Talen Energy Company Update

June 28th, 2023

Legal Disclaimers

Non-GAAP Financial Measures

We include in this presentation Adjusted EBITDA, Adjusted Free Cash Flow and Realized Energy Margin which are not financial measures prepared under United States Generally Accepted Accounting Principles (“GAAP”). Non-GAAP measures, such as Adjusted EBITDA, Adjusted Free Cash Flow and Realized Energy Margin do not have definitions under GAAP and may be defined differently by, and not be comparable to, similarly titled measures used by other companies or used in our credit agreements, the indentures governing our notes or any of our other debt agreements. Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. We believe the non-GAAP financial measures presented herein provide users of our financial information with additional meaningful comparisons between the current results and results of prior periods, as well as comparisons with peer companies. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures, and management cautions you to not place undue reliance on such non-GAAP measures. Adjusted EBITDA, Adjusted Free Cash Flow and Realized Energy Margin have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP. Nothing contained herein should be construed as legal, business, tax or accounting advice. You should consult your own attorney, business advisor, tax advisor and accounting advisor as to legal, business, tax, accounting and related matters. The materials should not be relied upon for the maintenance of your books and records for any tax, accounting, legal or other procedures. For more information on non-GAAP financial measures, please refer to the Appendix.

Market and Industry Data

This presentation includes market data and other information from independent industry publications as well as surveys and our own research and knowledge of the industry. Some data is also based on management’s estimates, which are derived from our review of internal sources, as well as the independent sources described above. Although we believe these sources are reliable, no information contained in this presentation has been independently investigated, verified or audited and therefore, we cannot guarantee the accuracy or completeness of such information. As a result, you should be aware that market share, ranking and other similar data set forth in this presentation, and estimates and beliefs based on such data, may not be reliable.

Prospective Financial Information

The unaudited prospective financial information for the years ending December 31, 2023 and 2024 set forth in this presentation relies upon multiple assumptions and each of those assumptions contain risks that may lead to actual results that are more or less favorable than those included in the prospective financial information. The inclusion of the unaudited prospective financial information should not be regarded as an indication that we or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results. The unaudited prospective financial information is subjective in many respects. As a result, there can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than estimated. As the unaudited prospective financial information covers multiple years, that information by its nature becomes less predictive with each successive year.

While presented in this presentation with numeric specificity, the unaudited prospective financial information is based on numerous variables and assumptions that are inherently uncertain, many of which are beyond the control of the Company's management, including, among other things, the matters described below under “Forward-Looking Information.” In particular, the unaudited prospective financial information is highly dependent on commodity prices and changes in commodity prices over time, which have in the past and we anticipate are likely in the future to vary significantly and, accordingly, will result in significant changes in actual results for the periods presented as compared to the information presented herein. However, important factors that may affect actual results and cause the results reflected in the unaudited prospective financial information not to be achieved include, among other things, risks and uncertainties relating to our business [(including the scope and timing of the Permitted Spin-Out Transaction (as defined herein)] , industry performance, the regulatory environment, and general business and economic conditions. The unaudited prospective financial information also reflects assumptions as to certain business decisions[, including in relation to the potential Permitted Spin-Out Transaction,]2 that are subject to change.

Neither PricewaterhouseCoopers LLP, our independent accountants, nor any other independent accountants have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Investors are cautioned not to place undue reliance on the unaudited prospective financial information and should make their own independent assessment of our future results of operations, cash flows and financial condition. We have not made, nor do we make, any representation to any prospective investor or any other person regarding actual performance compared to the information contained in the prospective financial information or that the financial and operating results contained therein will be achieved.

Legal Disclaimers (Cont'd)

Forward-Looking Information

This presentation may include statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not statements of historical fact and that are "forward-looking statements." Any statements that are not historical fact should be considered to be estimates, assumptions, forward-looking statements or projections. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "target," "project," "forecast," "seek," "will," "may," "should," "could," "would" or similar expressions (or their negative). Any such statements and projections reflect various estimates and assumptions by the Company concerning anticipated results. No representations or warranties are made by the Company or any of its affiliates, shareholders, directors, officers, employees, agents, partners or professional advisors as to the accuracy or achievability of any such statements or projections. Except as otherwise required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in "Forward-Looking Statements and Significant Business Risks" in the Company's financial statements, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements: the Company's or its subsidiaries' levels of indebtedness; the terms and conditions of debt instruments that may restrict the Company's ability to operate its business; operational, price and credit risks in the wholesale and retail electricity markets (including as a result of increases in the supply of electricity generally due to new power or intermittent renewable power generation); the risks associated with cryptocurrency mining projects due to the volatility of such currencies and oversight from federal and state agencies; the effectiveness of the Company's risk management techniques, including hedging, with respect to electricity and fuel prices, interest rates and counterparty and joint venture partner credit and non-performance risks; methods of accounting and developments in or interpretations of accounting requirements that may impact reported results, including with respect to, but not limited to, hedging activity; the Company's ability to forecast the actual load needed to perform full-requirements sales contracts; the effects of transmission congestion due to line maintenance outages and the performance of transmission facilities and any changes in the structure and operation of, or the pricing limitations imposed by, the Regional Transmission Organizations and Independent System Operators that operate those facilities; blackouts due to disruptions in neighboring interconnected systems; federal and state legislation and regulation, including federal and state tax laws and regulations, and costs of complying with governmental permits and approvals; costs of complying with environmental, social and related worker health and safety laws and regulations; the impacts of climate change, including changes in regulation or their enforcement; the availability and cost of emission allowances; the performance of the Company's subsidiaries and affiliates, on which our ability to meet our debt obligations largely depend; the risks inherent with variable rate indebtedness; disruption in or adverse developments of financial markets; acquisition or divestiture activities (which shall include, but not be limited to, one or more "spin-out" transactions that are contemplated as part of any corporate reorganizations), including the Company's ability to realize expected synergies and other benefits from such business transactions; the Company's ability to achieve anticipated cost savings; the execution and development of proposed future enterprises, including the ability to permit, develop and construct the proposed renewable energy, energy storage, data center and digital currency facilities, realization of assumptions underlying the statements regarding future enterprises, and the realization of estimates of valuations of future enterprises; the Company's ability to optimize its competitive power generation operations and the costs associated with any capital expenditures; significant increases in operation and maintenance expenses, such as health care, and pension costs, including as a result of changes in interest rates; the loss of key personnel (for health or other reasons) and the ability to hire and retain qualified employees; possibility of strikes or work stoppages by unionized employees; war (including supply chain disruptions as a result of war, and including the effects of the Ukraine and Russia conflict and attendant sanctions imposed on Russia and the related disruptions in oil and natural gas production and the supply of nuclear fuel), armed conflicts or terrorist attacks, including cyber-based attacks; and pandemics, including for COVID-19. Recipients are cautioned not to put undue reliance on such forward-looking statements.

Table of Contents

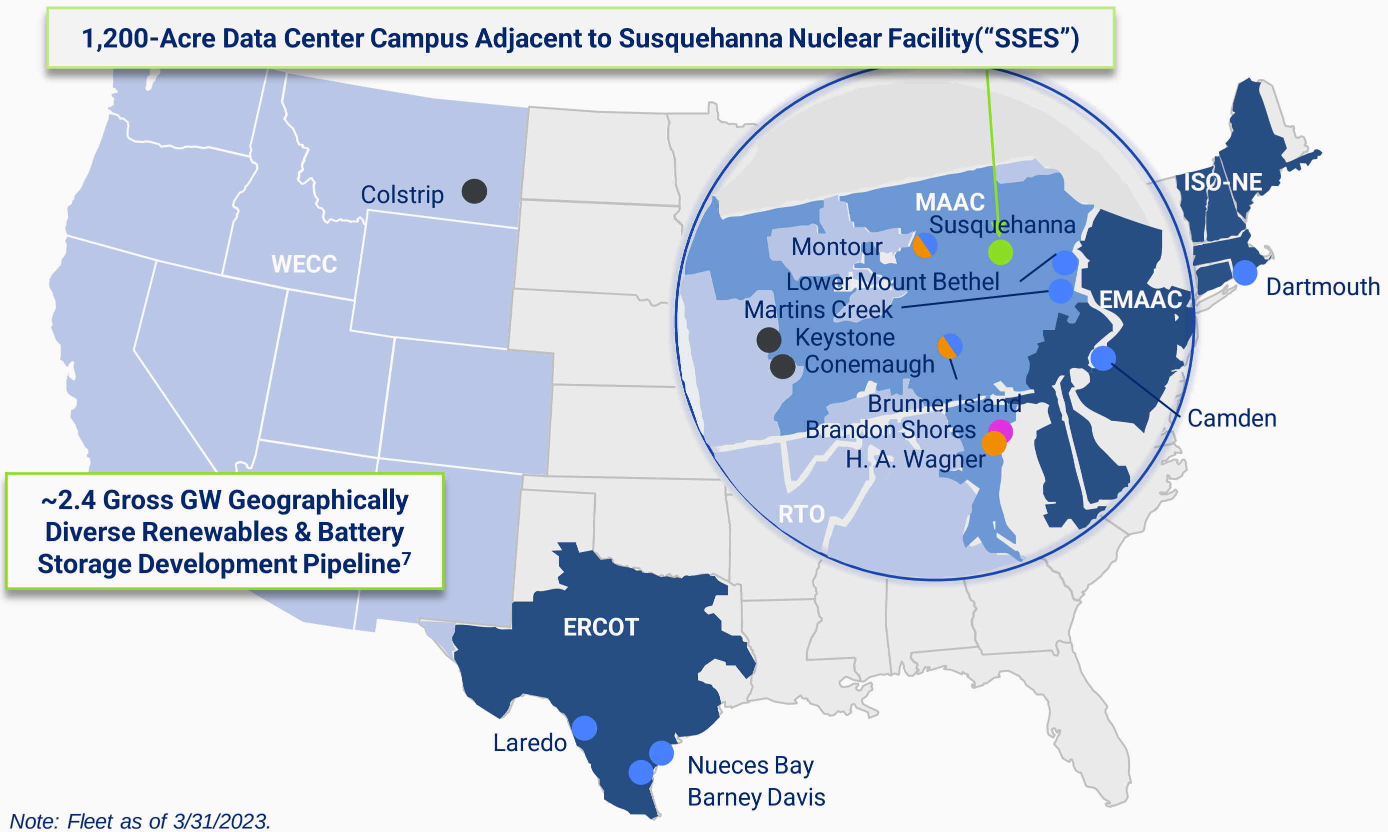
1. Company Update

Talen Energy Asset Overview

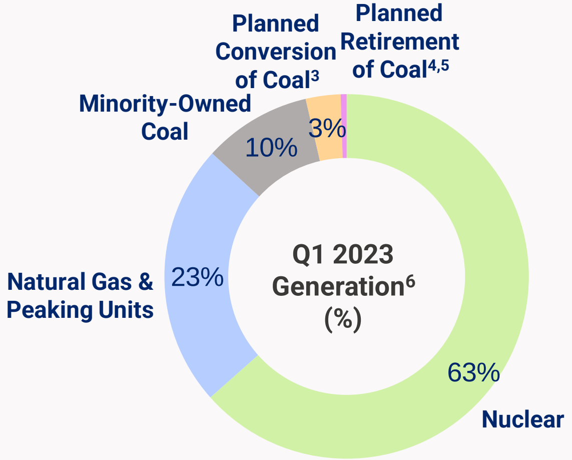
Talen owns a strategically located ~12.4 GW generation portfolio, including ~2.2 GW of nuclear generation[1], and potential growth options in digital infrastructure, renewables and battery storage

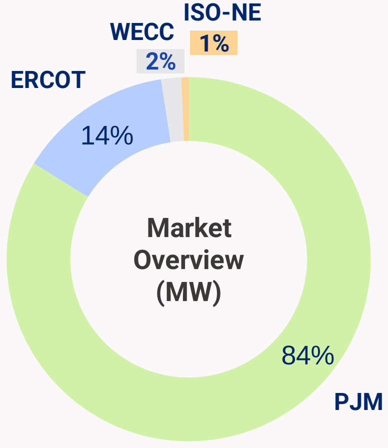
Asset Overview

Nuclear · Natural Gas · Planned Conversion of Coal[3] · Minority-Owned Coal · Planned Retirement of Coal[4]



Generation Portfolio Breakdown[2]





12.4 GW Generation portfolio	**15** Generation facilities[8]
4 Markets served	**2,100+** employees

Note: Fleet as of 3/31/2023.

