your Connexus Connection
For Connexus Energy Members

2021 Annual Review
Your elected Board of Directors

Fran Bator
Chair
East Bethel

Mark Ethen
Vice Chair
Blaine

Gordon Westerlind
Secretary/Treasurer
Big Lake

Michael Cady
Asst. Secretary/Treasurer
Blaine

Kenneth Fiereck
Clear Lake

Donald Holl
Forest Lake

Shelly Peterson
Nowthen

Peter Wojciechowski
Ham Lake

2021 EXECUTIVE LEADERSHIP

Greg Ridderbusch, President and Chief Executive Officer
Brian Burandt, Vice President, Power Supply and Business Development
Don Haller, Vice President, Members
Mark Koplin, Vice President, Technology
Nick Loehlein, Vice President, Electric Operations
Linda Maegi, Vice President, Employee Services
Yan Paul Martinez, Chief Financial Officer and Vice President

Connexus Energy is an equal opportunity/affirmative action employer.

your most powerful membership®
2021 at a glance

5 years
Five consecutive years with no rate increases.

2% - 4%
Connexus rates remain lower than Xcel.

$8 million
Paid in Cash Back to members.

$263 million
Annual revenue.

$2 million
Employee cost-savings ideas saved more than $2 million in operating costs.

1st place
National first place winner in grid reliability.

141,000 members
91% residential, 9% commercial industrial.

$130 million
Cumulative Cash Back paid over 50+ years.

2 billion
Annual kilowatt hours in energy sales.

61%
Growth for members signing up for electric vehicle charging special rate.
Message to our members

Annual reviews are commonly used for looking back, but Connexus, as your most powerful membership®, also looks forward to elevate our ambitions of service to you, to elevate the modernization of the electric energy business, and to elevate our care for community.

As one of the nation’s first 100 electric cooperatives, Connexus Energy was started with a unanimous vote of members in 1937. And while there have been many unanimous votes since then, in 2021 the Board voted as one, in favor of pursuing power supply alternatives — an action that is elevating us to the next level in serving our membership with increased flexibility in our purchasing options as well as competitive pricing for our next 80+ years of service.

We gathered with members and community leaders last summer to celebrate local investments and the power of membership with a ribbon-cutting ceremony for Sunflower I and II, our newest solar projects near Princeton and St. Francis. Saving costs while greening the grid, Connexus Energy is now locally harvesting over 20 megawatts, enough to power more than 2,800 homes. We also applaud members who express their commitment to greening the grid through energy conservation, investing in their own rooftop solar panels, or joining our new Renewable Energy Club. And not to worry, there is plenty left — more than 1.7 million megawatts of sunshine is delivered to our service territory most days.

The basics — affordability, reliability, safety, sustainability, savings programs, and financial strength — pair with 2021 growth taking us past 140,000 member accounts. The progressive refresh and modernization of our resilient electric grid, the hard work of staff, line workers, meter techs, member service agents, accountants, engineers, and more is enabling Connexus to provide a fifth consecutive year of no rate increases in 2022.

An electric cooperative isn’t all electrons and wires. In 2021, we were humbled by recognition for how we strike a balance between affordable electricity, agriculture, and environment. Award-winning filmmaker Jesse Roesler produced a short documentary, “Pollinators, Prairie, and Power,” relating the story of Connexus Energy’s proactive decision to ensure productive use of the land under and around our solar arrays. Our pollinator-friendly projects benefit nearby crops, and we work with partners like Bare Honey. Stop by our front desk to purchase a jar of honey, with all proceeds going to charitable purposes.

And these modernizations are just in time. No less than six different major auto makers launched major advertising campaigns for new electric vehicles in the last few weeks — it’s exciting something as old as electricity is being elevated to coolness again. We’re ready for it and so are you. In 2021, nearly twice as many Connexus members as the previous year signed up for our special electric vehicle charging rate.

Connexus is leveraging the best new electrical and grid tools to provide innovative programs like Peak-Time Rebate that save you money and additional services that put control into your hands such as the new Connexus App for your mobile phone.

So, we briefly reflect on accomplishments of the past year and the heritage from the decades. We are most grateful to elevate our vision and hearts serving all members of Connexus Energy.

