Evergy Missouri West, Inc.

Unaudited Consolidated Financial Statements and Management's Narrative Analysis of the Results of Operations for the Three Months Ended March 31, 2024 and 2023

EVERGY MISSOURI WEST, INC.

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Unaudited Consolidated Financial Statements and Management's Narrative Analysis of the Results of Operations for the Three Months Ended March 31, 2024 and 2023:

GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations or acronyms that are found throughout this report.

Abbreviation or Acronym	Definition
AFUDC	Allowance for funds used during construction
AROs	Asset retirement obligations
CAA	Clean Air Act Amendments of 1990
CCN	Certificate of Convenience and Necessity
CCRs	Coal combustion residuals
CO_2	Carbon dioxide
CSAPR	Cross-State Air Pollution Rule
Dogwood	Dogwood Energy Center
ELG	Effluent limitations guidelines
EPA	Environmental Protection Agency
Evergy	Evergy, Inc.
Evergy Kansas Central	Evergy Kansas Central, Inc., a wholly-owned subsidiary of Evergy
Evergy Metro	Evergy Metro, Inc., a wholly-owned subsidiary of Evergy
Evergy Missouri West	Evergy Missouri West, Inc., a wholly-owned subsidiary of Evergy
Evergy Missouri West Storm Funding	Evergy Missouri West Storm Funding I, LLC
February 2021 winter weather event	Significant winter weather event in February 2021 that resulted in extremely cold temperatures over a multi-day period across much of the central and southern United States
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse gas
JEC	Jeffrey Energy Center
KCC	State Corporation Commission of the State of Kansas
KDHE	Kansas Department of Health & Environment
MDNR	Missouri Department of Natural Resources
MPSC	Public Service Commission of the State of Missouri
NAAQS	National Ambient Air Quality Standards
OCI	Other comprehensive income
SIP	State implementation plan

EVERGY MISSOURI WEST, INC.
Consolidated Balance Sheets
(Unaudited)

	March 31 2024	December 31 2023
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	**$ 8.0**	$ 2.6
Receivables, net of allowance for credit losses of $3.2 and $4.6, respectively	**41.6**	50.0
Related party receivables	**—**	2.4
Accounts receivable pledged as collateral	**50.0**	50.0
Fuel inventory and supplies	**102.2**	99.5
Regulatory assets, includes $15.2 and $— related to variable interest entity, respectively	**127.1**	105.8
Prepaid expenses and other assets	**11.9**	10.4
Total Current Assets	**340.8**	320.7
PROPERTY, PLANT AND EQUIPMENT, NET	**3,551.9**	3,496.2
OTHER ASSETS:		
Regulatory assets, includes $306.5 and $— related to variable interest entity, respectively	**679.2**	707.0
Goodwill	**351.6**	351.6
Other	**24.6**	21.0
Total Other Assets	**1,055.4**	1,079.6
TOTAL ASSETS	**$ 4,948.1**	$ 4,896.5

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY MISSOURI WEST, INC.
Consolidated Balance Sheets
(Unaudited)

	March 31 2024	December 31 2023
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt, includes $11.5 and $— related to variable interest entity, respectively	**$ 11.5**	$ —
Commercial paper	**317.0**	298.1
Collateralized note payable	**50.0**	50.0
Accounts payable	**54.1**	118.8
Related party payables	**246.8**	485.8
Accrued taxes	**27.8**	11.3
Accrued interest	**14.6**	10.4
Regulatory liabilities	**36.8**	35.9
Asset retirement obligations	**2.3**	2.1
Other	**4.7**	6.5
Total Current Liabilities	**765.6**	1,018.9
LONG-TERM LIABILITIES:		
Long-term debt, net, includes $311.5 and $— related to variable interest entity, respectively	**1,599.6**	1,287.8
Deferred income taxes	**469.6**	466.0
Unamortized investment tax credits	**2.5**	2.5
Regulatory liabilities	**237.0**	251.9
Retirement benefits	**17.2**	16.9
Asset retirement obligations	**20.7**	20.6
Other	**18.2**	19.6
Total Long-Term Liabilities	**2,364.8**	2,065.3
Commitments and Contingencies (Note 8)		
EQUITY:		
Common shareholder's equity		
Common stock-1,000 shares authorized, $0.01 par value, 10 shares issued, stated value	**1,457.7**	1,457.7
Retained earnings	**358.3**	352.9
Accumulated other comprehensive income	**1.7**	1.7
Total Shareholder's Equity	**1,817.7**	1,812.3
TOTAL LIABILITIES AND EQUITY	**$ 4,948.1**	$ 4,896.5

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY MISSOURI WEST, INC.

Consolidated Statements of Comprehensive Income

(Unaudited)

Three Months Ended March 31	**2024**	2023
	(millions)	
OPERATING REVENUES	**$ 224.5**	$ 222.1
OPERATING EXPENSES:		
Fuel and purchased power	**108.9**	104.9
Operating and maintenance	**43.7**	41.6
Depreciation and amortization	**37.6**	38.1
Taxes other than income tax	**13.7**	13.2
Total Operating Expenses	**203.9**	197.8
INCOME FROM OPERATIONS	**20.6**	24.3
OTHER INCOME (EXPENSE):		
Investment earnings	**3.5**	6.2
Other income	**0.1**	0.2
Other expense	**(2.2)**	(2.2)
Total Other Income, Net	**1.4**	4.2
Interest expense	**17.2**	20.5
INCOME BEFORE INCOME TAXES	**4.8**	8.0
Income tax benefit	**(0.6)**	(3.0)
NET INCOME	**$ 5.4**	$ 11.0
COMPREHENSIVE INCOME		
NET INCOME	**$ 5.4**	$ 11.0
OTHER COMPREHENSIVE INCOME		
Defined benefit pension plans		
Amortization of net gains included in net periodic benefit costs	**—**	(0.1)
Income tax expense	**—**	0.1
Amortization of net losses included in net periodic benefit costs, net of tax	**—**	—
Total other comprehensive income	**—**	—
COMPREHENSIVE INCOME	**$ 5.4**	$ 11.0

