

JERSEY CENTRAL POWER & LIGHT COMPANY AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 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 June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
REVENUES	\$ 400	\$ 425	\$ 778	\$ 865
OPERATING EXPENSES:				
Purchased power	201	177	392	372
Other operating expenses	98	84	194	207
Provision for depreciation	42	40	83	79
Amortization (deferral) of regulatory liabilities, net	(13)	52	(12)	82
General taxes	5	4	9	8
Total operating expenses	333	357	666	748
OPERATING INCOME	67	68	112	117
OTHER INCOME (EXPENSE):				
Miscellaneous income, net	15	8	30	15
Pension and OPEB mark-to-market adjustment	—	—	(61)	—
Interest expense	(24)	(24)	(47)	(48)
Capitalized financing costs	2	3	4	6
Total other expense	(7)	(13)	(74)	(27)
INCOME BEFORE INCOME TAXES	60	55	38	90
INCOME TAXES	12	12	7	20
NET INCOME	\$ 48	\$ 43	\$ 31	\$ 70

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

<i>(In millions, except share amounts)</i>	June 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Restricted cash	\$ 7	\$ 8
Receivables-		
Customers	204	198
Less — Allowance for uncollectible customer receivables	7	4
	<u>197</u>	<u>194</u>
Affiliated companies	74	79
Other	33	35
Prepaid taxes and other	72	27
	<u>383</u>	<u>343</u>
UTILITY PLANT:		
In service	7,252	7,094
Less — Accumulated provision for depreciation	2,197	2,149
	<u>5,055</u>	<u>4,945</u>
Construction work in progress	299	244
	<u>5,354</u>	<u>5,189</u>
OTHER PROPERTY AND INVESTMENTS:		
Nuclear fuel disposal trust	278	270
Other	2	2
Investments - held for sale	256	256
	<u>536</u>	<u>528</u>
DEFERRED CHARGES AND OTHER ASSETS:		
Goodwill	1,811	1,811
Other	94	93
	<u>1,905</u>	<u>1,904</u>
	<u>\$ 8,178</u>	<u>\$ 7,964</u>
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt	\$ 18	\$ 17
Short-term borrowings - affiliated companies	218	114
Accounts payable		
Affiliated companies	2	23
Other	216	161
Accrued compensation and benefits	43	44
Customer deposits	47	49
Accrued interest	22	22
Other	23	28
	<u>589</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	2,719	2,716
Accumulated other comprehensive loss	(5)	(5)
Retained earnings	748	717
Total common stockholder's equity	<u>3,598</u>	<u>3,564</u>
Long-term debt and other long-term obligations	1,652	1,661
	<u>5,250</u>	<u>5,225</u>
NONCURRENT LIABILITIES:		
Accumulated deferred income taxes	749	731
Nuclear fuel disposal costs	209	208
Retirement benefits	281	249
Regulatory liabilities	386	394
Asset retirement obligation	6	6
Other	528	518
Noncurrent liabilities - held for sale	180	175
	<u>2,339</u>	<u>2,281</u>
	<u>\$ 8,178</u>	<u>\$ 7,964</u>

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

<i>(In millions)</i>	For the Six Months Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 31	\$ 70
Adjustments to reconcile net income to net cash from operating activities-		
Depreciation and deferral (amortization)	69	159
Asset removal costs charged to income	10	9
Deferred income taxes and investment tax credits, net	7	2
Retirement benefits, net of payments	(25)	(15)
Pension and OPEB mark-to-market adjustment	61	—
Changes in current assets and liabilities-		
Receivables	4	(2)
Prepaid taxes and other current assets	(45)	(45)
Accounts payable	34	(42)
Accrued interest	—	(2)
Accrued compensation and benefits	(3)	(5)
Other current liabilities	(7)	(13)
Other	20	15
Net cash provided from operating activities	156	131
CASH FLOWS FROM FINANCING ACTIVITIES:		
New financing-		
Long-term debt	—	400
Short-term borrowings - affiliated companies, net	104	—
Redemptions and repayments-		
Long-term debt	(8)	(307)
Short-term borrowings - affiliated companies, net	—	(14)
Common stock dividend payments	—	(40)
Other	—	2
Net cash provided from financing activities	96	41
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(230)	(153)
Proceeds from asset sales	—	5
Sales of investment securities held in trusts	36	160
Purchases of investment securities held in trusts	(46)	(169)
Asset removal costs	(13)	(14)
Net cash used for investing activities	(253)	(171)
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