

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

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
REVENUES:		
Electric sales	\$ 370	\$ 390
Excise and gross receipts tax collections	27	24
Total revenues	<u>397</u>	<u>414</u>
OPERATING EXPENSES:		
Purchased power from affiliates	—	3
Purchased power non-affiliates	76	76
Other operating expenses	143	144
Provision for depreciation	35	33
Amortization (deferral) of regulatory assets, net	11	(3)
General taxes	54	54
Total operating expenses	<u>319</u>	<u>307</u>
OPERATING INCOME	<u>78</u>	<u>107</u>
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	19	9
Pension and OPEB mark-to-market adjustment	—	(44)
Interest expense	(17)	(17)
Capitalized financing costs	3	1
Total other income (expense)	<u>5</u>	<u>(51)</u>
INCOME BEFORE INCOME TAXES (BENEFITS)	<u>83</u>	<u>56</u>
INCOME TAXES (BENEFITS)	<u>15</u>	<u>(19)</u>
NET INCOME	<u>\$ 68</u>	<u>\$ 75</u>
STATEMENTS OF COMPREHENSIVE INCOME		
NET INCOME	<u>\$ 68</u>	<u>\$ 75</u>
OTHER COMPREHENSIVE LOSS:		
Pension and OPEB prior service costs	(1)	—
Other comprehensive loss	(1)	—
Income tax benefits on other comprehensive loss	—	—
Other comprehensive loss, net of tax	<u>(1)</u>	<u>—</u>
COMPREHENSIVE INCOME	<u>\$ 67</u>	<u>\$ 75</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 150	\$ 500
Restricted cash	4	5
Receivables-		
Customers	170	196
Less — Allowance for uncollectible customer receivables	28	28
	<u>142</u>	<u>168</u>
Affiliated companies	94	93
Other, net of allowance for uncollectible accounts of \$1 in 2021 and 2020	34	35
Notes receivable from affiliated companies	137	10
Prepaid taxes and other	19	8
	<u>580</u>	<u>819</u>
UTILITY PLANT:		
In service	4,782	4,730
Less — Accumulated provision for depreciation	1,774	1,748
	<u>3,008</u>	<u>2,982</u>
Construction work in progress	158	141
	<u>3,166</u>	<u>3,123</u>
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Property taxes	80	112
Investments	95	95
Other	53	49
	<u>228</u>	<u>256</u>
	<u>\$ 3,974</u>	<u>\$ 4,198</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 9	\$ 6
Short-term borrowings -		
Affiliated companies	30	59
Other	50	50
Accounts payable-		
Affiliated companies	1	1
Other	56	54
Accrued taxes	134	118
Accrued interest	20	20
Other	72	88
	<u>372</u>	<u>396</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	1,199	1,198
Accumulated other comprehensive loss	(5)	(4)
Retained earnings	322	459
Total common stockholder's equity	<u>1,516</u>	<u>1,653</u>
Long-term debt and other long-term obligations	932	936
	<u>2,448</u>	<u>2,589</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	401	397
Retirement benefits	227	238
Regulatory liabilities	123	108
Property taxes	53	112
Other	350	358
	<u>1,154</u>	<u>1,213</u>
	<u>\$ 3,974</u>	<u>\$ 4,198</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Three Months
 Ended March 31,

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 68	\$ 75
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	59	(11)
Deferred income taxes and investment tax credits, net	—	(44)
Retirement benefits, net of payments	(13)	(18)
Pension and OPEB mark-to-market adjustment	—	44
Changes in current assets and liabilities-		
Receivables	26	6
Prepaid taxes and other current assets	(11)	(8)
Accounts payable	2	(2)
Accrued taxes	(11)	—
Other current liabilities	(20)	(6)
Other	(8)	(1)
Net cash provided from operating activities	<u>92</u>	<u>35</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	—	9
Redemptions and repayments-		
Long-term debt	(2)	(2)
Short-term borrowings - affiliated companies, net	(29)	—
Common stock dividend payments	(205)	(25)
Other	(1)	(1)
Net cash used for financing activities	<u>(237)</u>	<u>(19)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(71)	(51)
Loans to affiliated companies, net	(127)	(6)
Asset removal costs	(8)	(6)
Other	—	4
Net cash used for investing activities	<u>(206)</u>	<u>(59)</u>
Net change in cash, cash equivalents, and restricted cash	(351)	(43)
Cash, cash equivalents, and restricted cash at beginning of period	505	46
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 154</u>	<u>\$ 3</u>