

Fourth Quarter and Year-End 2024 Results

Talen Energy Corporation | February 27, 2025

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We include in this presentation Adjusted EBITDA and Adjusted Free Cash Flow, which we use as measures of our performance and liquidity, and which are not financial measures prepared under U.S. Generally Accepted Accounting Principles (“GAAP”). Non-GAAP financial measures, such as Adjusted EBITDA and Adjusted Free Cash Flow, 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 facilities, 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. Management cautions investors not to place undue reliance on such non-GAAP measures, but to consider them along with their most directly comparable GAAP measures. Adjusted EBITDA and Adjusted Free Cash Flow have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP. Please see the “Reconciliation of Non-GAAP Financial Measures” section of the Appendix for more detail.

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Key Highlights

- ✓ Strong FY 2024 performance exceeded guidance midpoints, with Adjusted EBITDA of \$770mm and Adjusted Free Cash Flow of \$283mm
- ✓ Reaffirming 2025 guidance; 2026 outlook unchanged
- ✓ Continuing to execute under current AWS arrangement
- ✓ Reached RMR agreement with PJM, extending the life of Brandon Shores and H.A. Wagner through May 2029 to support grid reliability in Maryland
- ✓ Repurchased ~13 million shares in 2024 (~22% of total outstanding shares)

2024: Unlocked Value & Returned Capital to Shareholders



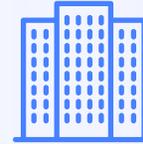
Unlocking Value from Existing Assets

- ✓ Sold Cumulus data center campus to AWS for \$650mm and entered into long-term PPA with AWS
- ✓ Sold ~1.7 GW ERCOT fleet for \$785mm



Prioritizing Shareholders

- ✓ Uplisted to NASDAQ
- ✓ Repurchased ~13mm shares (22% of total outstanding); \$1.1B of SRP capacity remaining
- ✓ Added to multiple major indices, leading to passive funds acquiring >7mm shares

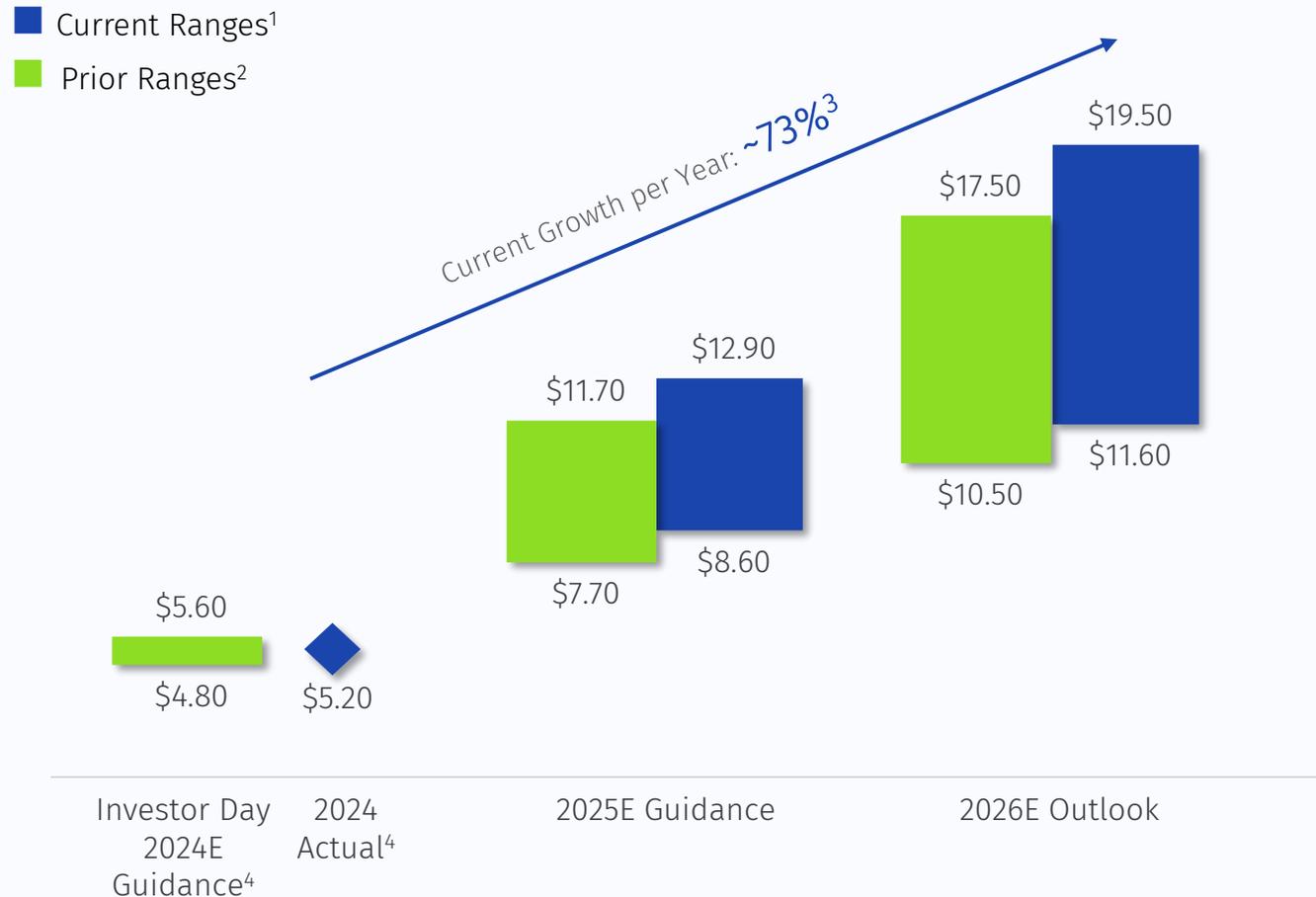


Exercising Balance Sheet Discipline

- ✓ Lowered interest rate on RCF and existing term loan and issued new term loan at revised lower rate
 - ✓ Terminated cash-backed LC facility
 - ✓ Paid off Orion debt and repurchased all Cumulus Digital and Nautilus minority equity stakes
 - ✓ Improved debt covenants and baskets
- + Enables flexibility for shareholder returns and growth investments in 2025+