Greg Ridderbusch  
President & Chief Executive Officer

Fran Bator  
Board Chair
2021 highlights

End of credit card fees

We’ve heard from our residential members – you like the convenience, as well as the perks, points, and airline miles that come with paying with a credit card. For residential members, we’ve made paying your Connexus Energy bill even easier and eliminated all credit card fees.

Reliability

In a year with numerous weather-impacts on energy infrastructure as well as public health challenges, Connexus Energy’s proven electric service reliability was recognized with a national award. From system engineers to field designers to lineworkers, the staff of Connexus Energy are working for our members to build and maintain a resilient electric grid.

Flexibility to provide flat rates

Over the last four years, Connexus has held the line and had no rate increases — in part, because of some flexibility in our wholesale power agreement. Supported by a unanimous vote of Connexus Energy’s Board of Directors, we are working proactively to negotiate a new wholesale power agreement that gives us even more flexibility and cost control into the future.

Cash Back for members

Paid more than $8 million in Cash Back payments to members. Over the past 50+ years, Connexus has paid members more than $130 million in Cash Back.

Our greener future

With the grand opening of the innovative Sunflower I and II solar projects in Princeton and St. Francis, we’ve added new power generation closer to home. These projects not only use leading solar technology, they also provide space for shade-tolerant, pollinator-friendly plants. Over the next several years, these local investments will help reduce wholesale power costs, saving Connexus members millions of dollars.
Financial highlights

STATEMENTS OF OPERATIONS (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Revenue</td>
<td>$263,275</td>
<td>$246,950</td>
</tr>
<tr>
<td>Cost of Power</td>
<td>190,903</td>
<td>173,232</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>72,372</td>
<td>73,718</td>
</tr>
<tr>
<td>Operating Expenses - including interest</td>
<td>67,577</td>
<td>65,498</td>
</tr>
<tr>
<td>Other Non-Operating Income</td>
<td>10,704</td>
<td>8,213</td>
</tr>
<tr>
<td>Net Margin</td>
<td>$15,499</td>
<td>$16,433</td>
</tr>
</tbody>
</table>

BALANCE SHEETS (in thousands)

Assets

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total utility plant</td>
<td>$402,458</td>
<td>$387,223</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(166,715)</td>
<td>(157,009)</td>
</tr>
<tr>
<td>Utility plant, net</td>
<td>235,743</td>
<td>230,214</td>
</tr>
<tr>
<td>Other Property and Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in associated organizations</td>
<td>157,061</td>
<td>151,516</td>
</tr>
<tr>
<td>Other investments</td>
<td>9,922</td>
<td>9,619</td>
</tr>
<tr>
<td>Other assets</td>
<td>33,833</td>
<td>35,817</td>
</tr>
<tr>
<td>Total other property and investments</td>
<td>200,816</td>
<td>196,952</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>30,628</td>
<td>29,981</td>
</tr>
<tr>
<td>Material and supplies</td>
<td>4,766</td>
<td>3,952</td>
</tr>
<tr>
<td>Other</td>
<td>1,389</td>
<td>1,554</td>
</tr>
<tr>
<td>Total current assets</td>
<td>36,785</td>
<td>35,489</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$473,344</td>
<td>$462,655</td>
</tr>
</tbody>
</table>

Patrons' Equity and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patrons' Equity</td>
<td>$219,733</td>
<td>$212,662</td>
</tr>
<tr>
<td>Long-Term Debt, Less Current Maturities</td>
<td>158,992</td>
<td>160,856</td>
</tr>
<tr>
<td>Other Long-Term Liabilities, Less Current Maturities</td>
<td>33,558</td>
<td>23,190</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>33,331</td>
<td>35,984</td>
</tr>
<tr>
<td>Member deposits</td>
<td>1,837</td>
<td>1,819</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>13,648</td>
<td>12,598</td>
</tr>
<tr>
<td>Debt due within one year</td>
<td>12,245</td>
<td>15,546</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>61,061</td>
<td>65,947</td>
</tr>
<tr>
<td>Total Patrons' Equity and Liabilities</td>
<td>$473,344</td>
<td>$462,655</td>
</tr>
</tbody>
</table>

The complete audited financial statements can be viewed online at connexusenergy.com.
The Connexus Energy Foundation℠ began operating in 2020 as part of our long-term plan for community giving. Funded with unclaimed Cash Back from former members, we proudly support organizations providing services across our service area. Our primary areas of support include youth and education, community services, economic development and commerce, and environmental stewardship.

