

Talen Energy Corporation Commences a Tender Offer to Repurchase up to \$600,000,000 of its Common Stock

May 29, 2024

HOUSTON, May 29, 2024 /PRNewswire/ -- Talen Energy Corporation ("Talen" or the "Company") (OTCQX: TLNE) announced today that it has commenced a modified "Dutch auction" tender offer (the "Tender Offer") to purchase for cash up to an aggregate purchase price of \$600,000,000 (and, at the Company's option, up to an additional \$12,000,000) (the "Tender Cap") of its common stock (the "Common Stock") at a price per share ("Share") not less than \$116.00 and not greater than \$122.00, less any applicable withholding taxes and without interest, using available cash on hand. The Tender Offer is part of the Company's recently upsized \$1 billion share repurchase program that was approved by its Board of Directors earlier this month. On May 28, 2024, the closing price of the Common Stock was \$113.60 per share. The Tender Offer is subject to certain terms and conditions as described in the Offer to Purchase, dated as of the date hereof (as it may be amended or supplemented from time to time, the "Offer to Purchase").

"This tender offer reflects our confidence in the future outlook of our business, the strength of our operations and the value created by recent strategic transactions related to the Company's sale of its ERCOT generation portfolio and the Cumulus data center campus," said Mac McFarland, President and Chief Executive Officer. "Our strong cash flows, balance sheet and operational performance enable us to undertake this transaction while also preserving flexibility for further shareholder returns in the future."

The following table describes certain terms of the Tender Offer:

Title of Security	CUSIP Number	Tender Cap ⁽¹⁾	Early Tender Payment ⁽²⁾	Total Consideration Acceptable Range ⁽³⁾
Common Stock, par value \$0.001	87422Q109	\$600,000,000	\$3.00	\$116.00 to \$122.00

(1) The Company has the option to increase the Tender Cap by up to 2%.

(2) Per Share validly tendered at or prior to the Early Tender Time (as defined below) and accepted for purchase, which will be included in the Total Consideration but not the Tender Offer Consideration (as defined in the Offer to Purchase).

(3) Includes the Early Tender Payment (as defined in the Offer to Purchase).

If the Tender Offer is fully subscribed at the Early Tender Time, the Company will purchase between 4,918,032 Shares and 5,172,413 Shares, or between 8.4% and 8.8%, respectively, of the Company's outstanding Common Stock. Any shares tendered may be withdrawn prior to the Early Tender Time. Stockholders who do not wish to participate in the Tender Offer do not need to take any action.

The Tender Offer will expire at 5:00 PM, New York City time, on June 27, 2024 (the "Expiration Time"), unless extended or earlier terminated. In order for stockholders to be eligible to receive the Total Consideration, such holders must validly tender their Shares at or prior to 5:00 PM, New York City time, on June 12, 2024, unless extended by Talen in its sole discretion (such time and date, as the same may be extended, the "Early Tender Time"). Stockholders who validly tender their Shares after the Early Tender Time but at or prior to the Expiration Time will only be eligible to receive the Tender Offer Consideration, which does not include the Early Tender Payment. Acceptance of validly tendered Shares may be subject to priority, proration and "odd lots" as described in the Offer to Purchase, and in the event the Tender Offer is fully subscribed as of the Early Tender Time, Talen reserves the right, at its option, not to accept any additional Shares tendered by stockholders after the Early Tender Time. Promptly after the Early Tender Time or the Expiration Time, as applicable, Talen will pay the Total Consideration or Tender Offer Consideration, as applicable, less any applicable withholding taxes and without interest, for the Shares it purchases.

