

**METROPOLITAN EDISON COMPANY**  
**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020**

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

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
<b>REVENUES:</b>				
Electric sales	\$ 174	\$ 180	\$ 380	\$ 371
Gross receipts tax collections	10	11	23	22
Total revenues	<u>184</u>	<u>191</u>	<u>403</u>	<u>393</u>
<b>OPERATING EXPENSES:</b>				
Purchased power	66	61	146	133
Other operating expenses	36	49	77	94
Provision for depreciation	21	25	41	50
Deferral of regulatory assets, net	(5)	(8)	(10)	(4)
General taxes	13	13	28	27
Total operating expenses	<u>131</u>	<u>140</u>	<u>282</u>	<u>300</u>
<b>OPERATING INCOME</b>	<u>53</u>	<u>51</u>	<u>121</u>	<u>93</u>
<b>OTHER INCOME (EXPENSE):</b>				
Miscellaneous income, net	9	11	18	24
Equity earnings from MAIT	8	6	13	12
Pension and OPEB mark-to-market adjustment	—	—	—	(31)
Interest expense	(13)	(13)	(25)	(25)
Capitalized financing costs	1	1	1	2
Total other income (expense)	<u>5</u>	<u>5</u>	<u>7</u>	<u>(18)</u>
<b>INCOME BEFORE INCOME TAXES</b>	<u>58</u>	<u>56</u>	<u>128</u>	<u>75</u>
<b>INCOME TAXES</b>	<u>12</u>	<u>11</u>	<u>25</u>	<u>15</u>
<b>NET INCOME</b>	<u>\$ 46</u>	<u>\$ 45</u>	<u>\$ 103</u>	<u>\$ 60</u>
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>				
<b>NET INCOME</b>	<u>\$ 46</u>	<u>\$ 45</u>	<u>\$ 103</u>	<u>\$ 60</u>
<b>OTHER COMPREHENSIVE LOSS:</b>				
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	<u>—</u>	<u>—</u>	<u>(1)</u>	<u>(1)</u>
<b>COMPREHENSIVE INCOME</b>	<u>\$ 46</u>	<u>\$ 45</u>	<u>\$ 102</u>	<u>\$ 59</u>

**METROPOLITAN EDISON COMPANY**  
**BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In millions, except share amounts)</i>	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 100	\$ —
Receivables-		
Customers	143	161
Less — Allowance for uncollectible customer receivables	21	21
	122	140
Affiliated companies	26	24
Other, net of allowance for uncollectible accounts of \$1 in 2021 and 2020	18	20
Notes receivable from associated companies	—	96
Prepaid taxes and other	34	13
	300	293
<b>UTILITY PLANT:</b>		
In service	3,041	2,970
Less — Accumulated provision for depreciation	956	929
	2,085	2,041
Construction work in progress	63	71
	2,148	2,112
<b>INVESTMENTS AND OTHER NONCURRENT ASSETS:</b>		
Goodwill	324	324
Investment in affiliate	315	302
Other	34	38
	673	664
	\$ 3,121	\$ 3,069
<b>LIABILITIES AND CAPITALIZATION</b>		
<b>CURRENT LIABILITIES:</b>		
Currently payable long-term debt	\$ 2	\$ 2
Short-term borrowings-		
Affiliated companies	11	—
Other	100	100
Accounts payable-		
Affiliated companies	1	1
Other	49	54
Accrued taxes	10	12
Accrued interest	15	15
Customer deposits	29	29
Other	28	28
	245	241
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	838	839
Accumulated other comprehensive income	—	1
Retained earnings	236	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
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	416	394
Nuclear fuel disposal costs	47	47
Retirement benefits	55	66
Regulatory liabilities	27	49
Other	211	208
	756	764
	\$ 3,121	\$ 3,069

**METROPOLITAN EDISON COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

For the Six Months  
 Ended June 30,

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 103	\$ 60
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	32	47
Deferred income taxes and investment tax credits, net	14	4
Retirement benefits, net of payments	(17)	(13)
Pension and OPEB mark-to-market adjustment	—	31
Undistributed earnings from subsidiary company	(13)	(12)
Changes in current assets and liabilities-		
Receivables	18	6
Prepaid taxes and other current assets	(21)	(21)
Accounts payable	(5)	(7)
Accrued taxes	(2)	1
Other current liabilities	(1)	3
Other	7	(6)
Net cash provided from operating activities	115	93
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New financing-		
Short-term borrowings - affiliated companies, net	11	—
Common stock dividend payments	(45)	—
Other	(1)	(1)
Net cash used for financing activities	(35)	(1)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property additions	(69)	(75)
Sales of investment securities held in trusts	—	1
Purchases of investment securities held in trusts	—	(3)
Loans to affiliated companies, net	96	(7)
Asset removal costs	(7)	(8)
Net cash provided from (used for) investing activities	20	(92)
Net change in cash, cash equivalents, and restricted cash	100	—
Cash, cash equivalents, and restricted cash at beginning of period	—	—
Cash, cash equivalents, and restricted cash at end of period	\$ 100	\$ —