

PRESIDENT'S & MANAGER'S REPORT

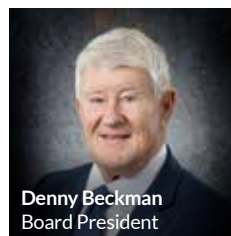
REFLECTING ON A SUCCESSFUL YEAR OF SERVING CO-OP MEMBERS

It is our privilege on behalf of Consumers Energy's directors, management, and employees to report on some of the activities and financial position of the cooperative for 2025 and to provide information for 2026 to date.

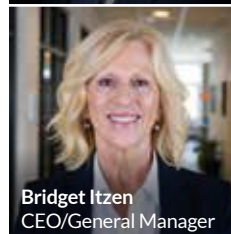
The cooperative's board of directors and management continue to focus on Consumers Energy's core electric distribution business. A cost-conscious approach is used in managing the cooperative. This has contributed to positive financial performance and margins, as reflected in Consumers Energy's 2026 year-to-date financial statements.

Consumers Energy is a cooperative, and its members are the owners of this organization. The amount a member pays for electricity and services provided by the cooperative that are not needed to operate Consumers Energy is paid back in the future to members as patronage capital credits. For the 2025 calendar year, the board chose to pay back patronage capital credits in the amount of \$619,000.

The cooperative has 24 full-time employees. We are most grateful to them for the effort and dedication they put into providing the membership with reliable electricity and energy advice. While we focus on the needs of our members, we



Denny Beckman
Board President



Bridget Itzen
CEO/General Manager



CONSUMERS ENERGY BOARD OF DIRECTORS

Front Row: Tony Lem, Jennifer Sease, Pat VonAhnen, Bill Hobson

Back Row: Ken Grant, Craig Griffieon, Steve Quick, Bob Meimann, Denny Beckman

also address the needs of our employees, so that the work in the office and out in the field can be performed safely and efficiently.

There are nine members serving on the cooperative's board of directors. The board annually holds 12 regular meetings and occasional special meetings. The directors also attend training seminars and meetings of affiliated state, regional, and national organizations and serve as the cooperative's delegates. Their participation in these meetings helps the cooperative have a well-informed board of directors.

The financial report listed in this annual report provides the facts of the financial

position of Consumers Energy as of Dec. 31, 2025. The 2025 audit of the cooperative's financial statements was successfully completed by our auditor, Eide Bailly LLP, in March of this year. Please contact the cooperative office with any questions you might have regarding this report.

We wish to extend our thanks to each member for the support and cooperation provided to Consumers Energy this past year.

This information will be presented to the membership on Monday, Aug. 10, 2026, at 5 p.m. at the cooperative's headquarters, 2074 242nd Street, Marshalltown.

NOTICE OF ANNUAL MEETING OF MEMBERS

MEETING TO BE CONDUCTED USING MAIL VOTING

The Annual Business Meeting of the members of Consumers Energy Cooperative will be held at the headquarters of Consumers Energy in Marshalltown, Iowa, at 5:00 p.m. on Monday, August 10, 2026, to take action upon the following matters:

1. The reports of officers, directors, and committees;
2. The election of three (3) directors of the Cooperative for a term of three (3) years each; and
3. All other business, which may legally come before the Meeting or any adjournments thereof.

In connection with the election of directors scheduled for this meeting, the following members have been nominated to serve as directors by the Nominating Committee appointed by the Board of Directors of the cooperative pursuant to the By-Laws.

THREE-YEAR TERMS - One to be elected from each district

District 1: Jeff Edler, Kevin Gowdy, Jeff VonAhnen

District 2: Doug Anderson, Steve Quick

District 3: Jennifer Sease, Jon Taber

As noted in our newsletter, this will be a business-only meeting with no meal, gift, or entertainment. All voting and action will be conducted by mail vote. You are urged to complete and return the mail ballot. You are also welcome to attend the meeting to hear reports of officers and the election results. The results will be published on our website and in our newsletter following the meeting.

Dated at Marshalltown, Iowa, the 15th day of June, 2026.

- Pat VonAhnen, Secretary

FINANCIAL REPORT



BALANCE SHEET

Assets

Cash & Temporary Investments	3,764,720	3,603,211
Investments in Associated Orgs	10,580,778	10,064,086
Current Assets	7,534,347	6,239,535
Other Assets	1,154,975	1,939,705
Total Utility Plant	74,575,673	72,607,993
Less Accumulated Depreciation	<u>28,400,236</u>	<u>26,990,016</u>
Net Utility Plant	46,175,437	45,617,977
Total Assets	<u>69,210,257</u>	<u>67,464,514</u>

Liabilities

Current Liabilities	6,736,536	6,581,051
Long-Term Debt	29,134,432	29,161,587
Other Liabilities & Credits	39,785	279,509
Operating Margins Prior Years	22,862,115	21,603,236
Patronage Capital	7,938,402	7,832,089
Margins	<u>2,498,987</u>	<u>2,007,042</u>
Total Liabilities & Equity	<u>69,210,257</u>	<u>67,464,514</u>

STATEMENT OF OPERATIONS

Operating Revenues

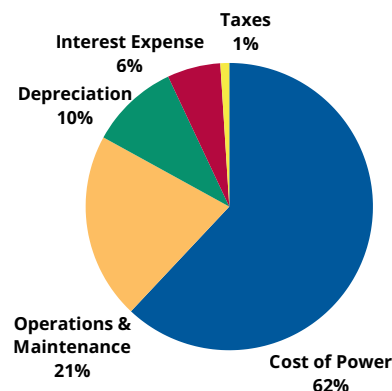
Operating Expenses

Cost of Purchased Energy	14,876,570	13,254,994
Cost of Operations & Maintenance	5,090,050	4,719,120
Depreciation	2,364,039	2,575,300
Taxes	291,087	371,944
Interest Expense	<u>1,450,319</u>	<u>1,405,890</u>
Total Expense	<u>24,072,065</u>	<u>22,327,248</u>

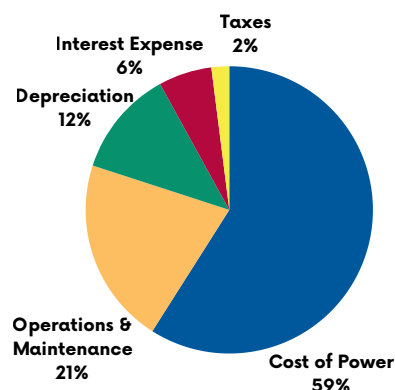
Margins from Operations

Patronage Capital received from Associated Orgs	1,027,376	536,824
Nonoperating Margins	1,430,936	1,302,221
Total Margins	<u>2,498,987</u>	<u>2,007,042</u>

2025 EXPENSES



2024 EXPENSES



2025 STATS

248

new services added

8,081

services in place

1,294

miles of line
averaging 6.08
members per mile

0.74

average number
of outages per
member in 2025

124

energy efficiency
rebates totaling
\$27,615 paid out
to members