1. *Represents Talen's 90% interest in Susquehanna.*
2. *Portfolio represents consolidated Talen Energy Supply.*
3. *Brunner Island conversion completed in 2016; Montour conversion currently in commissioning and testing and expected to be complete in Q3 2023; Wagner unit 3 conversion to be complete by YE 2023.*
4. *Represents Brandon Shores, for which a deactivation notice has been filed with PJM.*
5. *Planned Retirement of Coal (Brandon Shores) accounted for <1% of Q1 2023 generation.*
6. *See p. 24 for categorization of generation facilities in these charts.*
7. *880 MW of renewables projects are being pursued in joint ventures with Pattern Energy and BQ Energy. Talen owns ~50% of these joint venture projects.*
8. *Excludes 46 MW of peaking units in PJM.*

Strong Start to the Year

Warm winters in PJM and ERCOT lowered our fleet's generation and capacity factors, but we locked in higher prices with hedges executed in 2022 to deliver hedge gains of $586mm and realized energy margin of $749mm in Q1 2023

Delivered Strong Results in Q1

Produced
6,637 GWh
Total Generation
*FY22 Total Generation: **36,259 GWh***

Generation Mix
63%
Carbon-Free
*FY22 Generation Mix: **50% Carbon-Free***

Generated at
25%
Capacity Factor[1]
*FY22 Capacity Factor: **33%***

Achieved
1.5%
Equivalent Forced Outage Factor[2]
*FY22 Equivalent Forced Outage Factor: **2.3%***

Captured
$749mm
Realized Energy Margin[3]
*FY22 Realized Energy Margin: **$1,097mm[3]***

Strong
$660mm
Adjusted EBITDA[3]
*FY22 Adjusted EBITDA: **$1,012mm[3]***

Invested
$65mm
Capex[4]
*FY22 Capex: **$163mm[4]***

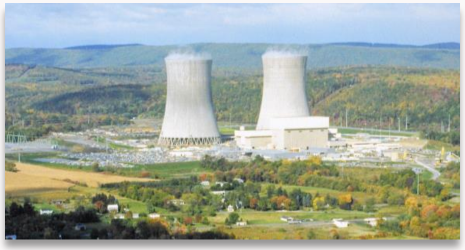
Robust
$497mm
Adjusted Free Cash Flow[3]
*FY22 Adjusted Free Cash Flow: **$572mm[3]***

Key Q1 Operational Updates

- **Susquehanna Refueling Complete**
- **Secured $875mm+ Liquidity**
- **~1.5 GW Montour Gas Conversion Near Complete**
- **First 48 MW Data Center Shell Complete with Ability to Add Two More Buildings**

1. *Capacity Factor = Generation output in MWh / Net Dependable Capacity in MWh.*
2. *Equivalent Forced Outage Factor ("EFOF") = (forced outage hours + equivalent forced derated hours) / period hours (all hours).*
3. *Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Realized Energy Margin, Adjusted EBITDA and Adjusted Free Cash Flow.*
4. *Excludes conversion capex for Montour and H.A. Wagner fuel conversions and Cumulus growth capex.*

Multiple Drivers of Value Creation



~2.2 GW Interest in Zero-Carbon Susquehanna Facility[1]

~18.5 – 18.8 TWh of annual generation[1] eligible for up to $15/MWh Production Tax Credit ("PTC") beginning in 2024

- Susquehanna delivered all-in cost of $22/MWh in 2022, better than the top quartile of all U.S. nuclear facilities
- Nuclear PTC starting in 2024 could provide potential benefit of up to ~$280mm[2] per year
- Potential additional cash flow and valuation uplift from relationship with Cumulus Data

~8 GW Gas and Peaking Fleet[3,4]

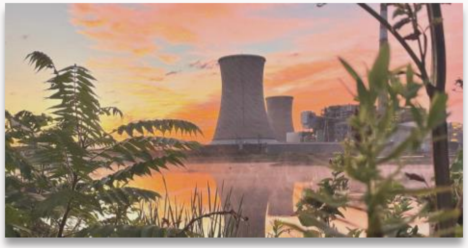
Reliable assets positioned to capture upside from power price dynamics in PJM and ERCOT

- Material annual capacity revenue generation from our PJM assets and seasoned operating team in both PJM and ERCOT to lead the monetization of seasonal commodity volatility
- Regulatory tailwinds in ERCOT through Operating Reserve Demand Curve ("ORDC") and performance credit mechanism ("PCM") and in PJM through potential capacity market reform

Digital Infrastructure Powered by Zero-Carbon

Initial data center campus infrastructure and first 48 MW data center shell complete

- 1,200-acre data center campus adjacent to Susquehanna facility with first 48 MW data center shell complete and current campus infrastructure able to accommodate 2 additional data center buildings; actively marketing to high quality customers / counterparties
- Targeting attractive returns on invested capital, including power prices that could exceed PTC floor and still provide customers with attractive pricing



Carbon Deleveraging of Fleet Nearly Complete with Limited Go-Forward Capital Needed

~3.2 GW of near-complete conversions of Talen's fully-owned coal facilities[4]

- ~1.4 GW Brunner Island conversion already complete; ~1.5 GW Montour conversion currently in commissioning and testing[5]; ~0.3 GW Wagner unit 3 conversion[6] to be complete by YE 2023; conversions extend asset life while lowering carbon profile of cash flow-generating fossil fleet
- ~2.4 gross GW renewables & battery storage development pipeline[7] utilizing Talen's existing expansive footprint

1. *Represents Talen's 90% undivided interest in Susquehanna. Generation metric assumes 94 – 96% capacity factor.*
2. *~18.5 – 18.8 TWh x $15/MWh nuclear PTC, assuming no inflation adjustment.*
3. *Includes ~3.2 GW from Brunner Island, Montour and Wagner unit 3 after conversion from coal.*
4. *In Q1 2023, Talen canceled its plan to convert Brandon Shores from coal to oil combustion due to increased costs. Brandon Shores has notified PJM that it will deactivate electric generation on June 1, 2025.*
5. *Expected to be complete in Q3 2023.*
6. *Wagner has 3 operational units for a total capacity of 827 MW; the other 2 active units are not fueled by coal.*
7. *880 MW of renewables projects are being pursued in joint ventures with Pattern Energy and BQ Energy. Talen owns ~50% of these joint venture projects.*

2023 Focus Areas

Strong Operational Performance with Capital Discipline

- Continue our exceptional operations, with focus on core generation and potential cost savings



Focus on Public Equity and Shareholder Returns

- Establish a liquid equity instrument with increased public transparency and focus on returning excess cash to shareholders

OTC Pink → OTC QX → Nasdaq | NYSE

  – Currently trading on OTC Pink under ticker TLNE, with uplist to OTC QX planned for Q3 2023 and potential national exchange listing in near future
  – Capital allocation will focus on shareholder return programs

Optimize Hedging and Risk Management Program

- Implement appropriate risk management policies in the context of a right-sized balance sheet and cash flow stability provided by the PTC

Liquidity[1]

$700mm Undrawn Revolver
$175mm Unrestricted Cash

Strategic Positioning to Maximize Value

- Strategically position our assets to align with various investor priorities and related costs of capital
- Maximize asset values that are potentially not currently recognized by the market
  – E.g., Cumulus Data, where there is active dialogue with high quality customers / counterparties

1. *Represents estimated liquidity at emergence on May 17th, 2023 and excludes LC facilities.*

TALEN ENERGY

Building Blocks of Company Value

Growth and Conversion Capex Deployed in 2020 to 2023 Catalyzes Future Value Creation and Unlocks Higher EBITDA to Free Cash Flow Conversion in 2024+

Susquehanna Nuclear → ***Fossil Generation*** → ***Cumulus Data*** → **Other** = ***Total Enterprise Value***

Susquehanna Nuclear

- ~18.5 – 18.8 TWh annual generation[1] with all-in cost better than top quartile of all U.S. nuclear facilities[2]
- Potential benefit of up to ~$280mm[3] per year from the PTC
- Recent transactions implied unlevered FCF yields of ~8% – 10%[4] and Adj. EBITDA multiples of ~10x – 12x

Fossil Generation

- ~8 GW geographically and technologically diverse gas and peaking fleet with significant earnings potential from capacity revenues and ability to monetize volatility
- ERCOT assets trading at ~$375 – $575/kW[5]; PJM has seen a wide range of transaction values in recent years

Cumulus Data

- 1,200-acre campus with 1st 48 MW data center shell complete and actively seeking high-quality customer / counterparty
- Potential for "win-win" long-term PPA pricing to create value for both Susquehanna and Cumulus Data
- Public hyperscale M&A at ~25x – 31x LQA Adj. EBITDA[6]

Other Areas of Value

- ~2.4 gross GW renewables & battery storage pipeline, digital currency, potential claims, land value, interconnection, etc.
- Netted against AROs, G&A, etc.

1. Represents Talen's 90% undivided interest in Susquehanna assuming a 94 – 96% capacity factor.
2. Based on 2022 all-in cost benchmarking per EUCG.
3. ~18.5 – 18.8 TWh x $15/MWh nuclear PTC, assuming no inflation adjustment.
4. Calculated as unlevered Free Cash Flow (adjusted EBITDA less capex) divided by transaction value.
5. Reflects select publicly disclosed transaction multiples from Nov-21 to Jul-22.
6. Reflects select scaled M&A transactions (>$1bn value) in past 2 years. LQA Adj. EBITDA refers to last quarter annualized.