Continued Focus on Maximizing Value in 2025+

Adjusted Free Cash Flow per Share



Focus Areas for 2025

- Operating the generation fleet safely and reliably
- Capturing value from favorable power market fundamentals
- Executing under the current AWS arrangement and pursuing multiple paths forward
- Constructively working with PJM, FERC and states on key market and regulatory outcomes (e.g., capacity auctions, co-location)
- Continued focus on shareholder returns and strategic balance sheet management

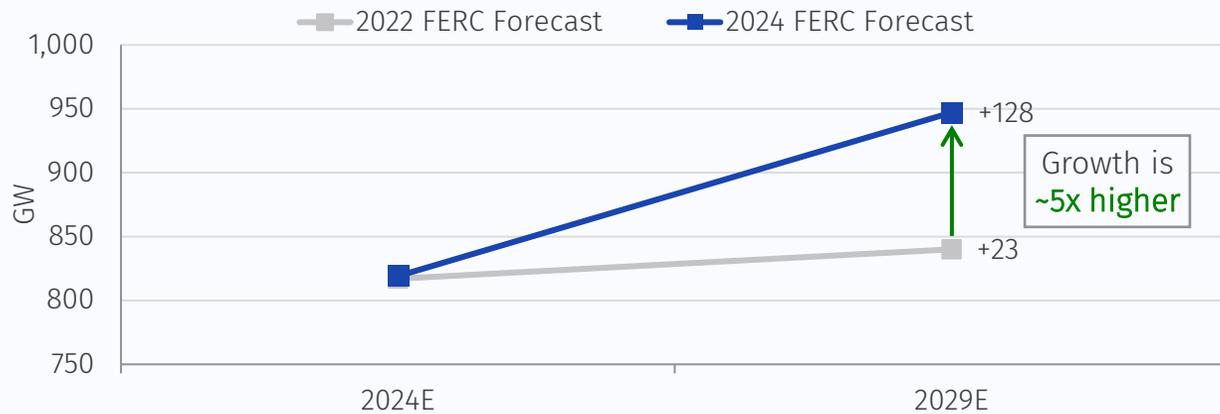
Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted Free Cash Flow. Per share amounts rounded to nearest \$0.10.

1. Assumed share count of ~54.3mm for 2024 (Weighted-Average Number of Common Shares Outstanding – Basic as of December 31, 2024) and ~46mm for 2025 – 2026.
2. Assumed share count of ~51mm across all years.

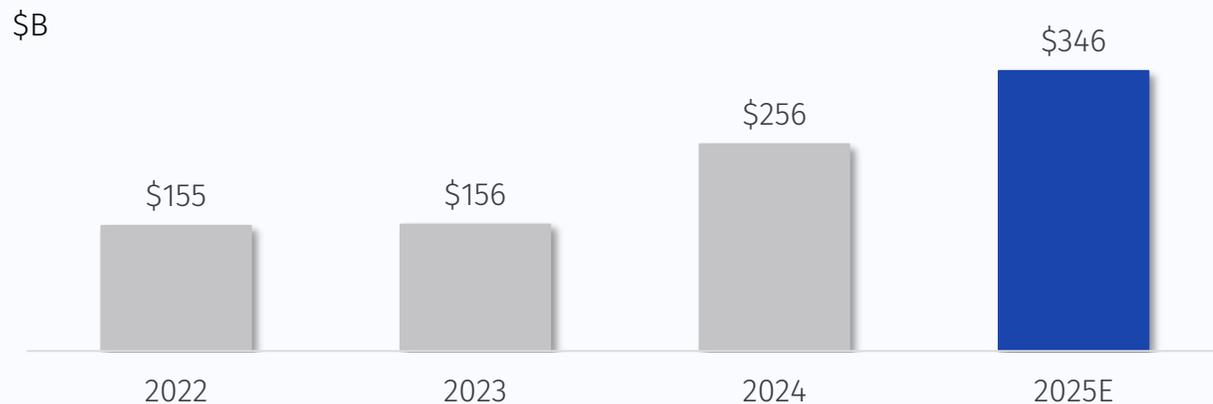
3. Calculated using 2024 actual and the midpoint of the current 2025E and 2026E ranges.
4. Includes January – April contribution from the ERCOT generation fleet.

Demand Growth Projections Continue Accelerating...

U.S. 5-Year Summer Peak Demand Forecast¹



Annual Hyperscaler Capex²



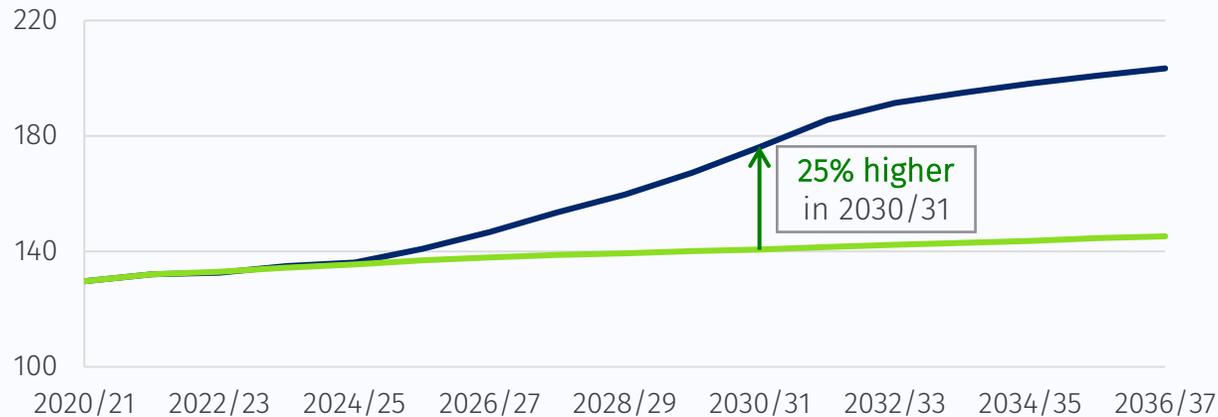
- Since 2022, the national 5-year demand growth forecast has **increased by ~5x**
 - Mostly driven by data centers / artificial intelligence (AI) expectations
 - Manufacturing and electrification each account for 20 GW of the expected growth

