

Unlocking Value



MARCH 4, 2024

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Transformative Transaction with Amazon Web Services



Talen sells Cumulus Data assets for **\$650mm¹**



Talen will **supply direct-connect, carbon-free power²** to AWS data center campus as it is built



Talen will receive **additional revenue** from AWS related to sales of carbon-free energy to the grid (“CFE”)

1. Sale includes all land, power infrastructure, powered shell and intangibles on the data center campus. Talen retains its interest in the Nautilus cryptocurrency facility.

2. Includes associated carbon-free attributes.

Transaction Highlights



Net sale proceeds to be deployed in line with **existing capital allocation and shareholder returns strategy**



Uplift to Talen's Adjusted EBITDA and cash flows starting in 2024 and growing with campus development



Long-term PPA with investment grade counterparty establishes **contracted cash flows** and growth trajectory for Susquehanna



Campus sale reflects **attractive return of >2.5x MOIC on prior growth investments** in Cumulus Data



Expected Benefits to the Broader Community



Creates

Full-Time jobs and skilled construction jobs,
with the potential to attract talent and other businesses to Pennsylvania



Catalyzes

Significant economic development,
including fiber, water and technology infrastructure and other local services



Strengthens Susquehanna

A major employer and significant local taxpayer
in Salem Township

Transaction Details

Campus Sale Reflects Attractive Return of >2.5x MOIC

- Talen sells all physical and intangible assets of Cumulus Data¹ for **gross proceeds of \$650mm**
- **\$350mm at close; \$300mm escrowed**, released upon development milestones anticipated in 2024
- Use of proceeds will **simplify the capital structure** in multiple ways: paying off Orion's debt and interest and buying their ~5% equity stake in Cumulus Digital for \$36mm
- Net proceeds of \$361mm available for **capital allocation and shareholder returns**

Estimated Use of Proceeds (\$mm)²

Gross Proceeds	\$650
Payoff of Orion Debt & Interest	(186)
Estimated Taxes, Transaction Fees, Other Costs	(65)
Minority Equity Interest Buyout / Distribution	(38)
Net Proceeds to Talen	\$361

1. Talen retains its interest in the Nautilus cryptocurrency facility.

2. Payoff of Orion debt and interest and payment of transaction fees occurred at close while all other uses occur post-close.

Transaction Details (Cont'd)

Long-Term Agreements Create Stable Incremental Cash Flows

Talen

- **Talen to supply long-term, carbon-free power** to the campus from Susquehanna through fixed-price power commitments
- Each step-up in capacity commitment has a **fixed price for an initial 10-year term**, after which it reprices based on a **fixed margin above PJM energy¹ and capacity prices**
- Under a separate agreement, Talen will receive **additional revenue** from AWS related to sales of CFE

AWS

- AWS to develop **up to 960 MW data center campus²**
- AWS has **minimum contractual power commitments** that ramp up in 120 MW increments over several years
- AWS has a **one-time option** to cap commitments at 480 MW
- AWS has **two 10-year extension options**, tied to nuclear license renewals

1. Prevailing PJM West Hub price serves as reference price for repricing.

2. Subject to jurisdictional approval.

Creating Enterprise Value

Illustrative Incremental Impact Above PTC on Adjusted EBITDA

(\$mm/year, rounded to nearest \$5mm)

◆ 960 MW Power Sales + Additional Revenue Related to CFE

◆ 480 MW Power Sales + Additional Revenue Related to CFE

◆ Contractual Minimums



Year-End Power Sales: 480 MW & 960 MW Cases

-- 120 / 120 240 / 240 480 / 480 480 / 840 480 / 960

PTC Reference Price (\$/MWh)

\$44 \$45 \$45 \$46 \$51 \$54

Notes

- Incremental impact based on comparison of (1) Susquehanna revenues including AWS power sales and additional revenue from AWS related to sales of CFE vs. (2) Susquehanna revenues assuming the “PTC Reference Price,” which represents max price of the nuclear PTC floor (assuming 2% annual inflation) until “Complete Campus (2034 – 2042 Avg.)”
- Reference pricing shown for 2034 – 2042 represents the simple average of SSES node energy prices + MAAC capacity prices; projected SSES node prices are assumed to be at a discount to West Hub energy prices; all of these reference prices are for illustrative purposes only and not Company projections of long-dated energy or capacity prices
- Financial outcomes and schedules depicted here are base cases subject to confidential contractual provisions that may affect the non-minimum commitment depictions in either direction; outcomes may also be impacted by IRS guidance regarding the nuclear PTC