TALEN ENERGY

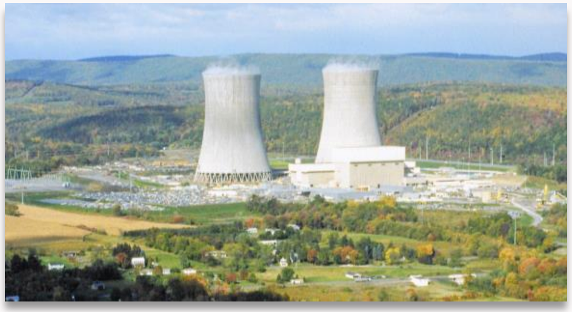
2. Key Highlights

Key Highlights

- **Diverse and Stable Cash Flows with Limited Go-Forward Growth Capex Enable Focus on Shareholder Return Programs**
- **2.2 GW Interest in Industry-Leading, Carbon-Free Susquehanna Nuclear Plant[1]**
- **Zero-Carbon Digital Infrastructure Optimally Positioned for Monetization and Value Creation**
- **Strong Balance Sheet Underpinned by Low Leverage and Robust Liquidity**
- **Gas and Peaking Fleet Well-Positioned to Capture Upside from Market Dynamics**
- **Plant Conversions and Substantial Renewables & Battery Storage Pipeline Extend Life and Increase Value of Legacy Assets**

1) *Susquehanna's gross capacity is 2.5 GW, and Talen owns a 90% undivided interest.*

Diverse and Stable Cash Flows Backed by Multiple Sources…



Nuclear Contribution

- ~18.5 – 18.8 TWh annual generation[1] from long-lived, low-cost Susquehanna, which benefits from capacity revenue and, starting in 2024, the nuclear PTC
- The PTC creates an effective revenue put on Susquehanna, materially de-risking the asset and enhancing the credit profile while maintaining upside optionality in high price environments

Capacity Revenue

- Capacity revenue is a key indicator of the important role that nuclear, natural gas and peaking plant generation all play in PJM grid reliability
- PJM is exploring potential reforms that may address and improve recent capacity market outcomes
- Talen currently forecasts ~$140mm – $190mm of annual non-nuclear capacity revenue for forecast periods 2023E – 2024E[2]

Hedging Strategy

- Hedging strategy is focused on preserving intrinsic value while limiting exposure; clean balance sheet and robust liquidity enable increased flexibility
- Talen plans to prioritize first lien-based hedging program and limit use of exchange-traded hedges, which will help to minimize collateral posting
- Hedging targets are based on % of deterministic generation measured at the end of each calendar year:
  - **Prompt Months 1 – 12:** 60% – 80% | **Prompt Months 13 – 24:** 40% – 60%

TALEN ENERGY

Capital Allocation Focused on Return of Excess Cash Flow to Shareholders

1. *Represents Talen's 90% interest and assumes a 94 - 96% capacity factor.*
2. *Per 1/27 Forecast Refresh Cleansing Materials. Represents 2023E – 2024E and excludes ~$40 – $50mm of capacity revenue from Susquehanna.*

…Including the New Nuclear Production Tax Credit

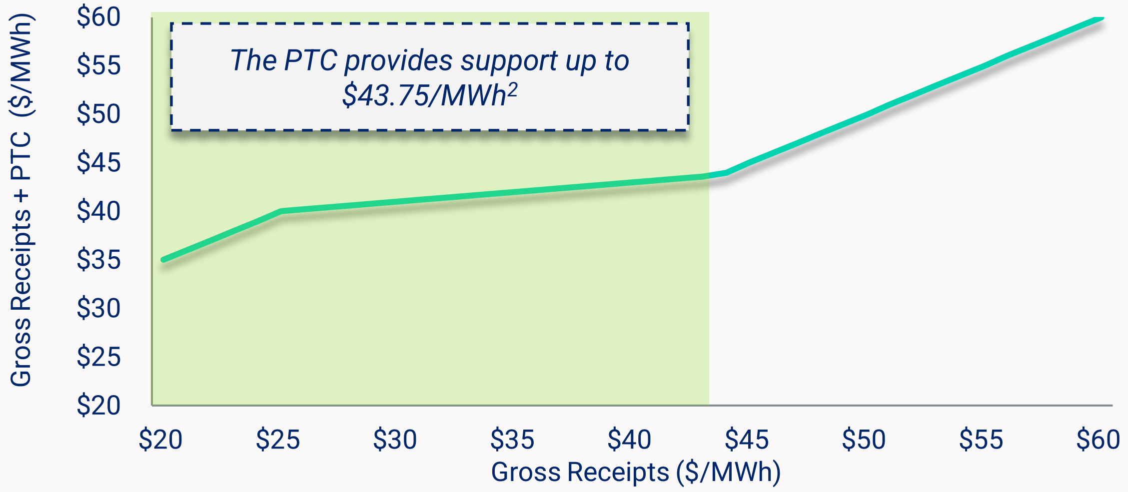
Nuclear PTC Overview

- Starting in 2024, the nuclear PTC provides support for nuclear units when gross receipts fall below $43.75/MWh, while maintaining upside optionality[1]
- PTC has a "base" amount of $3/MWh, which can increase 5x to $15/MWh[2] under certain wage and apprenticeship requirements that SSES expects to meet
- PTC decreases linearly for gross receipts between $25/MWh and $43.75/MWh and is fully phased out at gross receipts above $43.75/MWh[2]
- In 2025+, max PTC and gross receipts thresholds have an inflation adjustment
  - — Inflation Adjustment = $\frac{\text{GDP price deflator in preceding year}}{\text{GDP price deflator in 2023}}$

PTC Monetization

- IRA has transfer procedures that permit project owners to transfer (sell) their PTCs to unrelated taxpayers, and proposed regulations were recently released[4]
  - — Credit can be sold to multiple buyers and must be paid for in cash
  - — Credit becomes eligible for transfer payment starting the first day of the tax year generated through the tax return filing date for that year
  - — Advanced contractual arrangements are allowed, as long as actual cash payments are made within the allowed payment window
  - — PTC can be carried back up to 3 years to offset past tax liability

Nuclear PTC Pricing[2,3]



Illustrative PTC Inflation Adjustments[3]

Year	2% Inflation			3% Inflation		
	Maximum PTC[5]	Gross Receipts Threshold[5]	Receipts At Which PTC = $0	Maximum PTC[5]	Gross Receipts Threshold[5]	Receipts At Which PTC = $0
2024	$15.00	$25.00	$43.75	$15.00	$25.00	$43.75
2025	$15.00	$26.00	$44.75	$15.00	$26.00	$44.75
2026	$15.00	$26.00	$44.75	$15.00	$27.00	$45.75
2027	$15.00	$27.00	$45.75	$17.50	$27.00	$48.88
2028	$17.50	$27.00	$45.75	$17.50	$28.00	$49.88
2029	$17.50	$28.00	$49.88	$17.50	$29.00	$50.88
2030	$17.50	$28.00	$49.88	$17.50	$30.00	$51.88
2031	$17.50	$29.00	$50.88	$17.50	$31.00	$52.88
2032	$17.50	$29.00	$50.88	$20.00	$32.00	$57.00

Note: Per U.S. Congress. Talen is awaiting additional regulatory guidance about PTC mechanics.
1. *Awaiting regulations on which revenue streams will be included in gross receipts.*
2. *Excluding impact of inflation.*
3. *Assuming starting PTC benefit of $15/MWh, inclusive of 5x 'bonus".*
4. *Represents a subset of IRA guidance released to date.*
5. *Maximum PTC increases in increments rounded to the nearest $2.50/MWh. Gross Receipts Threshold increases in increments rounded to the nearest $1/MWh.*

Susquehanna: Cornerstone of Talen's Generation Fleet

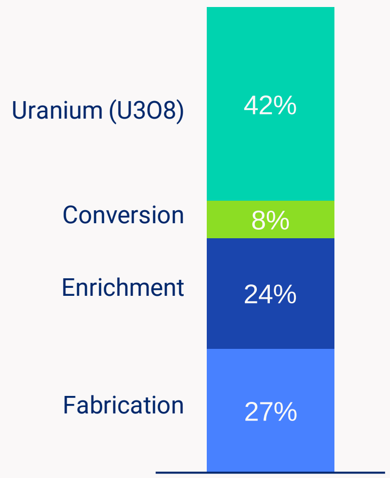
Asset Highlights

Location	Salem Township, PA
Owned Capacity[1]	2,245 MW (2 Units)
Fuel Type	Nuclear
Market	PJM-PPL / MAAC
COD	1983 - 1985

- ***Sixth Largest Nuclear Facility in the U.S.***[2]
- ***Delivering Better Than Top Quartile Cost Performance***[3]
- ***Supported by Up to $15/MWh Production Tax Credit Starting in 2024***
- ***Licensed to Operate through 2042 (Unit 1) & 2044 (Unit 2) with Potential 20-year Extensions***
- ***Nuclear Decommissioning Trust Fully Funded***
- ***Nuclear Fuel Fully Contracted through 2025 Outage; Represents ~20% of Plant All-in Costs***[4,5]

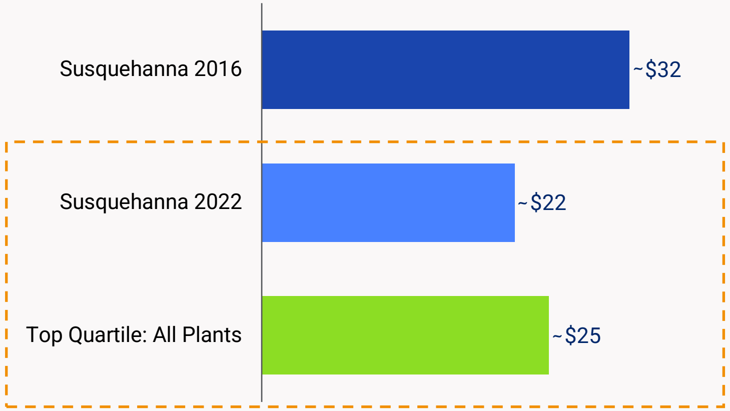
Nuclear Fuel Overview

Reload Fuel Cost[6]



- Procurement is a four-phase process contracted years in advance
- Talen is fully contracted through 2025 outage, meaningfully contracted thereafter and negotiates new contracts on a rolling basis
- Talen has relationships with the industry's largest suppliers
- No Russian counterparty exposure

All-In Cost Performance ($/MWh)[5]



Change in culture has improved cost competitiveness and regulatory / safety performance since 2016

1. Susquehanna's gross capacity is 2.5 GW, and Talen owns a 90% undivided interest.
2. Based on total operating capacity from S&P Capital IQ as of April 16, 2023.
3. Based on EUCG all-in cost benchmarking for U.S. nuclear facilities as of FY22.
4. Based on forecasted fuel amortization expense vs. SSES all-in costs.
5. Based on EUCG all-in cost methodology, which has indirect corporate support allocations.
6. Percentages based on 2023E fuel costs (accrual basis).