- Significant public and private support for data centers / AI development

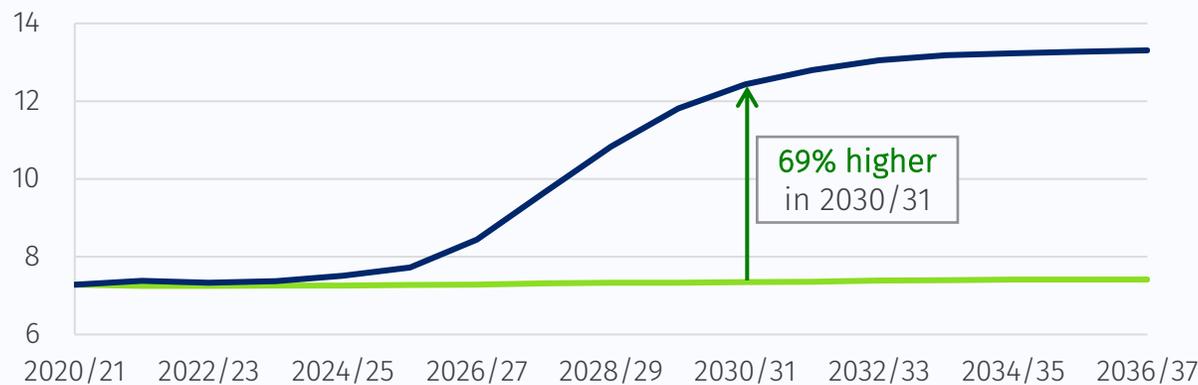
- AI is in early-stage development, with efficiency improvements potentially driving increased adoption and higher total power demand

...Especially in PJM and the PPL Zone

PJM Winter Peak (GW)



PPL Zone Winter Peak (GW)



— 2022 Forecast — 2025 Forecast

- The areas in which we operate are taking business-friendly actions and seeing robust data-center driven demand growth
- Even if only a portion of this growth is realized, that is still substantial growth vs. the last 10 years
- Only ~3.6 GW of new gas-fired generation projected to come online in PJM by 2030¹
- Insufficient reliable supply to meet these growing needs makes existing assets more valuable, especially as forward power prices increase

Continued Progress at FERC

FERC, PJM, states and other key stakeholders are taking action



Jan 28

PJM, Pennsylvania and other parties reach an agreement to set prices within \$175 – \$325/MW-day for 2026/2027 and 2027/2028 capacity auctions



Feb 11

FERC approves PJM’s “Reliability Resource Initiative” to fast-track new shovel-ready generation projects



Feb 14

FERC approves PJM’s Dec-24 capacity market rule revisions



Feb 20

FERC gives PJM 30 days to justify or remedy concerns about how its tariff handles co-location and gives interested parties 30 days thereafter to respond; Christie subsequently reinforces the timeline



It is our intent to conduct and complete this important proceeding expeditiously, so we can provide clarity and certainty to all, from consumers to investors to load-serving utilities and independent generators”

- FERC Chairman Mark Christie on the Co-Location Show Cause Order
February 21, 2025

Supporting the Grid in Maryland

Brandon Shores and H.A. Wagner

- RMR agreement reached with PJM, FERC staff, Maryland PSC and public utilities on Brandon Shores and H.A. Wagner
 - Brandon Shores to receive annual fixed payments of \$145mm; H.A. Wagner to receive \$35mm¹
 - From June 1, 2025 to May 31, 2029
 - Subject to final FERC approval
- Protects critical infrastructure and grid reliability in Maryland
- Per approved PJM capacity rule revisions, both plants will be part of the capacity market supply stack as price-takers but will not have obligations or receive capacity payments



