THE TOLEDO EDISON COMPANY AND SUBSIDIARIES

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

THE TOLEDO EDISON 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)	2026	2025	2026	2025
REVENUES:				
Electric sales	$ 92	$ 115	$ 186	$ 232
Excise and gross receipts tax collections	6	6	13	13
Total revenues	98	121	199	245
OPERATING EXPENSES:				
Purchased power	19	18	48	38
Other operating expenses	60	58	126	121
Provision for depreciation	9	13	20	26
Deferral of regulatory assets, net	(19)	—	(62)	(6)
General taxes	16	17	34	35
Total operating expenses	85	106	166	214
OPERATING INCOME	13	15	33	31
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	1	1	2	2
Interest expense	(8)	(8)	(16)	(15)
Capitalized financing costs	—	1	1	1
Total other expense	(7)	(6)	(13)	(12)
INCOME BEFORE INCOME TAXES	6	9	20	19
INCOME TAXES	1	1	3	3
NET INCOME	$ 5	$ 8	$ 17	$ 16
COMPREHENSIVE INCOME	$ 5	$ 8	$ 17	$ 16

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Unaudited

(In millions, except share amounts)	June 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Restricted cash	$ 2	$ 2
Receivables -		
Customers	46	55
Less — Allowance for uncollectible customer receivables	2	2
	44	53
Affiliated companies	34	27
Other	11	10
Notes receivable from affiliated companies	—	21
Prepaid taxes and other	1	2
	92	115
PROPERTY, PLANT AND EQUIPMENT:		
In service	1,469	1,428
Less — Accumulated provision for depreciation	718	712
	751	716
Construction work in progress	34	39
	785	755
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	96	26
Property taxes	15	37
Other	21	18
	633	582
TOTAL ASSETS	$ 1,510	$ 1,452
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	$ 3	$ 3
Short-term borrowings - affiliated companies	51	—
Accounts payable -		
Affiliated companies	30	30
Other	7	9
Accrued taxes	45	43
Accrued interest	4	4
Other	28	27
	168	116
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	542	543
Accumulated deferred income taxes, net	107	101
Retirement benefits	15	16
Property taxes	22	44
Other	177	171
	863	875
TOTAL LIABILITIES	1,031	991
COMMON STOCKHOLDER'S EQUITY:		
Common stock, $5 par value, 60,000,000 shares authorized - 29,402,054 shares outstanding	147	147
Other paid-in capital	333	332
Accumulated other comprehensive loss	(1)	(1)
Accumulated deficit	—	(17)
TOTAL COMMON STOCKHOLDER'S EQUITY	479	461
TOTAL LIABILITIES AND COMMON STOCKHOLDER'S EQUITY	$ 1,510	$ 1,452

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

(In millions)	For the Six Months Ended June 30, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 17	$ 16
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	9	20
Deferred income taxes and investment tax credits, net	5	(1)
Employee benefit costs, net	(1)	(1)
Change in current assets and liabilities-		
Receivables	1	(2)
Prepaid taxes and other current assets	1	1
Accounts payable	(2)	2
Accrued taxes	1	(1)
Ohio settlement customer restitution and refunds	(52)	—
Other current liabilities	(1)	(1)
Collateral, net	1	3
Other	3	3
Net cash provided from (used for) operating activities	(18)	39
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(47)	(28)
Loans to affiliated companies, net	21	(31)
Asset removal costs	(6)	(3)
Net cash used for investing activities	(32)	(62)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	100
Short-term borrowings - affiliated companies, net	51	—
Redemptions and repayments-		
Long-term debt	(1)	(1)
Short-term borrowings - affiliated companies, net	—	(61)
Common stock dividend payments	—	(15)
Net cash provided from financing activities	50	23
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	2	3
Cash, cash equivalents, and restricted cash at end of period	$ 2	$ 3
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	$ 4	$ 4