

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

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED 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	\$ 111	\$ 127	\$ 334	\$ 328
Excise and gross receipts tax collections	7	8	21	22
Total revenues	118	135	355	350
OPERATING EXPENSES:				
Purchased power	39	36	101	89
Other operating expenses	46	49	136	141
Provision for depreciation	13	12	37	35
Deferral of regulatory assets, net	(17)	(1)	(16)	(18)
General taxes	18	18	51	52
Total operating expenses	99	114	309	299
OPERATING INCOME	19	21	46	51
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	1	3	4	8
Pension and OPEB mark-to-market adjustment	—	—	2	—
Interest expense	(7)	(6)	(21)	(19)
Capitalized financing costs	—	1	1	2
Total other expense	(6)	(2)	(14)	(9)
INCOME BEFORE INCOME TAXES	13	19	32	42
INCOME TAXES	2	3	5	7
NET INCOME	\$ 11	\$ 16	\$ 27	\$ 35
COMPREHENSIVE INCOME	\$ 11	\$ 16	\$ 27	\$ 35

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 2	\$ 3
Receivables-		
Customers	38	46
Less — Allowance for uncollectible customer receivables	3	5
	35	41
Affiliated companies	22	19
Other, net of allowance for uncollectible accounts of \$1 in 2023	12	13
Notes receivable from affiliated companies	—	62
Prepaid taxes and other	5	5
	76	143
PROPERTY, PLANT AND EQUIPMENT:		
In service	1,421	1,389
Less — Accumulated provision for depreciation	692	663
	729	726
Construction work in progress	20	23
	749	749
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	39	18
Property taxes	9	41
Other	10	11
	559	571
TOTAL ASSETS	\$ 1,384	\$ 1,463
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 2	\$ 3
Short-term borrowings - affiliated companies	36	—
Accounts payable-		
Affiliated companies	18	22
Other	7	13
Accrued taxes	40	41
Accrued interest	8	3
Collateral	1	37
Other	20	18
	132	137
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	449	450
Accumulated deferred income taxes, net	101	99
Retirement benefits	29	32
Property taxes	—	41
Other	140	139
	719	761
TOTAL LIABILITIES	851	898
EQUITY:		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	330	329
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	57	90
TOTAL EQUITY	533	565
TOTAL LIABILITIES AND EQUITY	\$ 1,384	\$ 1,463

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED 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	\$ 27	\$ 35
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	21	18
Deferred income taxes and investment tax credits, net	(1)	7
Retirement benefits, net of payments	(3)	(6)
Pension and OPEB mark-to-market adjustment	(2)	—
Change in current assets and liabilities-		
Receivables	4	(16)
Prepaid taxes and other current assets	—	(1)
Accounts payable	(10)	4
Accrued taxes	(10)	(7)
Accrued interest	5	5
Other current liabilities	1	(1)
Collateral, net	(36)	34
Other	3	(1)
Net cash provided from (used for) operating activities	(1)	71
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(31)	(43)
Loans to affiliated companies, net	62	103
Asset removal costs	(5)	(4)
Net cash provided from investing activities	26	56
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	36	—
Redemptions and repayments-		
Long-term debt	(2)	(27)
Common stock dividend payments	(60)	(25)
Other	—	(1)
Net cash used for financing activities	(26)	(53)
Net change in cash, cash equivalents, and restricted cash	(1)	74
Cash, cash equivalents, and restricted cash at beginning of period	3	3
Cash, cash equivalents, and restricted cash at end of period	\$ 2	\$ 77
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ —	\$ 1