

Guernsey



Moxie Freedom

Acquisition of Moxie Freedom and Guernsey

Talen Energy Corporation | July 17, 2025

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Talen to Acquire Moxie Freedom and Guernsey Plants for \$3.5 Billion¹ Enterprise Value



Unlocks Material Day One Value

- ✓ Combined effective Enterprise Value implies an attractive 6.7x^{1,2} 2026E EV/EBITDA multiple
- ✓ Expected to be immediately accretive to FCF/share by >40% in 2026, and >50% through 2029

Enhances Talen's Fleet with Modern, High Efficiency Power Generating Assets

- ✓ Increases Talen's portfolio to ~14 GW, adding ~3 GW. Increases annual generation from ~40 TWh to ~60 TWh³
- ✓ Expands Talen's data center contracting platform
- ✓ Adds both base-load generation and cash flow diversification
- ✓ 2026E FCF⁴ Conversion over 90%
- ✓ Assets have an average heat rate of 6,550 Btu/kWh, and lowest CO2 CCGTs per mWh in the market
- ✓ Some of the newest CCGTs in PJM, average COD of ~2021, versus average COD of ~2006 for all PJM CCGTs

Maintains Balance Sheet Strength

- ✓ Supports a target of \$500 million of annual share repurchases through deleveraging period, with an aimed return to capital allocation of 70% of Adjusted Free Cash Flow thereafter
- ✓ Robust projected pro forma cash flows drives rapid deleveraging; Talen is committed to maintaining net leverage targets of <3.5x

Source: Company materials, SNL

1. Adjusted for \$300m NPV of initial estimated tax benefits.
2. 2026E EV / EBITDA of 7.1x excluding tax adjustment.

3. Generation based on 2024A net capacity figures and asset capacity factors.
4. Based on unlevered free cash flow.

Key Transaction Terms

Considerations and Transaction Metrics

- Acquisition of Caithness Energy's Moxie and Guernsey gas-fired assets for an effective enterprise value of approximately \$3.5 billion¹
- Acquiring 100% of both assets and simplifying existing capital structure by acquiring Blackrock's preferred position in Guernsey
- \$3.8 billion in new debt expected to be issued to fund the transaction and refinance existing debt
- Acquisition implies 2026E EV/EBITDA of 6.7x tax adjusted^{1,2} and ~\$1,300/kW

