

METROPOLITAN EDISON COMPANY
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

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,	
	2023	2022	2023	2022
REVENUES:				
Electric sales	\$ 222	\$ 210	\$ 503	\$ 455
Gross receipts tax collections	13	13	30	28
Total revenues	235	223	533	483
OPERATING EXPENSES:				
Purchased power	104	103	233	213
Other operating expenses	50	57	101	104
Provision for depreciation	23	22	45	43
Amortization (deferral) of regulatory assets, net	(4)	(16)	9	(23)
General taxes	16	15	35	33
Total operating expenses	189	181	423	370
OPERATING INCOME	46	42	110	113
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	4	8	7	16
Equity earnings from MAIT	7	6	14	12
Pension and OPEB mark-to-market adjustment	6	—	6	—
Interest expense	(15)	(12)	(30)	(24)
Capitalized financing costs	1	1	2	1
Total other income (expense)	3	3	(1)	5
INCOME BEFORE INCOME TAXES	49	45	109	118
INCOME TAXES	9	10	21	26
NET INCOME	<u>\$ 40</u>	<u>\$ 35</u>	<u>\$ 88</u>	<u>\$ 92</u>

STATEMENTS OF COMPREHENSIVE INCOME

NET INCOME	<u>\$ 40</u>	<u>\$ 35</u>	<u>\$ 88</u>	<u>\$ 92</u>
OTHER COMPREHENSIVE LOSS:				
Pension and OPEB prior service costs	(1)	(1)	(1)	(1)
Other comprehensive loss	(1)	(1)	(1)	(1)
Income tax benefits on other comprehensive loss	—	—	—	—
Other comprehensive loss, net of tax	(1)	(1)	(1)	(1)
COMPREHENSIVE INCOME	<u>\$ 39</u>	<u>\$ 34</u>	<u>\$ 87</u>	<u>\$ 91</u>

METROPOLITAN EDISON COMPANY
BALANCE SHEETS
(UNAUDITED)

<i>(In millions, except share amounts)</i>	June 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Receivables-		
Customers	\$ 155	\$ 179
Less — Allowance for uncollectible customer receivables	11	19
	144	160
Affiliated companies	53	43
Other, net of allowance for uncollectible accounts of \$1 in 2023 and 2022	24	23
Notes receivable from associated companies	21	—
Prepaid taxes and other	26	8
	268	234
PROPERTY, PLANT AND EQUIPMENT:		
In service	3,263	3,194
Less — Accumulated provision for depreciation	1,032	1,008
	2,231	2,186
Construction work in progress	69	88
	2,300	2,274
INVESTMENTS AND OTHER NONCURRENT ASSETS		
Goodwill	324	324
Investment in affiliate	320	306
Other	28	30
	672	660
TOTAL ASSETS	\$ 3,240	\$ 3,168
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ —	\$ 301
Short-term borrowings - affiliated companies	—	90
Accounts payable-		
Affiliated companies	1	—
Other	66	87
Accrued taxes	3	14
Accrued interest	18	15
Customer deposits	36	34
Collateral	9	23
Other	17	20
	150	584
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	1,168	745
Accumulated deferred income taxes, net	411	402
Nuclear fuel disposal costs	49	48
Retirement benefits	45	52
Regulatory liabilities	28	25
Other	181	181
	1,882	1,453
TOTAL LIABILITIES	2,032	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	(3)	(2)
Retained earnings	362	284
TOTAL EQUITY	1,208	1,131
TOTAL LIABILITIES AND EQUITY	\$ 3,240	\$ 3,168

METROPOLITAN EDISON COMPANY
STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 88	\$ 92
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	55	20
Deferred income taxes and investment tax credits, net	3	16
Retirement benefits, net of payments	(5)	(15)
Pension and OPEB mark-to-market adjustment	(6)	—
Undistributed earnings from subsidiary company	(14)	(12)
Changes in current assets and liabilities-		
Receivables	5	(18)
Prepaid taxes and other current assets	(18)	(14)
Accounts payable	(20)	9
Accrued taxes	(11)	(11)
Accrued interest	3	—
Customer deposits	2	1
Other current liabilities	(3)	(3)
Collateral, net	(14)	16
Other	5	6
Net cash provided from operating activities	70	87
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(64)	(62)
Loans to affiliated companies, net	(21)	—
Asset removal costs	(5)	(7)
Net cash used for investing activities	(90)	(69)
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	425	—
Short-term borrowings - affiliated companies, net	—	38
Redemptions and repayments-		
Long-term debt	(300)	—
Short-term borrowings - affiliated companies, net	(90)	—
Common stock dividend payments	(10)	(55)
Other	(5)	(1)
Net cash provided from (used for) financing activities	20	(18)
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	\$ 4	\$ 3