Susquehanna: Multiple Paths to Cash Flow Generation and Value Creation

Susquehanna Nuclear Facility

- ~18.5 – 18.8 TWh of zero-carbon annual generation[1]
- 2022 all-in cost of $22/MWh[2] better than top quartile of all U.S. nuclear facilities
- Unit licenses through 2042 and 2044, with 20-year extensions available

Wholesale Market Supported by Capacity Revenues and PTC

PJM Wholesale Market

- Talen's average Realized Energy Margin in PJM was $119/MWh[3] in Q1 2023, including hedges
- SSES's cash flows are supported by capacity revenues of ~$40 – $50mm per year[4] in the current market and higher historically
- SSES generation eligible for up to $15/MWh PTC starting in 2024

Illustrative Support of PTC (2024-2025)

All-in Price (Incl. PTC)	~$44 – $45/MWh
All-in Cost[5]	~$23 – $24/MWh
Pre-tax FCF	~$20 – $22/MWh
Annual Generation[1]	~18.5 – 18.8 TWh
Pre-Tax Annual Cash Flow	**~$370 – $415mm**

Long-Term PPAs at Attractive Prices

Zero-Carbon Digital Infrastructure

- First 48 MW data center shell complete and current campus infrastructure able to accommodate 2 additional buildings
- Capacity constraints are expected to cause data center customers to expand from existing markets
- Potential for long-term "win-win" PPAs that create value for both Susquehanna and Cumulus Data

Illustrative PPA Uplift from Digital Infrastructure

For every 50 MW PPA, a price that is $10/MWh higher than the PTC-supported price increases pre-tax FCF by ~$4.5mm:

PPA	50 MW
Annual PPA Consumption[6]	~440 GWh
Incremental Price Margin	~$10/MWh
Pre-Tax Incremental Cash Flow	**~$4.5mm**

1. *Represents Talen's 90% undivided interest in Susquehanna at an assumed 94 – 96% capacity factor.*
2. *Based on EUCG all-in cost methodology, which has indirect corporate support allocations.*
3. *Realized Energy Margin is a non-GAAP financial measure; refer to the Appendix for a reconciliation of Realized Energy Margin to the most directly comparable GAAP measure.*
4. *Based on 2023 – 2024E capacity revenues per 1/27 Forecast Refresh.*
5. *Including ~$2/MWh allocated corporate G&A.*
6. *Calculated as 50 MW × 365 days × 24 hours/day.*

Zero-Carbon-Powered Digital Infrastructure Assets with Minimal Go-Forward Spend

TALEN ENERGY

Cumulus Digital
(Talen Owns 80%)[1]

Other Growth Assets (Largely Renewables and Battery Storage)

Existing Generation Portfolio[4]

Zero-Carbon Nuclear

Natural Gas & Peaking Units

Planned Conversion

Minority-Owned & Planned Retirement of Coal

Cumulus Data ("Data")

Current Assets:

- 4 expandable substations and related campus infrastructure on 1,200 acres
  - Substations #1 and #2 (478 MW each[2]) are linked to SSES Units 1 and 2, respectively
  - Substation #3 (240 MW[2]) is dedicated to the data center buildings
  - Substation #4 (280 MW[2]) is dedicated to the digital currency assets
- First data center shell with 48 MW processing load, which could upsize to 65 MW with increased cooling needs
  - Current substations and infrastructure can support 2 additional similar buildings, with ability to expand and scale further
- Nautilus ground lease with submetered power (currently 150 MW[3])

Digital Currency Assets

Cumulus Coin ("Coin")
(Coin Owns 75% of Nautilus)

Nautilus Cryptomine ("Nautilus")
(150 MW of Active Mining Capacity[3])

Note: All ownership lines are effectively 100% unless otherwise noted.

1. *TES ownership % pro forma for recent capital contribution into Cumulus Digital and equitization of select fees.*
2. *#1 and #2 expandable to 956 MW each, #3 expandable to 360 MW and #4 expandable to 560 MW with additional infrastructure build-out. All MW capacity figures are non-redundant and gross (i.e., includes parasitic load, which is power and cooling load for ancillary equipment, common area operation, etc.)*
3. *150 MW is gross (i.e., includes parasitic load). First Nautilus facility has up to 200 MW of gross capacity.*
4. *See p. 24 for categorization of generation facilities and ownership percentages.*

Digital Infrastructure Assets Optimally Positioned for Monetization and Value Creation

Unlocking Significant Value of Substantial Investment in Prior Years

Monetization Options

Current campus could host fully operational 48 MW data center (ability to upsize to 65 MW) by YE 2024, with zero-carbon power at attractive costs in a supply-constrained data center market

- Multiple paths to cash flow generation and value creation
  - Long-term "win-win" PPAs: above wholesale power market prices while at a discount to data center power costs in Northern Virginia
  - Shell leases or JVs with experienced data center operators
  - Partial or entire sale of the campus

Growth Capex Deployed in 2020 to 2023 Catalyzes Future Value Creation and Unlocks Higher EBITDA to Free Cash Flow Conversion in 2024+

1,200-acre campus

Large-scale opportunity

- First 48 MW data center shell complete and current campus infrastructure able to accommodate 2 additional similar buildings, with ability to scale further
- Master plan complete for Buildings 1 – 6
- Design flexibility with build-to-suit option, supporting customer marketing process

Customer Tax Savings

PA Sales & Use Tax Exemption

- PA legislation exempts qualified data centers from Sales & Use Tax (6%)
- Exemption will produce significant savings to potential customers, supporting marketing process

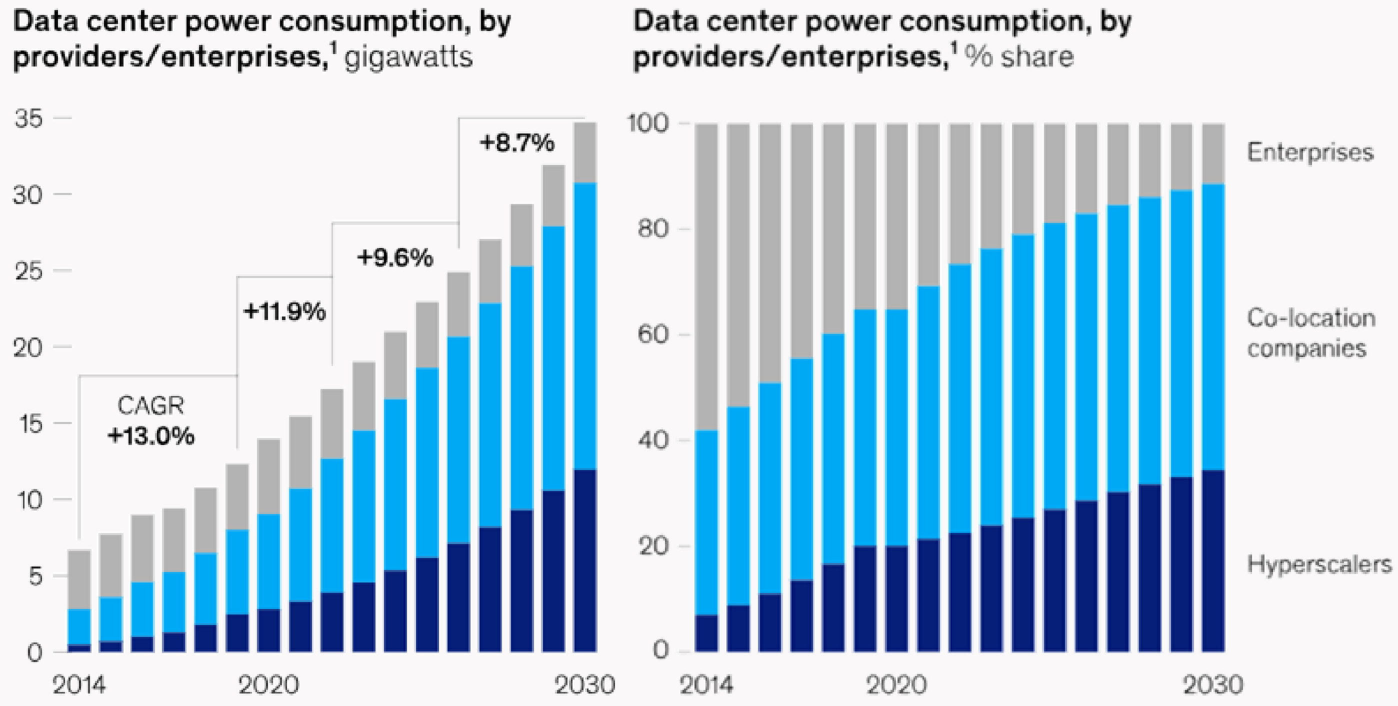
Carbon-Free

24 x 7 nuclear power

- Ultra-reliable and superior to the grid, supporting customer marketing process
- In the long-term, potential option to supplement with renewable power via PPAs, RECs or direct investment

Data Center Market Dynamics Are Highly Supportive

Historical and Projected Data Center Consumption



U.S. data center demand is forecasted to grow by 10% annually until 2030; forecast does not account for recent AI advancements, which are expected to increase demand further

Overview of Market Dynamics

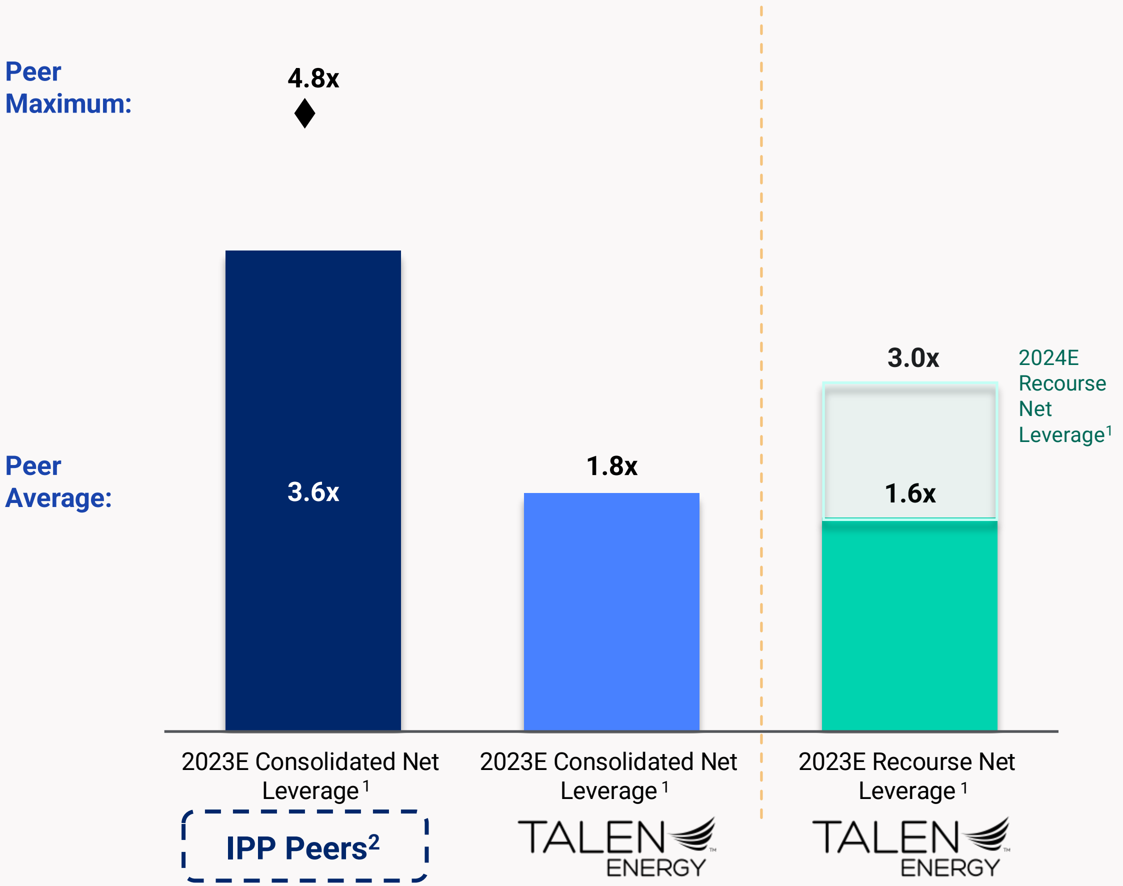
- **Available capacity is tight, with constrained ability to access electricity further limiting supply**
  - Northern Virginia ("NoVa"), the world's largest data center market, hit a record low vacancy of <1% this year
  - NoVa likely unable to meet demand for power, delaying projects in the region by several years
- **Hyperscale data centers expanding rapidly, with specific interest towards secondary and emerging markets**
  - Generative AI driving strong demand tailwinds
  - Example hyperscalers: amazon Microsoft
- **Sustainability and energy efficiency are top priorities for operators and investors given legislation and self-regulatory initiatives**
- **Robust deal activity as M&A and consolidation remain key themes**
  - Recent acquisitions / take-privates reduced the publicly traded U.S. data center universe from 6 companies to 2 large-cap players
- **Cumulus Data is an attractive asset**
  - ✓ Large and contiguous footprint
  - ✓ Clean power source
  - ✓ Versatile design of the powered shell and campus
- **Customers are demonstrating interest, including substantial dialogue with key hyperscalers**

Sources: McKinsey & Company Report: "Investing In the Rising Data Center Economy" (January 17, 2023); Cushman & Wakefield Report: "Global Data Center Market Comparison"; JLL Report: "Data Centers 2023 Global Outlook".

