

METROPOLITAN EDISON COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021

METROPOLITAN EDISON COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUES:				
Electric sales	\$ 210	\$ 174	\$ 455	\$ 380
Gross receipts tax collections	13	10	28	23
Total revenues	223	184	483	403
OPERATING EXPENSES:				
Purchased power	103	66	213	146
Other operating expenses	57	36	104	77
Provision for depreciation	22	21	43	41
Deferral of regulatory assets, net	(16)	(5)	(23)	(10)
General taxes	15	13	33	28
Total operating expenses	181	131	370	282
OPERATING INCOME	42	53	113	121
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	8	9	16	18
Equity earnings from MAIT	6	8	12	13
Interest expense	(12)	(13)	(24)	(25)
Capitalized financing costs	1	1	1	1
Total other income	3	5	5	7
INCOME BEFORE INCOME TAXES	45	58	118	128
INCOME TAXES	10	12	26	25
NET INCOME	<u>\$ 35</u>	<u>\$ 46</u>	<u>\$ 92</u>	<u>\$ 103</u>

STATEMENTS OF COMPREHENSIVE INCOME

NET INCOME	<u>\$ 35</u>	<u>\$ 46</u>	<u>\$ 92</u>	<u>\$ 103</u>
OTHER COMPREHENSIVE LOSS:				
Pension and OPEB prior service costs	(1)	—	(1)	(1)
Other comprehensive loss	(1)	—	(1)	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	(1)	—	(1)	(1)
COMPREHENSIVE INCOME	<u>\$ 34</u>	<u>\$ 46</u>	<u>\$ 91</u>	<u>\$ 102</u>

METROPOLITAN EDISON COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 156	\$ 150
Less — Allowance for uncollectible customer receivables	18	21
	138	129
Affiliated companies	37	28
Other, net of allowance for uncollectible accounts of \$1 in 2022	20	20
Prepaid taxes and other	26	12
	221	189
UTILITY PLANT:		
In service	3,143	3,102
Less — Accumulated provision for depreciation	994	976
	2,149	2,126
Construction work in progress	74	68
	2,223	2,194
INVESTMENTS AND OTHER NONCURRENT ASSETS		
Goodwill	324	324
Investment in affiliate	316	304
Other	44	39
	684	667
	<u>\$ 3,128</u>	<u>\$ 3,050</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 301	\$ 2
Short-term borrowings - affiliated companies	62	24
Accounts payable-		
Affiliated companies	1	2
Other	68	58
Accrued taxes	3	14
Accrued interest	15	15
Customer deposits	32	31
Other	43	25
	525	171
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	842	841
Accumulated other comprehensive loss	(2)	(1)
Retained earnings	287	250
Total common stockholder's equity	1,127	1,090
Long-term debt and other long-term obligations	746	1,046
	1,873	2,136
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	461	437
Nuclear fuel disposal costs	47	47
Retirement benefits	17	25
Regulatory liabilities	—	29
Other	205	205
	730	743
	<u>\$ 3,128</u>	<u>\$ 3,050</u>

METROPOLITAN EDISON COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 92	\$ 103
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	20	32
Deferred income taxes and investment tax credits, net	16	14
Retirement benefits, net of payments	(15)	(17)
Undistributed earnings from subsidiary company	(12)	(13)
Changes in current assets and liabilities-		
Receivables	(18)	18
Prepaid taxes and other current assets	(14)	(21)
Accounts payable	9	(5)
Accrued taxes	(11)	(2)
Customer deposits	1	1
Other current liabilities	(3)	(4)
Collateral, net	16	2
Other	6	7
Net cash provided from operating activities	<u>87</u>	<u>115</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	38	11
Common stock dividend payments	(55)	(45)
Other	(1)	(1)
Net cash used for financing activities	<u>(18)</u>	<u>(35)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(62)	(69)
Loans to affiliated companies, net	—	96
Asset removal costs	(7)	(7)
Net cash provided from (used for) investing activities	<u>(69)</u>	<u>20</u>
Net change in cash, cash equivalents, and restricted cash	—	100
Cash, cash equivalents, and restricted cash at beginning of period	—	—
Cash, cash equivalents, and restricted cash at end of period	<u>\$ —</u>	<u>\$ 100</u>