

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

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,	
	2023	2022	2023	2022
REVENUES:				
Electric sales	\$ 118	\$ 102	\$ 223	\$ 201
Excise and gross receipts tax collections	7	7	14	14
Total revenues	125	109	237	215
OPERATING EXPENSES:				
Purchased power	27	29	62	53
Other operating expenses	45	48	90	92
Provision for depreciation	12	12	24	23
Amortization (deferral) of regulatory assets, net	12	(13)	1	(17)
General taxes	16	16	33	34
Total operating expenses	112	92	210	185
OPERATING INCOME	13	17	27	30
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	1	2	3	5
Pension and OPEB mark-to-market adjustment	2	—	2	—
Interest expense	(7)	(6)	(14)	(13)
Capitalized financing costs	1	—	1	1
Total other expense	(3)	(4)	(8)	(7)
INCOME BEFORE INCOME TAXES	10	13	19	23
INCOME TAXES	2	2	3	4
NET INCOME	\$ 8	\$ 11	\$ 16	\$ 19
COMPREHENSIVE INCOME	\$ 8	\$ 11	\$ 16	\$ 19

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

<i>(In millions, except share amounts)</i>	June 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 3	\$ 3
Receivables-		
Customers	45	46
Less — Allowance for uncollectible customer receivables	3	5
	42	41
Affiliated companies	21	19
Other	12	13
Notes receivable from affiliated companies	—	62
Prepaid taxes and other	5	5
	83	143
PROPERTY, PLANT AND EQUIPMENT:		
In service	1,411	1,389
Less — Accumulated provision for depreciation	681	663
	730	726
Construction work in progress	20	23
	750	749
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	501	501
Regulatory assets	17	18
Property taxes	19	41
Other	10	11
	547	571
TOTAL ASSETS	\$ 1,380	\$ 1,463
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 3	\$ 3
Short-term borrowings - affiliated companies	12	—
Accounts payable-		
Affiliated companies	18	22
Other	8	13
Accrued taxes	37	41
Accrued interest	3	3
Collateral	—	37
Other	19	18
	100	137
NONCURRENT LIABILITIES:		
Long-term debt and other long-term obligations	450	450
Accumulated deferred income taxes, net	100	99
Retirement benefits	29	32
Property taxes	19	41
Other	141	139
	739	761
TOTAL LIABILITIES	839	898
EQUITY:		
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	329	329
Accumulated other comprehensive loss	(1)	(1)
Retained earnings	66	90
TOTAL EQUITY	541	565
TOTAL LIABILITIES AND EQUITY	\$ 1,380	\$ 1,463

THE TOLEDO EDISON COMPANY AND SUBSIDIARIES
CONSOLIDATED 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	\$ 16	\$ 19
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and amortization	26	7
Deferred income taxes and investment tax credits, net	(1)	3
Retirement benefits, net of payments	(2)	(4)
Pension and OPEB mark-to-market adjustment	(2)	—
Change in current assets and liabilities-		
Receivables	(2)	(17)
Accounts payable	(9)	6
Accrued taxes	(4)	—
Other current liabilities	(1)	(1)
Collateral, net	(37)	22
Other	4	(1)
Net cash provided from (used for) operating activities	(12)	34
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital investments	(18)	(30)
Loans to affiliated companies, net	62	40
Asset removal costs	(3)	(3)
Net cash provided from investing activities	41	7
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Short-term borrowings - affiliated companies, net	12	—
Redemptions and repayments-		
Long-term debt	(1)	(26)
Common stock dividend payments	(40)	(15)
Net cash used for financing activities	(29)	(41)
Net change in cash, cash equivalents, and restricted cash	—	—
Cash, cash equivalents, and restricted cash at beginning of period	3	3
Cash, cash equivalents, and restricted cash at end of period	\$ 3	\$ 3
SUPPLEMENTAL CASH FLOW INFORMATION:		
Significant non-cash transactions:		
Accrued capital investments	\$ —	\$ 2