Strong 2024 Financial and Operational Performance



Key Financial Metrics¹

\$770mm

Adjusted EBITDA

\$283mm

Adjusted Free Cash Flow

~\$1.2bn

Liquidity²

~3.3x

Net Debt /
2024 Adjusted EBITDA³



Key Operational Metrics¹

0.34

OSHA TRIR⁴

2.2%

Fleet EFOF⁵

36 TWh

Total Generation⁶

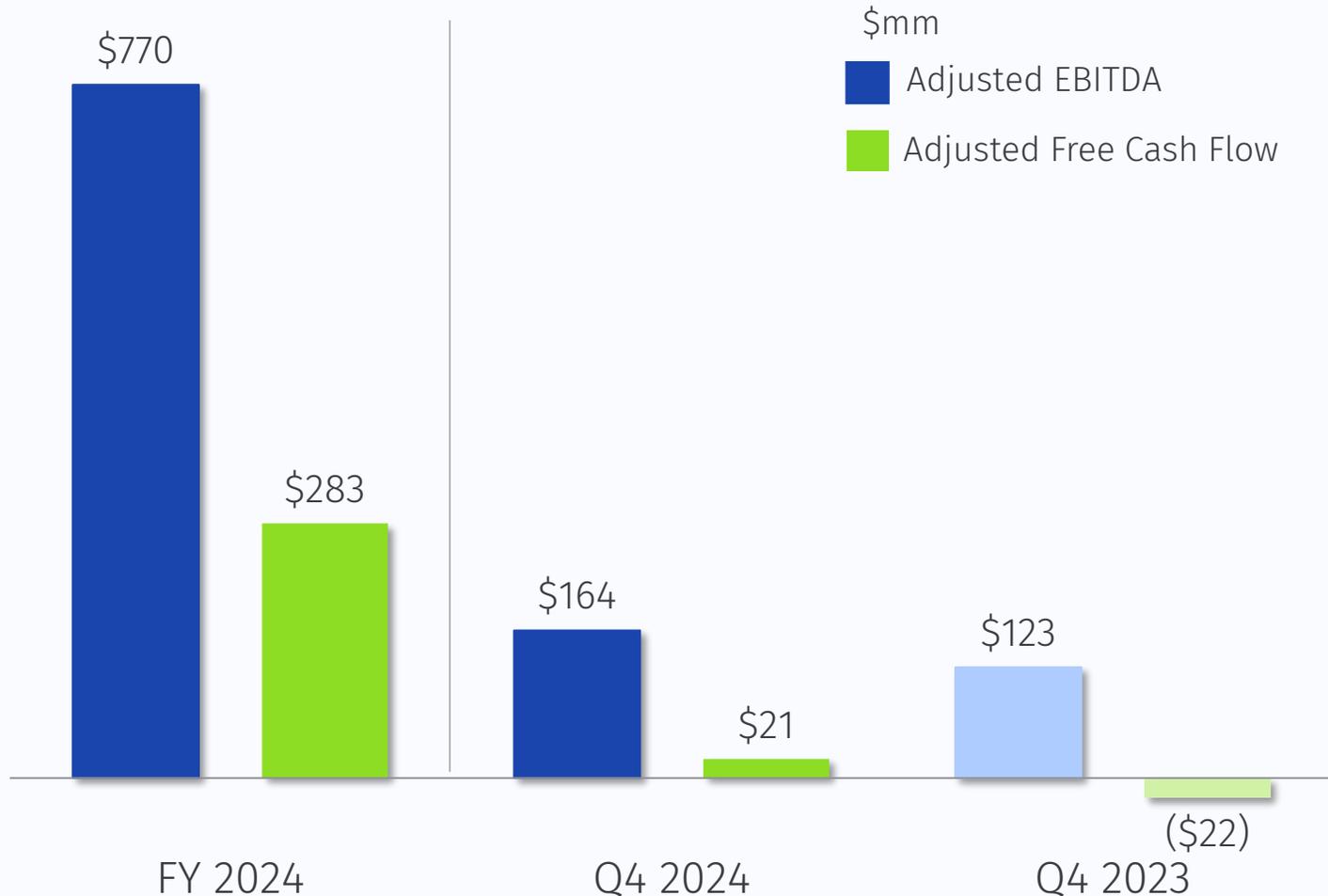
~50%

Carbon-Free Generation⁷

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA and Adjusted Free Cash Flow.

1. Includes January – April contribution from the ERCOT generation fleet.
2. Calculated as \$474mm Unrestricted Cash plus \$700mm RCF availability as of 2/21/2025.
3. Calculated as \$3,038mm Total Debt less \$474mm Unrestricted Cash as of 2/21/2025, divided by 2024 Adjusted EBITDA of \$770mm. Total Debt excludes \$900mm standalone LCF.
4. OSHA Total Recordable Incident Rate (“OSHA TRIR”): The number of recordable incidents x 200,000 / total number of manhours worked. Only includes Talen-operated generation facilities (i.e., excludes Conemaugh and Keystone).
5. Fleet Equivalent Forced Outage Factor (“Fleet EFOF”): The percentage of a given period in which a generating unit is not available due to forced outages and forced derates. Represents all generation facilities, including our portion of partially-owned facilities.
6. Total generation is net of station use consumption, where applicable, and includes volumes produced by Susquehanna in support of Nautilus operations.
7. Talen’s 90% share of total generation from Susquehanna.

2024 Results Exceeded Guidance



- Full year 2024 financial results exceeded guidance
- Full year 2024 supported by strong generation, hedging activities, and the Nuclear PTC, despite the absence of earnings from the ERCOT fleet sold in May 2024
- Q4 2024 positively impacted by hedging activities (including PTC) and lower financing costs vs. prior year

Reaffirming 2025 Guidance

	2025E	2026E
Adjusted EBITDA	\$925 – \$1,175 million	\$1,130 – \$1,530 million
Adjusted Free Cash Flow	\$395 – \$595 million	\$535 – \$895 million

2026 Outlook Unchanged

Modest Leverage and Ample Liquidity

Capitalization Summary <i>(\$mm unless otherwise noted)</i>	February 21, 2025
Unrestricted Cash	\$474
Secured Debt	\$2,907
Total Debt¹	\$3,038
Net Debt²	\$2,564
Credit Metrics	
2024 Adjusted EBITDA ³	\$770
Net Debt / 2024 Adjusted EBITDA ⁴	3.3x
2025E Adjusted EBITDA Midpoint	\$1,050
Net Debt / 2025E Adjusted EBITDA ⁴	2.4x
Total Liquidity ⁵	\$1,174

Capital Structure Update

- Lowered interest rate on RCF and existing term loan and issued new term loan at revised lower rate
- Streamlined LC facilities and improved debt covenants and baskets
- Used new term loan proceeds and cash to repurchase ~5mm shares from largest legacy holder, Rubric

