 2024 and 2023, we had various state income tax net operating loss carryforwards of $98.6 million and $133.6 million, respectively, and federal and state income tax credit carryforwards, excluding alternative minimum tax credit carryforwards, of $591,000 for 2023. The state income tax net operating loss

carryforwards are due to expire between 2025 and 2044. Changes in tax regulations or assumptions regarding current and future taxable income could require additional valuation allowances in the future.

The following table reconciles the change in the net deferred income tax liability from December 31, 2023, to December 31, 2024, to deferred income tax expense:

	2024	2023
	(In thousands)	
Change in net deferred income tax liability from the preceding table	**$ 185**	$ (1,262)
Deferred taxes associated with other comprehensive loss	**(670)**	(344)
Other	**135**	—
Deferred income tax expense for the period	**$ (350)**	$ (1,606)

Total income tax expense differs from the amount computed by applying the statutory federal income tax rate to income before taxes. The reasons for this difference were as follows:

Years ended December 31,	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
			(Dollars in thousands)			
Computed tax at federal statutory rate	**$ 56,909**	**21.0**	$ 51,515	21.0	$ 33,353	21.0
Increases (reductions) resulting from:						
State income taxes, net of federal income tax*	**14,559**	**5.4**	12,977	5.3	10,725	6.7
Depletion allowance	**(2,767)**	**(1.0)**	(2,808)	(1.1)	(2,068)	(1.3)
Nondeductible expenses	**1,258**	**0.5**	2,299	0.9	1,068	0.7
Tax credits	**(720)**	**(0.3)**	(1,722)	(0.7)	(494)	(0.3)
Unrecognized tax benefits	**77**	—	175	0.1	17	—
Total income tax expense	**$ 69,316**	**25.6**	$ 62,436	25.5	$ 42,601	26.8

* State taxes in Oregon, Minnesota and California constitute the majority (greater than 50%) in this category.

The following table provides cash taxes paid for the year end December 31, 2024:

Jurisdiction	2024
	(In thousands)
Federal	$ 46,000
Oregon	7,229
Minnesota	4,396
Other States/Cities	9,747
Total	$ 67,372

Knife River and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and local jurisdictions. We are no longer subject to U.S. federal or non-U.S. income tax examinations by tax authorities for years ending prior to 2021. With few exceptions, as of December 31, 2024, we are no longer subject to state and local income tax examinations by tax authorities for years ending prior to 2021.

Total reserves for uncertain tax positions were not material. We recognize interest and penalties accrued relative to unrecognized tax benefits in income tax expense.

Note 17 – Employee Benefit Plans

Pension and other postretirement benefit plans

We participate in self-sponsored qualified defined benefit pension plans which are accounted for as single-employer plans and are reflected in our audited consolidated financial statements. We use a measurement date of December 31 for all our pension and postretirement benefit plans. Prior to 2010, defined benefit pension plan benefits and accruals for the nonunion plan were frozen and on June 30, 2015, the remaining union plan was frozen. These employees were eligible to receive additional defined contribution plan benefits.

Prior to the Separation, we participated in a multiple-employer postretirement benefit plan sponsored by MDU Resources. In connection with the Separation, we assumed all the obligations and liabilities of our employees in that plan, along with all MDU Resources employees that transferred to Knife River as a result of the Separation. Subsequent to the Separation, the postretirement benefit plans in which we participate are single employer plans. Employees hired after December 31, 2010 are not eligible for retiree medical benefits. Effective January 1, 2011, eligibility to receive retiree medical benefits was modified such that eligible employees who attained age 55 with 10 years of continuous, full-time service by December 31, 2010, will have an option to select one of two retiree medical insurance benefits. All other eligible employees must meet the new eligibility criteria of age 60 and 10 years of continuous, full-time service at the time they retire. These employees will be eligible for a company funded retiree reimbursement account. Employees hired after December 31, 2014 are not eligible for retiree medical benefits.

In 2012, we modified health care coverage for certain retirees. Effective January 1, 2013, post-65 coverage was replaced by a fixed-dollar subsidy for retirees and spouses to be used to purchase individual insurance through a healthcare exchange.

