INTEGRYS HOLDING, INC.

(A Wholly Owned Subsidiary of WEC Energy Group, Inc.)

FINANCIAL STATEMENTS

For the Quarter Ended March 31, 2020

INTEGRYS HOLDING, INC.

CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited)	Three Months Ended March 31	
(in millions)	**2020**	**2019**
Operating revenues	**$ 963.7**	$ 1,119.1
Operating expenses		
Cost of sales	**333.5**	505.6
Other operation and maintenance	**216.9**	260.9
Depreciation and amortization	**98.5**	91.8
Property and revenue taxes	**22.0**	20.6
Total operating expenses	**670.9**	878.9
Operating income	**292.8**	240.2
Other income (expense), net	**(5.1)**	17.3
Interest expense	**43.2**	41.9
Other expense	**(48.3)**	(24.6)
Income before income taxes	**244.5**	215.6
Income tax expense	**57.6**	49.8
Net income	**$ 186.9**	$ 165.8

INTEGRYS HOLDING, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)	Three Months Ended March 31	
(in millions)	**2020**	**2019**
Net income	**$ 186.9**	$ 165.8
Other comprehensive income, net of tax		
Derivatives accounted for as cash flow hedges		
Reclassification of net losses to net income, net of tax	**0.1**	0.1
Defined benefit plans		
Amortization of pension and OPEB costs included in net periodic benefit cost, net of tax	**1.5**	1.3
Other comprehensive income, net of tax	**1.6**	1.4
Comprehensive income	**$ 188.5**	$ 167.2

INTEGRYS HOLDING, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) *(in millions, except share and per share amounts)*	March 31 2020	December 31 2019
Assets		
Current assets		
Cash and cash equivalents	**$ 5.7**	$ 11.8
Accounts receivable and unbilled revenues, net of reserves of $106.0 and $84.3, respectively	**579.1**	601.3
Accounts receivable from related parties	**43.0**	69.9
Materials, supplies, and inventories	**155.8**	260.4
Notes receivable from related party	**92.9**	166.9
Other	**90.6**	109.7
Current assets	**967.1**	1,220.0
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of $3,796.6 and $3,728.1, respectively	**10,203.8**	10,079.3
Regulatory assets	**1,426.3**	1,381.3
Goodwill	**635.8**	635.8
Other	**463.6**	473.5
Long-term assets	**12,729.5**	12,569.9
Total assets	**$ 13,696.6**	$ 13,789.9
Liabilities and Equity		
Current liabilities		
Short-term debt	**$ 45.5**	$ 185.5
Current portion of long-term debt	**250.0**	250.0
Accounts payable	**312.3**	491.3
Accounts payable to related parties	**91.9**	133.2
Amounts refundable to customers	**100.5**	60.8
Accrued taxes	**89.8**	59.2
Customer credit balances	**66.8**	93.7
Other	**149.7**	155.9
Current liabilities	**1,106.5**	1,429.6
Long-term liabilities		
Long-term debt	**3,879.4**	3,879.0
Deferred income taxes	**1,332.9**	1,320.1
Regulatory liabilities	**1,543.6**	1,540.9
Environmental remediation liabilities	**500.2**	500.2
Pension and OPEB obligations	**148.5**	146.3
Asset retirement obligations	**399.8**	397.3
Other	**193.4**	173.2
Long-term liabilities	**7,997.8**	7,957.0
Commitments and contingencies		
Shareholder's equity		
Common stock – $0.01 par value; 10,000 shares authorized, 1,020 shares issued and outstanding	**—**	—
Additional paid in capital	**2,302.3**	2,301.8
Retained earnings	**2,297.7**	2,110.8
Accumulated other comprehensive loss	**(7.7)**	(9.3)
Shareholder's equity	**4,592.3**	4,403.3
Total liabilities and equity	**$ 13,696.6**	$ 13,789.9

INTEGRYS HOLDING, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Three Months Ended March 31	
(in millions)	**2020**	**2019**
Operating activities		
Net income	**$ 186.9**	$ 165.8
Reconciliation to cash provided by operating activities		
Depreciation and amortization	**98.5**	91.8
Deferred income taxes and investment tax credits, net	**23.8**	26.4
Change in –		
Accounts receivable and unbilled revenues	**45.9**	(77.8)
Materials, supplies, and inventories	**104.6**	118.9
Other current assets	**17.5**	49.4
Accounts payable	**(170.7)**	(111.7)
Amounts refundable to customers	**39.7**	31.0
Accrued taxes	**30.6**	34.9
Other current liabilities	**(34.5)**	9.6
Other, net	**(33.6)**	(16.1)
Net cash provided by operating activities	**308.7**	322.2
Investing activities		
Capital expenditures	**(268.8)**	(184.2)
Proceeds from the sale of investments held in rabbi trust	**17.0**	0.1
Short-term notes receivable from related parties, net	**74.0**	116.9
Proceeds from cash surrender value of life insurance	**8.3**	7.9
Other, net	**0.5**	0.3
Net cash used in investing activities	**(169.0)**	(59.0)
Financing activities		
Change in short-term debt	**(140.0)**	(283.5)
Net change in cash, cash equivalents, and restricted cash	**(0.3)**	(20.3)
Cash, cash equivalents, and restricted cash at beginning of period	**55.3**	82.0
Cash, cash equivalents, and restricted cash at end of period	**$ 55.0**	$ 61.7
Supplemental cash flow information		
Cash paid for interest, net of amount capitalized	**$ 25.1**	$ 21.1
Cash received for income taxes, net	**—**	(0.2)