TALEN ENERGY

Investor Information

April 24, 2024

Notice to Investors

The information in these slides is a portion of the information shared with potential investors in the announced repricing of the $863 million Term Loan B Facility and $470 million Term Loan C Facility (the “Facilities”) for Talen Energy Supply, LLC (the "Company").

These slides may include statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not statements of historical fact and that are “forward-looking statements.” Any statements that are not historical fact should be considered to be estimates, assumptions, forward-looking statements or projections. These statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “target,” “project,” “forecast,” “seek,” “will,” “may,” “should,” “could,” “would” or similar expressions (or their negative). Any such statements and projections reflect various estimates and assumptions by the Company concerning anticipated results. No representations or warranties are made by the Company or any of its affiliates, shareholders, directors, officers, employees, agents, partners or professional advisors as to the accuracy or achievability of any such statements or projections. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in “Forward-Looking Statements and Significant Business Risks” in the Company’s financial statements, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements: the Company’s or its subsidiaries’ levels of indebtedness; the terms and conditions of debt instruments that may restrict the Company’s ability to operate its business; operational, price and credit risks in the wholesale and retail electricity markets (including as a result of increases in the supply of electricity generally due to new power or intermittent renewable power generation); the effectiveness of the Company’s risk management techniques, including hedging, with respect to electricity and fuel prices, interest rates and counterparty and joint venture partner credit and non-performance risks; methods of accounting and developments in or interpretations of accounting requirements that may impact reported results, including with respect to, but not limited to, hedging activity; the Company’s ability to forecast the actual load needed to perform full-requirements sales contracts; the effects of transmission congestion due to line maintenance outages and the performance of transmission facilities and any changes in the structure and operation of, or the pricing limitations imposed by, the Regional Transmission Organizations and Independent System Operators that operate those facilities; blackouts due to disruptions in neighboring interconnected systems; federal and state legislation and regulation, including federal and state tax laws and regulations, and costs of complying with governmental permits and approvals; costs of complying with environmental, social and related worker health and safety laws and regulations; the impacts of climate change, including changes in regulation or their enforcement; the availability and cost of emission allowances; the performance of the Company’s subsidiaries and affiliates, on which our ability to meet our debt obligations largely depend; the risks inherent with variable rate indebtedness; disruption in or adverse developments of financial markets; acquisition or divestiture activities (which shall include, but not be limited to, one or more "spin-out" transactions that are contemplated as part of any corporate reorganizations), including the Company’s ability to realize expected synergies and other benefits from such business transactions; the Company’s ability to achieve anticipated cost savings; the execution and development of proposed future enterprises, including the ability to permit, develop and construct the proposed renewable energy, energy storage, and digital currency facilities, realization of assumptions underlying the statements regarding future enterprises, and the realization of estimates of valuations of future enterprises; the Company’s ability to optimize its competitive power generation operations and the costs associated with any capital expenditures; significant increases in operation and maintenance expenses, such as health care, and pension costs, including as a result of changes in interest rates; the loss of key personnel (for health or other reasons) and the ability to hire and retain qualified employees; possibility of strikes or work stoppages by unionized employees; war (including supply chain disruptions as a result of war, and including the effects of the Ukraine and Russia conflict and attendant sanctions imposed on Russia and the related disruptions in oil and natural gas production and the supply of nuclear fuel), armed conflicts or terrorist attacks, including cyber-based attacks; and pandemics. Recipients are cautioned not to put undue reliance on such forward-looking statements.