Changes in benefit obligation and plan assets and amounts recognized in the Consolidated Balance Sheets at December 31, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	**$ 33,380**	$ 33,758	**$ 14,759**	$ 14,616
Service cost	**—**	—	**372**	361
Interest cost	**1,542**	1,633	**697**	721
Actuarial (gain) loss	**(1,549)**	477	**(1,221)**	(346)
Benefits paid	**(2,653)**	(2,488)	**(552)**	(593)
Benefit obligation at end of year	**30,720**	33,380	**14,055**	14,759
Change in net plan assets:				
Fair value of plan assets at beginning of year	**30,187**	28,431	**—**	(314)
Actual return on plan assets	**741**	3,074	**—**	321
Employer contribution	**2,100**	1,170	**552**	586
Benefits paid	**(2,653)**	(2,488)	**(552)**	(593)
Fair value of net plan assets at end of year	**30,375**	30,187	**—**	—
Funded status - under	**$ (345)**	$ (3,193)	**$ (14,055)**	$ (14,759)
Amounts recognized in the Consolidated Balance Sheets at December 31:				
Other accrued assets	**$ 140**	$ —	**$ —**	$ —
Other accrued liabilities	**—**	—	**702**	699
Noncurrent liabilities - other	**485**	3,193	**13,353**	14,060
Benefit obligation assets (liabilities) - net	**$ (345)**	$ (3,193)	**$ (14,055)**	$ (14,759)
Amounts recognized in accumulated other comprehensive loss consist of:				
Actuarial (gain) loss	**$ 16,742**	$ 17,780	**$ (3,663)**	$ (2,560)
Prior service credit	**—**	—	**—**	(30)
Total	**$ 16,742**	$ 17,780	**$ (3,663)**	$ (2,590)

Employer contributions and benefits paid in the preceding table include only those amounts contributed directly to, or paid directly from, plan assets.

In 2024, the actuarial gains recognized in the pension and postretirement benefit obligations was primarily the result of an increase in the discount rate. In 2023, the actuarial loss recognized in the pension benefit obligation was largely the combination of losses resulting from decreased discount rates, offset in part by higher asset gains. The actuarial gain recognized in the other postretirement benefit obligation was largely the combinations of gains due to a decrease in expected claims, offset in part by losses resulting from decreased discount rates. For more information on the discount rates, see the table below. Unrecognized pension actuarial gains and losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets are amortized over the average life expectancy of plan participants for frozen plans. The market-related value of assets is determined using a 5 year average of assets.

The pension plans all have accumulated benefit obligations in excess of plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these plans at December 31, were as follows:

	2024	2023
	(In thousands)	
Projected benefit obligation	**$ 30,720**	$ 33,380
Accumulated benefit obligation	**$ 30,720**	$ 33,380
Fair value of plan assets	**$ 30,375**	$ 30,187

The components of net periodic benefit cost, other than the service cost component, are included in other income (expense) on the Consolidated Statements of Operations. Prior service credit is amortized on a straight-line basis over the average remaining service period of active participants. The components related to our pension and other postretirement benefit plans for the years ended December 31, were as follows:

	Pension Benefits			Other Postretirement Benefits		
	2024	2023	2022	2024	2023	2022
	(In thousands)					
Components of net periodic benefit cost:						
Service cost	**$ —**	$ —	$ —	**$ 372**	$ 361	$ 522
Interest cost	**1,542**	1,633	1,127	**697**	721	514
Expected return on assets	**(1,812)**	(1,800)	(1,973)	**—**	11	(12)
Amortization of prior service credit	**—**	—	—	**(30)**	(79)	(79)
Amortization of actuarial gain (loss)	**559**	510	856	**(118)**	(175)	351
Net periodic benefit cost	**289**	343	10	**921**	839	1,296
Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive loss:						
Net (gain) loss	**(479)**	(797)	1,155	**(1,221)**	(678)	(4,833)
Amortization of actuarial gain (loss)	**(559)**	(510)	(856)	**118**	175	(351)
Amortization of prior service credit	**—**	—	—	**30**	79	79
Total recognized in accumulated other comprehensive loss	**(1,038)**	(1,307)	299	**(1,073)**	(424)	(5,105)
Total recognized in net periodic benefit cost and accumulated other comprehensive loss	**$ (749)**	$ (964)	$ 309	**$ (152)**	$ 415	$ (3,809)

Weighted average assumptions used to determine benefit obligations at December 31, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Discount rate	**5.40%**	4.83%	**5.44%**	4.84%
Expected return on plan assets	**6.00%**	6.50%	**—%**	—%
Rate of compensation increase	**N/A**	N/A	**4.00%**	4.00%

Weighted average assumptions used to determine net periodic benefit cost for the years ended December 31, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023
Discount rate	**4.83%**	5.06%	**4.84%**	5.06%
Expected return on plan assets	**6.50%**	6.50%	**—%**	6.00%
Rate of compensation increase	**N/A**	N/A	**4.00%**	3.00%

The expected rate of return on pension plan assets is based on a targeted asset allocation range determined by the funded ratio of the plan. As of December 31, 2024, the expected rate of return on pension plan assets is based on the targeted asset allocation range of 20 percent to 30 percent equity securities and 70 percent to 80 percent fixed-income securities and the expected rate of return from these asset categories.

Health care rate assumptions for our other postretirement benefit plans as of December 31, were as follows:

	2024	2023
Health care trend rate assumed for next year	**8.5%**	7.5%
Health care cost trend rate – ultimate	**4.5%**	4.5%
Year in which ultimate trend rate achieved	**2035**	2034

Our other postretirement benefit plans include health care and life insurance benefits for certain retirees. The plans underlying these benefits may require contributions by the retiree depending on such retiree's age and years of service at retirement or the date of retirement. We contribute a flat dollar amount to the monthly premiums, which is updated annually on January 1.

