

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

THE TOLEDO EDISON 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:				
Electric sales	\$ 111	\$ 103	\$ 208	\$ 216
Excise and gross receipts tax collections	7	6	14	12
Total revenues	118	109	222	228
OPERATING EXPENSES:				
Purchased power from affiliates	—	—	—	1
Purchased power from non-affiliates	10	11	24	25
Other operating expenses	46	45	94	93
Provision for depreciation	11	11	22	21
Amortization of regulatory assets, net	12	5	15	4
General taxes	17	15	33	30
Total operating expenses	96	87	188	174
OPERATING INCOME	22	22	34	54
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	3	3	6	5
Pension and OPEB mark-to-market adjustment	—	—	—	(11)
Interest expense	(6)	(7)	(12)	(16)
Capitalized financing costs	—	1	1	1
Total other expense	(3)	(3)	(5)	(21)
INCOME BEFORE INCOME TAXES	19	19	29	33
INCOME TAXES	3	3	4	—
NET INCOME	\$ 16	\$ 16	\$ 25	\$ 33

THE TOLEDO 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	\$ 100	\$ 100
Restricted cash	2	2
Receivables-		
Customers	51	58
Less — Allowance for uncollectible customer receivables	9	10
	<u>42</u>	<u>48</u>
Affiliated companies	69	26
Other, net of allowance for uncollectible accounts	8	12
Notes receivable from affiliated companies	31	—
Prepaid taxes and other	2	1
	<u>254</u>	<u>189</u>
UTILITY PLANT:		
In service	1,331	1,300
Less — Accumulated provision for depreciation	650	632
	<u>681</u>	<u>668</u>
Construction work in progress	35	33
	<u>716</u>	<u>701</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	17	32
Property taxes	18	37
Other	13	15
	<u>549</u>	<u>585</u>
	<u>\$ 1,519</u>	<u>\$ 1,475</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 3	\$ 3
Short-term borrowings-		
Affiliated companies	—	83
Other	100	100
Accounts payable-		
Affiliated companies	23	19
Other	6	6
Accrued taxes	33	38
Other	23	24
	<u>188</u>	<u>273</u>
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	320	320
Retained earnings	89	86
Total common stockholder's equity	<u>556</u>	<u>553</u>
Long-term debt and other long-term obligations	480	333
	<u>1,036</u>	<u>886</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	84	84
Retirement benefits	51	54
Property taxes	18	37
Other	142	141
	<u>295</u>	<u>316</u>
	<u>\$ 1,519</u>	<u>\$ 1,475</u>

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

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 25	\$ 33
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	44	4
Deferred income taxes and investment tax credits, net	(2)	(8)
Retirement benefits, net of payments	(5)	(1)
Pension and OPEB mark-to-market adjustment	—	11
Change in current assets and liabilities-		
Receivables	(33)	(3)
Prepaid taxes and other current assets	(1)	1
Accounts payable	4	—
Accrued taxes	(5)	(2)
Other current liabilities	(3)	(2)
Other	4	2
Net cash provided from operating activities	28	35
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	150	—
Short-term borrowings - affiliated companies, net	—	71
Redemptions and repayments-		
Long-term debt	(1)	(51)
Short-term borrowings - affiliated companies, net	(83)	—
Common stock dividend payments	(22)	(25)
Other	(2)	—
Net cash provided from (used for) financing activities	42	(5)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(35)	(27)
Loans to affiliated companies, net	(31)	—
Asset removal costs	(4)	(3)
Net cash used for investing activities	(70)	(30)
Net change in cash, cash equivalents, and restricted cash		
	—	—
Cash, cash equivalents, and restricted cash at beginning of period	102	2
Cash, cash equivalents, and restricted cash at end of period	\$ 102	\$ 2