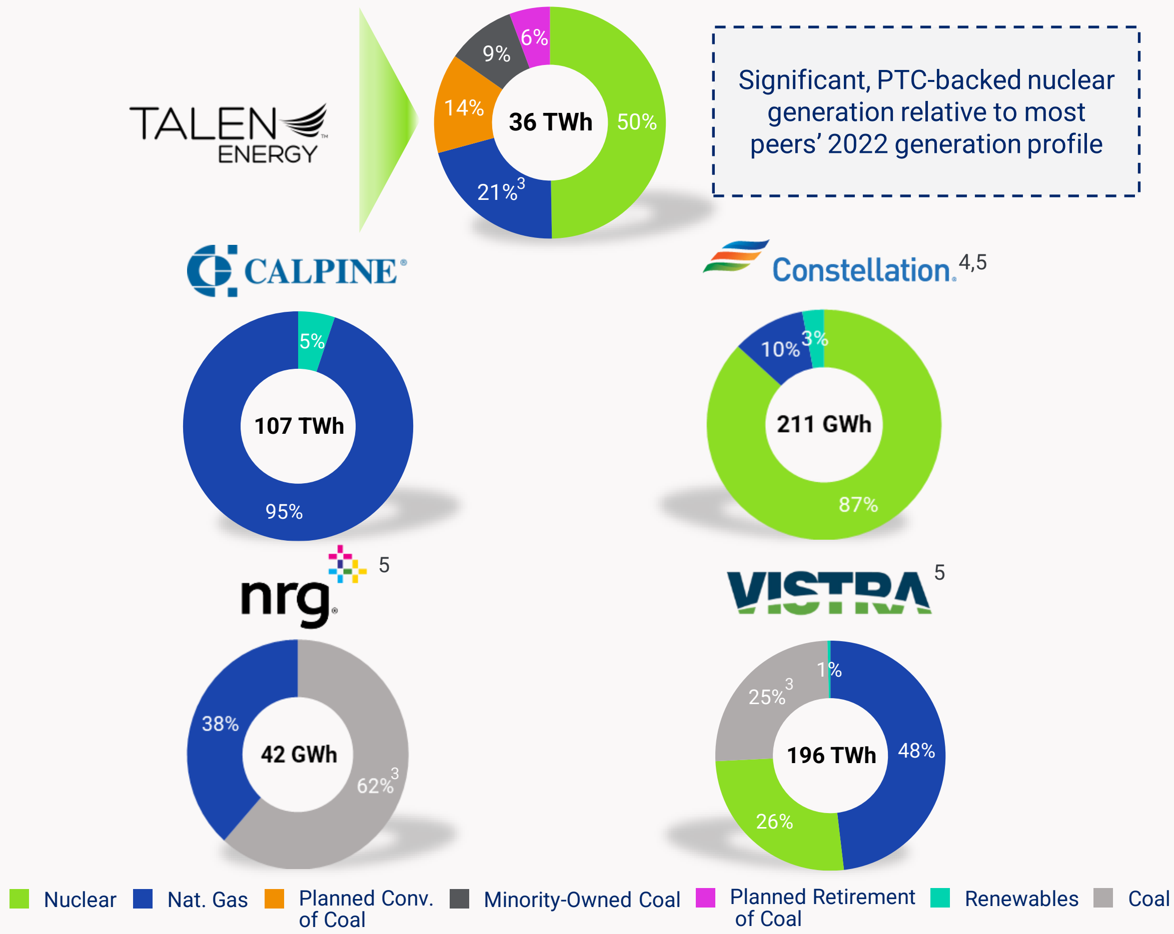
1. Demand is measured by power consumption to reflect the number of servers a data center can house. Demand includes megawatts for storage, servers and networks.

Talen has Favorable Leverage and Attractive Operating Profile

Enhanced Credit Profile In Line with Peers



Attractive Operating Profile (FY22 Generation)



Source: Company filings and presentations, S&P, TES 1/27 Forecast Refresh Cleansing Materials.

Note: Talen Consolidated Net Leverage excludes the Cumulus Digital Term Loan Facility (~$191mm gross). Recourse Net Leverage excludes the LMBE-MC Term Loan B ($294mm gross, $281mm net of cash) and the Cumulus Digital Term Loan Facility. See next slide for detail.

1. *Consolidated Net Leverage ratio is calculated by dividing Total Net Debt by Adjusted EBITDA. Recourse Net Leverage ratio is calculated by dividing Recourse Net Debt by Recourse Adjusted EBITDA. See next slide for debt balances. Adjusted EBITDA projections per the 1/27 Forecast Refresh Cleansing Materials filed with the Bankruptcy Court in April 2023. Adjusted EBITDA is a non-GAAP measure. Refer to the Appendix for a reconciliation of Adjusted EBITDA to the most comparable GAAP measure.*
2. *Includes CEG, NRG and VST as of 3/31/2023, pro forma for the Energy Harbor transaction but not for the South Texas Project transaction. Includes Calpine as of 12/31/2022.*
3. *Includes peaking units.*
4. *Natural gas generation includes contributions from oil generation per public filings.*
5. *Pro forma for the Energy Harbor and South Texas Project transactions.*

Talen is Well-Capitalized with Strong Operating and Liquidity Runway

Liquidity Summary

Recourse Liquidity at Emergence

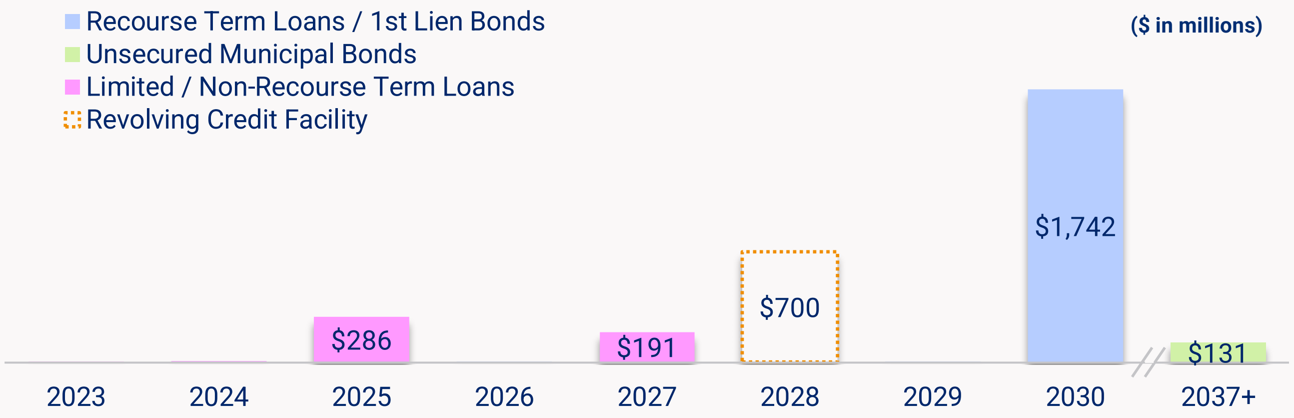
- ✓ Unrestricted Cash (~$175mm) at close
- ✓ $700mm Revolving Credit Facility (undrawn)
- ✓ $470mm Funded Term Loan C Facility and $75mm Secured Bilateral LC Facility

Other

- ✓ Lien-based hedging will be focus of future commercial hedging strategy thus consuming less liquidity

Talen has significant liquidity that will provide operational and financial flexibility

No Significant Recourse Funded Debt Maturities until 2030[1]



Note: All figures represent estimated balances at emergence on May 17, 2023.

1. Maturity balances shown are net of ~$46mm mandatory amortizations over 7 years that are shown but not individually labeled on the graph. Excludes $75mm bilateral secured LC facility, $470mm secured cash-funded term loan C facility and $25mm LMBE-MC revolving credit facility.
2. Excludes Cumulus entities.
3. Total Net Debt calculated as Total Debt of $2,192mm less Unrestricted Cash of $175mm. Recourse Net Debt calculated as Total Debt of $2,192mm less LMBE-MC Net Debt of $281mm less Unrestricted Cash of $175mm.

Pro Forma Capitalization[2] ($ in millions)

Unrestricted Cash	$175
New Cash-Funded LC Facility (Term Loan C) Cash Collateral	470
New Cash-Funded LC Facility (Term Loan C)	470
New Bilateral LC Facility ($75mm Capacity)	--
New RCF ($700mm Capacity)	--
New Funded Exit Debt	1,780
New Term Loan B	580
New Secured Notes	1,200
LMBE-MC RCF ($25mm Capacity)	--
LMBE-MC Term Loan ($294mm Principal, Net of Cash)	281
Total Secured Debt	**$2,061**
PEDFA Bonds Series B & C	131
Total Debt	**$2,192**
Total Net Debt[3]	**2,017**
Recourse Debt	**$1,911**
Recourse Net Debt[3]	**1,736**
Plan Common Equity Value (Excluding Warrant Value)[4]	**$2,456**
Market Common Equity Value (Excluding Warrant Value)[5]	**$2,782**
Plan Enterprise Value (Excluding Warrant Value)[6]	**$4,473**
Market Enterprise Value (Excluding Warrant Value)[7]	**$4,799**

Denotes exit financing tranches

4. Calculated as Plan Enterprise Value of $4,500mm less $27mm of estimated Warrant Value less Total Net Debt of $2,017mm; equals ~59mm shares outstanding at $41.61/share.
5. Calculated as OTC Pink price of ~$47.13/share on 6/26/2023 × ~59mm shares outstanding at emergence.
6. Calculated as Plan Enterprise Value of $4,500mm, as defined in the Company's Disclosure Statement filed with the Bankruptcy Court in October 2022 and excluding Cumulus, less $27mm of estimated Warrant Value at emergence.
7. Calculated as Total Net Debt plus Market Common Equity Value (Excluding Warrant Value), also excluding Cumulus to be comparable with Plan methodology.