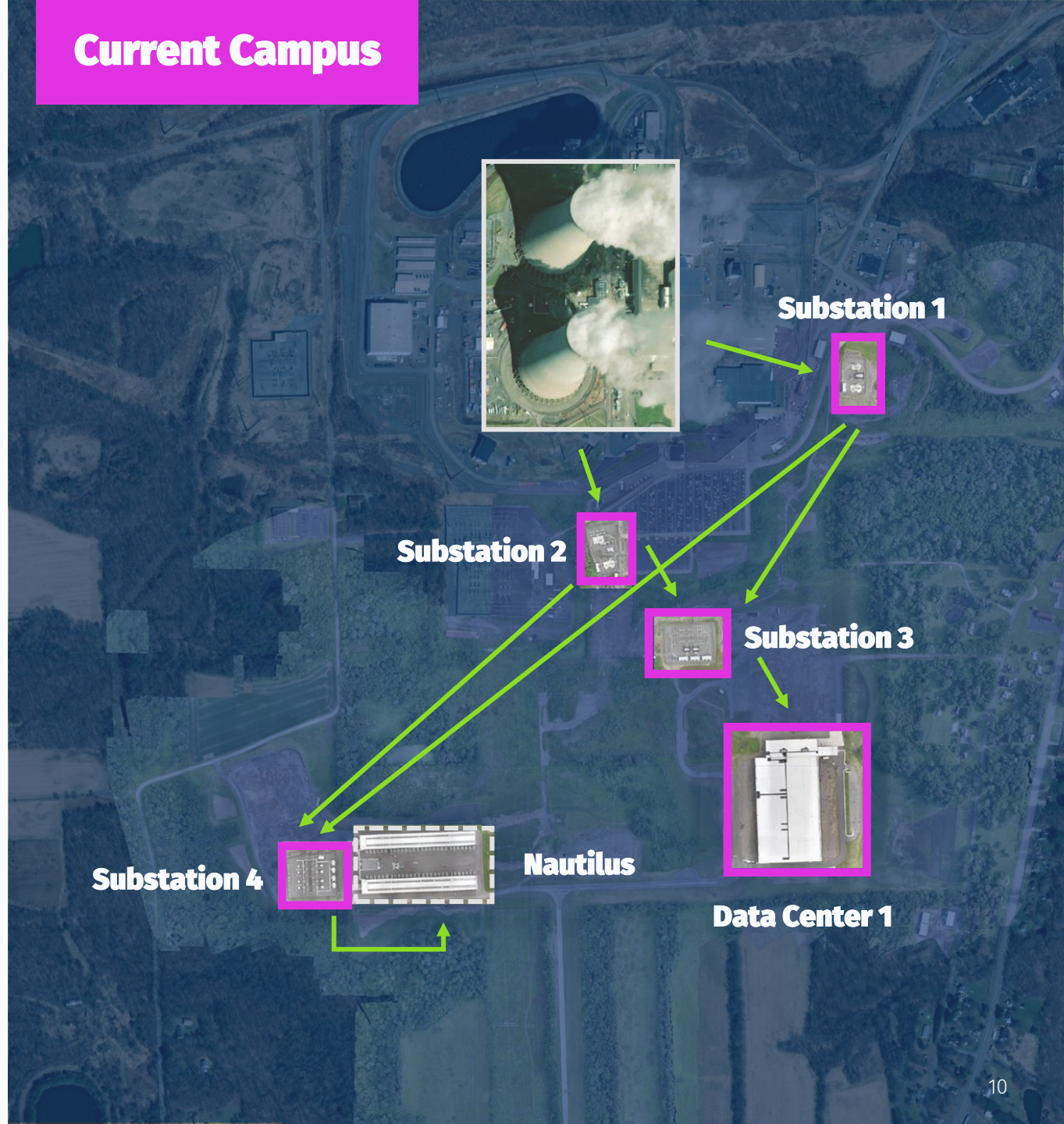
Appendix

Cumulus Data: Zero-Carbon Data Center Campus

- ✓ Data center campus directly connected to carbon-free Susquehanna nuclear facility
- ✓ 4 substations with up to 960 MW potential redundant capacity¹
- ✓ 240 MW redundant capacity for data centers expected to be ready in 2024
- ✓ Robust and redundant fiber network

Note: Green arrows in diagram represent illustrative flow of power from Susquehanna (not precise paths). Pink boxes represent Cumulus Data assets.

1. Includes 200 MW currently associated with the Nautilus cryptocurrency facility.



Susquehanna: Carbon-Free Energy



6th largest U.S. nuclear facility, with dual units and 2.5 GW gross capacity¹



Units commissioned in 1982 and 1984, licensed through 2042 and 2044, and beginning work on additional 20-year extensions



Top-decile cost efficiency²



Supported by up to \$15/MWh Production Tax Credit³



Nuclear fuel fully contracted through 2025 outage and substantially through 2028 outage



Nuclear decommissioning trust fully funded

1. Talen holds a 90% interest, or 2.2 net GW.

2. Based on 2023 average EUCG benchmarking of all-in costs across the U.S. nuclear industry, which includes opex, capex and allocated corporate G&A.

3. Maximum PTC benefit in 2024, excluding impact of inflation.