We do not expect to contribute to our defined pension plans in 2025. We expect to contribute approximately $702,000 to our postretirement benefit plans in 2025.

The following benefit payments, which reflect future service, as appropriate, at December 31, 2024, are as follows:

Years	Pension Benefits	Other Postretirement Benefits
	(In thousands)	
2025	$ 2,780	$ 702
2026	2,740	915
2027	2,690	1,050
2028	2,630	1,166
2029	2,590	1,215
2030-2034	11,920	6,548

Outside investment managers manage our pension assets. Our investment policy with respect to the pension assets is to make investments solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing benefits accrued and defraying the reasonable expenses of administration. We strive to maintain investment diversification to assist in minimizing the risk of large losses. Our policy guidelines allow for investment of funds in cash equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and futures contracts, equity private placement, employer securities, leveraged or derivative securities, options, direct real estate investments, precious metals, venture capital and limited partnerships. The guidelines also prohibit short selling and margin transactions. Our practice is to periodically review and rebalance asset categories based on our targeted asset allocation percentage policy.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of our pension plans' assets are determined using the market approach.

The carrying value of the pension plans' Level 2 cash equivalents approximates fair value and is determined using observable inputs in active markets or the net asset value of shares held at year end, which is determined using other observable inputs, including pricing from outside sources.

The carrying value of the pension plan's Level 2 money market funds are valued at the net asset value of shares held at the end of the period, based on published market quotations on active markets, or using other known sources including pricing from outside sources.

The estimated fair value of the pension plans' Level 1 and Level 2 equity securities are based on the closing price reported on the active market on which the individual securities are traded or other known sources including pricing from outside sources. The estimated fair value of the pension plans' Level 1 and Level 2 collective and mutual funds are based on the net asset value of shares held at year end, based on either published market quotations on active markets or other known sources, including pricing from outside sources.

All investments measured at net asset value in the tables that follow are invested in commingled funds, separate accounts or common collective trusts which do not have publicly quoted prices. The fair value of the commingled funds, separate accounts and common collective trusts are determined based on the net asset value of the underlying investments. The fair value of the underlying investments held by the commingled funds, separate accounts and common collective trusts is generally based on quoted prices in active markets.

Though we believe the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

The fair value of our pension plans' assets by class were as follows:

	Fair Value Measurements at December 31, 2024, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2024
	(In thousands)			
Assets:				
Cash equivalents	$ —	$ 297	$ —	$ 297
Collective and mutual funds	28,374	1,672	—	30,046
Money market funds	—	32	—	32
Total assets measured at fair value	$ 28,374	$ 2,001	$ —	$ 30,375

	Fair Value Measurements at December 31, 2023, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
	(In thousands)			
Assets:				
Cash equivalents	$ —	$ 1,021	$ —	$ 1,021
Collective and mutual funds	25,981	2,565	—	28,546
Investments measured at net asset value*	—	—	—	620
Total assets measured at fair value	$ 25,981	$ 3,586	$ —	$ 30,187

* In accordance with ASC 820 - *Fair Value, Measurements* certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Consolidated Balance Sheets.

Nonqualified benefit plans

Prior to the Separation, we participated in unfunded, nonqualified defined benefit plans sponsored by MDU Resources. In connection with the Separation, we assumed all the obligations and liabilities of our employees in those plans, along with all MDU Resources employees that transferred to Knife River as a result of the Separation. Subsequent to the Separation, the unfunded, nonqualified defined benefit plans in which we participate are single employer plans for executive officers and certain key management employees. The plans generally provide for defined benefit payments at age 65 following the employee's retirement or, upon death, to their beneficiaries for a 15-year period. In February 2016, the unfunded, nonqualified defined benefit plans were frozen to new participants and eliminated benefit increases. Vesting for participants not fully vested was retained.

The projected benefit obligation and accumulated benefit obligation for our participants in these plans at December 31, were as follows:

	2024	2023
	(In thousands)	
Projected benefit obligation	**$ 14,468**	$ 15,873
Accumulated benefit obligation	**$ 14,468**	$ 15,873

The components of net periodic benefit cost are included in other income (expense) on the Consolidated Statements of Operations. The components related to our participation in the nonqualified defined benefit plans for the years ended December 31, were as follows:

	2024	2023	2022
		(In thousands)	
Components of net periodic benefit cost:			
Interest cost	**$ 714**	$ 765	$ 460
Recognized net actuarial loss	—	—	39
Net periodic benefit cost	**$ 714**	$ 765	$ 499

Weighted average assumptions used at December 31, were as follows:

	2024	2023
Benefit obligation discount rate	**5.29%**	4.74%
Benefit obligation rate of compensation increase	**N/A**	N/A
Net periodic benefit cost discount rate	**4.74%**	4.93%
Net periodic benefit cost rate of compensation increase	**N/A**	N/A

The amount of future benefit payments for the unfunded, nonqualified defined benefit plans at December 31, 2024 are expected to aggregate as follows:

	2025	2026	2027	2028	2029	2030-2034
	(In thousands)					
Nonqualified benefits	$ 1,720	$ 1,690	$ 1,650	$ 1,690	$ 1,400	$ 5,090

Prior to the Separation, we participated in nonqualified defined contribution plans sponsored by MDU Resources. In connection with the Separation, we assumed all the obligations and liabilities of our employees in those plans, along with all MDU Resources employees that transferred to Knife River as a result of the Separation. In 2020, the plan established in 2012 was frozen to new participants and no new employer contributions were made to the plan after December 31, 2020. Vesting for participants not fully vested was retained.

