# INTEGRYS HOLDING, INC.

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

**FINANCIAL STATEMENTS**

**For the Quarter Ended March 31, 2022**

**INTEGRYS HOLDING, INC.**

| CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited) | Three Months Ended March 31 | |
|---|---|---|
| *(in millions)* | **2022** | **2021** |
| **Operating revenues** | **$ 1,401.9** | $ 1,341.9 |
| | | |
| **Operating expenses** | | |
| Cost of sales | **715.4** | 693.3 |
| Other operation and maintenance | **221.9** | 228.0 |
| Depreciation and amortization | **116.5** | 107.9 |
| Property and revenue taxes | **28.2** | 24.8 |
| **Total operating expenses** | **1,082.0** | 1,054.0 |
| | | |
| **Operating income** | **319.9** | 287.9 |
| | | |
| Other income, net | **11.6** | 15.8 |
| Interest expense | **41.1** | 40.4 |
| **Other expense** | **(29.5)** | (24.6) |
| | | |
| Income before income taxes | **290.4** | 263.3 |
| Income tax expense | **73.3** | 50.9 |
| **Net income** | **$ 217.1** | $ 212.4 |

**INTEGRYS HOLDING, INC.**

| CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)<br>*(in millions, except share and per share amounts)* | March 31 2022 | December 31 2021 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | **$ 7.2** | $ 6.5 |
| Accounts receivable and unbilled revenues, net of reserves of $127.0 and $125.3, respectively | **853.8** | 741.2 |
| Accounts receivable from related parties | **36.3** | 52.7 |
| Notes receivable from related party | **—** | 5.3 |
| Materials, supplies, and inventories | **145.2** | 305.2 |
| Prepayments | **39.9** | 55.4 |
| Derivative assets | **118.1** | 50.6 |
| Amounts recoverable from customers | **82.9** | 89.8 |
| Other | **13.0** | 15.5 |
| **Current assets** | **1,296.4** | 1,322.2 |
| | | |
| **Long-term assets** | | |
| Property, plant, and equipment, net of accumulated depreciation and amortization of $4,130.2 and $4,098.1, respectively | **11,548.7** | 11,490.0 |
| Regulatory assets | **1,215.3** | 1,295.8 |
| Goodwill | **635.8** | 635.8 |
| Pension and OPEB assets | **468.1** | 454.5 |
| Other | **206.7** | 209.1 |
| **Long-term assets** | **14,074.6** | 14,085.2 |
| **Total assets** | **$ 15,371.0** | $ 15,407.4 |
| | | |
| **Liabilities and Equity** | | |
| **Current liabilities** | | |
| Short-term debt | **$ 154.0** | $ 637.5 |
| Notes payable to related party | **30.0** | — |
| Accounts payable | **336.3** | 492.2 |
| Accounts payable to related parties | **72.7** | 89.1 |
| Temporary LIFO liquidation credit | **130.7** | — |
| Collateral received | **102.7** | 12.9 |
| Accrued taxes | **144.8** | 96.1 |
| Customer credit balances | **74.0** | 88.0 |
| Other | **176.4** | 147.6 |
| **Current liabilities** | **1,221.6** | 1,563.4 |
| | | |
| **Long-term liabilities** | | |
| Long-term debt | **4,277.9** | 4,277.0 |
| Deferred income taxes | **1,709.8** | 1,666.6 |
| Regulatory liabilities | **1,537.2** | 1,474.9 |
| Environmental remediation liabilities | **456.0** | 470.9 |
| Asset retirement obligations | **345.4** | 343.1 |
| Other | **264.8** | 270.8 |
| **Long-term liabilities** | **8,591.1** | 8,503.3 |
| | | |
| **Commitments and contingencies** | | |
| | | |
| **Shareholder's equity** | | |
| Common stock – $0.01 par value; 10,000 shares authorized, 1,020 shares issued and outstanding | **—** | — |
| Additional paid in capital | **2,303.7** | 2,303.2 |
| Retained earnings | **3,256.9** | 3,039.8 |
| Accumulated other comprehensive loss | **(2.3)** | (2.3) |
| **Shareholder's equity** | **5,558.3** | 5,340.7 |
| **Total liabilities and equity** | **$ 15,371.0** | $ 15,407.4 |

**INTEGRYS HOLDING, INC.**

| CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) | Three Months Ended March 31 | |
|---|---|---|
| *(in millions)* | **2022** | **2021** |
| **Operating activities** | | |
| Net income | **$ 217.1** | $ 212.4 |
| Reconciliation to cash provided by operating activities | | |
| Depreciation and amortization | **116.5** | 107.9 |
| Deferred income taxes and investment tax credits, net | **32.9** | 104.8 |
| Change in – | | |
| Accounts receivable and unbilled revenues, net | **(98.8)** | (38.9) |
| Materials, supplies, and inventories | **160.0** | 107.1 |
| Prepayments | **15.5** | (35.8) |
| Amounts recoverable from customers | **6.9** | (235.3) |
| Other current assets | **2.5** | 9.8 |
| Accounts payable | **(145.3)** | (91.8) |
| Temporary LIFO liquidation credit | **130.7** | 66.3 |
| Collateral received | **89.8** | — |
| Accrued taxes | **48.7** | 12.4 |
| Other current liabilities | **24.3** | (54.9) |
| Other, net | **3.8** | (17.3) |
| **Net cash provided by operating activities** | **604.6** | 146.7 |
| | | |
| **Investing activities** | | |
| Capital expenditures | **(177.1)** | (202.8) |
| Payments for assets transferred from affiliates | **—** | (15.4) |
| Proceeds from the sale of assets | **6.8** | 7.9 |
| Proceeds from the sale of investments held in rabbi trust | **15.4** | 12.7 |
| Short-term notes receivable from related parties, net | **5.3** | — |
| Proceeds from cash surrender value of life insurance | **4.4** | 1.1 |
| Other, net | **(2.0)** | (1.1) |
| **Net cash used in investing activities** | **(147.2)** | (197.6) |
| | | |
| **Financing activities** | | |
| Change in short-term debt | **(483.5)** | (10.5) |
| Short-term debt to related parties, net | **30.0** | 61.9 |
| Other, net | **(0.4)** | — |
| **Net cash provided by (used in) financing activities** | **(453.9)** | 51.4 |
| | | |
| **Net change in cash, cash equivalents, and restricted cash** | **3.5** | 0.5 |
| Cash, cash equivalents, and restricted cash at beginning of period | **56.1** | 53.7 |
| **Cash, cash equivalents, and restricted cash at end of period** | **$ 59.6** | $ 54.2 |
| | | |
| **Supplemental cash flow information** | | |
| Cash paid for interest, net of amount capitalized | **$ 21.9** | $ 23.9 |
| Cash paid (received) for income taxes, net | **1.1** | (2.3) |