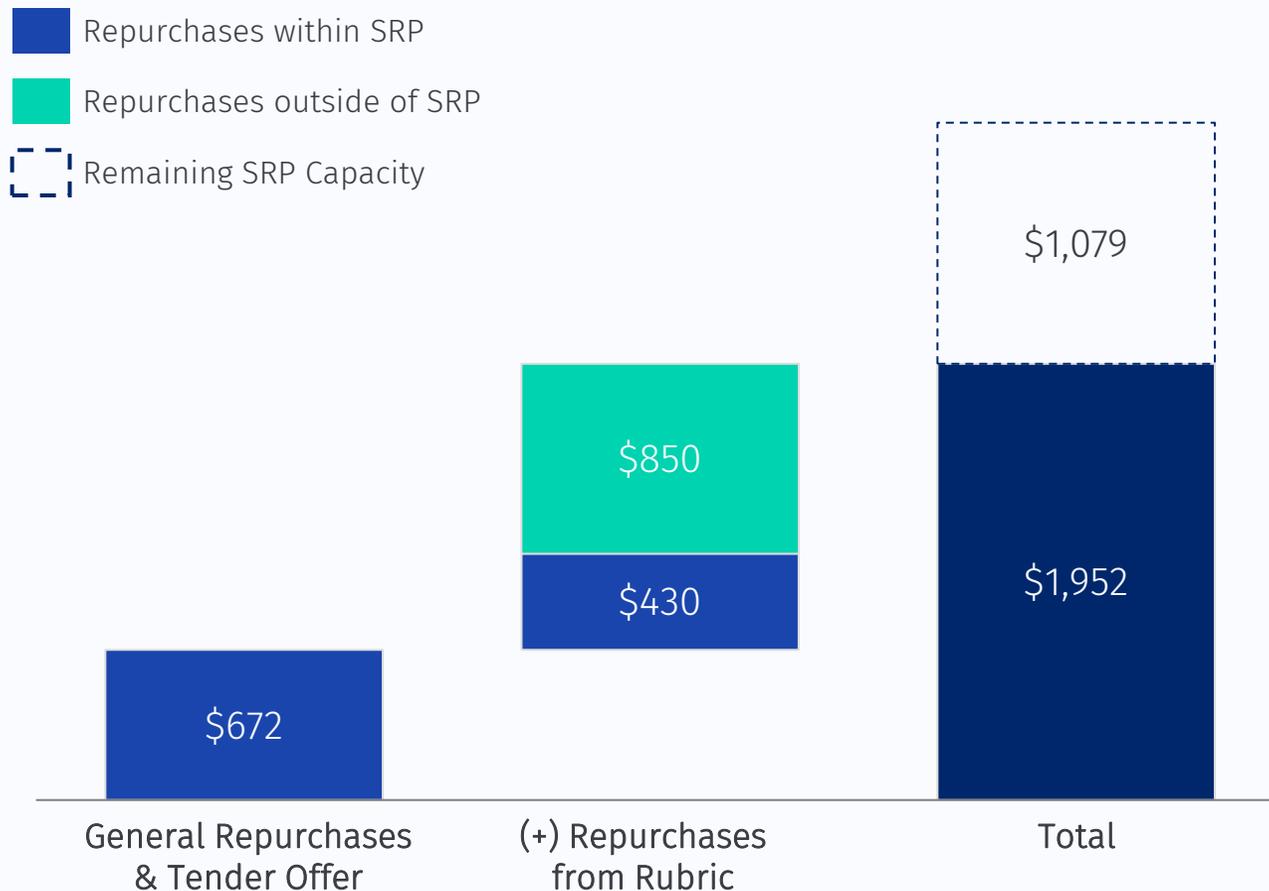
Net Leverage Remains Less Than 3.5x

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA.

1. Total debt excludes \$900mm standalone LCF.
2. Calculated as total debt less unrestricted cash as of 2/21/2025.
3. Includes January – April contribution from the ERCOT generation fleet.
4. Calculated using net debt as of 2/21/2025.
5. Calculated as \$474mm unrestricted cash plus \$700mm RCF availability as of 2/21/2025.

Continued Commitment to Shareholder Returns

Overview of Share Repurchases (\$mm)



Since the start of 2024, Talen has repurchased ~13mm shares, or ~22% of shares outstanding, with \$1.1B of SRP capacity remaining



Supported by \$474mm of unrestricted cash¹ and >\$1.2B of projected cumulative Adjusted Free Cash Flow in 2025 – 2026²

