TALEN ENERGY CORPORATION

A Delaware corporation

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Houston, Texas 77019

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Company Email: InvestorRelations@TalenEnergy.com

SIC Code: 4911

Annual Report

For the period ending: December 31, 2023
(the "Reporting Period")

As of December 31, 2023 and September 30, 2023, the number of shares outstanding of our common stock, par value $0.001 per share ("common stock"), was 59,028,843.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over the Reporting Period[1]:

Yes: ☒ No: ☐

1 On May 17, 2023, the date on which the Company emerged from bankruptcy, the Company experienced a Change in Control.

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Explanatory Note

Talen Energy Corporation ("TEC" or "Successor") is a holding company whose only material businesses and properties are held through its direct and wholly owned subsidiary, Talen Energy Supply, LLC, ("TES" or the "Predecessor"). As used in this Annual Report, and as further described below, for periods after May 17, 2023, the terms "Talen," "Successor," the "Company," "we," "us" and "our" refer to TEC and its consolidated subsidiaries (including TES), unless the context clearly indicates otherwise. For periods on or before May 17, 2023, the terms "Talen," "Predecessor," the "Company," "we," "us" and "our" refer TES and its consolidated subsidiaries (which does not include TEC), unless the context clearly indicates otherwise.

On May 9, 2022, TES and 71 of its subsidiaries each filed a voluntary petition for relief (the "Restructuring") under Chapter 11 of the Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) (the "Bankruptcy Court"). While TEC's management continued to operate TES and the other initial debtors as debtors-in-possession during the pendency of the Restructuring, the activities that most significantly impacted TES's and the other initial debtors' economic performance during this time required approval of the Bankruptcy Court. Accordingly, TEC deconsolidated TES for financial reporting purposes because TEC no longer controlled the activities of TES.

On December 12, 2022, TEC (together with TES and the other initial debtors, the "debtors") filed a petition to become a debtor in the Restructuring in order to facilitate the implementation of certain restructuring transactions contemplated under the Plan of Reorganization in the Restructuring (the "Plan of Reorganization") and the Bankruptcy Court approved the joint administration of TEC's voluntary petition for relief under Chapter 11 of the Bankruptcy Code with TES and the other initial debtors. On December 20, 2022, the Bankruptcy Court confirmed the Plan of Reorganization.

On May 17, 2023, the Plan of Reorganization became effective and we emerged from the Restructuring ("Emergence"). Upon Emergence, TEC regained control of TES through a business combination that resulted in TEC again consolidating TES. The business combination was accounted for as a reverse acquisition based on the transaction's economic substance, in which certain creditors of TES effectively equitized their claims against TES into the controlling equity interests of TES, which were then exchanged for the controlling equity interests of TEC.

Accordingly, the financial statements included elsewhere in this Annual Report are issued under the name of TEC, the legal parent of TES and accounting acquiree, but represent the continuation of the financial statements of TES, the accounting acquirer. As a result, the consolidated financial statements of TEC after Emergence are not comparable to its consolidated financial statements prior to that date and have been presented with a black line division to delineate the lack of comparability between the Predecessor and Successor.

As used in this Annual Report, "Annual Financial Statements" means the audited consolidated balance sheets of Talen Energy Corporation as of December 31, 2023 and Talen Energy Supply as of December 31, 2022, the related consolidated statements of operations, statements of comprehensive income, statements of cash flows and statements of equity for the fiscal years ended December 31, 2023, 2022 and 2021, and the related notes thereto.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report contains forward-looking 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. 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. 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.

Such risks and uncertainties include, but are not limited to:

- any continued effects of the Restructuring on our liquidity, results of operations or business prospects or the interests of various constituents;
- our ability to comply with the covenants under the agreements governing our post-Emergence indebtedness;
- the limitations our level of indebtedness may place on our financial flexibility;
- our inability to access the capital markets on favorable terms or at all;
- the availability of cash flows from operations and other funds to finance reserve replacement costs or satisfy our debt obligations;
- risks related to future changes in the market price of electricity, natural gas and other commodities;
- risks related to weather and the demand for electricity;
- declines in wholesale electricity prices or decreases in demand for electricity due to macroeconomic factors;
- risks related to competition in the competitive power generation market;
- adverse developments or losses from pending or future litigation and regulatory proceedings;
- risks related to regulation and compliance with government permits and approvals;
- risks related to environmental regulation of our fossil fuel-fired power generation business and uncertainty surrounding the associated environmental liabilities and asset retirement obligations;
- risks related to potential changes to environmental regulatory requirements related to coal-combustion byproducts, the operation and remediation of coal ash ponds and other regulatory oversight to our operations;
- risks related to armed conflicts, war, terrorist attacks or threats and other significant events;
- risk related to our reliance on the operations and financial results of Susquehanna to fund our other operations and satisfy our liquidity and other financial requirements;
- risks related to the impact of our operations on the environment, including the risk of exposure to hazardous substances;
- risks associated with Susquehanna, including risks relating to: (i) the operation of, and unscheduled outages at, the facility; (ii) the availability and cost of nuclear fuel and fuel-related components; (iii) increased nuclear industry security, safety and regulatory requirements; and (iv) the substantial uncertainty regarding the storage and disposal of spent nuclear fuel;
- risks related to the continuation of capacity auctions in the PJM ISO, or changes to the capacity auction rules and procedures;

- credit risk and potential concentrations of credit risk resulting from market counterparties, financial institutions, customers and other parties;
- risks related to pandemics, epidemics, outbreaks or other public health events that are outside of our control, and could significantly disrupt our operations and adversely affect our financial condition;
- risks related to potential disruptions in the supply of fuel and other products necessary for the operation of our generation facilities;
- unplanned outages or periods of reduced output at our generation facilities;
- effects of transmission congestion, including due to line maintenance outages, on the realized margins of our generation fleet;
- risks associated with the collection of shared expenses from co-owners of jointly owned facilities;
- the expiration or termination of hedging contracts;
- risks related to our ability to retain and attract a qualified workforce;
- operational, price and credit risks associated with selling and marketing products in the wholesale power markets, including uncertainty around unknown future changes in market constructs, market responses (such as penalties) to extraordinary events and potential negative financial impacts (such as short payments) stemming from shortfalls of other market participants;
- market and liquidity risks arising from our purchase and sale of power, capacity and related products, fuel, transmission services and emission allowances;
- risks related to our generation facilities being part of interconnected regional grids, including the risk of a blackout due to a disruption on a neighboring interconnected system;
- cyber-based security and related integrity risks;
- the impacts of climate change, including related changes in legislation, regulation, market rules or enforcement;
- risks related to any change in the structure and operation of, or the various pricing limitations imposed by, the Regional Transmission Organizations ("RTOs") and Independent System Operators ("ISOs") in regions where our generation is located;
- the availability and cost of emission allowances;
- risks related to our ability to fund and otherwise successfully execute on our energy transition plans, including development of our renewable energy and battery storage projects, our ability to supply power to our digital infrastructure growth projects, and our efforts to repower facilities to run on alternate fuel sources, and the risk that our plans may not achieve its desired results;
- operational risks relating to the data center and coin campus, including the risk of interruptions to the provision of power, as well as cyber or other breaches of its infrastructure;
- risks relating to our ability to attract and retain customers, including data center tenants or power purchasers for our renewable energy projects, on reasonable business terms or at all;
- risks relating to cryptocurrency mining, including price volatility of digital assets, increasing scrutiny from investors, lenders and other stakeholders and the likelihood of increased regulation of digital assets; and
- other risks identified in this Annual Report.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described elsewhere in this Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Annual Report. While we believe such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information, actual results, revised expectations or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

Part A. General Company Information

Item 1. The exact name of the issuer and its predecessor (if any)

The name of the issuer is Talen Energy Corporation.

Item 2. The address of the issuer's principal executive offices and address(es) of the issuer's principal place of business

The Company's principal executive office is located at 2929 Allen Pkwy, Suite 2200, Houston, Texas 77019 and its telephone number is (888) 211-6011. The Company's web address is www.talenenergy.com. The Company's Investor Relations department can be reached at the address and telephone number above and by email at InvestorRelations@talenenergy.com.

Check box if principal executive office and principal place of business are the same address: ☒

Item 3. The jurisdiction(s) and date of the issuer's incorporation or organization

The Company was incorporated under the laws of the State of Delaware on June 6, 2014 and remains in active, good standing as of the date of filing of this Annual Report.

