

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

THE TOLEDO 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	\$ 102	\$ 111	\$ 201	\$ 208
Excise and gross receipts tax collections	7	7	14	14
Total revenues	109	118	215	222
OPERATING EXPENSES:				
Purchased power	29	10	53	24
Other operating expenses	48	46	92	94
Provision for depreciation	12	11	23	22
Amortization (deferral) of regulatory assets, net	(13)	12	(17)	15
General taxes	16	17	34	33
Total operating expenses	92	96	185	188
OPERATING INCOME	17	22	30	34
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	2	3	5	6
Interest expense	(6)	(6)	(13)	(12)
Capitalized financing costs	—	—	1	1
Total other expense	(4)	(3)	(7)	(5)
INCOME BEFORE INCOME TAXES	13	19	23	29
INCOME TAXES	2	3	4	4
NET INCOME	<u>\$ 11</u>	<u>\$ 16</u>	<u>\$ 19</u>	<u>\$ 25</u>

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 3	\$ 3
Receivables-		
Customers	40	36
Less — Allowance for uncollectible customer receivables	5	10
	35	26
Affiliated companies	22	14
Other	10	10
Notes receivable from affiliated companies	64	104
Prepaid taxes and other	8	6
	142	163
UTILITY PLANT:		
In service	1,381	1,360
Less — Accumulated provision for depreciation	674	663
	707	697
Construction work in progress	34	31
	741	728
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	10	—
Property taxes	19	40
Other	12	14
	542	555
	\$ 1,425	\$ 1,446
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 3	\$ 3
Accounts payable-		
Affiliated companies	22	24
Other	14	6
Accrued taxes	40	40
Accrued interest	3	3
Other	52	29
	134	105
CAPITALIZATION:		
Common stockholder's equity-		
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	147	147
Other paid-in capital	324	323
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	84	80
Total common stockholder's equity	554	549
Long-term debt and other long-term obligations	452	478
	1,006	1,027
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	87	82
Retirement benefits	40	43
Regulatory liabilities	—	9
Property taxes	19	40
Other	139	140
	285	314
	\$ 1,425	\$ 1,446

THE TOLEDO 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	\$ 19	\$ 25
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	7	44
Deferred income taxes and investment tax credits, net	3	(2)
Retirement benefits, net of payments	(4)	(5)
Change in current assets and liabilities-		
Receivables	(17)	(33)
Prepaid taxes and other current assets	—	(1)
Accounts payable	6	4
Accrued taxes	—	(5)
Other current liabilities	(1)	(3)
Collateral, net	22	—
Other	(1)	4
Net cash provided from operating activities	<u>34</u>	<u>28</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	150
Redemptions and repayments-		
Long-term debt	(26)	(1)
Short-term borrowings - affiliated companies, net	—	(83)
Common stock dividend payments	(15)	(22)
Other	—	(2)
Net cash provided from (used for) financing activities	<u>(41)</u>	<u>42</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(30)	(35)
Loans to affiliated companies, net	40	(31)
Asset removal costs	(3)	(4)
Net cash provided from (used for) investing activities	<u>7</u>	<u>(70)</u>
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	3	102
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 3</u>	<u>\$ 102</u>