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY MISSOURI WEST, INC.
Consolidated Statements of Cash Flows
(Unaudited)

Three Months Ended March 31	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(millions)	
Net income	$ 5.4	$ 11.0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	37.6	38.1
Net deferred income taxes and credits	(2.9)	3.4
Payments for asset retirement obligations	(0.1)	(0.1)
Changes in working capital items:		
Accounts receivable	10.0	7.0
Fuel inventory and supplies	(2.7)	(13.4)
Prepaid expenses and other current assets	3.0	26.9
Accounts payable	(69.0)	(95.5)
Accrued taxes	16.5	7.0
Other current liabilities	4.5	6.5
Change in other assets	—	(8.6)
Changes in other liabilities	(7.9)	(5.6)
Cash Flows used in Operating Activities	(5.6)	(23.3)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(110.7)	(71.4)
Cash Flows used in Investing Activities	(110.7)	(71.4)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short term debt, net	18.9	156.3
Proceeds from long-term debt	327.5	—
Net money pool borrowings	(223.0)	(60.5)
Other financing activities	—	(0.6)
Cash Flows from Financing Activities	123.4	95.2
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	7.1	0.5
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	2.6	2.2
End of period	$ 9.7	$ 2.7

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY MISSOURI WEST, INC.
Consolidated Statements of Changes in Equity
(Unaudited)

	Common stock shares		Common stock		Retained earnings		AOCI - Defined benefit pension plans		Total equity
	(millions, except share amounts)								
Balance as of December 31, 2022	10	$	1,457.7	$	255.2	$	2.2	$	1,715.1
Net income	—		—		11.0		—		11.0
Balance as of March 31, 2023	10	$	1,457.7	$	266.2	$	2.2	$	1,726.1
Balance as of December 31, 2023	10	$	1,457.7	$	352.9	$	1.7	$	1,812.3
Net income	—		—		5.4		—		5.4
Balance as of March 31, 2024	10	$	1,457.7	$	358.3	$	1.7	$	1,817.7

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

EVERGY MISSOURI WEST, INC.
Notes to Unaudited Consolidated Financial Statements

The term "Evergy Missouri West" is used throughout this report and refers to Evergy Missouri West, Inc. and its consolidated subsidiaries, unless otherwise indicated. Evergy Missouri West is a wholly-owned subsidiary of Evergy, Inc. (Evergy). Evergy also owns Evergy Metro, Inc. (Evergy Metro) and Evergy Kansas Central, Inc. (Evergy Kansas Central), both integrated, regulated electric utilities.

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization
Evergy Missouri West is an integrated, regulated electric utility that provides electricity to customers in the state of Missouri. Evergy Missouri West conducts business in its service territory using the name Evergy.

Basis of Presentation
These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information. Accordingly, these unaudited consolidated financial statements do not include all of the information and notes required by GAAP for annual financial statements and should be read in conjunction with Evergy Missouri West's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

These unaudited consolidated financial statements, in the opinion of management, reflect all normal recurring adjustments necessary to fairly present the unaudited consolidated financial statements of Evergy Missouri West for these interim periods. In preparing financial statements that conform to GAAP, management must make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Principles of Consolidation
Evergy Missouri West's unaudited consolidated financial statements include the accounts of its subsidiaries and a variable interest entity (VIE) of which it is the primary beneficiary. Undivided interests in jointly-owned generation facilities are included on a proportionate basis. Intercompany transactions have been eliminated.

Subsequent events have been evaluated through May 17, 2024, the date the unaudited consolidated financial statements were available to be issued.

Cash, Cash Equivalents and Restricted Cash
Cash equivalents consists of highly liquid investments with original maturities of three months or less at acquisition. Evergy Missouri West has restricted cash included in Other within Other Assets on Evergy's Missouri West's consolidated balance sheets to facilitate servicing of Evergy Missouri West Storm Funding I, LLC's (Evergy Missouri West Storm Funding) debt. See Note 10 for additional information on the VIE. The following table summarizes the cash, cash equivalents and restricted cash included on Evergy Missouri West's consolidated balance sheets.

	March 31 2024	December 31 2023
Current assets	(millions)	
Cash and cash equivalents	$ 8.0	$ 2.6
Other assets		
Other	1.7	—
Total cash, cash equivalents and restricted cash	$ 9.7	$ 2.6

Fuel Inventory and Supplies

Evergy Missouri West records fuel inventory and supplies at average cost. The following table separately states the balances for fuel inventory and supplies.

	March 31 2024	December 31 2023
	(millions)	
Fuel inventory	$ 37.5	$ 37.3
Supplies	64.7	62.2
Fuel inventory and supplies	$ 102.2	$ 99.5

Property, Plant and Equipment

The following table summarizes Evergy Missouri West's property, plant and equipment.

	March 31 2024	December 31 2023
	(millions)	
Electric plant in service	$ 4,866.1	$ 4,784.8
Accumulated depreciation	(1,488.3)	(1,464.1)
Plant in service, net	3,377.8	3,320.7
Construction work in progress	174.1	175.5
Property, plant and equipment, net	$ 3,551.9	$ 3,496.2

Other Income (Expense), Net

The table below shows the detail of other expense for Evergy Missouri West.

