



## Talen Energy Corporation Announces Successful Completion of Strategic Restructuring Transactions

May 17, 2023

***Company emerges with significantly deleveraged balance sheet, ~\$875 million of liquidity, and having achieved previously announced leadership transition***

HOUSTON, May 17, 2023 [/PRNewswire/](#) – Talen Energy Corporation ("Talen" or "the Company") announced today that it, along with its applicable debtor subsidiaries, has successfully consummated the strategic transactions contemplated by its chapter 11 plan of reorganization (the "Plan") and completed its restructuring. Supported by a new equity owner group, the Company has significantly reduced its debt and strengthened its balance sheet, making it well-positioned for future value creation.

The Plan included the infusion of new equity capital pursuant to a common equity rights offering (the "Rights Offering") of \$1.4 billion. In addition, Talen Energy Supply, LLC ("TES") raised:

- A \$700 million revolving credit facility;
- \$1.2 billion, pursuant to a private offering of 8.625% senior secured notes due 2030 (the "Notes"), which was upsized from its initial amount of \$825 million;
- A \$580 million Term Loan B credit facility;
- A \$470 million Term Loan C credit facility, and
- A \$75 million bilateral line of credit.

The Plan also included the full repayment of TES' formerly existing first lien funded debt and the consensual equitization of all of TES' formerly existing unsecured notes. The Plan and the foregoing debt and equity financing transactions resulted in an approximately \$2.7 billion reduction in TES' debt. The Company is emerging with approximately \$875 million of liquidity consisting of cash on hand and undrawn funds in its revolving credit facilities.

"Today Talen has emerged having transformed its balance sheet and in a much stronger position to operate our business and drive future value creation," said new Chief Executive Officer Mac McFarland. "I look forward to working with our leadership team and Board to maximize the value of our diverse asset base and growth businesses. Our focus will remain on safety, operational excellence and value creation while carefully managing credit, liquidity, and risk management so that we can maximize the value of our core business."

As previously announced, now that the Plan has been consummated, Mark "Mac" McFarland has assumed the role of President and Chief Executive Officer of the Company and will also serve as a member of its Board of Directors. Mr. McFarland has extensive experience in the power industry, most recently serving as President and Chief Executive Officer of California Resources Corporation. He previously held leadership roles with GenOn Energy, Luminant Holding Company LLC, and Exelon Corporation. He has also served on the Boards of Bruin E&P Partners, TerraForm Power, and Chaparral Energy.

Talen's new Board of Directors, composed of Chairman Stephen Schaefer, Gizman Abbas, Anthony Horton, Karen Hyde, Mac McFarland, Joseph Nigro, and Christine Benson Schwartzstein, has also assumed their roles.

"We are pleased to have completed our restructuring expeditiously and emerge with a strong balance sheet, \$875 million of liquidity, significantly less debt, favorable debt ratings in line with our peers, and the support of a new ownership group focused on positioning Talen for long-term value creation," said Chief Financial Officer John Chesser. "During the first quarter, Talen achieved some of our best operating and financial performances. We will look to continue to deliver strong performance driven by our low-cost zero carbon generation, extensive gas and peaking fleet, and digital infrastructure assets. Our team appreciates the support of our Board, equity owners, lenders, and investors as we position Talen for the future."

### 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 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 those that we are currently expecting, and are subject to numerous factors that present considerable risks and uncertainties.

### Additional Information

Information regarding Talen's completed restructuring, including court documents and other information are available on a website hosted by the Company's claims agent, Kroll, at <https://cases.ra.kroll.com/talenenergy>. The Company has also established a call center for questions at 844-721-3899 if calling from within the United States or Canada or 347-292-4080 if calling from outside these areas. Creditor inquiries can also be directed to [talenergyinfo@ra.kroll.com](mailto:talenergyinfo@ra.kroll.com).

The Company retained Weil Gotshal & Manges LLP as its restructuring legal advisor, Evercore as its investment banker, White & Case LLP as its financing counsel, and Alvarez & Marsal as its restructuring financial advisor. The ad hoc group of Unsecured Noteholders retained Kirkland & Ellis LLP as legal advisor and Rothschild & Co. as its investment banker and financial advisor.

#### **About Talen**

Talen is one of the largest competitive power generation and infrastructure companies in North America. Talen, through its subsidiary, TES, owns and/or controls approximately 12,400 megawatts of generating capacity in wholesale U.S. power markets, principally in the Mid-Atlantic, Texas, and Montana.

Additionally, through its Cumulus subsidiaries, Talen is developing a large-scale portfolio of renewable energy, battery storage, and digital infrastructure assets across TES' expansive footprint. For more information visit, <https://www.talenenergy.com/about-talen/>.

#### **Investor Contact**

[InvestorRelations@talenenergy.com](mailto:InvestorRelations@talenenergy.com)

SOURCE Talen Energy Corp.