THE POTOMAC EDISON COMPANY AND SUBSIDIARIES

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF 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	$ 255	$ 239	$ 602	$ 516
Excise and gross receipts tax collections	4	4	10	9
Total revenues	259	243	612	525
OPERATING EXPENSES:				
Purchased power from non-affiliates	75	65	182	149
Purchased power from affiliates	53	50	123	109
Other operating expenses	52	66	111	118
Provision for depreciation	19	18	38	36
Amortization of regulatory assets, net	16	18	45	38
General taxes	12	12	28	26
Total operating expenses	227	229	527	476
OPERATING INCOME	32	14	85	49
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	3	5	6	5
Interest expense	(12)	(11)	(22)	(22)
Capitalized financing costs	3	1	5	3
Total other expense	(6)	(5)	(11)	(14)
INCOME BEFORE INCOME TAXES	26	9	74	35
INCOME TAXES	6	1	16	6
NET INCOME	$ 20	$ 8	$ 58	$ 29

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
UNAUDITED

(In millions, except share amounts)	June 30, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Restricted cash	$ 9	$ 7
Receivables -		
Customers	146	148
Less — Allowance for uncollectible customer receivables	2	2
	144	146
Affiliated companies	71	75
Other	13	10
Notes receivable from affiliates	135	—
Prepaid taxes and other	20	27
	392	265
PROPERTY, PLANT AND EQUIPMENT:		
In service	2,684	2,598
Less — Accumulated provision for depreciation	475	455
	2,209	2,143
Construction work in progress	236	176
	2,445	2,319
DEFERRED CHARGES AND OTHER ASSETS:		
Prepaid purchased power	39	41
Regulatory assets	197	242
Prepaid pension and OPEB costs	62	59
Other	41	42
	339	384
TOTAL ASSETS	$ 3,176	$ 2,968
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	$ 8	$ 8
Short-term borrowings - affiliated companies	—	91
Accounts payable -		
Affiliated companies	39	99
Other	29	18
Accrued taxes	25	19
Accrued interest	9	9
Customer deposits	21	20
NUG contract buyout	55	55
Other	22	17
	208	336
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,054	860
Accumulated deferred income taxes, net	341	334
Regulatory liabilities	182	176
Retirement benefits	3	3
NUG contract buyout	197	224
Other	148	151
	1,925	1,748
TOTAL LIABILITIES	2,133	2,084
EQUITY:		
Common stockholder's equity-		
Common stock and other paid-in capital, $0.01 par value, 26,000,000 shares authorized - 22,385,000 shares outstanding	468	367
Retained earnings	575	517
TOTAL EQUITY	1,043	884
TOTAL LIABILITIES AND EQUITY	$ 3,176	$ 2,968

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

(In millions)	For the Six Months Ended June 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 58	$ 29
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	82	77
Charges associated with increase in ARO	—	16
Transmission revenue collections, net	1	—
Deferred income taxes, net	5	10
Employee benefit costs, net	(3)	(4)
Changes in current assets and liabilities-		
Receivables	3	(6)
Prepaid taxes and other current assets	7	1
Accounts payable	(55)	(9)
Accrued taxes	6	(8)
Other current liabilities	2	(8)
Collateral, net	1	12
Purchased power agreement termination liability	(27)	(27)
Other	6	6
Net cash provided from operating activities	86	89
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(144)	(111)
Loans to affiliated companies, net	(135)	—
Asset removal costs	(9)	(7)
Net cash used for investing activities	(288)	(118)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing -		
Long-term debt	200	—
Short-term borrowings - affiliated companies, net	—	34
Redemptions and repayments-		
Long-term debt	(4)	(4)
Short-term borrowings - affiliated companies, net	(91)	—
Equity contribution from parent	100	—
Other	(1)	—
Net cash provided from financing activities	204	30
Net change in cash, cash equivalents, and restricted cash	2	1
Cash, cash equivalents, and restricted cash at beginning of period	7	7
Cash, cash equivalents, and restricted cash at end of period	$ 9	$ 8
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	$ 17	$ 14