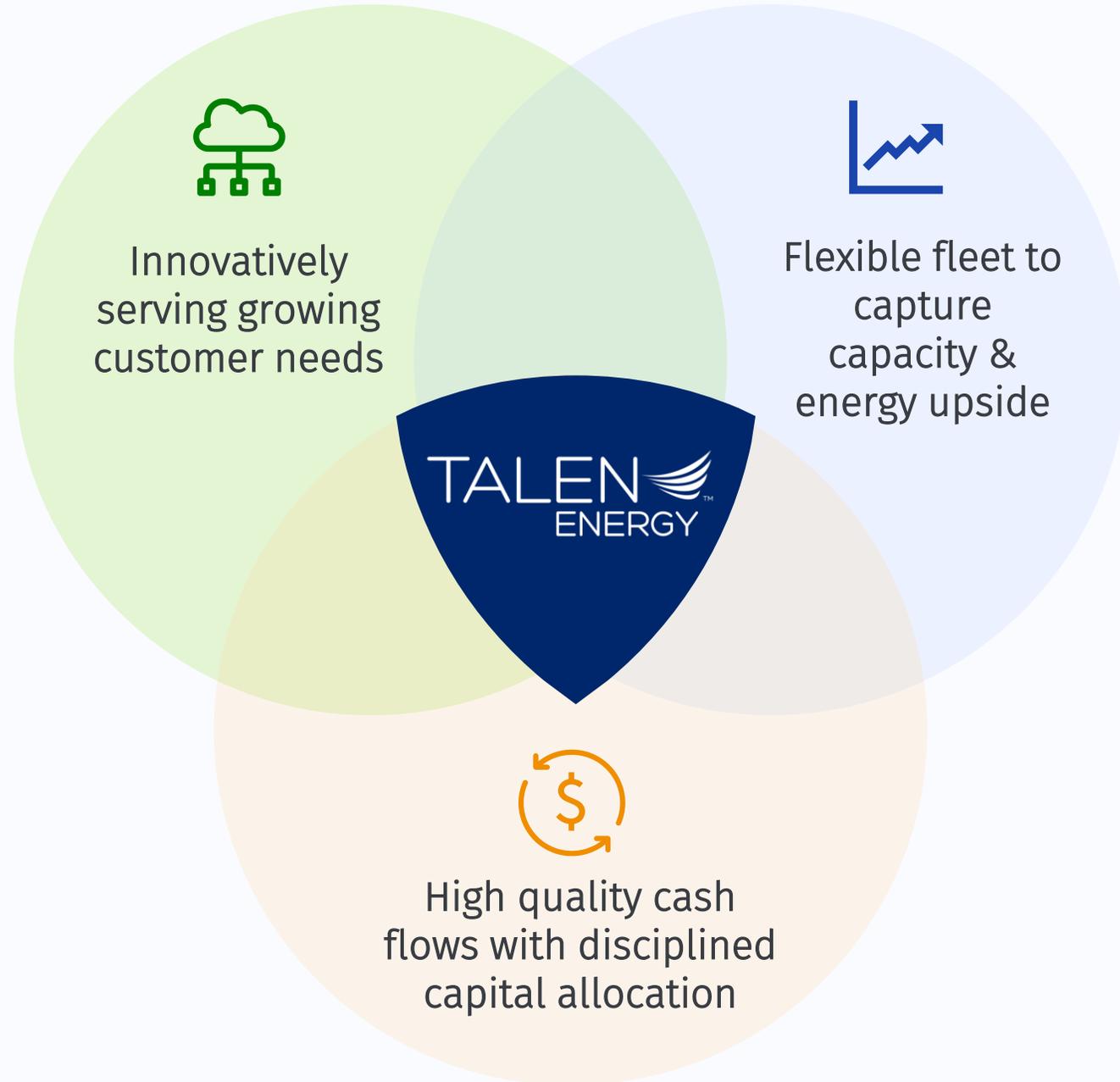


Continue targeting return of ~70% of Adjusted Free Cash Flow to shareholders



Cash generation and balance sheet capacity provide flexibility to support growth if economically justified

Talen is Powering the Future



Appendix

Talen is Included in Multiple Major Indices

Talen has been added to multiple major stock indices and is eligible for several more, which could drive substantial institutional / passive fund demand:

INCLUSION DATE	SEPTEMBER 2024	NOVEMBER 2024 ¹	POTENTIAL ADDITIONS ²
INDEX	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> S&P TMI <input checked="" type="checkbox"/> S&P Completion <input checked="" type="checkbox"/> CRSP TMI <input checked="" type="checkbox"/> CRSP Small Cap 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> MSCI US IMI Utilities 25/50 <input checked="" type="checkbox"/> MSCI World / World Small Cap <input checked="" type="checkbox"/> MSCI USA 	<ul style="list-style-type: none"> <input type="checkbox"/> Russell 1000 <input type="checkbox"/> S&P 400

Index inclusion led to passive funds acquiring >7 million shares in 2024

Talen may qualify for additional value, growth and/or sector-related indices, leading to further demand

1. There are other MSCI index families that Talen qualified for in November 2024. We have focused on the indices that appear to have significant investment capital following them.
 2. Inclusion is to be determined by the governing body of each index. Table is illustrative based on the current index methodologies, which are subject to change at any time. There can be no assurance that Talen's common stock will be included in any particular index at a specific time or at all.

Generation Portfolio Summary as of December 31, 2024

Asset	State	Primary Fuel Type(s)	Plant Type	Ownership	Owned Capacity (MW) ¹	Commercial Operations Date	Region
Susquehanna Nuclear Facility							
Susquehanna ²	PA	Nuclear	Baseload	90%	2,228	1983 – 1985	PJM-PPL/MAAC
PJM Gas Assets							
Brunner Island ^{3, 4}	PA	Coal / Natural Gas	Intermediate	100%	1,429	1961 – 1969	PJM-PPL
Camden	NJ	Natural Gas	Peaker	100%	145	1993	PJM-PSEG
Lower Mt. Bethel	PA	Natural Gas	Baseload	100%	608	2004	PJM-PPL
Martins Creek	PA	Natural Gas	Peaker	100%	1,705	1975 – 1977	PJM-PPL
Montour	PA	Natural Gas	Peaker	100%	1,528	1972 – 1973	PJM-PPL
Reliability Assets							
Brandon Shores ⁵	MD	Coal	Peaker	100%	1,289	1984 – 1991	PJM-BGE
H.A. Wagner ⁵	MD	Natural Gas	Peaker	100%	843	1956 – 1972	PJM-BGE
Colstrip Unit 3 ²	MT	Coal	Baseload	30%	222	1984 – 1986	WECC
Other							
Conemaugh ^{2, 4}	PA	Coal	Intermediate	22%	386	1970 – 1971	PJM-MAAC
Keystone ^{2, 4}	PA	Coal	Intermediate	12%	213	1967 – 1968	PJM-MAAC
Dartmouth	MA	Natural Gas	Peaker	100%	80	1992 – 2009	ISO-NE
Total					10,676		

1. 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 10 to the FY 2024 Financial Statements for additional information on jointly owned facilities.
3. Coal-fired electric generation is restricted during the EPA Ozone Season, which is May 1 to September 30 of each year.

