

METROPOLITAN EDISON COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

METROPOLITAN EDISON COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
REVENUES:		
Electric sales	\$ 245	\$ 206
Gross receipts tax collections	15	13
Total revenues	260	219
OPERATING EXPENSES:		
Purchased power	110	80
Other operating expenses	47	41
Provision for depreciation	21	20
Deferral of regulatory assets, net	(7)	(5)
General taxes	18	15
Total operating expenses	189	151
OPERATING INCOME	71	68
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	8	9
Equity earnings from MAIT	6	5
Interest expense	(12)	(12)
Total other income	2	2
INCOME BEFORE INCOME TAXES	73	70
INCOME TAXES	16	13
NET INCOME	<u>\$ 57</u>	<u>\$ 57</u>
STATEMENTS OF COMPREHENSIVE INCOME		
NET INCOME	<u>\$ 57</u>	<u>\$ 57</u>
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	<u>\$ 57</u>	<u>\$ 56</u>

METROPOLITAN EDISON COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 160	\$ 150
Less — Allowance for uncollectible customer receivables	18	21
	142	129
Affiliated companies	33	28
Other	19	20
Prepaid taxes and other	33	12
	227	189
UTILITY PLANT:		
In service	3,122	3,102
Less — Accumulated provision for depreciation	979	976
	2,143	2,126
Construction work in progress	65	68
	2,208	2,194
INVESTMENTS AND OTHER NONCURRENT ASSETS		
Goodwill	324	324
Investment in affiliate	311	304
Other	40	39
	675	667
	<u>\$ 3,110</u>	<u>\$ 3,050</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 301	\$ 2
Short-term borrowings - affiliated companies	46	24
Accounts payable-		
Affiliated companies	1	2
Other	57	58
Accrued taxes	7	14
Accrued interest	10	15
Customer deposits	31	31
Other	28	25
	481	171
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	841	841
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	307	250
Total common stockholder's equity	1,147	1,090
Long-term debt and other long-term obligations	746	1,046
	1,893	2,136
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	451	437
Nuclear fuel disposal costs	47	47
Retirement benefits	21	25
Regulatory liabilities	18	29
Other	199	205
	736	743
	<u>\$ 3,110</u>	<u>\$ 3,050</u>

METROPOLITAN EDISON COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 57	\$ 57
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	15	15
Deferred income taxes and investment tax credits, net	10	9
Retirement benefits, net of payments	(8)	(8)
Undistributed earnings from subsidiary company	(6)	(5)
Changes in current assets and liabilities-		
Receivables	(17)	4
Prepaid taxes and other current assets	(21)	(31)
Accounts payable	(2)	(5)
Accrued taxes	(7)	(1)
Accrued interest	(5)	(5)
Other current liabilities	(2)	(3)
Other	(1)	3
Net cash provided from operating activities	13	30
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	22	—
Other	(1)	(1)
Net cash provided from (used for) financing activities	21	(1)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(30)	(33)
Loans to affiliated companies, net	—	7
Asset removal costs	(4)	(3)
Net cash used for investing activities	(34)	(29)
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	—	—
Cash, cash equivalents, and restricted cash at end of period	\$ —	\$ —