Effective January 1, 2021, a new nonqualified defined contribution plan was adopted, to replace the plan originally established in 2012 with similar provisions. Expenses we incurred under these plans for 2024, 2023 and 2022 were $800,000, $1.5 million and $1.2 million, respectively.

The amount of investments that we anticipate using to satisfy obligations under these plans at December 31, was as follows:

	2024	2023
	(In thousands)	
Investments		
Insurance contract[1]	**$ 28,377**	$ 24,896
Life insurance[2]	**7,484**	7,175
Other	**4,082**	3,241
Total investments	**$ 39,943**	$ 35,312

1 For more information on the insurance contract, see Note 8.
2 Investments of life insurance are carried on plan participants (payable upon the employee's death).

Defined contribution plan

We sponsor a defined contribution plan in which our employees participate. The costs incurred by us under this plan for eligible employees were $33.9 million, $31.1 million and $27.6 million in 2024, 2023 and 2022, respectively.

Multiemployer plans

We contribute to a number of MEPPs under the terms of collective-bargaining agreements that cover our union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the MEPP by one employer may be used to provide benefits to employees of other participating employers.

- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If we choose to stop participating in some of our MEPPs, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Our participation in these plans is outlined in the following table. Unless otherwise noted, the most recent Pension Protection Act zone status available in 2024, 2023 and 2022 is for the plan's year-end at December 31, 2023, December 31, 2022 and December 31, 2021, respectively. The zone status is based on information that we received from the plan and is certified by the plan's actuary. Among other factors, plans in the "red zone," or critical status, are generally less than 65 percent funded, plans in the "yellow zone," or endangered status, are between 65 percent and 80 percent funded, and plans in the "green zone," or healthy status, are at least 80 percent funded.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2024	2023		2024	2023	2022		
					(In thousands)				
Minnesota Teamsters Construction Division Pension Fund	416187751 -001	Green	Green	No	**367**	418	644	No	4/30/2027
Pension Trust Fund for Operating Engineers	946090764 -001	Green	Yellow	No	**2,746**	2,476	2,484	No	3/31/2026- 6/30/2026
Western Conference of Teamsters Pension Plan	916145047 -001	Green	Green	No	**3,396**	3,307	3,127	No	12/31/2023- 6/30/2026 *
Other funds					**6,652**	6,540	6,743		
Total contributions					**$ 13,161**	$ 12,741	$ 12,998		

* Plan includes contributions required by collective bargaining agreements which have expired but contain provisions automatically renewing their terms in the absence of a subsequent negotiated agreement.

We were listed in the plans' Forms 5500 as providing more than 5 percent of the total contributions for the following plans and plan years:

Pension Fund	Year Contributions to Plan Exceeded More Than 5 Percent of Total Contributions (as of December 31, of the Plan's Year-End)
DB Pension Plan of AGC-IUOE Local 701 Pension Trust Fund	2023 and 2022
Minnesota Teamsters Construction Division Pension Fund	2023 and 2022
Southwest Marine Pension Trust	2022

We also contribute to a number of multiemployer other postretirement plans under the terms of collective-bargaining agreements that cover our union-represented employees. These plans provide benefits such as health insurance, disability insurance and life insurance to retired union employees. Many of the multiemployer other postretirement plans are combined with active multiemployer health and welfare plans. Our total contributions to the multiemployer other postretirement plans, which also includes contributions to active multiemployer health and welfare plans, were $2.0 million, $1.8 million and $1.8 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 18 – Commitments and contingencies

We are party to claims and lawsuits arising out of our business and that of our consolidated subsidiaries, which may include, but are not limited to, matters involving property damage, personal injury, and environmental, contractual and statutory obligations. We accrue a liability for those contingencies when the incurrence of a loss is probable, and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. We do not accrue liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, we disclose the nature of the contingency and, in some circumstances, an estimate of the possible loss. Accruals are based on the best information available, but in certain situations management is unable to estimate an amount or range of a reasonably possible loss, including, but not limited to, when: (1) the damages are unsubstantiated or indeterminate, (2) the proceedings are in the early stages, (3) numerous parties are involved, or (4) the matter involves novel or unsettled legal theories.