Part B. Share Structure

Item 4. The exact title and class of securities outstanding

As of December 31, 2023, the Company had 59,028,843 shares of its common stock outstanding. Of the 59,028,843 shares of common stock outstanding, 15,135,955 shares of common stock are currently included on an unrestricted CUSIP, CUSIP 87422Q109, and of the 15,135,955 shares of common stock, 9,887,299 shares are listed and traded on the OTCQX U.S. Market under the ticker symbol TLNE. The remaining 43,892,888 shares of common stock outstanding currently trade on the OTC "Gray Market" and are included on a restricted CUSIP, CUSIP 87422Q208; because those shares are restricted, they are not eligible to be traded on the OTCQX at this time.

Item 5. Par or stated value and description of the security

Our Third Amended and Restated Certificate of Incorporation (the "Charter") authorizes us to issue up to 400,000,000 shares of capital stock, consisting of 350,000,000 shares of common stock, par value $0.001 per share, and 50,000,000 shares of preferred stock, par value $0.01 per share (the "preferred stock"). No shares of preferred stock are outstanding.

Voting Rights. Each share of common stock entitles the record holder thereof to one vote on all matters on which stockholders generally are entitled to vote. Except as otherwise required by law or the Charter, at any annual or special meeting of the stockholders, the holders of common stock shall have the exclusive right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders.

Dividends. Subject to the rights of the holders of preferred stock, if any, the holders of shares of common stock are entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Company) when, as and if declared thereon by the board of directors of the Company (the "Board") from time to time out of any assets or funds of the Company legally available for the payment of dividends and shall share equally on a per share basis in such dividends and distributions.

Anti-Takeover Effects of Provisions of the Charter and of the Company's Bylaws. The Charter authorizes the Board to issue preferred stock without stockholder approval. If the Board elects to issue preferred stock, it could make it more difficult for a third party to acquire the Company. In addition, some provisions of the Charter and the bylaws of the Company could make it more difficult for a third party to acquire control of the Company, even if the change of control would be beneficial to the Company's stockholders. Such provisions include (i) advance notice provisions for stockholder proposals and director nominations to be acted upon at stockholder meetings and (ii) limitations allowing only holders of record of at least 15% of the voting power of then outstanding shares of common stock, in the aggregate, to call a special meeting of stockholders. Further, the Company is not subject to the provisions of Section 203 of the DGCL, which regulate corporate takeovers.

The Company is also subject to certain energy regulatory rules and regulations, some of which, such as the U.S. Federal Energy Regulatory Commission ("FERC") and the U.S. Nuclear Regulatory Commission (the "NRC"), limit percentage ownership and/or foreign ownership of the Company's equity without the prior consent of the applicable regulator. Accordingly, the Charter prohibits certain transfers of shares of common stock that would otherwise require prior regulatory approval, unless otherwise consented to by the Board.

Material Rights of Stockholders. At Emergence, the Company entered into a stockholders agreement (the "Stockholders Agreement") with all of the holders of common stock at Emergence, which also applies to their respective transferees (including those who acquire shares of common stock on the OTCQX). Pursuant to the Stockholders Agreement, holders of common stock have certain limited information rights, drag-along rights and tag-along rights. The Stockholders Agreement also provides that certain holders of common stock will have rights to require the Company to pursue an initial public offering and consent to certain key elements of the initial public offering structure.

Additionally, at Emergence, the Company also entered into a registration rights agreement (the "Registration Rights Agreement") with certain designated holders of common stock and warrants to purchase common stock and the other holders from time to time party thereto (each, a "Reg Rights Holder") that, among other things, granted customary registration rights to the Reg Rights Holders and certain of their permitted transferees, including customary shelf registration rights and piggyback rights, which may be exercised after the consummation of an initial public offering. Shares of common stock acquired on the OTCQX are generally freely tradeable and will not be entitled to registration rights.

For additional information about the Stockholders Agreement and Registration Rights Agreement, please see "Part D. Management Structure and Financial Information—Item 11. Company Insiders (Officers, Directors, and Control Persons)—E. Disclosure of Related Party Transactions—Registration Rights Agreement and Stockholders Agreement."

Item 6. The number of shares or total amount of the securities outstanding for each class of securities authorized

All of our currently outstanding shares of common stock were issued on May 17, 2023, upon our Emergence, and we have no shares of preferred stock outstanding. Our outstanding capitalization as of December 31, 2023, is included in the tabular information below. Please see "Part B. Share Structure—Item 4. The exact title and class of securities outstanding" for more information on the tradeability of our common stock.

