

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2026	2025
REVENUES:		
Electric sales	\$ 381	\$ 347
Excise and gross receipts tax collections	6	6
Total revenues	387	353
OPERATING EXPENSES:		
Purchased power from non-affiliates	132	107
Purchased power from affiliates	118	70
Other operating expenses	67	59
Provision for depreciation	20	19
Amortization (deferral) of regulatory assets, net	(6)	29
General taxes	16	16
Total operating expenses	347	300
OPERATING INCOME	40	53
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	6	3
Interest expense	(12)	(10)
Capitalized financing costs	4	2
Total other expense	(2)	(5)
INCOME BEFORE INCOME TAXES	38	48
INCOME TAXES	9	10
NET INCOME	\$ 29	\$ 38

THE POTOMAC EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Unaudited

<i>(In millions, except share amounts)</i>	March 31, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 5	\$ 6
Receivables -		
Customers	167	166
Less — Allowance for uncollectible customer receivables	3	2
	<u>164</u>	<u>164</u>
Affiliated companies	82	106
Other	12	11
Notes receivable from affiliated companies	63	16
Prepaid taxes and other	23	24
	<u>349</u>	<u>327</u>
PROPERTY, PLANT AND EQUIPMENT:		
In service	2,884	2,838
Less — Accumulated provision for depreciation	508	493
	<u>2,376</u>	<u>2,345</u>
Construction work in progress	295	255
	<u>2,671</u>	<u>2,600</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Prepaid purchased power	38	39
Regulatory assets	154	183
Prepaid pension and OPEB costs	83	81
Other	39	43
	<u>314</u>	<u>346</u>
TOTAL ASSETS	<u>\$ 3,334</u>	<u>\$ 3,273</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 9	\$ 9
Accounts payable -		
Affiliated companies	70	74
Other	26	24
Accrued taxes	23	19
Accrued interest	10	12
Customer deposits	21	21
NUG contract buyout	55	55
Other	33	28
	<u>247</u>	<u>242</u>
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,046	1,050
Accumulated deferred income taxes, net	382	372
Regulatory liabilities	163	195
Retirement benefits	3	3
NUG contract buyout	155	169
Other	130	138
	<u>1,879</u>	<u>1,927</u>
TOTAL LIABILITIES	<u>2,126</u>	<u>2,169</u>
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	544	469
Retained earnings	664	635
TOTAL COMMON STOCKHOLDER'S EQUITY	<u>1,208</u>	<u>1,104</u>
TOTAL LIABILITIES AND COMMON STOCKHOLDER'S EQUITY	<u>\$ 3,334</u>	<u>\$ 3,273</u>

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

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 29	\$ 38
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	14	48
Transmission revenue collections, net	—	1
Deferred income taxes, net	8	5
Employee benefit costs, net	(1)	(2)
Changes in current assets and liabilities-		
Receivables	23	(16)
Prepaid taxes and other current assets	1	2
Accounts payable	(4)	(51)
Accrued taxes	4	9
Accrued interest	(2)	—
Other current liabilities	3	1
NUG contract buyout	(14)	(14)
Other	1	2
Net cash provided from operating activities	62	23
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(84)	(57)
Loans to affiliated companies, net	(47)	—
Asset removal costs	(3)	(3)
Net cash used for investing activities	(134)	(60)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Redemptions and repayments-		
Long-term debt	(4)	(4)
Short-term borrowings - affiliated companies, net	—	(59)
Equity contribution from parent	75	100
Net cash provided from financing activities	71	37
Net change in cash, cash equivalents, and restricted cash	(1)	—
Cash, cash equivalents, and restricted cash at beginning of period	6	7
Cash, cash equivalents, and restricted cash at end of period	\$ 5	\$ 7
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 15	\$ 13