Timing & Approvals

- Q4 2025 expected close
- Required regulatory approvals include HSR and FERC



Key Financial Details

2026E Adj. EBITDA³

>\$1.8bn

>40% '26 accretion

2026E Adj. FCF / Share³

>\$22.50

>40% '26 accretion

Net Leverage

<3.5x

Projected by EOY 2026

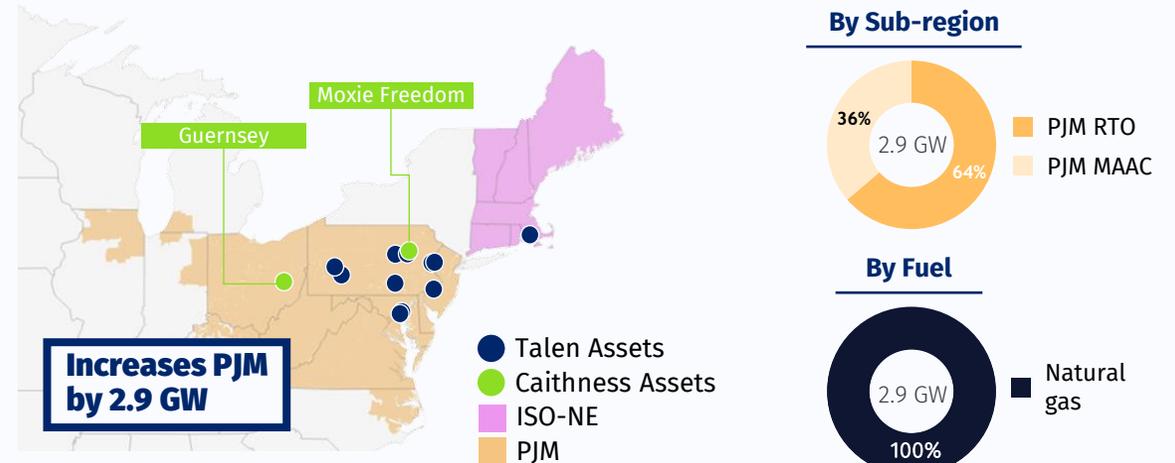
Moxie Freedom & Guernsey Overview

Moxie Freedom Energy Center and Guernsey Power Station are high-quality, highly-efficient CCGTs that complement Talen's existing operations.

Key Highlights

- 1 Scaled portfolio of CCGTs: fundamentally advantaged 2,881 MW portfolio in core markets across PJM
- 2 Well positioned plants: presence in key markets where reliability from baseload generation is well supported and growth of intermittent energy is likely to accelerate
- 3 High free cash flow conversion assets with 2026E free cash flow conversion of over 90% for both Moxie and Guernsey
- 4 Moxie Freedom is a 1,045 MW CCGT located 3 miles away from Susquehanna
- 5 Guernsey is a 1,836 MW CCGT located near Columbus, Ohio, one of the fastest expanding areas for data centers

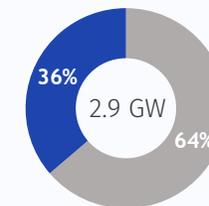
Geographic Footprint



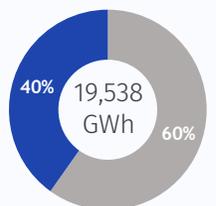
Portfolio Key Metrics

Plant Name	Primary Fuel	Power Market	State	Plant Type	% Owned	Net Capacity		Heat Rate		
						MW	Btu / kWh	COD	OEM / Model	Configuration
Guernsey	Natural Gas	PJM-AEP/RTO	OH	Baseload	100%	1,836	6,578	2023	GE 7HA	3x1x1
Moxie Freedom	Natural Gas	PJM-PPL/MAAC	PA	Baseload	100%	1,045	6,501	2018	GE 7HA	2x1x1
Total						2,881	6,550			

By Capacity



By Generation



■ Guernsey ■ Moxie Freedom

Source: Company materials, SNL. Note: reflects summer rating.

Positioned to Capitalize on AI / Data Center Growth

A Platform to Power the Digital Economy

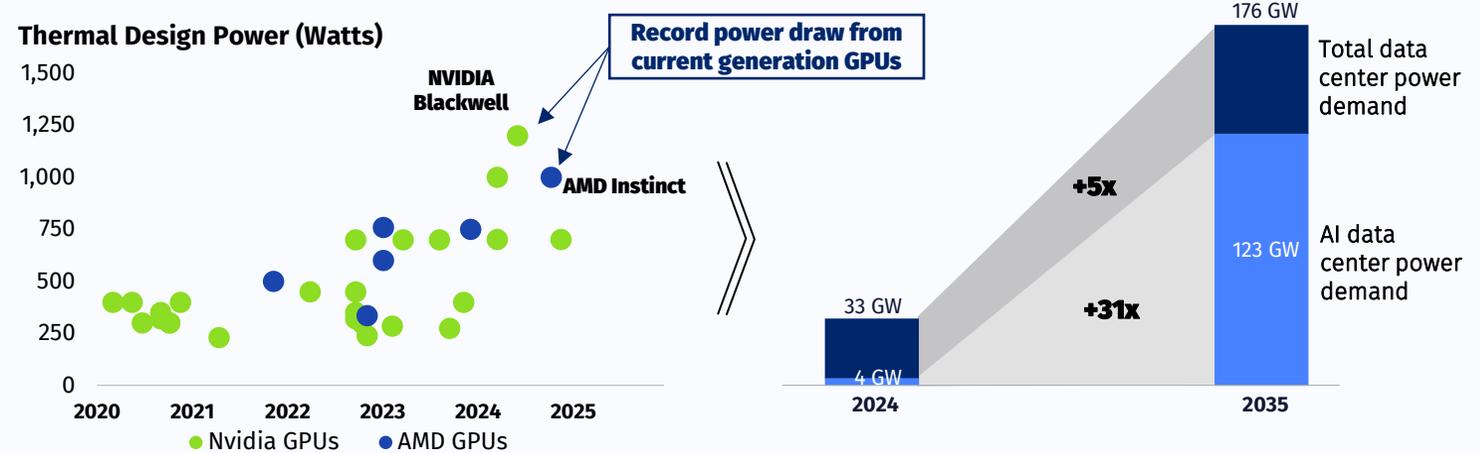
- Ability to deliver gigawatt scale solutions
- Anchored by ~5.9¹ GW of flexible baseload generation
- Scalability to support hyperscale AI
- Packaged critical infrastructure that provides 24x7 operational reliability and resiliency
- Addition of high-quality plants facilitates service to data center load throughout the market