Three Months Ended March 31	2024	2023
	(millions)	
Non-service cost component of net benefit cost	$ (2.1)	$ (2.0)
Other	(0.1)	(0.2)
Other expense	$ (2.2)	$ (2.2)

Supplemental Cash Flow Information

Three Months Ended March 31	2024	2023
Cash paid for (received from):	(millions)	
Interest, net of amounts capitalized	$ 17.9	$ 17.7
Non-cash investing transactions:		
Property, plant and equipment additions	17.3	16.3

Natural Gas Plant Investment

In April 2024, Evergy Missouri West purchased a joint ownership interest representing approximately 145 MW in Dogwood Energy Center (Dogwood), an operational natural gas combined cycle facility located in Missouri, for approximately $60 million. The purchase was subject to terms and conditions listed in a stipulation and agreement approved by the Public Service Commission of the State of Missouri (MPSC) allowing Evergy Missouri West to recover in rates a return of and return on the original cost, net of accumulated depreciation, of Dogwood. Evergy Missouri West shall also be allowed to recover in rates over two years a return of, but not a return on, the amount of the purchase price paid in excess of the original cost, net of accumulated depreciation, of Dogwood. In addition, net revenues generated from Evergy Missouri West's ownership of Dogwood from the date of closing to the date new rates become effective in Evergy Missouri West's current rate case shall not impact rates and shall be retained by Evergy Missouri West and reduce the amount of the purchase price paid in excess of the original cost, net of accumulated depreciation, of Dogwood to be recovered from customers.

2. REVENUE

Evergy Missouri West’s revenues disaggregated by customer class are summarized in the following table.

Three Months Ended March 31	2024	2023
Revenues	(millions)	
Residential	$ 108.7	$ 108.5
Commercial	77.9	76.0
Industrial	23.2	22.2
Other retail	2.6	4.3
Total electric retail	$ 212.4	$ 211.0
Wholesale	4.3	1.9
Transmission	1.6	1.4
Industrial steam and other	5.9	7.5
Total revenue from contracts with customers	$ 224.2	$ 221.8
Other	0.3	0.3
Operating revenues	$ 224.5	$ 222.1

3. RECEIVABLES

Evergy Missouri West's receivables are detailed in the following table.

	March 31 2024	December 31 2023
	(millions)	
Customer accounts receivable - billed	$ —	$ 2.5
Customer accounts receivable - unbilled	35.3	42.0
Other receivables	9.5	10.1
Allowance for credit losses	(3.2)	(4.6)
Total	$ 41.6	$ 50.0

As of March 31, 2024 and December 31, 2023, other receivables for Evergy Missouri West included receivables from contracts with customers of $1.6 million and $0.8 million, respectively.

The change in Evergy Missouri West's allowance for credit losses is summarized in the following table.

	2024	2023
	(millions)	
Beginning balance January 1	$ 4.6	$ 5.2
Credit loss expense (income)	(0.6)	(0.7)
Write-offs	(1.4)	(1.3)
Recoveries of prior write-offs	0.6	0.6
Ending balance March 31	$ 3.2	$ 3.8

Sale of Accounts Receivable

Evergy Missouri West sells an undivided percentage ownership interest in its retail electric accounts receivable to an independent outside investor. This sale is accounted for as a secured borrowing with accounts receivable pledged as collateral and a corresponding short-term collateralized note payable recognized on the balance sheets. As of March 31, 2024 and December 31, 2023, Evergy Missouri West's accounts receivable pledged as collateral and the corresponding short-term collateralized note payable were $50.0 million. In February 2024, Evergy Missouri West amended the terms of its receivable sales facility, including extending the expiration from 2024 to 2025. Prior to the amendment, Evergy Missouri West's receivable sales facility allowed for $50.0 million in aggregate outstanding principal amount of borrowings from mid-November through mid-July and then $65.0 million from mid-July through mid-November.

Under the amended terms, effective in March 2024, Evergy Missouri West's facility allows up to $50.0 million in aggregate outstanding principal amount to be borrowed at any time. To the extent Evergy Missouri West has qualifying accounts receivable and subject to the bank's discretion, Evergy Missouri West's facility allows for an additional $65.0 million in aggregate outstanding principal amount to be borrowed at any time.

4. RATE MATTERS AND REGULATION

MPSC Proceedings

Evergy Missouri West's 2024 Rate Case Proceeding

In February 2024, Evergy Missouri West filed an application with the MPSC to request an increase to its retail revenues of approximately $104 million. Evergy Missouri West's request reflected a return on equity of 10.5% (with capital structure composed of 52% equity) and increases related to the recovery of infrastructure investments made to improve reliability and enhance customer service and the inclusion of certain costs related Dogwood and Crossroads Energy Center (Crossroads), two natural gas plants. An evidentiary hearing in the case is scheduled to occur beginning in late September 2024 and new rates are expected to be effective in January 2025.

February 2021 Winter Weather Event Securitization

In February 2021, much of the central and southern United States, including the service territory of Evergy Missouri West, experienced a significant winter weather event that resulted in extremely cold temperatures over a multi-day period (February 2021 winter weather event).

In November 2022, the MPSC issued a revised financing order authorizing Evergy Missouri West to issue securitized bonds to recover its extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event. As part of the order, the MPSC found that Evergy Missouri West's costs were prudently incurred, that it should only be allowed to recover 95% of its extraordinary fuel and purchased power costs consistent with the 5% sharing provision of its fuel recovery mechanism, that it should be allowed to recover carrying costs incurred since February 2021 at Evergy Missouri West's long-term debt rate of 5.06% and approved a 15 year repayment period for the bonds with a 17 year legal maturity. Evergy Missouri West continued to record carrying charges on its February 2021 winter weather event regulatory asset until it issued the securitized bonds in February 2024. See Note 6 for additional information regarding the issuance of the securitized bonds.

5. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

Evergy's $2.5 billion master credit facility expires in 2027. As of March 31, 2024 and December 31, 2023, Evergy Missouri West has borrowing capacity under the master credit facility with a sublimit of $700.0 million. This sublimit can be unilaterally adjusted by Evergy provided the sublimit remains within minimum and maximum sublimits as specified in the facility. The applicable interest rates and commitment fees of the facility are subject to upward or downward adjustments, within certain limitations, if Evergy achieves, or fails to achieve, certain sustainability-linked targets based on two key performance indicator metrics: (i) Non-Emitting Generation Capacity and (ii) Diverse Supplier Spend (as defined in the facility).

A default by Evergy Missouri West or one of its significant subsidiaries on other indebtedness totaling more than $100.0 million constitutes a default by Evergy Missouri West under the facility. Under the terms of this facility, Evergy Missouri West is required to maintain a total indebtedness to total capitalization ratio, as defined in the facility, of not greater than 0.65 to 1.00 at all times. As of March 31, 2024, Evergy Missouri West was in compliance with this covenant.

As of March 31, 2024, Evergy Missouri West had $317.0 million of commercial paper outstanding at a weighted-average interest rate of 5.51%, had no issued letters of credit and had no outstanding cash borrowings under the master credit facility. As of December 31, 2023, Evergy Missouri West had $298.1 million of commercial paper outstanding at a weighted-average interest rate of 5.66%, had no issued letters of credit and had no outstanding cash borrowings under the master credit facility.

6. LONG-TERM DEBT

Securitized Bonds
In 2022, Evergy Missouri West created a special purpose subsidiary, Evergy Missouri West Storm Funding, a wholly-owned, bankruptcy remote entity solely for the purpose of recovering extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event. In February 2024, Evergy Missouri West Storm Funding issued, at a discount, $331.1 million of 5.10% Securitized Utility Tariff Bonds (Securitized Bonds) with a final payment scheduled for 2038, maturing in 2040. The obligations of Evergy Missouri West Storm Funding's Securitized Bonds are repaid through charges imposed on customers in Evergy Missouri West's service territory. Creditors of Evergy Missouri West have no recourse to any assets or revenues of Evergy Missouri West Storm Funding, and the bondholders have no recourse to the general credit of Evergy Missouri West. See Note 4 for additional information regarding the February 2021 winter weather event securitization.

7. FAIR VALUE MEASUREMENTS

GAAP establishes a hierarchical framework for disclosing the transparency of the inputs utilized in measuring assets and liabilities at fair value. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy levels. Further explanation of these levels is summarized below.

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on public exchanges.

Level 2 - Pricing inputs are not quoted prices in active markets but are either directly or indirectly observable. The types of assets and liabilities included in Level 2 are certain marketable debt securities or financial instruments traded in less than active markets.

Level 3 - Significant inputs to pricing have little or no transparency. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation.

Evergy Missouri West records cash and cash equivalents, accounts receivable and short-term borrowings on its consolidated balance sheets at cost, which approximates fair value due to the short-term nature of these instruments.

Fair Value of Long-Term Debt
Evergy Missouri West measures the fair value of long-term debt using Level 2 measurements available as of the measurement date. The book value and fair value of Evergy Missouri West's long-term debt is summarized in the following table.

	March 31, 2024		December 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
	(millions)			
Long-term debt[(a)]	$ 1,611.1	$ 1,494.2	$ 1,287.8	$ 1,182.9

[(a)]Includes current maturities.

Supplemental Executive Retirement Plan
As of March 31, 2024 and December 31, 2023, Evergy Missouri West's Supplemental Executive Retirement Plan rabbi trusts included $8.5 million and $8.8 million of core bond funds, respectively. The core bond funds are Level 1 investments.

8. COMMITMENTS AND CONTINGENCIES

Environmental Matters
Set forth below are descriptions of contingencies related to environmental matters that may impact Evergy Missouri West's operations or its financial results. Management's assessment of these contingencies, which are based on

federal and state statutes and regulations, and regulatory agency and judicial interpretations and actions, has evolved over time. These laws, regulations, interpretations and actions can also change, restrict or otherwise impact Evergy Missouri West's operations or financial results. The failure to comply with these laws, regulations, interpretations and actions could result in the assessment of administrative, civil and criminal penalties and the imposition of remedial requirements. Evergy Missouri West believes that all of its operations are in substantial compliance with current federal, state and local environmental standards.

There are a variety of final and proposed laws and regulations that could have a material adverse effect on Evergy Missouri West's operations and consolidated financial results. Due in part to the complex nature of environmental laws and regulations, Evergy Missouri West is unable to assess the impact of potential changes that may develop with respect to the environmental contingencies described below.

Mercury and Air Toxics Standards (MATS)
In April 2024, the EPA finalized a rule to tighten certain aspects of the MATS rule. The EPA is lowering the emission limit for particulate matter (PM), requiring the use of PM continuous emissions monitors (CEMS) and lowering the mercury emission limit for lignite coal-fired electric generating units (EGUs). Evergy Missouri West is in the process of reviewing the details of the final rule, however, the cost to comply does not appear to be material.

