

# Evergy Issues Statement

*Evergy Committed to Doing What is in Best Interest of All Evergy Shareholders and Stakeholders*

*Evergy's Board Unanimously Believes the Sustainability Transformation Plan is Best Path Forward for Value Creation and Serving All Stakeholders' Best Interests*

**Kansas City, Mo. (November 10, 2020)** – Evergy, Inc. (NYSE: EVRG) today issued the following statement:

Evergy's Board and management are committed to serving the best interests of ALL Evergy shareholders and stakeholders.

Our focus is on the execution of the Company's Sustainability Transformation Plan ("STP"), which the Board unanimously determined is the option that creates the highest, most certain value for shareholders and benefits for our stakeholders. Since announcing the STP, there has been no change in circumstance that alters the basis for this decision, and there is currently no offer or bid from any third party for a potential transaction.

The STP is the result of an independent, multi month and comprehensive review of both a potential strategic combination and a modified standalone plan. This process was led by a four-member Strategic Review & Operations Committee ("SROC") formed pursuant to the agreement with Elliott Management ("Elliott") on March 2, 2020 and included two directors appointed pursuant to the Elliott agreement, one of whom was the Committee's Co-Chair.

The Committee and the full Board of Directors were well advised with three independent financial advisors assisting in the strategic process, including Centerview Partners, who served as financial advisor to the Committee, as well as Morgan Stanley and Goldman Sachs & Co. LLC who served as financial advisors to the Company.

While we are always open to new ideas and opportunities that have the potential to enhance shareholder value, we remain confident that the STP, which Elliott publicly endorsed when it was announced, is the best risk-adjusted path forward and that all appropriate steps are being and have been taken to maximize shareholder value. We will continue to act accordingly.

Evergy's STP is a low risk and straight-forward traditional capital investment plan that requires no advance regulatory approvals and is covered by well-established regulatory mechanisms. The plan honors prior regulatory and merger commitments made in connection with Evergy's formation, while targeting top-quartile earnings and dividend growth, and providing significant direct customer benefits through enhancing the Company's focus on grid modernization, renewable energy investment and cost management. Evergy continues to have an ongoing dialogue with its regulators and stakeholders about the plan. Based on these conversations, Evergy believes that many regulatory stakeholders are supportive of the STP and recognize the meaningful benefits it creates.

## **About Evergy, Inc.**

Evergy, Inc. (NYSE: EVRG) serves approximately 1.6 million customers in Kansas and Missouri. We were formed in 2018 when long-term local energy providers KCP&L and Westar Energy merged. We generate nearly half the power we provide to homes and businesses with emission-free sources. We support our local communities where we live and work and strive to meet the needs of customers through energy savings and innovative solutions.

## **Forward Looking Statements**

Statements made in this press release that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to our strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "could," "may," "seeks," "intends," "proposed," "projects," "planned," "target," "outlook," "remain confident," "goal," "will" or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. (collectively, the Evergy Companies) are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and

other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, securitization and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudence of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; the impact of climate change, including increased frequency and severity of significant weather events; the extent to which counterparties are willing to do business with, finance the operations of or purchase energy from the Evergy Companies due to the fact that the Evergy Companies operate coal-fired generation; prices and availability of electricity in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of the Coronavirus (COVID-19) pandemic on, among other things, sales, results of operations, financial condition, liquidity and cash flows, and also on operational issues, such as the availability and ability of our employees and suppliers to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations and independent system operators; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; the transition to a replacement for the London Interbank Offered Rate (LIBOR) benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including cyber terrorism; ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including those related to increased costs of, or changes in, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence our strategic plan, financial results or operations; the possibility that strategic initiatives, including mergers, acquisitions and divestitures, and long-term financial plans may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Additional risks and uncertainties are discussed from time to time in current, quarterly and annual reports filed by the Evergy Companies with the SEC. Reports filed by the Evergy Companies with the SEC should also be read for more information regarding risk factors. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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