Information Shared In Connection With Announced Term Loans Repricing

Sources and Uses *($mm)*

Sources	
Repriced Term Loan B	$863
Repriced Term Loan C	470
Unrestricted Cash	3
Total Sources	**$1,336**

Uses	
Repriced Term Loan B	$863
Repriced Term Loan C	470
Transaction Expenses & Other	3
Total Uses	**$1,336**

Pro Forma Capitalization *($mm)*

	3/8/2024	Adj. for Repricing	Pro Forma for Repricing	Adj. for ERCOT Sale	Adj. For Cumulus Sale	As Further Adjusted
Unrestricted Cash	$459	($3)	$456	$785 [1]	$360 [2]	$1,601
Funded TLC Collateral	470		470			470
Secured Revolving Credit Facility ($700mm)	--		--			--
Secured Term Loan B [3]	863		863			863
Secured Term Loan C	470		470			470
Secured Notes	1,200		1,200			1,200
Total Secured Debt [4]	**$2,063**		**$2,063**			**$2,063**
Net Secured Debt [4]	**$1,604**	**$3**	**$1,607**	**($785)**	**($360)**	**$462**
PEDFA Bonds Series B & C	131		131			131
Total Debt	**$2,194**		**$2,194**			**$2,194**
Net Debt	**$1,735**	**$3**	**$1,738**	**($785)**	**($360)**	**$593**
Market Capitalization [5]	**$5,184**		**$5,656**			**$5,656**
Credit Statistics						
Total Debt to Total Capitalization	**29.7%**		**27.9%**			**27.9%**
2023A Adjusted EBITDA	**$1,121**		**$1,121**			
Net Secured Leverage	1.4x		1.4x			
Net Total Leverage	1.5x		1.5x			
Gross Total Leverage	2.0x		2.0x			
2024E Adjusted EBITDA [6]	**$740**		**$740**	**($70) [7]**		**$670**
Net Secured Leverage	2.2x		2.2x			0.7x
Net Total Leverage	2.3x		2.3x			0.9x
Gross Total Leverage	3.0x		3.0x			3.3x

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section for more detail on Adjusted EBITDA. 2023A excludes Cumulus. 2024E includes our interest in Nautilus operations; other Cumulus entities still excluded.

1. *Reflects expected gross proceeds of $785mm from Texas asset sales pro forma for asset sales sweep waiver. Announced transaction consideration does not reflect transaction expenses, tax impacts, or closing adjustments.*
2. *Reflects ~$360mm in net proceeds from Cumulus data center sale, including ~$300mm held in escrow and released upon completion of development milestones expected in 2024.*
3. *Pro forma for Q1 2024 amortization payment of $2.175mm occurring 3/29/2024.*
4. *Excludes Term Loan C and associated posted collateral amounts.*
5. *Market Capitalization sourced per FactSet, 'Pro Forma for Repricing' and 'As Further Adjusted' market data as of April 22, 2024.*
6. *Midpoint of 2024E EBITDA projections per Q4 2023 management guidance.*
7. *Adjusted on a pro forma basis for the expected sale of the ERCOT generation portfolio. Reflects an expected closing timeline of Q2 2024, which could be subject to change.*

Definitions of Non-GAAP Financial Measures

Non-GAAP Financial Measures

The following non-GAAP financial measures of Adjusted EBITDA and Adjusted Free Cash Flow discussed below, 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 of this financial information not to place undue reliance on these non-GAAP financial measures, but to also consider it with its most directly comparable GAAP measure. Non-GAAP measures have limitations as an analytical tool 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 the Company's 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 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.

Additionally, we believe investors commonly adjust net income (loss) information to eliminate the effect of nonrecurring restructuring expenses, and other non-cash charges which vary widely from company to company, from period to period, and impair comparability. We believe Adjusted EBITDA is useful to investors and other users of the financial statements to evaluate our operating performance because it provides an additional tool to compare business performance across companies and across 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 depending upon accounting policies, book value of assets, capital structure and the method by which assets were acquired. Adjusted EBITDA is not intended to replace “Net Income Attributable to Stockholders (Successor) / Member (Predecessor),” which is the most comparable measure calculated and presented in accordance with GAAP.

