

METROPOLITAN EDISON COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

METROPOLITAN EDISON COMPANY
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
REVENUES:		
Electric sales	\$ 206	\$ 191
Gross receipts tax collections	13	11
Total revenues	219	202
OPERATING EXPENSES:		
Purchased power	80	72
Other operating expenses	41	45
Provision for depreciation	20	25
Amortization (deferral) of regulatory assets, net	(5)	4
General taxes	15	14
Total operating expenses	151	160
OPERATING INCOME	68	42
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	9	13
Equity earnings from MAIT	5	6
Pension and OPEB mark-to-market adjustment	—	(31)
Interest expense	(12)	(12)
Capitalized financing costs	—	1
Total other income (expense)	2	(23)
INCOME BEFORE INCOME TAXES	70	19
INCOME TAXES	13	4
NET INCOME	\$ 57	\$ 15
STATEMENTS OF COMPREHENSIVE INCOME		
NET INCOME	\$ 57	\$ 15
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	\$ 56	\$ 14

METROPOLITAN EDISON COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 145	\$ 161
Less — Allowance for uncollectible customer receivables	21	21
	124	140
Affiliated companies	36	24
Other, net of allowance for uncollectible accounts of \$1 in 2021 and 2020	20	20
Notes receivable from associated companies	89	96
Prepaid taxes and other	44	13
	313	293
UTILITY PLANT:		
In service	3,008	2,970
Less — Accumulated provision for depreciation	941	929
	2,067	2,041
Construction work in progress	61	71
	2,128	2,112
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	324	324
Investment in affiliate	307	302
Other	35	38
	666	664
	\$ 3,107	\$ 3,069
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 2	\$ 2
Short-term borrowings	100	100
Accounts payable-		
Affiliated companies	1	1
Other	49	54
Accrued taxes	11	12
Accrued interest	10	15
Customer deposits	29	29
Other	25	28
	227	241
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	839	839
Accumulated other comprehensive income	—	1
Retained earnings	235	178
Total common stockholder's equity	1,074	1,018
Long-term debt and other long-term obligations	1,046	1,046
	2,120	2,064
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	407	394
Nuclear fuel disposal costs	47	47
Retirement benefits	61	66
Regulatory liabilities	38	49
Other	207	208
	760	764
	\$ 3,107	\$ 3,069

METROPOLITAN EDISON COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months
 Ended March 31,

<i>(In millions)</i>	<u>2021</u> <u>2020</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 57	\$ 15
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	15	30
Deferred income taxes and investment tax credits, net	9	(3)
Retirement benefits, net of payments	(8)	(6)
Pension and OPEB mark-to-market adjustment	—	31
Nuclear decommissioning trust income	—	2
Undistributed earnings from subsidiary company	(5)	(6)
Changes in current assets and liabilities-		
Receivables	4	4
Prepaid taxes and other current assets	(31)	(31)
Accounts payable	(5)	(7)
Accrued taxes	(1)	4
Accrued interest	(5)	(5)
Other current liabilities	(3)	(1)
Other	3	(5)
Net cash provided from operating activities	<u>30</u>	<u>22</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Other	(1)	(1)
Net cash used for financing activities	<u>(1)</u>	<u>(1)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(33)	(35)
Sales of investment securities held in trusts	—	1
Purchases of investment securities held in trusts	—	(3)
Loans to affiliated companies, net	7	19
Asset removal costs	(3)	(3)
Net cash used for investing activities	<u>(29)</u>	<u>(21)</u>
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	<u>\$ —</u>	<u>\$ —</u>