4. Coal-fired electric generation is required to cease at Brunner Island, Keystone, and Conemaugh by December 2028.
5. See Note 10 to the FY 2024 Financial Statements for additional information on the Brandon Shores and H.A. Wagner deactivations and RMR proceedings.

Hedging Program Supports Cash Flow Stability and Maintains Upside Optionality

Market Price Summary	2025	2026
PJM West Hub ATC as of 9/30/2024 (\$/MWh)	\$46.59	\$49.01
PJM West Hub ATC as of 12/31/2024 (\$/MWh)	\$47.43	\$51.16
TETCO M3 as of 9/30/2024 (\$/MMBtu)	\$3.13	\$3.39
TETCO M3 as of 12/31/2024 (\$/MMBtu)	\$3.45	\$3.73
PJM West Hub ATC Spark Spreads ¹ as of 9/30/2024 (\$/MWh)	\$24.65	\$25.27
PJM West Hub ATC Spark Spreads ¹ as of 12/31/2024 (\$/MWh)	\$23.25	\$25.07

Total Fleet Hedge Position and Power Price Sensitivities ²	2025	2026	
% Hedged ³ of Expected Generation as of 12/31/2024	89%	33%	
Margin ⁴ Impact from Change in Power Price as of 12/31/2024	+\$10/MWh	+\$85mm	+\$240mm
	+\$5/MWh	+\$40mm	+\$120mm
	-\$5/MWh	+\$5mm	-\$115mm
	-\$10/MWh	+\$55mm	-\$220mm

PTC provides additional margin when power prices decrease

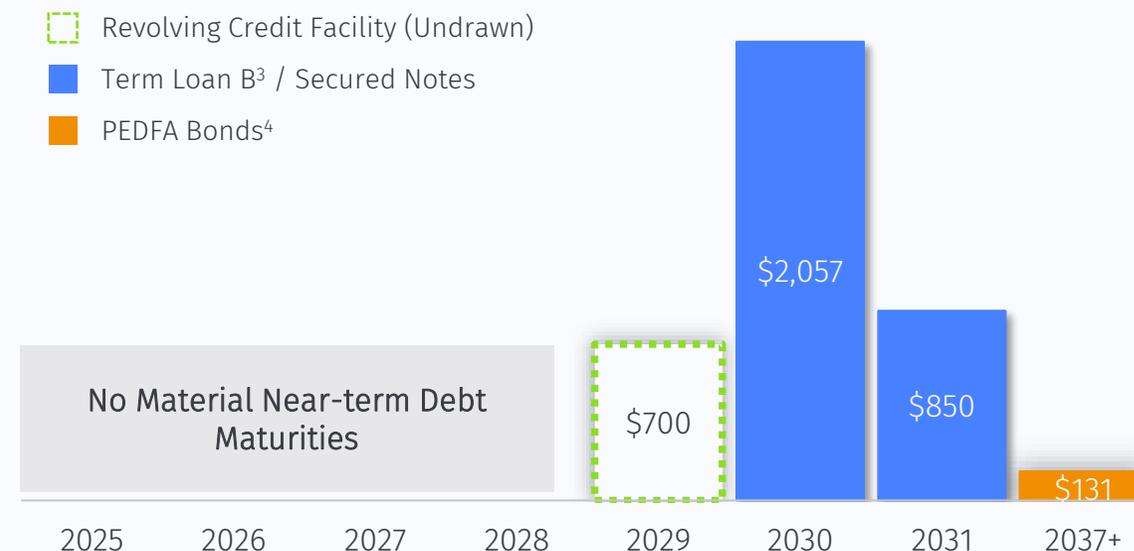
- Spark spreads are computed based on day-ahead West Hub ATC prices, TETCO M3 natural gas prices, and a heat rate of 7 MMBtu/MWh.
- Where applicable, natural gas prices are adjusted to maintain consistent heat rate relationships with corresponding power prices. Figures rounded to nearest \$5mm.
- Includes the impact of the Nuclear PTC.
- Margin is comprised of (i) capacity revenue, (ii) margin associated with electric generation, (iii) expected hedge settlements and (iv) Nuclear PTC.

Long-Dated Debt Maturities and Solid Credit Ratings

Debt Overview

Tranche	Maturity	Principal (\$mm)	Interest Rate ¹ as of 12/31
RCF ²	Dec 2029	\$-	6.52%
2030 TLB ³	May 2030	857	7.02%
2031 TLB ³	Dec 2031	850	7.02%
Secured Notes	June 2030	1,200	8.625%
Secured Debt		\$2,907	
PEDFA 2009B Bonds ⁴	December 2038	50	5.25%
PEDFA 2009C Bonds ⁴	December 2037	81	5.25%
Unsecured Debt		\$131	
Total Debt⁵		\$3,038	
Unrestricted Cash ⁶		474	
Net Debt⁷		\$2,564	

Debt Maturity Summary (\$mm)



Agency	IDR / Secured Debt Rating	Outlook
S&P	BB- / BB	Stable
Moody's	Ba3 / Ba2	Stable
Fitch	BB- / BB+	Negative

- RCF's interest rate formula is SOFR + 2.0%, and term loans' interest rate formulas are SOFR + 2.5%, in each case subject to additional leverage-based step-downs.
- Dec-24 Covenant Update: When cash borrowings on RCF are >50% of commitments, our 1st lien net leverage ratio shall not exceed 4.25x (prior threshold: when drawn RCF + outstanding RCF LCs >35%).
- Subject to mandatory 1% annual amortization, not shown in graph.

- Subject to mandatory remarketing in 2027.
- Total Debt excludes \$900mm LCF.
- Unrestricted cash as of 2/21/2025.
- Calculated as total debt less unrestricted cash as of 2/21/2025.