Ozone Interstate Transport State Implementation Plans (ITSIP)
In 2015, the EPA lowered the Ozone National Ambient Air Quality Standards (NAAQS) from 75 ppb to 70 ppb. Impacted states were required to submit ITSIPs in 2018 to comply with the "Good Neighbor Provision" of the Clean Air Act (CAA). The EPA did not act on these ITSIP submissions by the deadline established in the CAA and entered consent decrees establishing deadlines to take final action on various ITSIPs. In February 2022, the EPA published a proposed rule to disapprove the ITSIPs submitted by nineteen states including Missouri and Oklahoma. In April 2022, the EPA published a final approval of the Kansas ITSIP in the Federal Register. The Missouri Department of Natural Resources (MDNR) submitted a supplemental ITSIP to the EPA in November 2022. In February 2023, the EPA published a final rule disapproving the ITSIPs submitted by 19 states, including the final disapproval of the Missouri and Oklahoma ITSIPs. In April 2023, the Attorneys General of Missouri and Oklahoma filed Petitions for Review in the U.S. Courts of Appeals for the Eighth and Tenth Circuits, respectively, challenging the EPA's disapproval. In May 2023, the Eighth Circuit granted a stay of the EPA's disapproval of the Missouri ITSIP. Similarly, in July 2023, the Tenth Circuit granted a stay of the EPA's disapproval of the Oklahoma ITSIP. Due to uncertainty regarding the stays of the EPA's disapprovals of the Missouri and Oklahoma ITSIPs, Evergy Missouri West is unable to accurately assess the impact on its operations or consolidated financial results, but the cost to comply could be material. In January 2024, the EPA proposed to disapprove the ITSIP for Kansas and four other states. The Kansas ITSIP was previously approved in April 2022. Evergy Missouri West is in the process of reviewing this proposed disapproval of the Kansas ITSIP; however, the impact on Evergy Missouri West's operations could be material.

Ozone Interstate Transport Federal Implementation Plans (ITFIP)
In April 2022, the EPA published in the Federal Register the proposed ITFIP to resolve outstanding "Good Neighbor" obligations with respect to the 2015 Ozone NAAQS for 26 states including Missouri and Oklahoma. This ITFIP would establish a revised Cross-State Air Pollution Rule (CSAPR) ozone season nitrogen oxide (NOx) emissions trading program for electric generating units (EGUs) beginning in 2023 and would limit ozone season NOx emissions from certain industrial stationary sources beginning in 2026. The proposed rule would also establish a new daily backstop NOx emissions rate limit for applicable coal-fired units larger than 100 MW, as well as unit-specific NOx emission rate limits for certain industrial emission units and would feature "dynamic" adjustments of emission budgets for EGUs beginning with ozone season 2025. The proposed ITFIP includes reductions to the state ozone season NOx budgets for Missouri and Oklahoma beginning in 2023 with additional reductions in future years. Evergy Missouri West provided formal comments as part of the rulemaking process. In March 2023, the EPA issued the final ITFIPs for twenty-three states, including Missouri and Oklahoma, which included reduced ozone season NOx budgets for EGUs in Missouri, Oklahoma and other states, and included other features and requirements that were in the proposed version of the rule. Because the EPA's authority to impose an ITFIP for a state is triggered by the state's failure to submit an ITSIP addressing NAAQS by the statutory deadline

or disapproval of an ITSIP, the EPA lacks authority under the Clean Air Act to impose an ITFIP on a state for which SIP disapprovals have been stayed by the courts. Accordingly, the EPA issued interim final rules staying the effectiveness of the ITFIP in both Missouri and Oklahoma while the stays issued by the Eighth and Tenth Circuits in the ITSIP disapproval cases remain in place. During this time, both states will continue to operate under the existing CSAPR program. While Kansas was not originally included in the ITFIP, in January 2024, the EPA issued a proposal to include Kansas in the ITFIP. If finalized, the ITFIP for Kansas would become effective for the 2025 ozone season beginning in May 2025. Evergy Missouri West is in the process of reviewing the details of this proposal; however, the impact on Evergy Missouri West's operations and the cost to comply could be material.

Particulate Matter National Ambient Air Quality Standards
In March 2024, the EPA published in the Federal Register the final rule which strengthens the primary annual $PM_{2.5}$ (particulate matter less than 2.5 microns in diameter) NAAQS. The EPA is lowering the primary annual $PM_{2.5}$ NAAQS from 12.0 µg/m3 (micrograms per cubic meter) to 9.0 µg/m3. The final rule took effect in May 2024. Evergy Missouri West is in the process of reviewing this final rule, however, due to uncertainty regarding the long-term implementation of this final rule, Evergy Missouri West is unable to accurately assess the impacts on its operations or consolidated financial results, but the cost to comply with lower $PM_{2.5}$ NAAQS could be material.

Regional Haze Rule
In 1999, the EPA finalized the Regional Haze Rule which aims to restore national parks and wilderness areas to pristine conditions. The rule requires states in coordination with the EPA, the National Park Service, the U.S. Fish and Wildlife Service, the U.S. Forest Service, and other interested parties to develop and implement air quality protection plans to reduce the pollution that causes visibility impairment. There are 156 "Class I" areas across the U.S. that must be restored to pristine conditions by the year 2064. There are no Class I areas in Kansas, whereas Missouri has two: the Hercules-Glades Wilderness Area and the Mingo Wilderness Area. States must submit revisions to their Regional Haze Rule SIPs every ten years and the first round was due in 2007. For the second ten-year implementation period, the EPA issued a final rule revision in 2017 that allowed states to submit their SIP revisions by July 2021. The Missouri SIP revision does not require any additional reductions from Evergy Missouri West's generating units in the state. MDNR submitted the Missouri SIP revision to the EPA in August 2022, however, they failed to do so by the EPA's revised submittal deadline in August 2022. As a result, in August 2022, the EPA published "finding of failure" with respect to Missouri and fourteen other states for failing to submit their Regional Haze SIP revisions by the applicable deadline. This finding of failure established a two-year deadline for the EPA to issue a Regional Haze federal implementation plan (FIP) for each state unless the state submits and the EPA approves a revised SIP that meets all applicable requirements before the EPA issues the FIP. The Kansas SIP revision requested no additional emission reductions by electric utilities based on the significant reductions that were achieved during the first implementation period. The Kansas Department of Health and Environment (KDHE) submitted the Kansas SIP revision in July 2021. In January 2024, the EPA issued a proposal to disapprove the Kansas SIP revision for failing to conduct a four-factor analysis for at least two emission sources in Kansas. If a Kansas generating unit of Evergy Missouri West is selected for analysis, the possibility exists that the state or the EPA, through a revised SIP or a FIP, could determine that additional operational or physical modifications are required on the generating unit to further reduce emissions. The overall cost of those modifications could be material to Evergy Missouri West.

