

OHIO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
REVENUES:				
Electric sales	\$ 388	\$ 357	\$ 758	\$ 747
Excise and gross receipts tax collections	26	24	53	48
Total revenues	414	381	811	795
OPERATING EXPENSES:				
Purchased power from affiliates	—	—	—	3
Purchased power non-affiliates	66	66	142	142
Other operating expenses	142	146	285	290
Provision for depreciation	36	33	71	66
Amortization (deferral) of regulatory assets, net	35	(4)	46	(7)
General taxes	55	50	109	104
Total operating expenses	334	291	653	598
OPERATING INCOME	80	90	158	197
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	15	13	34	22
Pension and OPEB mark-to-market adjustment	—	—	—	(44)
Interest expense	(17)	(17)	(34)	(34)
Capitalized financing costs	2	3	5	4
Total other income (expense)	—	(1)	5	(52)
INCOME BEFORE INCOME TAXES	80	89	163	145
INCOME TAXES	16	19	31	—
NET INCOME	\$ 64	\$ 70	\$ 132	\$ 145
STATEMENTS OF COMPREHENSIVE INCOME				
NET INCOME	\$ 64	\$ 70	\$ 132	\$ 145
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	—	—	(1)	—
COMPREHENSIVE INCOME	\$ 64	\$ 70	\$ 131	\$ 145

OHIO EDISON 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	\$ 500
Restricted cash	5	5
Receivables-		
Customers	190	196
Less — Allowance for uncollectible customer receivables	28	28
	<u>162</u>	<u>168</u>
Affiliated companies	96	93
Other, net of allowance for uncollectible accounts of \$1 in 2021 and 2020	37	35
Notes receivable from affiliated companies	10	10
Prepaid taxes and other	21	8
	<u>531</u>	<u>819</u>
UTILITY PLANT:		
In service	4,838	4,730
Less — Accumulated provision for depreciation	1,803	1,748
	<u>3,035</u>	<u>2,982</u>
Construction work in progress	171	141
	<u>3,206</u>	<u>3,123</u>
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Property taxes	53	112
Investments	98	95
Other	51	49
	<u>202</u>	<u>256</u>
	<u>\$ 3,939</u>	<u>\$ 4,198</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 109	\$ 6
Short-term borrowings-		
Affiliated companies	159	59
Other	—	50
Accounts payable-		
Affiliated companies	26	1
Other	58	54
Accrued taxes	110	118
Accrued interest	20	20
Other	76	88
	<u>558</u>	<u>396</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	1,200	1,198
Accumulated other comprehensive loss	(5)	(4)
Retained earnings	181	459
Total common stockholder's equity	<u>1,376</u>	<u>1,653</u>
Long-term debt and other long-term obligations	831	936
	<u>2,207</u>	<u>2,589</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	404	397
Retirement benefits	218	238
Regulatory liabilities	150	108
Property taxes	53	112
Other	349	358
	<u>1,174</u>	<u>1,213</u>
	<u>\$ 3,939</u>	<u>\$ 4,198</u>

OHIO EDISON 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	\$ 132	\$ 145
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	132	5
Deferred income taxes and investment tax credits, net	1	(54)
Retirement benefits, net of payments	(27)	(29)
Pension and OPEB mark-to-market adjustment	—	44
Changes in current assets and liabilities-		
Receivables	1	(2)
Prepaid taxes and other current assets	(13)	(6)
Accounts payable	29	(3)
Accrued taxes	(8)	(2)
Other current liabilities	(15)	—
Other	(11)	5
Net cash provided from operating activities	<u>221</u>	<u>103</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	100	6
Redemptions and repayments-		
Long-term debt	(2)	(2)
Short-term borrowings - other, net	(50)	—
Common stock dividend payments	(410)	(90)
Other	(2)	(2)
Net cash used for financing activities	<u>(364)</u>	<u>(88)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(139)	(112)
Loans to affiliated companies, net	—	69
Asset removal costs	(15)	(15)
Other	(3)	2
Net cash used for investing activities	<u>(157)</u>	<u>(56)</u>
Net change in cash, cash equivalents, and restricted cash	(300)	(41)
Cash, cash equivalents, and restricted cash at beginning of period	505	46
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 205</u>	<u>\$ 5</u>