Gas and Peaking Fleet is Well-Positioned to Capture Upside from Market Dynamics

PJM Gas & Peaking Portfolio

Diverse Assets with Sizable Capacity Revenue Well Suited for Varying Market Dynamics

Lower Mount Bethel[1] (610 MW) – Bangor, PA

- Advantaged gas supply allows efficient CCGT to operate at a high capacity factor
- Firm gas transportation agreement through 2029

Martins Creek[1] (1,719 MW) – Bangor, PA

- Units capable of cycling daily to capture peak energy prices
- Talen's largest non-nuclear plant generates significant capacity revenues while keeping fixed costs relatively low

Brunner Island (1,424 MW) – York Haven, PA

- Dual-fuel capabilities on all 3 units that can switch from 100% coal to 100% gas within a 4-hour period; currently only runs on coal in winters and required to cease burning coal by 2028
- Situated in southern PA, plant benefits from congestion caused by typical north-to-south power flow, especially during periods of high demand

Montour (1,508 MW) – Washingtonville, PA

- Gas conversion in commissioning and testing and expected to be complete in Q3 2023
- Plant located in heart of Marcellus production region, connected to Stagecoach Pipeline with a gas supply agreement with Kinder Morgan

Market Opportunities:

- PJM is working to reform capacity market, which could improve risk-reward proposition for existing generators
- Additional retirements in the coming years expected to tighten reserve margin
- CO_2 and NO_x emissions of former coal units will be lower when operating on gas

ERCOT Gas Portfolio

Synergistic CCGTs With Fast Start Capability and Low Heat Rates

Barney Davis (605 MW[2]) – Corpus Christi, TX

- Ability to adapt to changing market landscape by adding simple cycle capability
- Opportunity to reuse Unit 1 interconnection and infrastructure
- Significant duct-firing capability allows for flexibility to optimize between ancillary services and energy during periods of market volatility

Nueces Bay (635 MW) – Corpus Christi, TX

- Ability to adapt to changing market landscape by adding simple cycle capability
- Located in growing Corpus Christi load center (LNG, petrochemicals)
- Significant duct-firing capability allows for flexibility to optimize between ancillary services and energy during periods of market volatility

Laredo (178 MW) – Laredo, TX

- One of the most efficient and operationally-flexible CT peakers in ERCOT
- 10-minute quick start for enhanced ancillary capability
- Located in the fast-growing city of Laredo (No. 1 inland port)

Market Opportunities:

- Proposed market redesign expected to improve scarcity pricing (ORDC) and create new ancillary services
- ERCOT pricing volatility is expected to increase, leading to significant value capture opportunity for facilities that can respond quickly to pricing signals
- Air permits approved, allowing Corpus CCGTs to run in a fast-responding simple cycle configuration, and engineering work on simple cycle configuration has already commenced on Nueces Bay

1. *Project-financed by ~$294mm non-recourse senior secured term loan that matures in 2025 (~$281mm net of cash). See prior slide for detail.*
2. *Excludes capacity associated with Barney Davis Unit 1.*

TALEN ENERGY

Conversions Largely Complete, Extending Plant Lives with Minimal Future Capital

~3.2 GW of near-complete conversions at fully-owned coal plants preserve capacity revenue and upside potential

Plant	Conversion Type	Estimated Conversion Cost[1]			Owned Capacity (MW)[2]	Expected Date to Cease Coal Operations
		Spent through 6/23/2023	Remaining	Total		
Montour	Coal-to-Gas	~$141mm	~$14mm	~$155mm	1,508	Conversion completion expected in Q3 2023; required to cease burning coal by 2025
H.A. Wagner Unit 3	Coal-to-Capacity	~$3mm	~$8mm	~$11mm	306	Conversion completion expected by YE 2023; required to cease burning coal by 2025
Brunner Island	Coal to Coal-Gas (Dual-Fuel)	~$113mm	Complete	~$113mm	1,424	Conversion completed in 2016; only runs on coal in winters; required to cease burning coal by 2028
Total		**~$257mm**	**~$22mm**	**~$279mm**	**3,238 MW**	

All wholly owned coal assets expected to be converted by 2023 or retired by 2025 with limited additional cost requirement

Additional upside opportunity from ~2.4 gross GW renewables & battery storage development pipeline, often co-located on legacy generation sites

Note: In Q1 2023, Talen canceled its plan to convert Brandon Shores from coal to oil combustion due to increased costs. Brandon Shores has notified PJM that it will deactivate electric generation on June 1, 2025.

1. *Excluding capitalized interest.*
2. *Electric generation capacity (summer rating) is based on factors such as operating experience and physical conditions, among others, which may be subject to revision.*

3. Supplemental Materials

Generation Portfolio Summary

Asset	Location	Primary Fuel Type	Plant Type	Ownership	Owned Capacity (MW)[1]	COD	Region
Zero-Carbon Nuclear							
Susquehanna[2]	PA	Nuclear	Baseload	90%	2,245	1983 - 1985	PJM-PPL/MAAC
Natural Gas & Peaking Units							
Barney Davis	TX	Natural Gas	Intermediate	100%	897	1974 - 2010	ERCOT-South
Nueces Bay	TX	Natural Gas	Intermediate	100%	635	2010	ERCOT-South
Laredo	TX	Natural Gas	Peaker	100%	178	2008	ERCOT-South
Lower Mt. Bethel	PA	Natural Gas	Baseload	100%	610	2004	PJM-PPL
Martins Creek	PA	Natural Gas / Oil	Peaker	100%	1,719	1975 - 1977	PJM-PPL
Peaking units[3]	PA	Natural Gas / Oil	Peaker	100%	46	1967 - 1973	PJM-PPL
Camden	NJ	Natural Gas	Peaker	100%	145	1993	PJM-PSEG
Dartmouth	MA	Natural Gas	Peaker	100%	80	1996	ISO-NE SEMA
Planned Conversion							
Montour[4]	PA	Coal (Convert to Nat. Gas)	Intermediate	100%	1,508	1972 - 1973	PJM-PPL
Brunner Island[5]	PA	Gas / Coal (Dual Fuel)	Intermediate	100%	1,424	1961 - 1969	PJM-PPL
H.A. Wagner[6]	MD	Coal (Convert to Alternative Fuel)	Peaker	100%	827	1956 - 1972	PJM-BGE
Minority-Owned Coal							
Conemaugh[2]	PA	Coal	Intermediate	22%	390	1970 - 1971	PJM-MAAC
Keystone[2]	PA	Coal	Intermediate	12%	214	1967 - 1968	PJM-MAAC
Colstrip Unit 3[2]	MT	Coal	Baseload	30%	222	1984 -1986	WECC
Planned Retirement of Coal							
Brandon Shores[7]	MD	Coal	Intermediate	100%	1,295	1984 - 1991	PJM-BGE
Total					**12,435**		

Note: Fleet as of 3/31/2023.
1. *Electric generation capacity (summer rating) is based on factors, among others, such as operating experience and physical conditions which may be subject to revision.*
2. *See Note 14 in TES's 2022 Consolidated Financial Statements for additional information regarding jointly owned facilities.*
3. *Includes 33 MW of peaking unit capacity owned by LMBE-MC that was deactivated in June 2023.*
4. *Montour is transitioning its fuel type from coal to natural gas. The conversion is in commissioning and testing and expected to be complete in Q3 2023.*
5. *Coal-based generation will cease by December 31, 2028. Coal-fired electric generation is restricted during the EPA ozone season, which is May 1 to September 30 of each year.*
6. *H.A Wagner is transitioning its coal-fired unit to fuel oil, which is expected to support electric grid stability as a capacity resource. The conversion is expected to be complete by YE 2023.*
7. *A notice was provided to PJM that requested deactivation of this asset on June 1, 2025. See Note 10 in Notes to TES's Q1 2023 Condensed Consolidated Financial Statements for additional information.*

A. Management and Board Overview

Executive Management Team

Mac McFarland
Chief Executive Officer & Director

- Formerly the President and Chief Executive Officer of California Resources Corporation and has served on the Board of Directors since October 2020
- Previously served on the Board of Directors of GenOn Energy, an independent power producer, until September 2022, and was formerly Executive Chairman and served as President and Chief Executive Officer from April 2017 to December 2018. Served as Chief Executive Officer of Luminant Holding Company LLC, a subsidiary of Energy Future Holdings Corporation and large independent power producer, from 2013 to 2016. From 2008 to 2013, served as both Chief Commercial Officer of Luminant and Executive Vice President, Corporate Development and Strategy of Energy Future Holdings. Previously, also served in various roles at Exelon Corporation for nearly a decade, including as Senior Vice President, Corporate Development; additionally, served on the Boards of TerraForm Power, Chaparral Energy, and Bruin E&P.
- Holds an MBA from the University of Delaware and a Bachelor degree in Civil Engineering (Environmental Concentration) from Virginia Polytechnic Institute and State University. Received a professional engineer license and has completed the MIT Reactor Technology Course for Utility Executives.

Terry Nutt
Incoming Chief Financial Officer

- Has over 20 years of experience in the energy industry, including time spent at utility companies, power generation providers and energy trading firms. Formerly served as the Chief Financial Officer of Just Energy prior to his joining of Talen in July 2023.
- Prior to that, served as Chief Financial Officer and Managing Director for EDF Trading North America, a subsidiary of Électricité de France (EDF) S.A., a multinational energy utility headquartered in France.
- Prior to his time at EDF, he held multiple senior finance positions at Vistra Corporation (and its predecessor company Energy Future Holdings) where his roles included Senior Vice President and Controller and Senior Vice President of Risk Management.
- Holds a Master of Science in Accounting and a Bachelor of Business Administration from Texas A&M University and is a Certified Public Accountant in the state of Texas.

John Wander
General Counsel

- Formerly served as a Partner for Vinson & Elkins and as the firm's General Counsel prior to joining Talen in June 2023.
- Has nearly 30 years of experience in commercial and corporate governance litigation, with cases primarily pertaining to finance, accounting, and shareholder issues. Since joining Vinson & Elkins in 1994, worked on some of its most high-profile, high-stakes litigation matters, and focused his practice on commercial litigation in the energy, accounting, securities, manufacturing, and insurance industries, routinely representing issuers and accounting firms before the Securities & Exchange Commission.
- Held several leadership positions, including Managing Partner of the Dallas office, Co-Department Head of Litigation and Regulatory, Co-Practice Group Leader of Complex Commercial Litigation, and a member of the Management Committee.
- Holds a Juris Doctorate from the University of Texas School of Law and a Bachelor of Arts degree from Northwestern University.

Independent Members of the Board

Stephen Schaefer

Chairperson of the Reorganized Board

- Currently serves on the Board of Directors of GenOn Holdings Inc, Texgen Power LLC, Just Energy Corp, and Alpine Summit Energy Partners. Additionally, serves as Chairman of the board for Texgen and as Chairman of the audit committee for Alpine.
- Previously served on the Board of Directors for Homer City Holdings LLC, Element Markets LLC, and HB2 Inc., and as Chairman of the Board for GenOn Holdings, Inc.,
- Has been actively involved in the deregulated natural gas and electricity markets since 1993. Formerly a Partner with Riverstone Holdings, a private equity firm focused on energy investing, from 2004 to 2015. While at Riverstone, he served on two of its investment committees and was primarily responsible for conventional power and renewable energy investments. Prior to that, served as a Managing Director with Huron Consulting Group, where he founded and headed its Energy Practice. From 1998 to 2003, served as Managing Director and Vice President with Duke Energy North America.
- Holds a Bachelor of Science, magna cum laude, in Finance and Accounting from Northeastern University and is a Chartered Financial Analyst.

