

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

OHIO 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,	
	2022	2021	2022	2021
REVENUES:				
Electric sales	\$ 359	\$ 388	\$ 730	\$ 758
Excise and gross receipts tax collections	25	26	53	53
Total revenues	384	414	783	811
OPERATING EXPENSES:				
Purchased power	88	66	177	142
Other operating expenses	165	142	314	285
Provision for depreciation	38	36	75	71
Amortization (deferral) of regulatory assets, net	(29)	35	(31)	46
General taxes	53	55	114	109
Total operating expenses	315	334	649	653
OPERATING INCOME	69	80	134	158
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	7	15	18	34
Interest expense	(18)	(17)	(35)	(34)
Capitalized financing costs	—	2	2	5
Total other income (expense)	(11)	—	(15)	5
INCOME BEFORE INCOME TAXES	58	80	119	163
INCOME TAXES	12	16	25	31
NET INCOME	<u>\$ 46</u>	<u>\$ 64</u>	<u>\$ 94</u>	<u>\$ 132</u>
STATEMENTS OF COMPREHENSIVE INCOME				
NET INCOME	<u>\$ 46</u>	<u>\$ 64</u>	<u>\$ 94</u>	<u>\$ 132</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>\$ 45</u>	<u>\$ 64</u>	<u>\$ 93</u>	<u>\$ 131</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 75
Restricted cash	7	8
Receivables-		
Customers	166	150
Less — Allowance for uncollectible customer receivables	20	28
	146	122
Affiliated companies	86	77
Other, net of allowance for uncollectible accounts of \$1 in 2022 and 2021	38	38
Notes receivable from affiliated companies	10	34
Prepaid taxes and other	27	19
	314	373
UTILITY PLANT:		
In service	5,116	4,981
Less — Accumulated provision for depreciation	1,888	1,849
	3,228	3,132
Construction work in progress	150	158
	3,378	3,290
INVESTMENTS AND OTHER NONCURRENT ASSETS:		
Property taxes	57	119
Investments	86	93
Other	67	61
	210	273
	<u>\$ 3,902</u>	<u>\$ 3,936</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 10	\$ 111
Short-term borrowings - Affiliated companies	223	44
Accounts payable-		
Affiliated companies	1	19
Other	70	61
Accrued taxes	121	122
Accrued interest	19	20
Other	112	89
	556	466
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, without par value, authorized 175,000,000 shares - 60 shares outstanding	1,214	1,212
Accumulated other comprehensive loss	(7)	(6)
Retained earnings	119	155
Total common stockholder's equity	1,326	1,361
Long-term debt and other long-term obligations	823	826
	2,149	2,187
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	426	407
Retirement benefits	169	186
Regulatory liabilities	192	229
Property taxes	57	119
Other	353	342
	1,197	1,283
	<u>\$ 3,902</u>	<u>\$ 3,936</u>

OHIO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED 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	\$ 94	\$ 132
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	45	132
Deferred income taxes and investment tax credits, net	14	1
Retirement benefits, net of payments	(25)	(27)
Changes in current assets and liabilities-		
Receivables	(33)	1
Prepaid taxes and other current assets	(5)	(4)
Accounts payable	(9)	29
Accrued taxes	(1)	(8)
Accrued interest	(1)	—
Other current liabilities	(6)	(17)
Collateral, net	23	(7)
Other	12	(11)
Net cash provided from operating activities	108	221
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	179	100
Redemptions and repayments-		
Long-term debt	(104)	(2)
Short-term borrowings - other, net	—	(50)
Common stock dividend payments	(130)	(410)
Other	(2)	(2)
Net cash used for financing activities	(57)	(364)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(142)	(139)
Loans to affiliated companies, net	24	—
Asset removal costs	(16)	(15)
Other	7	(3)
Net cash used for investing activities	(127)	(157)
Net change in cash, cash equivalents, and restricted cash	(76)	(300)
Cash, cash equivalents, and restricted cash at beginning of period	83	505
Cash, cash equivalents, and restricted cash at end of period	\$ 7	\$ 205