Greenhouse Gases
Burning coal and other fossil fuels releases carbon dioxide (CO_2) and other gases referred to as greenhouse gases (GHG). Various regulations under the CAA limit CO_2 and other GHG emissions, and in addition, other measures are being imposed or offered by individual states, municipalities and regional agreements with the goal of reducing GHG emissions. In April 2024, the EPA finalized the GHG regulations and GHG guidelines that apply to new and existing fossil fuel fired EGUs. The final GHG regulation establishes CO_2 limitations on emissions from new and reconstructed stationary combustion turbines. The GHG guidelines set CO_2 emission limitations for; existing coal, oil and gas-fired steam generating units. For new and reconstructed stationary combustion turbines, the emission limitations were developed by applying the Best System of Emission Reduction (BSER) to three distinct subcategories (low load, intermediate load and base load) taking into consideration the annual capacity factor of the stationary combustion turbine. For intermediate and base load stationary combustion turbines, BSER is assumed to

be the utilization of highly efficient combustion turbine technology. Base load stationary combustion turbines are also required to consider the emissions reduction associated with the application of carbon capture and sequestration (CCS) beginning in 2032. For existing coal-fired EGUs, the emission limitations were established by applying the BSER to two subcategories (medium and long-term). For medium-term existing coal-fired units, which are units retiring between 2032 and 2038, the BSER established emission limitation is based on co-firing natural gas beginning in 2030. For units operating in 2039 and after, BSER is the application of CCS starting in 2032.

Evergy Missouri West is in the process of reviewing the final GHG regulation and guidelines however, due to uncertainty regarding the implementation of these final rules, Evergy Missouri West is unable to accurately assess the impacts on its operations or consolidated financial results, but the cost to comply could be material.

Water

Evergy Missouri West discharges some of the water used in generation and other operations containing substances deemed to be pollutants. In April 2024, the EPA finalized an update to the ELG to address the vacated limitations and prior reviews of the existing rule by the current administration. Flue Gas Desulfurization (FGD) wastewater, bottom ash transport wastewater (BATW), coal residual leachate (CRL), and legacy wastewater are addressed in the rulemaking. FGD, BATW and CRL at operating facilities are required to achieve zero liquid discharge as soon as feasible and no later than December 2029. Evergy Missouri West has reviewed the modifications to limitations on FGD wastewater and bottom ash transport water and Evergy Missouri West does not believe the impact to be material. Evergy Missouri West is reviewing the limitations on CRL, its impact on its operations and financial results and believes the cost to comply could be material.

Regulation of Coal Combustion Residuals (CCRs)

In the course of operating its coal generation plants, Evergy Missouri West produces CCRs, including fly ash, gypsum and bottom ash. The EPA published a rule to regulate CCRs in April 2015 that requires additional CCR handling, processing and storage equipment and closure of certain ash disposal units. In January 2022, the EPA published proposed determinations for facilities that filed closure extensions for unlined or clay-lined CCR units. These proposed determinations include various interpretations of the CCR regulations and compliance expectations that may impact all owners of CCR units. These interpretations could require modified compliance plans such as different methods of CCR unit closure. Additionally, more stringent remediation requirements for units that are in corrective action or forced to go into corrective action are possible. In April 2022, the Utility Solid Waste Activities Group (USWAG) and other interested parties filed similar petitions in the D.C. Circuit challenging the EPA's legal positions regarding the CCR rule determinations proposed in January 2022. The cost to comply with these proposed determinations by the EPA could be material.

In April 2024, the EPA finalized an expansion to the CCR regulation focused on legacy surface impoundments and historic placements of CCR. This regulation expands applicability of the 2015 CCR regulation to two newly defined types of CCR disposal units. Evergy Missouri West is reviewing the final regulation and anticipates having additional CCR units requiring evaluation and potential remediation. The cost to comply with this regulation by the EPA could be material.

Evergy Missouri West has recorded asset retirement obligations (AROs) for its current estimates for the closure of ash disposal ponds and landfills, but the revision of these AROs may be required in the future due to changes in existing CCR regulations, the results of groundwater monitoring of CCR units or changes in interpretation of existing CCR regulations or changes in the timing or cost to close ash disposal ponds and landfills. The revision of AROs for regulated operations has no income statement impact due to the deferral of the adjustments through a regulatory asset. If revisions to these AROs are necessary, the impact on Evergy Missouri West's operations or consolidated financial results could be material.

9. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In the normal course of business, Evergy Missouri West, Evergy Kansas Central and Evergy Metro engage in related party transactions with one another. A summary of these transactions and the amounts associated with them is provided below.