Anthony Horton

Independent Member

- Currently serves as Chief Executive Officer of AR Horton Advisors, Chairman of the Board of Directors for Just Energy, Independent Director for Neiman Marcus' Mariposa Holdings, Travelport, Seadrill Partners, and Arena Energy, and Independent Director and Chairman of the Board of NanoLumens.
- Has over 25 years of energy and technology experience and was Executive Vice President and Chief Financial Officer at Energy Future Holdings and Senior Director of Corporate and Public Policy at TXU Energy.
- Also has experience serving on various boards of directors and committees of companies involved in turnarounds and restructuring matters.
- Holds a Masters of Professional Accounting and Finance from the University of Texas at Dallas/Arlington and a Bachelor of Business Administration in Economics and Management from the University of Texas at Arlington. He is a Certified Public Accountant, Chartered Financial Analyst, Certified Management Accountant, and Certified Financial Manager.

Christine Benson Schwartzstein

Independent Member

- Served as a member of Orion Infrastructure Capital's Senior Advisory Board after retiring as a Managing Director and Investment Principal in 2022.
- Before joining OIC, spent 17 years in various roles at Goldman Sachs. Most recently, she was a Managing Director in the Financing Group on the Structure Finance and Risk Management team in the Investment Banking Division; there she was responsible for the firm's commodity structured finance efforts within Investment Banking. Prior to that, she was a Managing Director on the Energy Sales and Structuring teams in the Securities Division. She began her career at Goldman Sachs in 2004 as an analyst on the Energy team.
- Holds a Bachelor of Arts in Earth and Planetary Sciences, magna cum laude, from Harvard University.

Independent Members of the Board (Cont'd)

Gizman Abbas

Independent Member

- Has nearly 30 years of energy and investment experience. He is a Founding Principal of Direct Invest Development and currently serves on the Board of Directors of the New York Independent System Operator as Chairman of the Commerce & Compensation Committee and a member of the Reliability & Markets Committee.
- Served on the Board of Directors of Crown Electrokinetics as Chairman of the Compensation Committee and a member of the Audit and Governance Committees, as an Audit Committee member at Aranjin Resources Ltd., as Chairman of the Compensation Committee and an Audit Committee member at KLR Energy Acquisition Corporation, and as an Audit Committee Member at Handeni Gold.
- Prior to that, he was a founding partner of the commodity investment business at Apollo Global Management, a Vice President at Goldman Sachs, an investment associate at Morgan Stanley, a Senior Project Engineer on oil and gas construction projects for Exxon Mobil Corporation, and a Co-Op Power Engineer at Southern Company.
- Holds an MBA from Northwestern University's Kellogg School of Business and a Bachelor of Science in Electrical Engineering from Auburn University.

Joseph Nigro

Independent Member

- Was an advisor to the Exelon CEO until March 2023, and was Exelon's CFO from 2018 to 2022. Was also a member of the Exelon Executive Committee and served as Chair of Exelon's Corporate Investment Committee.
- Previously served as CEO of Constellation, an Exelon division, from 2013 to 2018 and as senior vice president, portfolio strategy.
- Before joining Constellation, he was the senior vice president, portfolio management and strategy, for the Exelon Power Team. He led the merger integration for the Exelon Power Team wholesale trading and marketing organization with Constellation Energy. He started with PECO Energy, now an Exelon company, in 1996 and spent seven years with Phibro Energy, Inc., an independent oil trading and refining company.
- Holds a bachelor's degree in economics from the University of Connecticut and has completed the Exelon Leadership Institute Program through the Northwestern University Kellogg School of Management, the University of Chicago Executive Development Program, and the MIT Reactor Technology Course for Utility Executives.

Karen Hyde

Independent Member

- Served as Senior Vice President, Chief Compliance & Ethics Officer, Chief Audit Executive, and Chief Risk Officer of Xcel Energy until her retirement in 2022.
- Across her 30 years with Xcel Energy, she served in various roles with increasing responsibility, including roles in rates and regulatory affairs, resource planning and acquisition, and risk management. She was also responsible for forecasting and production cost, expansion plan modeling, and evaluating the effectiveness of compliance programs, control frameworks. She spent approximately a decade negotiating structured power purchase arrangements, including Xcel Energy's initial renewable energy contracts, and was responsible for renewable energy compliance.
- Prior to joining Xcel Energy, she was a lead nuclear engineer as a civilian employee of the United States Department of Defense where she was responsible for overhauling submarine reactors.
- Holds a Master of Science in Mineral Economics from the Colorado School of Mines and a Bachelor of Science in Metallurgical Engineering from Lafayette College.

B. Reconciliation of Non-GAAP Financial Measures

Definitions of Non-GAAP Financial Measures

Non-GAAP Financial Measures

The following non-GAAP financial measures of Adjusted EBITDA, Adjusted Free Cash Flow and Realized Energy Margin are discussed below, which we use as a measure of our performance and liquidity. Non-GAAP financial measures do not have definitions under GAAP and may be defined and calculated differently by, and not be comparable to, similarly titled measures used by other companies. Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. We believe the non-GAAP financial measures presented herein provide users of our financial information with additional meaningful comparisons between the current results and results of prior periods, as well as comparisons with peer companies. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures, and management cautions you to not place undue reliance on such non-GAAP measures.

Adjusted EBITDA

We use Adjusted EBITDA to: (i) assist in comparing operating performance and readily view operating trends on a consistent basis from period to period; (ii) plan and forecast overall expectations and evaluate actual results against such expectations; and (iii) communicate with our Board of Directors, creditors, analysts and investors concerning our financial performance.

Adjusted EBITDA, a key non-GAAP financial measure, is a useful metric utilized by our chief operating decision makers to efficiently evaluate operating results and trends without certain items that may distort financial results, a metric for planning and forecasting overall expectations, and for evaluating actual results against such expectations. Adjusted EBITDA is computed by net income (loss) attributable to members adjusted for: nonrecurring bankruptcy, liability management, and restructuring costs; certain non-cash items and other items that management believes are not indicative of ongoing operations, including, interest expense and other finance charges; income taxes; depreciation, amortization and accretion; nuclear fuel amortization; unrealized (gain) loss on commodity derivative contracts; nuclear decommissioning trust funds (gain) loss, net; (gain) loss on non-core asset sales, dispositions, or retirements of assets; impairments; unusual market events, which primarily includes Winter Storm Elliott charges for Capacity Performance penalties, net; net periodic defined benefit cost; development expenses; fuel supply legal settlements, liquidated damages, and obsolescence; gains or losses on the repurchase, modification or extinguishment of debt; legal and other professional fees related to certain litigation; Cumulus Digital activities and associated noncontrolling interests, and other activities. Cash expenditures for nuclear fuel are presented as "Capital expenditures" in the calculation of Adjusted Free Cash Flow in the corresponding table.

In addition, we believe investors commonly adjust net income (loss) attributable to members information to eliminate the effect of nonrecurring restructuring expenses, and other non-cash charges which vary widely from company to company, from period to period, and impair comparability. We believe Adjusted EBITDA is useful to investors and other users of the financial statements to evaluate our operating performance because it provides an additional tool to compare business performance across companies and across periods. Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to such items described above. These adjustments can vary substantially from company to company depending upon accounting policies, book value of assets, capital structure and the method by which assets were acquired.

Adjusted Free Cash Flow

Adjusted Free Cash Flow, a key non-GAAP financial measure, is a useful metric utilized by our chief operating decision makers to evaluate cash flow activities. Adjusted Free Cash Flow is computed by Adjusted EBITDA reduced by cash payments for interest and finance charges and capital expenditures, including nuclear fuel, and adjusting for property casualty insurance proceeds and expenditures for development and (or) growth capital expenditures, and nuclear fuel not yet converted into uranium hexafluoride.

In addition, we believe investors and other users of our financial statements commonly reduce Adjusted EBITDA by the amount of capital expenditures and cash interest and finance charges, to determine a company's ability to meet future obligations. We believe Adjusted Free Cash Flow is useful to investors and other users of our financial statements in evaluating our operating performance because it provides them with an additional tool to determine a company's ability to meet future obligations and to compare business performance across companies and across periods. Adjusted Free Cash Flow is widely used by investors to measure a company's levered cash flow without regard to items such as taxes; depreciation and amortization; impairment; ARO settlements; nonrecurring development and growth expenditures; gains or losses on sales, dispositions, or retirements of assets; unrealized gains and losses on derivative financial instruments; and stock-based compensation expense, which can vary substantially from company to company and period to period depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired.

Realized Energy Margin

Realized Energy Margin, a key non-GAAP financial measure, is a useful metric utilized by our chief operating decision makers to assess the performance of our core operations against our strategic priorities and business plans. It represents a combination of sales of generated electricity, sales of purchased power and physical natural gas, fuel expense, purchased energy expense, fuel transportation expense, and realized settlements from economic hedging activities. It is calculated by adjusting operating revenues, net of total energy expenses to exclude capacity revenues, unrealized mark-to-market gains and losses on derivative instruments and nuclear fuel amortization and any margin unassociated with power generation and marketing. This measure is not intended to replace operating revenues, net of total energy expenses, which is the most comparable measure calculated in accordance with GAAP.

"Energy revenues" and "Fuel and energy purchases" are evaluated collectively as Realized Energy Margin because the price for power is generally determined by the variable operating cost of the next marginal generator dispatched to meet demand. Our financial performance is highly correlated to how we maximize Realized Energy Margin through management of our generation portfolio and the results of our hedging and optimization activities.

Realized Energy Margin is a supplemental measure that is utilized, in conjunction with other information, by our senior management team and Board of Directors to manage our operations and analyze actual results against our budget. We believe Realized Energy Margin is useful to investors and other users of our financial statements who seek to evaluate, consistent with the use by our senior management team, our operating performance because it allows them to compare the energy revenues we produce, less the related costs, on a consistent basis across periods. Realized Energy Margin, to some extent, also provides an additional tool to compare business performance across companies.

Based on the market areas in which our generation fleet operates and the manner in which our senior management team reviews our financial and operating performance and allocates resources, we have grouped our businesses into the below Realized Energy Margin analysis. Each grouping is engaged in electricity generation, marketing activities, commodity risk and fuel management within their respective RTO or ISO markets. Our groupings are PJM, ERCOT, and Other Power Markets.

TALEN ENERGY

Q1 2023 Realized Energy Margin (Unaudited)

Realized Energy Margin to "Operating Revenues, net of Total Energy Expenses" presented on the Condensed Consolidated Statements of Operations for the three months ended March 31:

	2023	2022	Change
Electricity sales and ancillary services	$ 250	$ 566	$ (316)
Realized hedging gain (loss), net (a)	608	(241)	849
Energy revenues	858	325	533
Fuel expense and energy purchases	(87)	(277)	190
Realized hedging gain (loss), net (a)	(22)	19	(41)
Realized Energy Margin	749	67	682
Add (Less):			
Capacity revenues	66	132	(66)
Other operating revenues, net	6	—	6
Unrealized gain (loss) on derivative instruments, net	31	29	2
Nuclear fuel amortization	(24)	(27)	3
Operating Revenues, net of Total Energy Expenses	$ 828	$ 201	$ 627
Electric Generation (thousands of MWh) (b)	6,637	10,161	(3,524)
Realized Energy Margin ($/MWh)	$ 112.85	$ 6.59	$ 106.26
Fleet Capacity Factor	24.71 %	36.31 %	(11.60)
Equivalent Forced Outage Factor	1.51 %	3.57 %	(2.06)

a) Includes the gain (loss) on non-derivative physical commodity transactions utilized for economic hedging purposes, where applicable.

b) Generated MWhs sold after consumption for station use where applicable.