	Common Stock	Preferred Stock
Number of shares authorized	350,000,000	50,000,000
Number of shares outstanding	59,028,843	0
Freely tradable shares (public float)	9,887,299	0
Number of beneficial shareholders owning at least 100 shares(1)	574	0
Total number of shareholders of record	*	0

(1) As of January 22, 2024.
* All of our shares are held through The Depositary Trust Company, and as a result, only Cede & Co. is reflected as a shareholder of record on the books and records of our transfer agent.

Item 7. The name and address of the transfer agent

Equiniti Trust Company, LLC
Attn: Rohan Bickram, Senior Relationship Manager
6201 15th Avenue

Brooklyn, NY 11219
Phone: 718-921-8209

The Company's transfer agent is registered under the Securities Exchange Act of 1934, as amended, and is an authorized transfer agent subject to regulation by the U.S. Securities and Exchange Commission.

Part C. Business Information

This summary highlights certain key information about our business and operations. For additional detail, please refer to the historical financial statements and the related notes thereto incorporated by reference into this Annual Report.

Our Business

Talen owns and operates power infrastructure in the United States. We produce and sell electricity, capacity and ancillary services into wholesale power markets in the United States, primarily in PJM, ERCOT and WECC, with our generation fleet principally located in the Mid-Atlantic, Texas and Montana. While the majority of our generation is already produced at zero-carbon nuclear and lower-carbon gas-fired facilities, we are reducing the carbon profile of our fleet through conversions and retirements of wholly-owned coal facilities. We also recently announced an agreement to sell our ERCOT fleet (the "ERCOT Sale"). For additional information on the ERCOT Sale, please see "Part C. Business Information—Recent Developments—ERCOT Sale." In addition, as part of our Cumulus digital infrastructure and energy transition platform, we developed, and recently sold to an experienced, large-scale data center operator (the "Cumulus Data Campus Sale"), the infrastructure for a hyperscale data center campus (the "Cumulus Data Campus") adjacent to our zero-carbon Susquehanna nuclear facility ("Susquehanna") that will utilize carbon-free, low cost energy provided directly from the plant, providing both an attractive source of demand for the plant and a new source of incremental revenues for us. In 2023, we generated enough power for over 3 million average American homes (based on the U.S. Energy Information Administration's 2022 estimate of 10,791 KWh per home).

Our generation portfolio is anchored by our approximately 2.2 GW interest in the Susquehanna nuclear facility, which enabled us to produce over half of our generation carbon-free in 2023. As part of the Cumulus Data Campus Sale, we entered into agreements (the "Cumulus Data Campus PPA") to supply long-term, zero-carbon power directly from Susquehanna to the Cumulus Data Campus through fixed-price power commitments, providing cash flow stability for an initial term of at least 10 years. We also believe Susquehanna may further benefit from the nuclear production tax credit under the Inflation Reduction Act of 2022 (the "Nuclear PTC"), providing additional cash flow stability through 2032. Our 6.3 GW (excluding ERCOT) natural gas, oil and peaking fleet (of which 3.2 GW is from Brunner Island, Montour and Wagner Unit 3 after conversion, as discussed below) is reliable and dispatchable, and we believe these assets will become increasingly important for grid stabilization in the face of growing intermittent sources of generation in our core markets. These plants generate material annual capacity revenues and a seasoned operating team leads the monetization of seasonal commodity volatility. We have already completed the conversion of approximately 3.2 GW of our legacy coal fleet to natural gas or fuel oil, significantly reducing the carbon intensity of our fleet while extending the useful lives of certain assets.

In addition to our strong generation fleet, we are developing the Cumulus digital infrastructure and energy transition platform to explore growth opportunities complementary to our existing asset base. For instance, we developed the Cumulus Data Campus, the world's first 24x7 carbon-free, direct-connect data center campus, to provide digital infrastructure powered by "behind-the-fence" generation directly from Susquehanna. Through both the direct proceeds of the Cumulus Data Campus Sale and entry into the related Cumulus Data Campus PPA, we are now realizing the value of our prior investments in the campus in a value accretive way. While maintaining capital discipline, Cumulus is evaluating additional ways to leverage the value of our existing sites and interconnections for potential renewable energy generation or battery storage projects. We believe our existing footprint, which includes zero-carbon sources of power, access to the power grid and significant land holdings, provides us with unique opportunities for growth.