Reconciliation of Non-GAAP Financial Measures

Definitions of Non-GAAP Financial Measures

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted Free Cash flow, which we use as measures of our performance and liquidity, are not financial measures prepared under GAAP. 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. Non-GAAP measures are not intended to replace the most comparable GAAP measures as indicators of performance. 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. Management cautions readers not to place undue reliance on the following non-GAAP financial measures, but to also consider them along with their most directly comparable GAAP financial measures. Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP.

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 without certain items that may distort financial results; (ii) plan and forecast overall expectations and evaluate actual results against such expectations; (iii) communicate with our Board of Directors, shareholders, creditors, analysts, and the broader financial community concerning our financial performance; (iv) set performance metrics for our annual short-term incentive compensation; and (v) assess compliance with our indebtedness.

Adjusted EBITDA is computed as net income (loss) adjusted, among other things, for certain: (i) nonrecurring charges; (ii) non-recurring gains; (iii) non-cash and other items; (iv) unusual market events; (v) any depreciation, amortization, or accretion; (vi) mark-to-market gains or losses; (vii) gains and losses on the nuclear facility decommissioning trust (“NDT”); (viii) gains and losses on asset sales, dispositions, and asset retirement; (ix) impairments, obsolescence, and net realizable value charges; (x) interest expense; (xi) income taxes; (xii) legal settlements, liquidated damages, and contractual terminations; (xiii) development expenses; (xiv) noncontrolling interests, except where otherwise noted; and (xv) other adjustments. Such adjustments are computed consistently with the provisions of our indebtedness to the extent that they can be derived from the financial records of the business. Pursuant to TES’s debt agreements, Cumulus Digital contributes to Adjusted EBITDA beginning in the first quarter 2024, following termination of the Cumulus Digital credit facility and associated cash flow sweep.

Additionally, we believe investors commonly adjust net income (loss) information to eliminate the effect of nonrecurring restructuring expenses and other non-cash charges, which can vary widely from company to company and from period to period and impair comparability. We believe Adjusted EBITDA is useful to investors and other users of our financial statements to evaluate our operating performance because it provides an additional tool to compare business performance across companies and between 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 and period to period 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 is utilized by our chief operating decision makers to evaluate cash flow activities. Adjusted Free Cash Flow is computed as Adjusted EBITDA reduced by capital expenditures (including nuclear fuel but excluding development, growth, and (or) conversion capital expenditures), cash payments for interest and finance charges, cash payments for taxes (excluding income taxes paid from the NDT, taxes paid or deductions taken as a result of strategic asset sales, and benefits of the Nuclear PTC utilized to reduce taxes paid), and pension contributions.

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 ARO settlements; nonrecurring development, growth and conversion expenditures; and cash proceeds or payments for the sale or purchase of assets, which can vary substantially from company to company and from period to period depending upon accounting methods, book value of assets, capital structure, and the method by which assets were acquired.

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:

(\$mm)	Successor		
	Year Ended December 31, 2024	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Net Income (Loss)	\$ 1,013	\$ 68	\$ 188
Adjustments			
Interest expense and other finance charges	238	51	75
Income tax (benefit) expense	98	(94)	48
Depreciation, amortization and accretion	298	73	71
Nuclear fuel amortization	123	30	36
Unrealized (gain) loss on commodity derivative contracts	(62)	(4)	(95)
Nuclear decommissioning trust funds (gain) loss, net	(178)	(9)	(93)
Stock-based compensation expense	33	9	8
Long-term incentive compensation expense	21	2	2
(Gain) loss on asset sales, net ^(a)	(884)	1	(7)
Non-cash impairments	1	1	1
Legal settlements and litigation costs ^(b)	(10)	2	(101)
Unusual market events ^(b)	(1)	-	(18)
Net periodic defined benefit cost	14	(1)	1
Operational and other restructuring activities ^{(c) (d)}	76	15	18
Development expenses	1	-	1
Non-cash inventory net realizable value, obsolescence, and other charges ^(e)	20	15	3
Noncontrolling interest	(21)	-	(20)
Other	(10)	5	5
Total Adjusted EBITDA	\$ 770	\$ 164	\$ 123
Capital expenditures, net	(177)	(42)	(41)
Interest and finance charge payments	(252)	(91)	(96)
Tax payments	(4)	(1)	(2)
Pension contributions	(54)	(9)	(6)
Total Adjusted Free Cash Flow	\$ 283	\$ 21	\$ (22)

a) See Note 20 to the FY 2024 Financial Statements for additional information.

b) See Note 12 to the FY 2024 Financial Statements for additional information.

c) The year and the three months ended December 31, 2024, primarily include the effects of nonrecurring ERCOT hedge settlements that occurred after the ERCOT Sale, and severance payments associated with cost reduction initiatives.

d) The three months ended December 31, 2023, primarily include the effects of nonrecurring post-Restructuring strategic initiative costs and severance payments associated with cost reduction initiatives.

e) See Note 8 to the FY 2024 Financial Statements for additional information.

Adjusted EBITDA / Adjusted Free Cash Flow Reconciliation: 2025E Guidance

The reconciliation from forecasted “Net Income (Loss)” to Adjusted EBITDA and Adjusted Free Cash Flow for the year ended December 31:

(\$mm)	2025E	
	Low	High
Net Income (Loss)	\$ 155	\$ 375
Adjustments		
Interest expense and other finance charges	\$ 235	\$ 245
Income tax (benefit) expense	60	80
Depreciation, amortization and accretion	295	295
Nuclear fuel amortization	105	105
Unrealized (gain) loss on commodity derivative contracts	75	75
Adjusted EBITDA	\$ 925	\$ 1,175
Capital expenditures, net	\$ (195)	\$ (205)
Interest and finance charge payments	(215)	(225)
Tax payments	(50)	(70)
Pension contributions	(70)	(80)
Adjusted Free Cash Flow	\$ 395	\$ 595