At December 31, 2024 and 2023, we accrued liabilities which have not been discounted, of $6.6 million and $873,000, respectively. At December 31, 2024 and 2023, we also recorded corresponding insurance receivables of $459,000 and $42,000, respectively, related to the accrued liabilities. The accruals are for contingencies, including litigation and environmental matters. Most of these claims and lawsuits are covered by insurance, thus our exposure is typically limited to our deductible amount. We will continue to monitor each matter and adjust accruals as might be warranted based on new information and further developments. Management believes that the outcomes with respect to probable and reasonably possible losses in excess of the amounts accrued, net of insurance recoveries, while uncertain, either cannot be estimated or will not have a material effect upon our financial position, results of operations or cash flows. Unless otherwise required by GAAP, legal costs are expensed as they are incurred.

Environmental matters

Portland Harbor Site. In December 2000, Knife River - Northwest was named by the EPA as a PRP in connection with the cleanup of the riverbed site adjacent to a commercial property site acquired by Knife River - Northwest from Georgia-Pacific West, Inc. along the Willamette River. The riverbed site is part of the Portland, Oregon, Harbor Superfund Site where the EPA wants responsible parties to share in the costs of cleanup. The EPA entered into a consent order with certain other PRPs referred to as the Lower Willamette Group for a remedial investigation and feasibility study. The Lower Willamette Group has indicated that it incurred over $115 million in investigation related costs before it concluded its work and disbanded. Knife River - Northwest has joined with approximately 100 other PRPs, including the former Lower Willamette Group members, in a voluntary process to establish an allocation of costs for the site. Costs to be allocated would include costs incurred by the Lower Willamette Group as well as costs incurred by other participants to implement and fund remediation of the site.

In January 2017, the EPA issued a Record of Decision adopting a selected remedy which is expected to take 13 years to complete with a then estimated present value of approximately $1 billion. Corrective action will not be taken until remedial design/remedial action plans are approved by the EPA. In 2020, the EPA encouraged certain PRPs to enter into consent agreements to perform remedial design covering the entire site and proposed dividing the site into multiple subareas for remedial design. Certain PRPs executed consent agreements for remedial design work and certain others were issued unilateral administrative orders to perform design work. Knife River - Northwest is not subject to either a voluntary agreement or unilateral order to perform remedial design work. In February 2021, the EPA announced that 100 percent of the site’s area requiring active cleanup are in the remedial design process. The remedial design work is ongoing and site-wide remediation activities are not expected to commence for a number of years.

Knife River - Northwest was also notified that the Portland Harbor Natural Resource Trustee Council intends to perform an injury assessment to natural resources resulting from the release of hazardous substances at the site. It is not possible to estimate the costs of natural resource damages until an assessment is completed and allocations are undertaken.

At this time, Knife River - Northwest does not believe it is a responsible party and has notified Georgia-Pacific West, Inc., that it intends to seek indemnity for liabilities incurred in relation to the above matters pursuant to the terms of their sale agreement.

We believe it is not probable that we will incur any material environmental remediation costs or damages in relation to the above referenced matter.

Purchase commitments

We have entered into various commitments, largely purchased cement, liquid asphalt, minimum royalties and fuel. The commitment terms vary in length, up to 24 years. The commitments under these contracts as of December 31, 2024, were:

	2025	2026	2027	2028	2029	Thereafter
			(In thousands)			
Purchase commitments	$ 52,762	$ 28,025	$ 2,660	$ 2,116	$ 1,929	$ 7,593

These commitments were not reflected in our audited consolidated financial statements. Amounts purchased under various commitments for the years ended December 31, 2024, 2023 and 2022 were $128.3 million, $128.7 million and $167.6 million, respectively.

Guarantees

We have outstanding obligations to third parties where we have guaranteed their performance. These guarantees are related to contracts for contracting services and certain other guarantees. At December 31, 2024, the fixed maximum amounts guaranteed under these agreements aggregated $11.5 million, all of which have no scheduled maturity date. Certain of the guarantees also have no fixed maximum amounts specified. There were no amounts outstanding under the previously mentioned guarantees at December 31, 2024.

We have outstanding letters of credit to third parties related to insurance policies, reclamation obligations and other agreements. At December 31, 2024, the fixed maximum amounts guaranteed under these letters of credit aggregated to $20.6 million. The amounts of scheduled expiration of the maximum amounts guaranteed under these letters of credit aggregate to $20.5 million in 2025, $0 in 2026 and $104,000 in 2027. There were no amounts outstanding under the previously mentioned letters of credit at December 31, 2024.

In the normal course of business, we have surety bonds related to contracts for contracting services and reclamation obligations of its subsidiaries. In the event a subsidiary of ours does not fulfill a bonded obligation, we would be responsible to the surety bond company for completion of the bonded contract or obligation. A large portion of the surety bonds is expected to expire within the next 12 months; however, we will likely continue to enter into surety bonds for its subsidiaries in the future. At December 31, 2024, approximately $638.1 million of surety bonds were outstanding, which were not reflected on the Consolidated Balance Sheet.