- Repeatable and executable strategy, anchored by strong relationships with key value-chain stakeholders

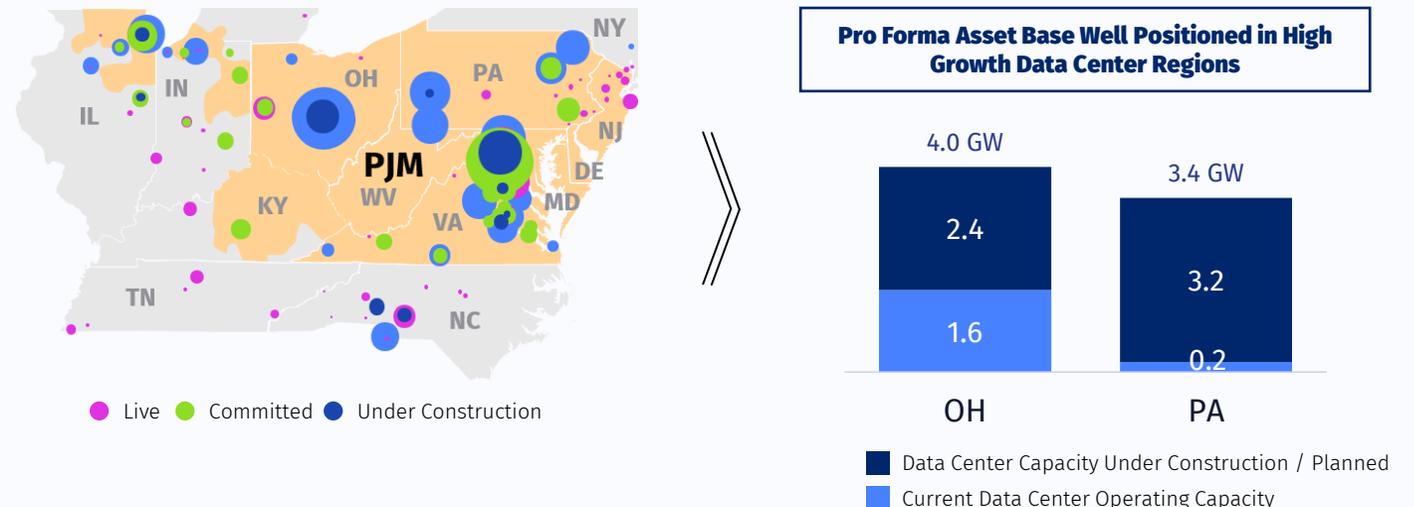
Enhanced Portfolio For Contracting Large Load

- Unique asset portfolio
- Data connectivity, zoned land, ample water
- Corporate balance sheet, risk & commodity management

