

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

THE POTOMAC 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,	
	2025	2024	2025	2024
REVENUES:				
Electric sales	\$ 289	\$ 256	\$ 891	\$ 772
Excise and gross receipts tax collections	5	5	15	14
Total revenues	294	261	906	786
OPERATING EXPENSES:				
Purchased power from non-affiliates	100	89	282	238
Purchased power from affiliates	60	53	183	162
Other operating expenses	57	49	168	167
Provision for depreciation	19	17	57	53
Amortization of regulatory assets, net	17	15	62	53
General taxes	15	15	43	41
Total operating expenses	268	238	795	714
OPERATING INCOME	26	23	111	72
OTHER INCOME (EXPENSE):				
Miscellaneous income (expense), net	5	(1)	11	4
Interest expense	(12)	(10)	(34)	(32)
Capitalized financing costs	3	2	8	5
Total other expense	(4)	(9)	(15)	(23)
INCOME BEFORE INCOME TAXES	22	14	96	49
INCOME TAXES	7	2	23	8
NET INCOME	<u>\$ 15</u>	<u>\$ 12</u>	<u>\$ 73</u>	<u>\$ 41</u>

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
UNAUDITED

<i>(In millions, except share amounts)</i>	September 30, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 4	\$ 7
Receivables -		
Customers	117	148
Less — Allowance for uncollectible customer receivables	2	2
	115	146
Affiliated companies	74	75
Other	13	10
Notes receivable from affiliates	119	—
Prepaid taxes and other	22	27
	347	265
PROPERTY, PLANT AND EQUIPMENT:		
In service	2,734	2,598
Less — Accumulated provision for depreciation	482	455
	2,252	2,143
Construction work in progress	280	176
	2,532	2,319
DEFERRED CHARGES AND OTHER ASSETS:		
Prepaid purchased power	38	41
Regulatory assets	187	242
Prepaid pension and OPEB costs	64	59
Other	42	42
	331	384
TOTAL ASSETS	\$ 3,210	\$ 2,968
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 8	\$ 8
Short-term borrowings - affiliated companies	—	91
Accounts payable -		
Affiliated companies	59	99
Other	18	18
Accrued taxes	26	19
Accrued interest	10	9
Customer deposits	21	20
NUG contract buyout	55	55
Other	24	17
	221	336
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,051	860
Accumulated deferred income taxes, net	355	334
Regulatory liabilities	187	176
Retirement benefits	3	3
NUG contract buyout	183	224
Other	152	151
	1,931	1,748
TOTAL LIABILITIES	2,152	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	590	517
TOTAL EQUITY	1,058	884
TOTAL LIABILITIES AND EQUITY	\$ 3,210	\$ 2,968

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

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 73	\$ 41
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation, amortization and impairments	117	109
Charges associated with increase in ARO	—	16
Transmission revenue collections, net	1	(4)
Deferred income taxes, net	17	13
Employee benefit costs, net	(5)	(5)
Changes in current assets and liabilities-		
Receivables	29	11
Prepaid taxes and other current assets	5	(1)
Accounts payable	(46)	(1)
Accrued taxes	7	(3)
Accrued interest	1	—
Other current liabilities	6	9
Collateral, net	(1)	12
Purchased power agreement termination liability	(41)	(41)
Other	5	19
Net cash provided from operating activities	168	175
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(239)	(180)
Loans to affiliated companies, net	(119)	—
Asset removal costs	(14)	(12)
Other	1	(1)
Net cash used for investing activities	(371)	(193)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing -		
Long-term debt	200	—
Short-term borrowings - affiliated companies, net	—	23
Redemptions and repayments-		
Long-term debt	(8)	(8)
Short-term borrowings - affiliated companies, net	(91)	—
Equity contribution from parent	100	—
Other	(1)	—
Net cash provided from financing activities	200	15
Net change in cash, cash equivalents, and restricted cash	(3)	(3)
Cash, cash equivalents, and restricted cash at beginning of period	7	7
Cash, cash equivalents, and restricted cash at end of period	\$ 4	\$ 4
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 18	\$ 22