Note 19 – Related-party transactions

Allocation of corporate expenses

Prior to the Separation, Centennial and MDU Resources provided expense allocations for corporate services provided to us, including costs related to senior management, legal, human resources, finance and accounting, treasury, information technology, and other shared services. Some of these services were provided by MDU Resources on a temporary basis under a transition services agreement. For the years ended December 31, 2023 and 2022, we were allocated $10.7 million and $18.0 million, respectively, for these corporate services. These expenses have been allocated to us on the basis of direct usage when identifiable, with the remainder allocated on the basis of percent of total capital invested, the percent of total average commercial paper borrowings at Centennial or other allocation methodologies that are considered to be a reasonable reflection of the utilization of the services provided to the benefits received, including the following: number of employees paid and stated as cost per check; number of

employees served; weighted factor of travel, managed units, national account spending, equipment and fleet acquisitions; purchase order dollars spent and purchase order line count; number of payments, vouchers or unclaimed property reports; labor hours; time tracked; and projected workload.

Management believes these cost allocations are a reasonable reflection of the utilization of services provided to, or the benefit derived by, us during the periods presented. The allocations may not, however, be indicative of the actual expenses that would have been incurred had we operated as a stand-alone public company for these periods. Actual costs that would have been incurred if we had been a stand-alone public company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by our employees, and strategic decisions made in areas such as selling and marketing, information technology and infrastructure.

Transition services agreements

As part of the Separation, MDU Resources provided transition services to us and we provided transition services to MDU Resources in accordance with the Transition Services Agreement entered into on May 30, 2023. For the years ended December 31, 2024 and 2023, we paid $1.2 million and $3.0 million, respectively, related to these activities, which was reflected in selling, general and administrative expenses on the Consolidated Statements of Operations. For the years ended December 31, 2024 and 2023, we received $156,000 and $824,000, respectively, related to these activities, which was reflected in other income on the Consolidated Statements of Operations. The majority of the transition services were completed over a period of 1 year after the Separation and, as of December 31, 2024, no further obligation for services exists for either party.

Note 20 – Subsequent Event

On January 1, 2025, we completed a reorganization of our operating segments, including the management of the segments, to align with our business strategy. In the first quarter of 2025, we will begin reporting our financial information under four operating segments: West, Mountain, Central and Energy Services. Under the new operating structure, the previous Pacific and Northwest operating segments will become the West operating segment and the North Central and South operating segments will become the Central operating segment.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

The following information includes the evaluation of disclosure controls and procedures by the Company's chief executive officer and the chief financial officer, along with any significant changes in internal controls of the Company.

Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and other procedures are designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to management, including the Company's chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and other procedures as of the end of the period covered by this Annual Report. Based upon that evaluation, the chief executive officer and the chief financial officer have concluded that, as of the end of the period covered by this Annual Report, such controls and procedures were effective at a reasonable assurance level.

Changes in Internal Controls

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended December 31, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

The information required by this item is included in this Form 10-K at Item 8 - Management’s Report on Internal Control Over Financial Reporting.

As previously disclosed, we completed the acquisition of Albina Asphalt on November 2, 2024, and, as permitted by SEC guidance for newly acquired businesses, we have elected to exclude Albina Asphalt from the scope of our internal controls over financial reporting and procedures for the year ended December 31, 2024. We are in the process of evaluating the existing controls and procedures of Albina and integrating them in our system of internal controls over financial reporting.

Attestation Report of the Registered Public Accounting Firm

The information required by this item is included in this Form 10-K at Item 8 - Report of Independent Registered Public Accounting Firm.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item will be included in the Company's Proxy Statement, which is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item will be included in the Company's Proxy Statement, which is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table includes information as of December 31, 2024, with respect to our equity compensation plans:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights[2]	(b) Weighted average exercise price of outstanding options, warrants and [3]	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[4]
Equity compensation plans approved by stockholders[1]	324,108	—	2,039,085
Equity compensation plans not approved by stockholders	N/A	N/A	N/A
Total	324,108	—	2,039,085

1 Consists of the Knife River Long-Term Performance-Based Incentive Plan, as discussed in Item 8 - Note 12.
2 Consists of restricted stock units and performance share awards.
3 No weighted average exercise price is shown for the restricted stock units or performance share awards because such awards have no exercise price.
4 This amount includes 2,363,193 shares available for future issuance under the Long-Term Performance-Based Incentive Plan in connection with grants of restricted stock units, performance share awards or other equity-based awards.

The remaining information required by this item will be included in the Company's Proxy Statement, which is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item will be included in the Company's Proxy Statement, which is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item about aggregate fees billed to the Company by its principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34), will be included in the Company's Proxy Statement, which is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

A. The following documents are filed as part of this Annual Report:

1. **Financial Statements**
Reference is made to the Index to Financial Statements under Item 8 in Part II hereof, where these documents are listed.

2. **Schedules**
All schedules are omitted because they are not required or not applicable, or the information is shown in the financial statements or the notes to audited consolidated financial statements.

3. **Exhibits**
The Exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of, or furnished with, this Annual Report.

