

METROPOLITAN EDISON COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

METROPOLITAN EDISON COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2023	2022
REVENUES:		
Electric sales	\$ 281	\$ 245
Gross receipts tax collections	17	15
Total revenues	298	260
OPERATING EXPENSES:		
Purchased power	129	110
Other operating expenses	51	47
Provision for depreciation	22	21
Amortization (deferral) of regulatory assets, net	13	(7)
General taxes	19	18
Total operating expenses	234	189
OPERATING INCOME	64	71
OTHER INCOME (EXPENSE):		
Miscellaneous income, net	3	8
Equity earnings from MAIT	7	6
Interest expense	(15)	(12)
Capitalized financing costs	1	—
Total other income (expense)	(4)	2
INCOME BEFORE INCOME TAXES	60	73
INCOME TAXES	12	16
NET INCOME	<u>\$ 48</u>	<u>\$ 57</u>
COMPREHENSIVE INCOME	<u>\$ 48</u>	<u>\$ 57</u>

METROPOLITAN EDISON COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	March 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 184	\$ 179
Less — Allowance for uncollectible customer receivables	17	19
	167	160
Affiliated companies	50	43
Other, net of allowance for uncollectible accounts of \$1 in 2023 and 2022	26	23
Prepaid taxes and other	39	8
	282	234
PROPERTY, PLANT AND EQUIPMENT:		
In service	3,236	3,194
Less — Accumulated provision for depreciation	1,016	1,008
	2,220	2,186
Construction work in progress	66	88
	2,286	2,274
INVESTMENTS AND OTHER NONCURRENT ASSETS		
Goodwill	324	324
Investment in affiliate	313	306
Other	30	30
	667	660
TOTAL ASSETS	\$ 3,235	\$ 3,168
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ —	\$ 301
Short-term borrowings - affiliated companies	11	90
Accounts payable-		
Affiliated companies	1	—
Other	70	87
Accrued taxes	13	14
Accrued interest	9	15
Customer deposits	35	34
Collateral	9	23
Other	19	20
	167	584
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,168	745
Accumulated deferred income taxes, net	404	402
Nuclear fuel disposal costs	49	48
Retirement benefits	51	52
Regulatory liabilities	35	25
Other	182	181
	1,889	1,453
TOTAL LIABILITIES	2,056	2,037
EQUITY:		
Common stockholder's equity-		
Common stock, without par value, authorized 900,000 shares - 740,905 shares outstanding	849	849
Accumulated other comprehensive loss	(2)	(2)
Retained earnings	332	284
TOTAL EQUITY	1,179	1,131
TOTAL LIABILITIES AND EQUITY	\$ 3,235	\$ 3,168

METROPOLITAN EDISON COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 48	\$ 57
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	35	15
Deferred income taxes and investment tax credits, net	(1)	10
Retirement benefits, net of payments	(2)	(8)
Undistributed earnings from subsidiary company	(7)	(6)
Changes in current assets and liabilities-		
Receivables	(17)	(17)
Prepaid taxes and other current assets	(31)	(21)
Accounts payable	(16)	(2)
Accrued taxes	(1)	(7)
Accrued interest	(6)	(5)
Customer deposits	1	—
Other current liabilities	(3)	(3)
Collateral, net	(14)	1
Other	3	(1)
Net cash provided from (used for) operating activities	(11)	13
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(29)	(30)
Asset removal costs	(2)	(4)
Net cash used for investing activities	(31)	(34)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	425	—
Short-term borrowings - affiliated companies, net	—	22
Redemptions and repayments-		
Long-term debt	(300)	—
Short-term borrowings - affiliated companies, net	(79)	—
Other	(4)	(1)
Net cash provided from financing activities	42	21
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	\$ —	\$ —
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ 3	\$ 5