

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

| <i>(In millions)</i> | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|--|---|--------|--|----------|
| | 2020 | 2019 | 2020 | 2019 |
| REVENUES | \$ 593 | \$ 574 | \$ 1,371 | \$ 1,439 |
| OPERATING EXPENSES: | | | | |
| Purchased power | 301 | 287 | 693 | 659 |
| Other operating expenses | 278 | 132 | 472 | 339 |
| Provision for depreciation | 42 | 39 | 125 | 118 |
| Amortization (deferral) of regulatory liabilities, net | (158) | (8) | (170) | 74 |
| General taxes | 6 | 5 | 15 | 13 |
| Total operating expenses | 469 | 455 | 1,135 | 1,203 |
| OPERATING INCOME | 124 | 119 | 236 | 236 |
| OTHER INCOME (EXPENSE): | | | | |
| Miscellaneous income, net | 13 | 7 | 43 | 22 |
| Pension and OPEB mark-to-market adjustment | — | — | (61) | — |
| Interest expense | (23) | (24) | (70) | (72) |
| Capitalized financing costs | 2 | 3 | 6 | 9 |
| Total other expense | (8) | (14) | (82) | (41) |
| INCOME BEFORE INCOME TAXES | 116 | 105 | 154 | 195 |
| INCOME TAXES | 24 | 22 | 31 | 42 |
| NET INCOME | \$ 92 | \$ 83 | \$ 123 | \$ 153 |

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

| <i>(In millions, except share amounts)</i> | September 30, 2020 | December 31, 2019 |
|--|-----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Restricted cash | \$ 7 | \$ 8 |
| Receivables- | | |
| Customers | 251 | 198 |
| Less — Allowance for uncollectible customer receivables | 10 | 4 |
| | <u>241</u> | <u>194</u> |
| Affiliated companies | 72 | 79 |
| Other | 36 | 35 |
| Prepaid taxes and other | 42 | 27 |
| | <u>398</u> | <u>343</u> |
| UTILITY PLANT: | | |
| In service | 7,263 | 7,094 |
| Less — Accumulated provision for depreciation | 2,187 | 2,149 |
| | <u>5,076</u> | <u>4,945</u> |
| Construction work in progress | 328 | 244 |
| | <u>5,404</u> | <u>5,189</u> |
| UTILITY PLANT - HELD FOR SALE | | |
| | <u>44</u> | <u>—</u> |
| OTHER PROPERTY AND INVESTMENTS: | | |
| Nuclear fuel disposal trust | 281 | 270 |
| Other | 2 | 2 |
| Investments - held for sale | 256 | 256 |
| | <u>539</u> | <u>528</u> |
| DEFERRED CHARGES AND OTHER ASSETS: | | |
| Goodwill | 1,811 | 1,811 |
| Other | 93 | 93 |
| | <u>1,904</u> | <u>1,904</u> |
| | <u>\$ 8,289</u> | <u>\$ 7,964</u> |
| LIABILITIES AND CAPITALIZATION | | |
| CURRENT LIABILITIES: | | |
| Currently payable long-term debt | \$ 13 | \$ 17 |
| Short-term borrowings - affiliated companies | 421 | 114 |
| Accounts payable | | |
| Affiliated companies | 1 | 23 |
| Other | 153 | 161 |
| Accrued compensation and benefits | 49 | 44 |
| Customer deposits | 45 | 49 |
| Accrued interest | 29 | 22 |
| Other | 27 | 28 |
| | <u>738</u> | <u>458</u> |
| CAPITALIZATION: | | |
| Common stockholder's equity- | | |
| Common stock, \$10 par value, authorized 16,000,000 shares - 13,628,447 shares outstanding | 136 | 136 |
| Other paid-in capital | 2,721 | 2,716 |
| Accumulated other comprehensive loss | (5) | (5) |
| Retained earnings | 840 | 717 |
| Total common stockholder's equity | <u>3,692</u> | <u>3,564</u> |
| Long-term debt and other long-term obligations | 1,652 | 1,661 |
| | <u>5,344</u> | <u>5,225</u> |
| NONCURRENT LIABILITIES: | | |
| Accumulated deferred income taxes | 789 | 731 |
| Nuclear fuel disposal costs | 209 | 208 |
| Retirement benefits | 275 | 249 |
| Regulatory liabilities | 226 | 394 |
| Other | 520 | 518 |
| Noncurrent liabilities - held for sale | 188 | 181 |
| | <u>2,207</u> | <u>2,281</u> |
| | <u>\$ 8,289</u> | <u>\$ 7,964</u> |

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| <i>(In millions)</i> | For the Nine Months Ended September 30, | |
|--|--|-------------|
| | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 123 | \$ 153 |
| Adjustments to reconcile net income to net cash from operating activities- | | |
| Depreciation and amortization | (49) | 190 |
| Asset removal costs charged to income | 35 | 18 |
| Deferred income taxes and investment tax credits, net | 40 | 21 |
| Nuclear Decommissioning trust income | 13 | 14 |
| Retirement benefits, net of payments | (34) | (20) |
| Pension and OPEB mark-to-market adjustment | 61 | — |
| Changes in current assets and liabilities- | | |
| Receivables | (40) | (15) |
| Prepaid taxes and other current assets | (15) | (15) |
| Accounts payable | (30) | (18) |
| Accrued interest | 7 | 5 |
| Accrued compensation and benefits | 4 | (3) |
| Other current liabilities | (6) | (12) |
| Other | 6 | 12 |
| Net cash provided from operating activities | 115 | 330 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| New financing- | | |
| Long-term debt | — | 400 |
| Short-term borrowings - affiliated companies, net | 307 | — |
| Redemptions and repayments- | | |
| Long-term debt | (12) | (311) |
| Short-term borrowings - affiliated companies, net | — | (87) |
| Common stock dividend payments | — | (40) |
| Other | (1) | 2 |
| Net cash provided from (used for) financing activities | 294 | (36) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Property additions | (356) | (259) |
| Proceeds from asset sales | — | 5 |
| Sales of investment securities held in trusts | 43 | 246 |
| Purchases of investment securities held in trusts | (56) | (260) |
| Asset removal costs | (41) | (25) |
| Net cash used for investing activities | (410) | (293) |
| Net change in cash, cash equivalents, and restricted cash | (1) | 1 |
| Cash, cash equivalents, and restricted cash at beginning of period | 8 | 8 |
| Cash, cash equivalents, and restricted cash at end of period | \$ 7 | \$ 9 |