Adjusted Free Cash Flow

Adjusted Free Cash Flow, a key non-GAAP financial measure, is a useful metric 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 nuclear facility decommissioning trust (“NDT”)) 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 period to period depending upon accounting methods and 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 Condensed Consolidated Statements of Operations to Adjusted EBITDA and Adjusted Free Cash Flow for:

($Millions)		**Three Months Ended Dec 31, 2023**		**Year Ended Dec 31, 2023**
Net Income (Loss)		**$188**	**$**	**608**
Less: Bankruptcy, Liability Management, and Restructuring Activities				
Reorganization (gain) loss, net (a)		-		(799)
Operational and other restructuring activities (b)		17		55
Bankruptcy exit fees		1		10
Total Bankruptcy, Liability Management, and Restructuring Activities	**$**	**18**	**$**	**(734)**
Other Adjustments				
Interest expense and other finance charges		75		344
Income tax (benefit) expense		48		263
Depreciation, amortization and accretion		71		365
Nuclear fuel amortization		36		141
Unrealized (gain) loss on commodity derivative contracts		(95)		11
Nuclear decommissioning trust funds (gain) loss, net		(93)		(165)
Stock-based and other long-term incentive compensation expense		10		21
Environmental and ARO revisions on fully depreciated property, plant, and equipment (c)		5		5
(Gain) loss on non-core asset sales, net (d)		(7)		(57)
Non-cash impairments (e)		1		384
Legal settlements and litigation costs (f)		(101)		(83)
Unusual market events (g)		(20)		(5)
Net periodic defined benefit cost (h)		1		(1)
Development expenses		-		17
Non-cash fuel inventory net realizable value and obsolescence charges (i)		3		60
Cumulus Digital activities and noncontrolling interest		(20)		(56)
Other		3		3
Total Adjusted EBITDA	**$**	**123**	**$**	**1,121**
Capital expenditures, net		(41)		(208)
Interest and finance charge payments		(96)		(305)
Tax payments		(2)		(10)
Pension contributions		(6)		(11)
Total Adjusted Free Cash Flow	**$**	**(22)**	**$**	**587**

Note: 2023A excludes Cumulus and includes ERCOT assets.

Notes

a) See Note 3 in Notes to the Annual Financial Statements for additional information.
b) See Note 3 in Notes to the Annual Financial Statements for additional information.
c) See Note 11 in Notes to the Annual Financial Statements for additional information.
d) See Note 22 in Notes to the Annual Financial Statements for additional information.
e) See Note 10 in Notes to the Annual Financial Statements for additional information.
f) See Note 12 in Notes to the Annual Financial Statements for additional information.
g) Represents the effect of market losses and settlements for Winter Storm Elliott that occurred in 2022.
h) Consists of postretirement benefits service cost and postretirement benefits gain (loss).
i) See Note 8 in Notes to the Annual Financial Statements for additional information.

Adjusted EBITDA / Adjusted Free Cash Flow Reconciliation: 2024 Guidance

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

($Millions)	2024E (Updated)		2024E (Initial)	
	Low	High	Low	High
Net Income (Loss)	**$20**	**$220**	**$(20)**	**$180**
Adjustments				
Interest expense and other finance charges	$270	$270	$270	$270
Income tax (benefit) expense	25	25	25	25
Depreciation, amortization and accretion	290	290	290	290
Nuclear fuel amortization	90	90	90	90
Unrealized (gain) loss on commodity derivative contracts	(45)	(45)	(45)	(45)
Other	(10)	(10)	(10)	(10)
Adjusted EBITDA	**$640**	**$840**	**$600**	**$800**
Capital expenditures, net (a)	$(165)	$(195)	$(165)	$(195)
Interest and finance charge payments	(245)	(245)	(245)	(245)
Tax payments (b)	(10)	(20)	(5)	(15)
Pension contributions	(35)	(45)	(35)	(45)
Adjusted Free Cash Flow	**$185**	**$335**	**$150**	**$300**

Note: 2024E includes ERCOT assets. Initial guidance updated to add earnings from Amazon agreements and existing Nautilus operations, along with incremental capacity revenues from recent PJM secondary auction for 2024/2025; other Cumulus entities still excluded.

Notes

a) Initial guidance excludes capital expenditures associated with Cumulus entities and Montour and H.A. Wagner fuel conversions, while updated guidance includes our interest in Nautilus operations; however there are no go-forward capital expenditures expected at Nautilus.

b) Excluding income taxes paid from the NDT.