Jointly-Owned Plants and Shared Services
Evergy Missouri West has no employees of its own. Employees of Evergy Kansas Central and Evergy Metro manage Evergy Missouri West's business and operate its facilities at cost, including Evergy Missouri West's 8% ownership interest in JEC, operated by Evergy Kansas Central, and an 18% ownership interest in Iatan Nos. 1 and 2, operated by Evergy Metro. Employees of Evergy Kansas Central and Evergy Metro also provide Evergy Missouri West with shared service support, including costs related to human resources, information technology, accounting and legal services.

The operating expenses and capital costs billed for jointly-owned plants and shared services are detailed in the following table.

Three Months Ended March 31	2024	2023
	(millions)	
Evergy Kansas Central billings to Evergy Missouri West	$ 7.1	$ 6.2
Evergy Metro billings to Evergy Missouri West	28.2	26.8

Related Party Net Receivables and Payables
The following table summarizes Evergy Missouri West's related party net payables.

	March 31 2024	December 31 2023
	(millions)	
Net payable to Evergy	$ 157.3	$ 380.2
Net payable to Evergy Kansas Central	8.9	11.3
Net payable to Evergy Metro	80.6	91.9

Affiliated Financing
Evergy Missouri West is authorized to participate in the Evergy, Inc. money pool, which is an internal financing arrangement in which funds may be lent on a short-term basis between Evergy Missouri West, Evergy Metro, Evergy Kansas Central and Evergy, Inc. Evergy, Inc. can lend but not borrow under the money pool.

As of March 31, 2024, Evergy Missouri West had no outstanding receivables and $119.6 million of outstanding payables to Evergy, Inc. under the money pool. As of December 31, 2023, Evergy Missouri West had no outstanding receivables and $342.6 million of outstanding payables to Evergy, Inc. under the money pool.

Tax Allocation Agreement
Evergy files a consolidated federal income tax return as well as unitary and combined income tax returns in several state jurisdictions with Kansas and Missouri being the most significant. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. As of March 31, 2024 and December 31, 2023, Evergy Missouri West had income taxes payable to Evergy of $6.8 million and $4.5 million, respectively.

10. VARIABLE INTEREST ENTITY

In determining the primary beneficiary of a VIE, Evergy Missouri West assesses the entity's purpose and design, including the nature of the entity's activities and the risks that the entity was designed to create and pass through to its variable interest holders. A reporting enterprise is deemed to be the primary beneficiary of a VIE if it has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses or right to receive benefits from the VIE that could potentially be significant to the VIE. The primary beneficiary of a VIE is required to consolidate the VIE.

All involvement with entities by Evergy Missouri West is assessed to determine whether such entities are VIEs and, if so, whether or not Evergy Missouri West is the primary beneficiary of the entities. Evergy Missouri West also continuously assesses whether it is the primary beneficiary of the VIE with which it is involved. Prospective changes in facts and circumstances may cause identification of the primary beneficiary to be reconsidered.

Evergy Missouri West Storm Funding
In 2022, Evergy Missouri West created a special purpose subsidiary, Evergy Missouri West Storm Funding solely for the purpose of recovering extraordinary fuel and purchased power costs incurred as part of the February 2021 winter weather event. In February 2024, Evergy Missouri West Storm Funding issued, at a discount, $331.1 million of 5.10% Securitized Bonds with a final payment scheduled for 2038, maturing in 2040. The obligations of Evergy Missouri West Storm Funding's Securitization Bonds are repaid through charges imposed on customers in Evergy Missouri West's service territory and collected by Evergy Missouri West on behalf of Evergy Missouri West Storm Funding. Creditors of Evergy Missouri West have no recourse to any assets or revenues of Evergy Missouri West Storm Funding, and the bondholders have no recourse to the general credit of Evergy Missouri West. See Note 4 for additional information regarding the February 2021 winter weather event securitization.

Evergy Missouri West Storm Funding is considered a VIE primarily because, as described above, Evergy Missouri West has the power to direct the activities of Evergy Missouri West Storm Funding that most significantly impact economic performance and Evergy Missouri West has the obligation to absorb losses or the right to receive benefits from Evergy Missouri West Storm Funding that could potentially be significant. Therefore, Evergy Missouri West is considered the primary beneficiary and consolidates Evergy Missouri West Storm Funding.

The following table summarizes the impact of the VIE on Evergy Missouri West's assets and liabilities as of March 31, 2024. There was no impact on Evergy Missouri West's assets and liabilities as of December 31, 2023.

	March 31 2024
Evergy Missouri West	(millions)
Current assets	
Regulatory assets	$ 15.2
Other assets	
Regulatory assets	306.5
Other	1.7
Current liabilities	
Current maturities of long-term debt	11.5
Accrued interest	1.7
Long-term liabilities	
Long-term debt, net	311.5

11. TAXES

Components of income tax expense are detailed in the following table.

Three Months Ended March 31	**2024**	**2023**
Current income taxes	(millions)	
Federal	$ 0.6	$ (6.1)
State	1.7	(0.3)
Total	2.3	(6.4)
Deferred income taxes		
Federal	(1.1)	4.7
State	(1.8)	(1.3)
Total	(2.9)	3.4
Income tax benefit	$ (0.6)	$ (3.0)

Effective Income Tax Rates

Effective income tax rates reflected in the financial statements and the reasons for the differences from the statutory federal rates are detailed in the following table.