A modified "Dutch auction" tender offer allows stockholders to indicate how many Shares and at what price within the range described above they wish to tender their Shares. If Talen accepts Shares in the Tender Offer, it will accept Shares validly tendered in the order of the lowest to the highest tender prices specified by tendering holders (in increments of \$0.50), and on or immediately following the Early Tender Time will select the single lowest price (the "Clearing Price") per Share to enable the Company to purchase the Shares that would result in an aggregate payment amount equal to the Tender Cap (plus, at the Company's option, an additional up to 2% of the Tender Cap) or, if the aggregate payment amount would be less than the Tender Cap, all Shares so tendered. The price at which Shares were validly tendered on or immediately following the Early Tender Time (which includes the Early Tender Payment) will be used for the purpose of determining the Clearing Price and proration, as described in the Offer to Purchase, on or immediately following the Early Tender Time.

To tender their Shares, stockholders must follow the instructions described in the Offer to Purchase and, if applicable, Letter of Transmittal (as defined in the Offer to Purchase) that the Company has distributed to its registered stockholders. Beneficial holders will receive the Offer to Purchase and a communication from their bank, broker or custodian. That document contains important information about the terms and conditions of the Tender Offer.

Goldman Sachs & Co. LLC is acting as dealer manager for the Tender Offer. The information agent for the Tender Offer is D.F. King & Co. Inc., and the depository is Equiniti Trust Company, LLC. The Offer to Purchase, Letter of Transmittal and related documents will be delivered to registered holders.

Beneficial holders will receive the Offer to Purchase and a communication from their bank, broker or custodian. For questions and information, please call the information agent toll-free at (800) 549-6697.

Certain Information Regarding the Tender Offer

The information in this press release describing the Tender Offer is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares in the Tender Offer. The Tender Offer is being made only pursuant to the Offer to Purchase and related materials that the Company will distribute to its stockholders, as it may be amended or supplemented. Stockholders should read such Offer to Purchase and related materials carefully and in their entirety because they contain important information, including the various terms and conditions of the Tender Offer. Stockholders of the Company may obtain a free copy of the Offer to Purchase, Letter of Transmittal and related documents from D.F. King & Co. Inc., the information agent for the Tender Offer, toll free at (800) 549-6697 or Goldman Sachs & Co. LLC toll free at (212) 902-1000. Stockholders are urged to carefully read all of these materials prior to making any decision with respect to the Tender Offer. Stockholders and investors who have questions or need assistance may call D.F. King & Co. Inc.

About Talen

Talen owns and operates approximately 10.7 gigawatts of power infrastructure in the United States. We produce and sell electricity, capacity, and ancillary services into wholesale U.S. power markets, including PJM and WECC, with our generation fleet principally located in the Mid-Atlantic and Montana. Talen is headquartered in Houston, Texas. For more information visit <https://www.talenenergy.com/>.

Talen trades on the OTCQX® Best Market under the ticker "TLNE." OTCQX companies meet high financial standards, follow best practice corporate governance, demonstrate compliance with U.S. securities laws, and have a professional third-party sponsor introduction. Investors can find current financial disclosures and Real-Time Level 2 quotes for the Company on www.otcmarkets.com/stock/TLNE/overview.

Additional Information

For additional information and updates about Talen, please visit our Investor Relations webpage at <https://talenenergy.investorroom.com>, or contact:

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Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the federal securities laws, which statements are subject to substantial risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this communication, or incorporated by reference into this communication, are forward-looking statements. Throughout this communication, we have attempted to identify forward-looking statements by using words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecasts," "goal," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," or other forms of these words or similar words or expressions or the negative thereof, although not all forward-looking statements contain these terms. Forward-looking statements address future events and conditions concerning, among other things the consummation of the Tender Offer, capital expenditures, earnings, litigation, regulatory matters, hedging, liquidity and capital resources and accounting matters. Forward-looking statements are subject to substantial risks and uncertainties that could cause our future business, financial condition, results of operations or performance to differ materially from our historical results or those expressed or implied in any forward-looking statement contained in this communication. All of our forward-looking statements include assumptions underlying or relating to such statements that may cause actual results to differ materially from expectations and are subject to numerous factors that present considerable risks and uncertainties. Forward-looking statements speak only as of the date they are made. We undertake no obligation to update any forward-looking statements beyond what is required under applicable securities law.

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