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith	Furnished Herewith	Incorporated by Reference (Unless Otherwise Indicated) Form	File Number	Exhibit	Filing Date
2.1+	Separation and Distribution Agreement, dated as of May 30, 2023, by and between Knife River Corporation and MDU Resources Group, Inc.			8-K	001-41642	2.1	June 1, 2023
2.2*+	Asset and Equity Purchase Agreement, dated December 20, 2024, by and among Strata Corporation, Glacier Resources, Ltd., the equity holders of Strata Corporation and Glacier Resources Ltd., Landmark Investments, L.L.C., the current equity holders of Landmark Investments, L.L.C., the beneficiaries of certain trusts, the sellers' representative, and KRC Holdings, Inc.			8-K	001-41642	2.1	December 26, 2024
3.1	Amended and Restated Certificate of Incorporation of Knife River Corporation.			8-K	001-41642	3.1	June 1, 2023
3.2	Amended and Restated Bylaws of Knife River Corporation.			8-K	001-41642	3.2	June 1, 2023
4.1	Indenture, dated as of April 25, 2023, by and among Knife River Corporation and U.S. Bank Trust Company, National Association.			10-12B/A	001-41642	4.2	April 28, 2023
4.2	Supplemental Indenture, dated as of May 31, 2023, by and among the parties that are signatories thereto as Guarantors, Knife River Corporation and U.S. Bank Trust Company, National Association.			8-K	001-41642	4.2	June 1, 2023
4.3	Knife River Corporation Description of Securities Registered Pursuant to Section 12 of the Securities and Exchange Act of 1934.			10-K	001-41642	4.3	February 27, 2024
10.1	Tax Matters Agreement, dated as of May 30, 2023, by and between Knife River Corporation and MDU Resources Group, Inc.			8-K	001-41642	10.2	June 1, 2023
10.2*	Credit Agreement, dated as of May 31, 2023, by and among Knife River Corporation, JPMorgan Chase Bank, N.A. and Lenders and L/C Issuers party thereto.			8-K	001-41642	10.4	June 1, 2023
10.3**	Knife River Corporation Change in Control Severance Plan.			8-K	001-41642	10.1	August 21, 2024
10.4**	Knife River Corporation Long Term Performance-Based Incentive Plan.			8-K	001-41642	10.5	June 1, 2023
10.5**	Form of Knife River Corporation Restricted Stock Unit Award Agreement for Non-Employee Directors under the Long-Term Performance-Based Incentive Plan, as of May 15, 2024.			10-Q	001-41642	10(b)	August 6, 2024
10.6**	Restricted Stock Unit Award Agreement under the Long-Term Performance-Based Incentive Plan, effective July 12, 2023.			10-Q	001-41642	10(a)	November 6, 2023
10.7**	Form of Restricted Stock Unit Award Agreement under the Long-Term Performance-Based Incentive Plan, as amended February 22, 2024.			10-K	001-41642	10.7	February 27, 2024
10.8**	Form of Performance Share Award Agreement under the Long-Term Performance-Based Incentive Plan, as amended February 22, 2024.			10-K	001-41642	10.8	February 27, 2024
10.9**	Knife River Corporation Executive Incentive Compensation Plan, including Rules and Regulations.			8-K	001-41642	10.6	June 1, 2023
10.10**	Knife River Corporation Deferred Compensation Plan-Plan Document and Adoption Agreement.			8-K	001-41642	10.7	June 1, 2023

		Incorporated by Reference (Unless Otherwise Indicated)					
Exhibit Number	Exhibit Description	Filed Herewith	Furnished Herewith	Form	File Number	Exhibit	Filing Date
10.11**	Knife River Corporation Supplemental Income Security Plan.			8-K	001-41642	10.8	June 1, 2023
10.12**	Knife River Corporation Nonqualified Defined Contribution Plan.			8-K	001-41642	10.9	June 1, 2023
10.13**	Knife River Corporation Director Compensation Policy.			8-K	001-41642	10.10	June 1, 2023
10.14**	Knife River Corporation Director Compensation Policy, as amended May 15, 2024.			10-Q	001-41642	10(a)	August 6, 2024
10.15**	Knife River Corporation Deferred Compensation Plan for Directors.			8-K	001-41642	10.11	June 1, 2023
10.16**	Knife River Corporation, 401(k) Retirement Plan, effective May 1, 2023.			10-Q	001-41642	10(l)	August 8, 2023
10.17**	Knife River Corporation, 401(k) Retirement Plan, as amended January 1, 2024.			10-K	001-41642	10.16	February 27, 2024
10.18**	Knife River Corporation, 401(k) Retirement Plan, as amended December 18, 2024.	X					
10.19**	Form of Knife River Corporation Director and/or Executive Officer Indemnification Agreement.			10-12B/A	001-41642	10.16	April 28, 2023
10.20**	Promotion Letter with Nathan Ring dated as of March 15, 2023.			10-12B/A	001-41642	10.9	April 28, 2023
10.21**	Promotion Letter with Nancy Christenson dated as of March 15, 2023.			10-12B/A	001-41642	10.12	April 28, 2023
10.22**	Promotion Letter with Karl Liepitz dated as of March 15, 2023.			10-12B/A	001-41642	10.13	April 28, 2023
10.23**	Promotion Letter with Trevor Hastings dated as of March 15, 2023.			10-12B/A	001-41642	10.14	April 28, 2023
10.24**	Promotion Letter with Brian R. Gray dated as of March 27, 2023.			10-12B/A	001-41642	10.15	April 28, 2023
19	Knife River Insider Trading Policy.	X					
21.1	List of Subsidiaries of Knife River Corporation.	X					
23.1	Consent of Deloitte & Touche LLP.	X					
31.1	Certification of Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X					
31.2	Certification of Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X					
32	Certification of Chief Executive Officer and Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		X				
95	Mine Safety Disclosures.	X					
97+	Knife River Corporation Incentive Compensation Recovery Policy.			10-K	001-41642	97+	February 27, 2024
101	The following financial information formatted in Inline XBRL:	X					
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X					
101.SCH	XBRL Taxonomy Extension Schema Document	X					
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X					
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X					
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X					