Three Months Ended March 31	2024	2023
Federal statutory income tax rate	21.0 %	21.0 %
Effect of:		
State income taxes	(0.5)	(17.2)
Flow through depreciation for plant-related differences	(31.7)	(41.9)
Federal tax credits	(0.1)	(0.6)
Other	0.2	0.5
Effective income tax rate	(11.1)%	(38.2)%

Evergy Missouri West, Inc. Management's Narrative Analysis of the Results of Operations

Year to Date March 2024 vs. 2023

Earnings Variances

		Change	
		(millions)	
2023 Net income	$	11.0	
		Favorable/(Unfavorable)	
Utility gross margin[a]		(1.6)	A
Operating and maintenance		(2.1)	B
Depreciation and amortization		0.5	
Taxes other than income tax		(0.5)	
Total other income, net		(2.8)	C
Interest expense		3.3	D
Income tax benefit		(2.4)	E
2024 Net income	$	5.4	

[a] Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

	Major factors influencing the period to period change in net income -- Favorable/(Unfavorable)
A	Due primarily to higher fuel and purchased power expenses in 2024 not subject to recovery through the fuel recovery mechanism as a result of Evergy Missouri West's 5% sharing provision of its fuel recovery mechanism - ($1.4M).
B	Due primarily to higher costs billed for common use assets in 2024 from Evergy Metro related to facilities and software assets - ($2.1M).
C	Due primarily to a decrease in interest and dividend income primarily driven by a reduction in carrying charges related to Evergy Missouri West's costs associated with the February 2021 winter weather event to be recovered through securitized bonds issued in February 2024 - ($2.7M).
D	Due primarily to a decrease in interest expense on short-term borrowings primarily due to lower short-term borrowings in 2024 - $2.6M.
E	Due primarily to the timing of recording the amortization of excess deferred income tax benefits - ($3.2M); partially offset by lower pre-tax income in 2024 - $0.8M.

The Notes to Evergy Missouri West's Unaudited Consolidated Financial Statements for the period ended March 31, 2024 should be read in conjunction with this financial information.

Evergy Missouri West, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results		
Three Months Ended March 31	**2024**	2023
	(dollars in millions)	
Operating revenues	**$ 224.5**	$ 222.1
Fuel and purchased power	**108.9**	104.9
Operating and maintenance	**43.7**	41.6
Depreciation and amortization	**37.6**	38.1
Taxes other than income tax	**13.7**	13.2
Income from operations	**20.6**	24.3
Other income, net	**1.4**	4.2
Interest expense	**17.2**	20.5
Income tax benefit	**(0.6)**	(3.0)
Net income	**5.4**	11.0
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):		
Operating revenues	**224.5**	222.1
Fuel and purchased power	**(108.9)**	(104.9)
Operating and maintenance[a]	**(17.7)**	(16.5)
Depreciation and amortization	**(37.6)**	(38.1)
Taxes other than income tax	**(13.7)**	(13.2)
Gross margin (GAAP)	**46.6**	49.4
Operating and maintenance[a]	**17.7**	16.5
Depreciation and amortization	**37.6**	38.1
Taxes other than income tax	**13.7**	13.2
Utility gross margin (non-GAAP)	**115.6**	117.2
Revenues	(dollars in millions)	
Residential	**108.7**	108.5
Commercial	**77.9**	76.0
Industrial	**23.2**	22.2
Other retail revenues	**2.6**	4.3
Total electric retail	**212.4**	211.0
Wholesale revenues	**4.3**	1.9
Transmission	**1.6**	1.4
Other	**6.2**	7.8
Operating revenues	**224.5**	222.1
Electricity Sales	(MWh in thousands)	
Residential	**930**	960
Commercial	**831**	833
Industrial	**336**	345
Other retail revenues	**5**	5
Total electric retail	**2,102**	2,143
Wholesale revenues	**108**	151
Total electricity sales	**2,210**	2,294

[a]Operating and maintenance expenses which are deemed to be directly attributable to revenue-producing activities include plant operating and maintenance expenses at generating units and transmission and distribution operating and maintenance expenses and have been separately presented in order to calculate gross margin as defined under GAAP. These amounts exclude general and administrative expenses not directly attributable to revenue-producing activities of $26.0 million and $25.1 million year to date March 31, 2024 and 2023, respectively.

Evergy Missouri West, Inc.
Non-GAAP Measures

Utility Gross Margin (non-GAAP)
Utility gross margin (non-GAAP) is a financial measure that is not calculated in accordance with GAAP. Utility gross margin (non-GAAP), as used by Evergy Missouri West, is defined as operating revenues less fuel and purchased power costs. Expenses for fuel and purchased power costs, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms. As a result, changes in fuel and purchased power costs are offset in operating revenues with minimal impact on net income. Evergy Missouri West's definition of utility gross margin (non-GAAP) may differ from similar terms used by other companies.

Utility gross margin (non-GAAP) is intended to aid an investor's overall understanding of results. Management believes that utility gross margin (non-GAAP) provides a meaningful basis for evaluating Evergy Missouri West's operations across periods because utility gross margin (non-GAAP) excludes the revenue effect of fluctuations in fuel and purchased power costs. Utility gross margin (non-GAAP) is used internally to measure performance against budget and in reports for management and the Evergy Missouri West Board of Directors. Utility gross margin (non-GAAP) should be viewed as a supplement to, and not a substitute for, gross margin, which is the most directly comparable financial measure prepared in accordance with GAAP. Gross margin under GAAP is defined as the excess of sales over cost of goods sold.

Utility gross margin (non-GAAP) differs from the GAAP definition of gross margin due to the exclusion of operating and maintenance expenses determined to be directly attributable to revenue-producing activities, depreciation and amortization and taxes other than income tax. See Financial Results, Revenue and Sales above for a reconciliation of utility gross margin (non-GAAP) to gross margin, the most comparable GAAP measure, for the three months ended March 31, 2024 and 2023.