

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

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2022	2021
REVENUES:		
Electric sales	\$ 371	\$ 370
Excise and gross receipts tax collections	28	27
Total revenues	399	397
OPERATING EXPENSES:		
Purchased power	89	76
Other operating expenses	149	143
Provision for depreciation	37	35
Amortization (deferral) of regulatory assets, net	(2)	11
General taxes	61	54
Total operating expenses	334	319
OPERATING INCOME	65	78
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	11	19
Interest expense	(17)	(17)
Capitalized financing costs	2	3
Total other income (expense)	(4)	5
INCOME BEFORE INCOME TAXES	61	83
INCOME TAXES	13	15
NET INCOME	<u>\$ 48</u>	<u>\$ 68</u>
STATEMENTS OF COMPREHENSIVE INCOME		
NET INCOME	<u>\$ 48</u>	<u>\$ 68</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>\$ 48</u>	<u>\$ 67</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 75
Restricted cash	5	8
Receivables-		
Customers	148	150
Less — Allowance for uncollectible customer receivables	20	28
	128	122
Affiliated companies	86	77
Other, net of allowance for uncollectible accounts of \$1 in 2022 and 2021	39	38
Notes receivable from affiliated companies	10	34
Prepaid taxes and other	26	19
	294	373
UTILITY PLANT:		
In service	5,040	4,981
Less — Accumulated provision for depreciation	1,869	1,849
	3,171	3,132
Construction work in progress	160	158
	3,331	3,290
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Property taxes	89	119
Investments	91	93
Other	69	61
	249	273
	<u>\$ 3,874</u>	<u>\$ 3,936</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 110	\$ 111
Short-term borrowings - Affiliated companies	137	44
Accounts payable-		
Affiliated companies	1	19
Other	59	61
Accrued taxes	134	122
Accrued interest	20	20
Other	88	89
	549	466
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	1,213	1,212
Accumulated other comprehensive loss	(6)	(6)
Retained earnings	73	155
Total common stockholder's equity	1,280	1,361
Long-term debt and other long-term obligations	823	826
	2,103	2,187
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	413	407
Retirement benefits	177	186
Regulatory liabilities	224	229
Property taxes	60	119
Other	348	342
	1,222	1,283
	<u>\$ 3,874</u>	<u>\$ 3,936</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED 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	\$ 48	\$ 68
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	36	59
Deferred income taxes and investment tax credits, net	4	—
Retirement benefits, net of payments	(12)	(13)
Changes in current assets and liabilities-		
Receivables	(16)	26
Prepaid taxes and other current assets	(7)	(11)
Accounts payable	(20)	2
Accrued taxes	(18)	(11)
Other current liabilities	(5)	(20)
Other	3	(8)
Net cash provided from operating activities	13	92
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	93	—
Redemptions and repayments-		
Long-term debt	(4)	(2)
Short-term borrowings - affiliated companies, net	—	(29)
Common stock dividend payments	(130)	(205)
Other	(1)	(1)
Net cash used for financing activities	(42)	(237)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(69)	(71)
Loans to affiliated companies, net	24	(127)
Asset removal costs	(7)	(8)
Other	3	—
Net cash used for investing activities	(49)	(206)
Net change in cash, cash equivalents, and restricted cash	(78)	(351)
Cash, cash equivalents, and restricted cash at beginning of period	83	505
Cash, cash equivalents, and restricted cash at end of period	\$ 5	\$ 154