

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
REVENUES	\$ 414	\$ 400	\$ 834	\$ 778
OPERATING EXPENSES:				
Purchased power	201	201	424	392
Other operating expenses	100	98	206	194
Provision for depreciation	43	42	91	83
Amortization (deferral) of regulatory assets, net	(4)	(13)	86	(12)
General taxes	5	5	11	9
Gain on sale of Yards Creek	—	—	(109)	—
Total operating expenses	345	333	709	666
OPERATING INCOME	69	67	125	112
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	10	15	27	30
Pension and OPEB mark-to-market adjustment	—	—	—	(61)
Interest expense	(26)	(24)	(51)	(47)
Capitalized financing costs	3	2	5	4
Total other expense	(13)	(7)	(19)	(74)
INCOME BEFORE INCOME TAXES	56	60	106	38
INCOME TAXES	15	12	26	7
NET INCOME	\$ 41	\$ 48	\$ 80	\$ 31

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 200	\$ —
Restricted cash	3	6
Receivables-		
Customers	234	242
Less — Allowance for uncollectible customer receivables	19	20
	215	222
Affiliated companies	26	33
Other	25	35
Notes receivable from associated companies	—	38
Prepaid taxes and other	73	26
	542	360
UTILITY PLANT:		
In service	7,539	7,393
Less — Accumulated provision for depreciation	2,176	2,148
	5,363	5,245
Construction work in progress	242	237
	5,605	5,482
UTILITY PLANT - HELD FOR SALE	—	45
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Goodwill	1,811	1,811
Investments	285	286
Other	92	96
	2,188	2,193
	<u>\$ 8,335</u>	<u>\$ 8,080</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 1	\$ 9
Short-term borrowings-		
Affiliated companies	41	—
Other	—	450
Accounts payable		
Affiliated companies	2	2
Other	197	161
Accrued compensation and benefits	45	53
Customer deposits	39	43
Accrued interest	23	23
Other	27	36
	375	777
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, \$10 par value, authorized 16,000,000 shares - 13,628,447 shares outstanding	136	136
Other paid-in capital	2,724	2,722
Accumulated other comprehensive loss	(5)	(5)
Retained earnings	934	854
Total common stockholder's equity	3,789	3,707
Long-term debt and other long-term obligations	2,148	1,653
	5,937	5,360
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	822	796
Nuclear fuel disposal costs	209	209
Retirement benefits	254	276
Regulatory liabilities	225	125
Other	513	537
	2,023	1,943
	<u>\$ 8,335</u>	<u>\$ 8,080</u>

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

For the Six Months
 Ended June 30,

<i>(In millions)</i>	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 80	\$ 31
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	175	69
Asset removal costs charged to income	—	10
Deferred income taxes and investment tax credits, net	18	7
Retirement benefits, net of payments	(31)	(25)
Pension and OPEB mark-to-market adjustment	—	61
Gain on sale of Yards Creek	(109)	—
Changes in current assets and liabilities-		
Receivables	24	4
Prepaid taxes and other current assets	(45)	(45)
Accounts payable	36	34
Customer deposits	(4)	(1)
Accrued compensation and benefits	(8)	(3)
Other current liabilities	(10)	(6)
Other	2	20
Net cash provided from operating activities	<u>128</u>	<u>156</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	500	—
Short-term borrowings - affiliated companies, net	41	104
Redemptions and repayments-		
Long-term debt	(9)	(8)
Short-term borrowings - other, net	(450)	—
Other	(6)	—
Net cash provided from financing activities	<u>76</u>	<u>96</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(180)	(230)
Proceeds from sale of Yards Creek	155	—
Loans to affiliated companies, net	38	—
Sales of investment securities held in trusts	5	36
Purchases of investment securities held in trusts	(10)	(46)
Asset removal costs	(15)	(13)
Net cash used for investing activities	<u>(7)</u>	<u>(253)</u>
Net change in cash, cash equivalents, and restricted cash	197	(1)
Cash, cash equivalents, and restricted cash at beginning of period	6	8
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 203</u>	<u>\$ 7</u>