FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
UNAUDITED

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(In millions)	2025	2024	2025	2024
REVENUES:				
Electric sales	$ 873	$ 849	$ 1,950	$ 1,841
Excise tax collections	53	52	120	113
Total revenues	926	901	2,070	1,954
OPERATING EXPENSES:				
Purchased power	413	400	907	897
Other operating expenses	287	235	545	480
Provision for depreciation	78	82	157	162
Amortization (deferral) of regulatory assets, net	(83)	1	(82)	(8)
General taxes	60	59	135	125
Total operating expenses	755	777	1,662	1,656
OPERATING INCOME	171	124	408	298
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	17	22	36	58
Interest expense	(54)	(55)	(107)	(120)
Capitalized financing costs	3	2	6	5
Total other expense	(34)	(31)	(65)	(57)
INCOME BEFORE INCOME TAXES	137	93	343	241
INCOME TAXES	33	22	82	54
NET INCOME	$ 104	$ 71	$ 261	$ 187
STATEMENTS OF COMPREHENSIVE INCOME				
NET INCOME	$ 104	$ 71	$ 261	$ 187
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	$ 104	$ 70	$ 261	$ 186

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
UNAUDITED

(In millions, except share amounts)	June 30, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Receivables -		
Customers	$ 642	$ 629
Less — Allowance for uncollectible customer receivables	27	28
	615	601
Affiliated companies	137	217
Other, net of allowance for uncollectible accounts of $1 in 2025 and 2024	55	59
Notes receivable from affiliated companies	—	5
Prepaid taxes and other	110	15
	917	897
PROPERTY, PLANT AND EQUIPMENT:		
In service	11,483	11,167
Less — Accumulated provision for depreciation	3,250	3,171
	8,233	7,996
Construction work in progress	301	294
	8,534	8,290
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	962	962
Regulatory assets	139	34
Investments	13	13
Prepaid pension and OPEB costs	75	61
Other	142	118
	1,331	1,188
TOTAL ASSETS	$ 10,782	$ 10,375
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	$ 300	$ —
Short-term borrowings - affiliated companies	191	—
Accounts payable -		
Affiliated companies	35	58
Other	278	279
Accrued taxes	29	18
Accrued interest	44	44
Customer deposits	125	119
Other	97	101
	1,099	619
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	3,432	3,730
Accumulated deferred income taxes, net	1,574	1,536
Retirement benefits	9	9
Other	310	302
	5,325	5,577
TOTAL LIABILITIES	6,424	6,196
EQUITY:		
Common stockholder's equity-		
Common stock and other paid-in capital, $25 subscription price, 1,000 shares authorized, 1,000 shares outstanding	2,630	2,627
Accumulated other comprehensive loss	(7)	(7)
Retained earnings	1,735	1,559
TOTAL EQUITY	4,358	4,179
TOTAL LIABILITIES AND EQUITY	$ 10,782	$ 10,375

FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	For the Six Months Ended June 30,	
(In millions)	**2025**	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 261	$ 187
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	75	154
Charges associated with increase in ARO	—	19
Deferred income taxes and investment tax credits, net	20	18
Employee benefit costs, net	(14)	(16)
Change in current assets and liabilities -		
Receivables	70	(36)
Prepaid taxes and other current assets	(95)	(101)
Accounts payable	(65)	19
Accrued taxes	11	(54)
Customer deposits	6	5
Other current liabilities	(12)	(3)
Collateral, net	2	17
Employee benefit plan funding and related payments	(3)	(3)
Other	(11)	12
Net cash provided from operating activities	245	218
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(324)	(288)
Loans to affiliated companies, net	5	305
Asset removal costs	(32)	(28)
Other	—	3
Net cash used for investing activities	(351)	(8)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings, net	191	—
Common stock dividend payments	(85)	(210)
Net cash provided from (used for) financing activities	106	(210)
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	$ 62	$ 18