Realized Energy Margin by region for the three months ended March 31, 2023 versus March 31, 2022:

	Realized Energy Margin				Electric Generation (MWh) (a) (in thousands)				Realized Energy Margin $/MWh Generated			
	2023	2022	change	%	2023	2022	change	%	2023	2022	change	%
PJM	$ 703	$ 40	$ 663	1,658	5,889	9,262	(3,373)	(36)	$119.38	$ 4.32	$115.06	2,663
ERCOT	19	18	1	6	317	458	(141)	(31)	59.94	39.30	20.64	53
Other Power Markets	27	9	18	200	431	441	(10)	(2)	62.65	20.41	42.24	207
Total	$ 749	$ 67	$ 682	1,018 %	6,637	10,161	(3,524)	(35)%	$112.85	$ 6.59	$106.26	1,612 %

a) Generated MWhs sold after consumption for station use where applicable.

Q1 2023 Adjusted EBITDA / Adjusted Free Cash Flow Reconciliation (Unaudited)

The reconciliation from "Net Income (Loss)" presented on the Condensed Consolidated Statements of Operations to Adjusted EBITDA and Adjusted Free Cash Flow for the three months ended March 31:

	2023	2022
Net Income (Loss) Attributable to Members	$ 48	$ (279)
Bankruptcy, Liability Management, and Restructuring Costs		
Hedge termination losses, net (a)	—	63
Reorganization (gain) loss, net (b)	39	—
Operational and other restructuring activities	8	7
Liability management costs and other professional fees	—	19
Total Bankruptcy, Liability Management, and Restructuring Costs	$ 47	$ 89
Other Adjustments		
Interest expense and other finance charges	104	85
Income tax (benefit) expense	14	11
Depreciation, amortization and accretion	132	138
Nuclear fuel amortization	24	27
Unrealized (gain) loss on commodity derivative contracts	(31)	(29)
Nuclear decommissioning trust funds (gain) loss, net	(46)	56
(Gain) loss on non-core asset sales, net (c)	(35)	(1)
Non-cash impairments	365	—
Unusual market events (d)	13	(1)
Net periodic defined benefit cost (e)	(2)	3
Development expenses	7	1
Non-cash fuel inventory net realizable value and obsolescence charges (f)	24	—
Digital activities and noncontrolling interests	(5)	—
Other	1	4
Total Adjusted EBITDA	$ 660	$ 104
Interest and finance charge payments	(98)	(74)
Capital expenditures, net	(65)	(40)
Total Adjusted Free Cash Flow	$ 497	$ (10)

a) 2022 relates to a nonrecurring charge on terminated power contracts. See Note 4 in Notes to TES's Condensed Consolidated Financial Statements for additional information.

b) Represents amounts incurred directly related to Talen's bankruptcy. See Note 3 in Notes to TES's Condensed Consolidated Financial Statements for additional information.

c) See Note 20 in Notes to TES's Condensed Consolidated Financial Statements for additional information.

d) 2023 relates to the true up of capacity penalty charges due to the receipt of finalization of amounts by PJM compared to estimates recognized in 2022 related to Winter Storm Elliot.

e) Consists of "Postretirement benefits service cost" and "Postretirement benefits gains (loss), net" presented on the Condensed Consolidated Statements of Operations.

f) See Notes 9 in Notes to TES's Condensed Consolidated Financial Statements for additional information.

2022 Realized Energy Margin (Unaudited)

Realized Energy Margin to "Gross Margin" presented on the Consolidated Statements of Operations for the years ended December 31:

	2022	2021	Change
Electricity sales and ancillary services	$ 2,832	$ 2,532	$ 300
Realized hedging gain (loss), net (a)	(797)	(1,201)	404
Energy revenues	2,035	1,331	704
Fuel expense and energy purchases	(1,065)	(1,073)	8
Realized hedging gain (loss), net (a)	127	217	(90)
Realized Energy Margin	1,097	475	622
Add (Less):			
Capacity revenues	377	444	(67)
Unrealized gain (loss) on derivative instruments, net	625	(712)	1,337
Nuclear fuel amortization	(94)	(96)	2
Operating Revenues, net of Total Energy Expenses	$ 2,005	$ 111	$ 1,894
Electric Generation (thousands of MWh) (b)	36,259	35,650	609
Realized Energy Margin ($/MWh)	$ 30.25	$ 13.32	$ 16.93
Fleet Capacity Factor	33.28 %	31.31 %	1.97
Equivalent Forced Outage Factor	2.32 %	5.33 %	(3.01)

a) Includes the gain (loss) on non-derivative physical commodity transactions utilized for economic hedging purposes, where applicable.
b) Generated MWhs sold after consumption for station use where applicable.

Realized Energy Margin by region for the years ended December 31:

	Realized Energy Margin				Electric Generation (MWh) (a) (in thousands)				Realized Energy Margin $/MWh Generated			
	2022	2021	Change	%	2022	2021	Change	%	2022	2021	Change	%
PJM	$ 963	$ 415	$ 548	132	31,683	31,533	150	—	$ 30.39	$ 13.16	$ 17.23	131
ERCOT	77	28	49	175	2,933	2,635	298	11	26.25	10.63	15.62	147
Other Power Markets	57	32	25	78	1,643	1,482	161	11	34.69	21.59	13.10	61
Total	$ 1,097	$ 475	$ 622	131 %	36,259	35,650	609	2%	$ 30.25	$ 13.32	$ 16.93	127 %

a) Generated MWhs sold after consumption for station use where applicable.

2022 Adjusted EBITDA / Adjusted Free Cash Flow Reconciliation (Unaudited)

The reconciliation from "Net Income (Loss)" presented on the Consolidated Statements of Operations to Adjusted EBITDA and Adjusted Free Cash Flow for the years ended December 31:

	2022	2021
Net Income (Loss)	$ (1,293)	$ (977)
Bankruptcy, Liability Management, and Restructuring Costs		
Hedge termination losses, net (a)	158	—
Reorganization (gain) loss, net (b)	812	—
Operational and other restructuring activities (c)	522	13
Liability management costs and other professional fees	46	29
Total Bankruptcy, Liability Management, and Restructuring Costs	$ 1,538	$ 42
Other Adjustments		
Interest expense and other finance charges	365	336
Income tax (benefit) expense	(35)	(300)
Depreciation, amortization and accretion	520	524
Nuclear fuel amortization	94	96
Unrealized (gain) loss on commodity derivative contracts	(625)	712
Nuclear decommissioning trust funds (gain) loss, net	184	(196)
Environmental and ARO revisions on fully depreciated property, plant, and equipment (d)	18	(7)
Unusual market events (e)	33	78
Net periodic defined benefit cost (f)	12	36
Development expenses	17	8
Impairments, canceled projects, obsolescence, and receivables allowance (g)	(2)	17
(Gain) loss on non-core asset sales, net (h)	(3)	(3)
Liquidated damages	(2)	7
Legal settlements and litigation costs (i)	20	8
Consolidation of subsidiary (gain) loss (j)	170	—
Deconsolidation of subsidiary (gain) loss, net (j)	—	—
Lower Mt. Bethel casualty losses	—	—
Talen Montana closure related expenses	—	—
Other	1	6
Total Adjusted EBITDA	$ 1,012	$ 387
Capital expenditures, net	(163)	(182)
Interest and finance charge payments	(277)	(316)
Other	—	—
Total Adjusted Free Cash Flow	$ 572	$ (111)

a) Nonrecurring charge on terminated power contracts. See Note 4 in Notes to TES's Consolidated Financial Statements for additional information.
b) Represents (income) expense, net for amounts incurred directly related to Talen's bankruptcy. See Note 3 in Notes to TES's Consolidated Financial Statements for additional information.
c) 2022 primarily includes non-cash charges for estimates of damages for contracts terminated in connection with Talen's bankruptcy. See Note 3 in Notes to TES's Consolidated Financial Statements for additional information.
d) See Note 15 for additional information on accrued environmental costs and ARO revisions.
e) 2022 primarily includes costs incurred for Winter Storm Elliott and 2021 represents net losses incurred related to Winter Storm Uri and is presented within "Energy Revenues" and "Fuel and energy purchases" on the Consolidated Statement of Operations.
f) Consists of "Postretirement benefits service cost" and "Postretirement benefits gains (loss), net" presented on the Consolidated Statements of Operations.
g) See Notes 4, 9 and 14 in Notes to TES's Consolidated Financial Statements for additional information.
h) See Note 25 in Notes to TES's Consolidated Financial Statements for additional information.
i) 2022 primarily relates expense incurred related to the Kinder Morgan litigation. See Note 12 in Notes to TES's Consolidated Financial Statements for additional information.
j) See Note 12 in Notes to TES's Consolidated Financial Statements for additional information on the consolidation of Cumulus Digital Holdings in 2022 and see Note 19 in Notes to TES's Consolidated Financial Statements for additional information on the deconsolidation of NGG in 2020.

Net Income to Adjusted EBITDA Reconciliation – 2023E & 2024E (Unaudited)

The reconciliation from forecasted "Net Income (loss)" to Adjusted EBITDA on a Consolidated (Excluding Cumulus Affiliates) and Recourse (Excluding LMBE-MC and Cumulus Affiliates) basis for the year ended December 31:

Consolidated (Excluding Cumulus Affiliates)		2023E
Net Income (Loss)	**$**	**(58)**
Adjustments		
Interest Expense and Other Finance Charges (1)	$	334
Income Tax (Benefit) Expense (2)		(21)
Depreciation, Amortization and Accretion		488
Nuclear Fuel Amortization		88
Unrealized (Gain) Loss on Commodity Derivative Contracts		110
Nuclear decommissioning trust funds (gain) loss, net		(44)
Restructuring costs and other (3)		233
Adjusted EBITDA	**$**	**1,130**

Recourse (Excluding LMBE-MC and Cumulus Affiliates)		2023E		2024E
Net Income	**$**	**(80)**	**$**	**(44)**
Adjustments				
Interest Expense and Other Finance Charges (1)	$	311	$	153
Income Tax (Benefit) Expense (2)		(28)		(15)
Depreciation, Amortization and Accretion		452		452
Nuclear Fuel Amortization		88		89
Unrealized (Gain) Loss on Commodity Derivative Contracts		139		(77)
Nuclear decommissioning trust funds (gain) loss, net		(44)		-
Restructuring costs and other (3)		233		26
Adjusted EBITDA	**$**	**1,072**	**$**	**584**

Note: 2023E Adjusted EBITDA projections per the 1/27 Forecast Refresh Cleansing Materials filed with the Bankruptcy Court in April 2023.

1. *Illustrative interest costs to service indebtedness less capitalized interest, actual interest expense will be dependent on final terms.*
2. *Provision for federal and state income tax; actual cash taxes will differ.*
3. *Expenses associated with Chapter 11 restructuring, development expenses and one-time retention bonus expenses, among other items.*