$330,000 to our communities

2021 Donations ($500+)

A Place for You
Achieve Services, Inc.
Acres for Life - Therapy & Wellness Center
Alexandra House
American Red Cross - Greater MSP Chapter
Anoka County Brotherhood Council
Anoka County Child Abuse Prevention Council
Anoka Halloween Parade
Anoka Hennepin Educational Foundation
Anoka Hennepin School District
Anoka High School
Anoka Ramsey Community College Foundation
Anoka Rotary Community Fund
Anoka Technical College Foundation
Anoka Tornadoes Football Booster Club
Becker High School
Big Lake High School
Blaine Community Scholarship Association
Cambridge-Isanti High School
Centennial Area Education Foundation, Inc.
Community Aid of Elk River
Community Scholarship Foundation - Forest Lake High School
Community Table, Inc.
Coon Rapids Community Scholarship Program
Coon Rapids Rotary Foundation
Crohn’s & Colitis Foundation
Dakota County Technical College Foundation
Elevate Hope House
Elk River High School
Faith in Action in Sherburne County
Feed My Starving Children
Fishing for Life
Fresh Energy
Friends of Sherburne National Wildlife Refuge, Inc.
Granny’s Closet
Greater Twin Cities United Way
Happy Days 5K and Youth Fun Run
Hope 4 Youth
Humor to Fight the Tumor, Inc.
Impact Services Initiative Foundation
Isanti MN Firefighters Rodeo Association
Kinship Youth Mentoring of Princeton
Lakes Center for Youth and Families
Legacy Christian Academy
M State Foundation and Alumni
Mental Wellness Campaign for Anoka County
Macy and Unity Hospitals Foundation
Minnesota State Council on Economic Education
Minnesota West Foundation
Nexus Foundation for Family Healing
North Anoka County Emergency Food Shelf
Northern Starz Theatre Company
Nowthen Heritage Festival
PACT Charter School
Polycystic Kidney Disease Foundation
Princeton Scholarship Foundation Dollars for Scholars
Push for Empowered Pregnancy
Quilts of Valor Foundation
Rise Incorporated
Robert & Wilma Burbach Bike Foundation of MN
Ruff Start Rescue
Rum River Art Center
Salvation Army Heat Share
Saving Shepherds of MN
Special Olympics Minnesota, Inc.
Spring Lake Park High School
St. Cloud Tech High School
St. Francis Elementary Association of Parents and Teachers
St. Francis High School
St. Olaf College
Star Legacy Foundation
Stepping Stone Emergency Housing
The City of Ramsey Foundation
The Education Foundation of Forest Lake Area
The Food Group Minnesota
The Minnesota Hundred Club
Volunteers of America
Wargo Nature Center
White Bear Lake Area Educational Foundation
White Bear Lake High School
WOMN Strong
Zimmerman High School

Connexus Energy member Big River Farms provides education in organic agriculture.
Engaging & helping

Leaders from Anoka Hennepin School District receive a Cash Back check from Connexus Energy Board members at a Blaine Business Council meeting.

Greg Ridderbusch joined Justice Alan Page, his daughter Kamie Page, and nonprofit Fresh Energy for a reading of "Bee Love," a Valentine's Day event about the co-benefits of solar.

Connexus Energy member Prairie Restorations commissioned award-winning filmmaker Jesse Roessler to create a documentary about creating flowering meadows on solar farms to help save the pollinators.

Your Community, Your Choice

Every month, our members choose the organization to be given a $1,500 donation.

- MN Fundraising Initiative
- CARE Food Shelf
- Great River Faith in Action
- Stepping Stone
- Rum River Art Center
- Saving Shepherds of Minnesota
- Rise
- Avanti
- A Place for You
- Ruff Start Rescue
- Acres for Life, Center for Growth & Learning
- Achieve Services, Inc.

Rum River Art Center students