				Incorporated by Reference (Unless Otherwise Indicated)			
Exhibit Number	Exhibit Description	Filed Herewith	Furnished Herewith	Form	File Number	Exhibit	Filing Date
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X					
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).	X					

‘+ Certain exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the Securities and Exchange Commission a copy of any omitted exhibits or schedules upon request; provided that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

* Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon its request.

** Management contract, compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Knife River Corporation

Date: February 21, 2025 By: /s/ Brian R. Gray
Brian R. Gray
(President and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the date indicated.

Signature	Title	Date
/s/ Brian R. Gray Brian R. Gray (Principal Executive Officer)	President, Chief Executive Officer and Director	February 21, 2025
/s/ Nathan W. Ring Nathan W. Ring (Principal Financial Officer)	Vice President and Chief Financial Officer	February 21, 2025
/s/ Marney L. Kadrmas Marney L. Kadrmas (Principal Accounting Officer)	Chief Accounting Officer	February 21, 2025
/s/ Karen B. Fagg Karen B. Fagg	Chair of the Board and Director	February 21, 2025
/s/ Patricia Chiodo Patricia Chiodo	Director	February 21, 2025
/s/ Thomas W. Hill Thomas W. Hill	Director	February 21, 2025
/s/ German Carmona Alvarez German Carmona Alvarez	Director	February 21, 2025
/s/ Patricia L. Moss Patricia L. Moss	Director	February 21, 2025
/s/ William Sandbrook William Sandbrook	Director	February 21, 2025

SHAREHOLDERS INFORMATION

CORPORATE HEADQUARTERS

Address:
1150 W. Century Ave.
Bismarck, ND 58503

Mailing Address:
P.O. Box 5568
Bismarck, ND 58506-5568

Telephone:
701-530-1400

Web:
www.kniferiver.com

The company has filed as exhibits to its Annual Report on Form 10-K the CEO and CFO certifications as required by Section 302 of the Sarbanes-Oxley Act.

COMMON STOCK

Knife River's common stock is listed on the New York Stock Exchange under the symbol KNF. The stock began trading on the NYSE in 2023 and is a member of the Standard & Poor's MidCap 400 index. Average daily trading volume in 2024 was 393,888 shares.

ANNUAL MEETING

The Annual Meeting will be held virtually at 10 a.m. CDT on May 22, 2025. Virtual location: www.virtualshareholdermeeting.com/KNF2025.

SHAREOWNER SERVICE PLUS PLAN

The Shareowner Service Plus Plan provides interested investors the opportunity to purchase shares of Knife River's common stock without incurring brokerage commissions or service charges. The plan is sponsored and administered by Equiniti Trust Company, LLC, transfer agent and registrar for Knife River. For more information, contact Equiniti Trust Company, LLC at 877-778-6783 or visit www.shareowneronline.com.

SHAREHOLDER INFORMATION AND INQUIRIES

Registered shareholders have electronic access to their accounts by visiting www.shareowneronline.com. The stock transfer agent maintains stockholder account information.

Communications regarding stock transfer requirements or change of address should be directed to the stock transfer agent.

Company information, including financial reports, is available at www.kniferiver.com and www.investors.kniferiver.com.

SHAREHOLDER AND ANALYST CONTACT

Zane Karimi
Director of Investor Relations
Telephone: 855-563-6878
Email: Investor@kniferiver.com

TRANSFER AGENT AND REGISTRAR FOR ALL CLASSES OF STOCK

Equiniti Trust Company, LLC
Stock Transfer Department
P.O. Box 64854
St. Paul, MN 55164-0854
Telephone: 877-778-6783
www.shareowneronline.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
50 S. Sixth St., Suite 2800
Minneapolis, MN 55402-1538

Note: This information is not given in connection with any sale or offer for sale or offer to buy any security.

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