

METROPOLITAN EDISON COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

METROPOLITAN EDISON COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
REVENUES:				
Electric sales	\$ 293	\$ 273	\$ 796	\$ 728
Gross receipts tax collections	18	16	48	44
Total revenues	311	289	844	772
OPERATING EXPENSES:				
Purchased power	165	163	398	376
Other operating expenses	64	55	165	159
Provision for depreciation	23	22	68	65
Deferral of regulatory assets, net	(27)	(30)	(18)	(53)
General taxes	20	19	55	52
Total operating expenses	245	229	668	599
OPERATING INCOME	66	60	176	173
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	4	8	11	24
Equity earnings from MAIT	7	5	21	17
Pension and OPEB mark-to-market adjustment	—	—	6	—
Interest expense	(16)	(13)	(46)	(37)
Capitalized financing costs	—	1	2	2
Total other income (expense)	(5)	1	(6)	6
INCOME BEFORE INCOME TAXES	61	61	170	179
INCOME TAXES	11	7	32	33
NET INCOME	<u>\$ 50</u>	<u>\$ 54</u>	<u>\$ 138</u>	<u>\$ 146</u>

STATEMENTS OF COMPREHENSIVE INCOME

NET INCOME	<u>\$ 50</u>	<u>\$ 54</u>	<u>\$ 138</u>	<u>\$ 146</u>
OTHER COMPREHENSIVE LOSS:				
Pension and OPEB prior service costs	—	—	(1)	(1)
Other comprehensive loss	—	—	(1)	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	—	—	(1)	(1)
COMPREHENSIVE INCOME	<u>\$ 50</u>	<u>\$ 54</u>	<u>\$ 137</u>	<u>\$ 145</u>

METROPOLITAN EDISON COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 178	\$ 179
Less — Allowance for uncollectible customer receivables	11	19
	167	160
Affiliated companies	65	43
Other, net of allowance for uncollectible accounts of \$1 in 2023 and 2022	28	23
Prepaid taxes and other	11	8
	271	234
PROPERTY, PLANT AND EQUIPMENT:		
In service	3,280	3,194
Less — Accumulated provision for depreciation	1,045	1,008
	2,235	2,186
Construction work in progress	84	88
	2,319	2,274
INVESTMENTS AND OTHER NONCURRENT ASSETS		
Goodwill	324	324
Investment in affiliate	327	306
Regulatory assets	7	—
Other	27	30
	685	660
TOTAL ASSETS	\$ 3,275	\$ 3,168
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ —	\$ 301
Short-term borrowings - affiliated companies	25	90
Accounts payable-		
Affiliated companies	9	—
Other	78	87
Accrued taxes	4	14
Accrued interest	20	15
Customer deposits	37	34
Collateral	4	23
Other	20	20
	197	584
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,168	745
Accumulated deferred income taxes, net	422	402
Nuclear fuel disposal costs	50	48
Retirement benefits	42	52
Regulatory liabilities	—	25
Other	178	181
	1,860	1,453
TOTAL LIABILITIES	2,057	2,037
EQUITY:		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	849	849
Accumulated other comprehensive loss	(3)	(2)
Retained earnings	372	284
TOTAL EQUITY	1,218	1,131
TOTAL LIABILITIES AND EQUITY	\$ 3,275	\$ 3,168

METROPOLITAN EDISON COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 138	\$ 146
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	50	13
Deferred income taxes and investment tax credits, net	9	19
Retirement benefits, net of payments	(9)	(24)
Pension and OPEB mark-to-market adjustment	(6)	—
Undistributed earnings from subsidiary company	(21)	(17)
Changes in current assets and liabilities-		
Receivables	(34)	(24)
Prepaid taxes and other current assets	(3)	1
Accounts payable	—	12
Accrued taxes	(10)	(11)
Accrued interest	5	(5)
Customer deposits	3	2
Other current liabilities	(1)	(2)
Collateral, net	(19)	17
Other	5	13
Net cash provided from operating activities	107	140
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(102)	(100)
Asset removal costs	(10)	(10)
Net cash used for investing activities	(112)	(110)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	425	—
Short-term borrowings - affiliated companies, net	—	71
Redemptions and repayments-		
Long-term debt	(300)	—
Short-term borrowings - affiliated companies, net	(65)	—
Common stock dividend payments	(50)	(100)
Other	(5)	(1)
Net cash provided from (used for) financing activities	5	(30)
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	—	—
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ —
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 7	\$ 3