

OHIO EDISON COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
REVENUES:				
Electric sales	\$ 451	\$ 429	\$ 1,209	\$ 1,176
Excise and gross receipts tax collections	29	29	82	77
Total revenues	480	458	1,291	1,253
OPERATING EXPENSES:				
Purchased power from affiliates	—	—	—	3
Purchased power non-affiliates	86	81	228	223
Other operating expenses	153	149	438	439
Provision for depreciation	36	34	107	100
Amortization of regulatory assets, net	45	22	91	15
General taxes	59	58	168	162
Total operating expenses	379	344	1,032	942
OPERATING INCOME	101	114	259	311
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	15	5	49	27
Pension and OPEB mark-to-market adjustment	—	—	—	(44)
Interest expense	(18)	(17)	(52)	(51)
Capitalized financing costs	2	3	7	7
Total other income (expense)	(1)	(9)	4	(61)
INCOME BEFORE INCOME TAXES	100	105	263	250
INCOME TAXES	22	21	53	21
NET INCOME	<u>\$ 78</u>	<u>\$ 84</u>	<u>\$ 210</u>	<u>\$ 229</u>
STATEMENTS OF COMPREHENSIVE INCOME				
NET INCOME	<u>\$ 78</u>	<u>\$ 84</u>	<u>\$ 210</u>	<u>\$ 229</u>
OTHER COMPREHENSIVE LOSS:				
Pension and OPEB prior service costs	(1)	(1)	(2)	(1)
Other comprehensive loss	(1)	(1)	(2)	(1)
Income tax benefits on other comprehensive loss	(1)	—	(1)	—
Other comprehensive loss, net of tax	—	(1)	(1)	(1)
COMPREHENSIVE INCOME	<u>\$ 78</u>	<u>\$ 83</u>	<u>\$ 209</u>	<u>\$ 228</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	September 30, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 75	\$ 500
Restricted cash	4	5
Receivables-		
Customers	181	196
Less — Allowance for uncollectible customer receivables	28	28
	153	168
Affiliated companies	75	93
Other, net of allowance for uncollectible accounts of \$1 in 2021 and 2020	36	35
Notes receivable from affiliated companies	10	10
Prepaid taxes and other	31	8
	384	819
UTILITY PLANT:		
In service	4,894	4,730
Less — Accumulated provision for depreciation	1,825	1,748
	3,069	2,982
Construction work in progress	178	141
	3,247	3,123
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Property taxes	27	112
Investments	97	95
Other	52	49
	176	256
	\$ 3,807	\$ 4,198
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 111	\$ 6
Short-term borrowings -		
Affiliated companies	100	59
Other	—	50
Accounts payable-		
Affiliated companies	13	1
Other	54	54
Accrued taxes	125	118
Accrued interest	20	20
Other	88	88
	511	396
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	1,211	1,198
Accumulated other comprehensive loss	(5)	(4)
Retained earnings	118	459
Total common stockholder's equity	1,324	1,653
Long-term debt and other long-term obligations	826	936
	2,150	2,589
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	402	397
Retirement benefits	208	238
Regulatory liabilities	184	108
Property taxes	—	112
Other	352	358
	1,146	1,213
	\$ 3,807	\$ 4,198

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

<i>(In millions)</i>	For the Nine Months Ended September 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 210	\$ 229
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	202	46
Deferred income taxes and investment tax credits, net	—	(54)
Retirement benefits, net of payments	(41)	(39)
Pension and OPEB mark-to-market adjustment	—	44
Changes in current assets and liabilities-		
Receivables	40	(2)
Prepaid taxes and other current assets	1	(3)
Accounts payable	12	(12)
Accrued taxes	(20)	(11)
Other current liabilities	(12)	5
Collateral, net	(13)	8
Other	(9)	9
Net cash provided from operating activities	<u>370</u>	<u>220</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	41	—
Redemptions and repayments-		
Long-term debt	(3)	(3)
Short-term borrowings-		
Affiliated companies, net	—	(9)
Other, net	(50)	—
Parent company equity contribution	—	250
Common stock dividend payments	(551)	(90)
Other	(3)	(3)
Net cash provided from (used for) financing activities	<u>(566)</u>	<u>145</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(205)	(185)
Loans to affiliated companies, net	—	(45)
Asset removal costs	(22)	(20)
Other	(3)	2
Net cash used for investing activities	<u>(230)</u>	<u>(248)</u>
Net change in cash, cash equivalents, and restricted cash	(426)	117
Cash, cash equivalents, and restricted cash at beginning of period	505	46
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 79</u>	<u>\$ 163</u>