AI GPU Power Requirements Driving Data Center Demand Growth



Data Center Growth in Core Regions



Balance Sheet Stability and Capital Markets Access

Maintains Balance Sheet Strength

- ✔ Utilizes balance sheet to acquire accretive highly strategic assets
- ✔ Focused deleveraging plan with capital allocation commitments supporting a target net leverage of below 3.5x by year end 2026
- ✔ Supports a target of \$500 million of annual share repurchases through deleveraging period; aim to return to 70% of adjusted free cash flow allocated to share repurchases thereafter
- ✔ Healthy balance sheet underpinned by predictable cash flow (including the new AWS contract) for allocation offers long-term strategic flexibility
- ✔ Maintains appropriate liquidity necessary to serve wholesale and large load customer base
- ✔ Ability to unlock cash flow generated by assets with a corporate financing structure
- ✔ Enhanced credit for hedging / optimizing assets



Powering the Future: Upcoming Events

Investor Update in NYC: September 9th

Agenda includes:

- 2026 guidance and 2027 - 2028 outlook
- Long-term growth drivers

In-person attendance will be capacity-limited, but the event will also be available via Zoom webinar and recorded

[Click to submit a registration request](#)

Upcoming Investor Events:

- Q2 Earnings Call: August 7 at 8am ET (7am CT)
- Seaport Virtual Conference: August 20th
- Barclays CEO Energy and Power Conference: September 3rd in New York
- Wells Fargo Texas Power and Gas Tour: September 18th in Houston
- Wolfe Research Utilities, Midstream & Clean Energy Conference: September 30th in New York

Appendix

Regulatory Approvals and Timing

Federal Energy Regulatory Commission ("FERC")

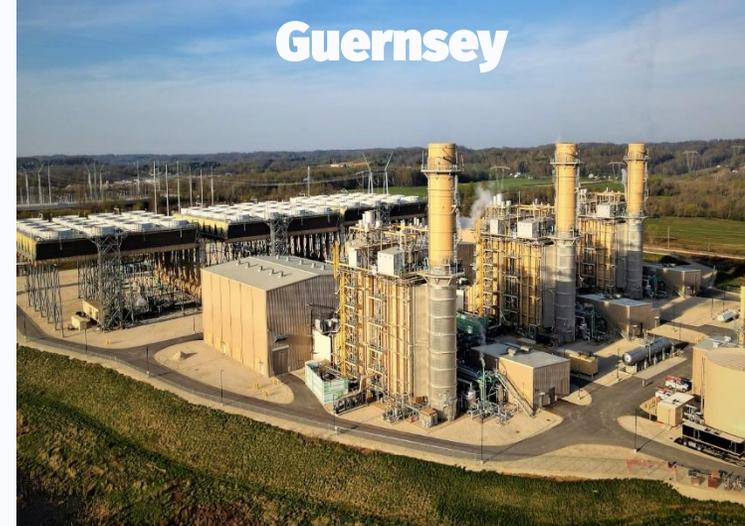
- FERC approval required prior to the close of the transaction
- FERC has 180 days to act but can extend for another 180 days

Hart-Scott-Rodino ("HSR")

- Hart-Scott-Rodino review: initial 30-day waiting period

Other Filings

- Other FERC filings to address discrete regulatory and administrative matters
- Federal Communications Commission



Pro Forma Generation Portfolio

Asset	State	Primary Fuel	Plant Type	Ownership	Owned Capacity (MW)	Commercial Operations Date	Region
Caithness							
Guernsey	OH	Natural Gas	Baseload	100%	1,836	2023	PJM-AEP/RTO
Moxie Freedom	PA	Natural Gas	Baseload	100%	1,045	2018	PJM-PPL/MAAC
Caithness					2,881		
Talen							
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 ⁶	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	Oil	Peaker	100%	843	1956 – 1972	PJM-BGE
Colstrip ²	MT	Coal	Baseload	15%	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 ⁶	MA	Natural Gas	Peaker	100%	80	1992 – 2009	ISO-NE
Talen¹					10,676		
Caithness + Talen¹					13,557		

Source: Company materials. Note: As of March 31, 2025.

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 8 to the Q1 2025 Financial Statements for additional information on the Brandon Shores and H.A. Wagner RMR arrangements.
6. Currently being held for sale.