We believe that we are well positioned to benefit from strong cash flows generated by our Susquehanna facility, meaningful capacity revenues and commodity upside from our natural gas, oil and peaking fleet, organic growth from additional power sales to the Cumulus Data Campus under the Cumulus Data Campus PPA, and potential additional upside from our development pipeline, all with an incredibly low carbon footprint. With a focus on the safe, efficient physical and financial operation of our core assets, together with disciplined financial policy and capital allocation, our experienced management team intends to unlock the significant value that we believe is embedded in our platform, enabling us to realize meaningful shareholder returns.

Our Segments

Our reportable segments are engaged in electricity generation, marketing activities, commodity risk and fuel management within their respective RTO or ISO markets. The segments include:

- PJM – a reportable segment that includes the operating and marketing activities within the PJM market. PJM is comprised of Susquehanna nuclear and Talen's natural gas and coal generation facilities located within the PJM market; and
- ERCOT and WECC – a reportable segment that includes the operating and marketing activities within the ERCOT market for the operations of Talen's Texas power generation facilities, and the operating and marketing activities for Talen Montana's proportionate share of the Colstrip units. We have determined it appropriate to aggregate results from these markets into one reportable segment, based on a combination of size and economic characteristics.

Our Key Markets

We are one of the largest independent power producers in the United States with generation capacity of 12,374 MW (summer rating) as of December 31, 2023. The substantial majority of our generation capacity is located in either our PJM segment or the ERCOT portion of our ERCOT and WECC segment. We consider these regions to be among the most well-developed, transparent and liquid energy markets in the United States. See "Part C. Business Information—Item 10. The nature and extent of the issuer's facilities" for a breakdown of our portfolio by market as of December 31, 2023.

PJM

PJM is an RTO that coordinates the movement and sale of wholesale electricity in all or parts of 13 states and the District of Columbia. It is the largest competitive wholesale power market in the United States, coordinating the dispatch of approximately 180,000 MW to more than 65 million people. The current mix of generating capacity within PJM is diverse, with a significant number of nuclear, natural gas and coal power generation facilities providing approximately 90% of its available capacity. As is the case in many markets in the United States, generating capacity within PJM is transitioning from a coal-dominated generation base to a mix that incorporates larger amounts of natural gas and renewable units, driven in part by current and impending U.S. Environmental Protection Agency (the "EPA") regulations.

PJM benefits from a combination of stable demand growth, liquid trading hubs, limited energy import capacity and a wide range of available market products. Generation owners in PJM may earn energy, capacity and ancillary service revenues. The PJM energy market consists of day-ahead and real-time markets. The day-ahead market is a forward market in which hourly prices are calculated for the next operating day based on offers, bids and bilateral obligations. The real-time market is a spot market in which energy is continuously bought and sold based on actual grid operating conditions.

The PJM Reliability Pricing Model ("RPM") is intended to ensure that resources are available when needed to keep the power grid operating reliably for customers. Under the PJM RPM, PJM conducts a series of capacity auctions. Most capacity is procured in the PJM Base Residual Auction, typically conducted three years prior to the start of the applicable period to which a capacity commitment in PJM applies (which typically runs from June 1 to May 31), to secure commitments from capacity resources, intended to be held in May of each year for the sale of generating capacity. In these auctions, capacity prices are set based on supply and demand fundamentals and are influenced by factors, such as generation facility additions and retirements, capacity imports from and exports to adjacent markets, generation facility retrofit costs, non-performance risk premium penalties, demand response products, RTO demand forecasts and reserve margin targets, as well as adjustments to Market Seller Offer Caps (the maximum price at which certain units can bid into the market) as determined by the PJM Independent Market Monitor and/or PJM.

In June 2023, FERC accepted a request by PJM to delay certain PJM Base Residual Auctions in order to propose additional changes to the PJM RPM. The future PJM Base Residual Auctions have been delayed and are expected to be conducted as follows: 2025/2026 PJM Base Residual Auctions in July 2024, 2026/2027 PJM Base Residual Auctions in December 2024, 2027/2028 PJM Base Residual Auctions in June 2025 and 2028/2029 PJM Base Residual Auctions in December 2025. Although PJM has established dates for the next four auctions, there is no guarantee that the auctions will take place on those dates or at all. At this time, Talen cannot fully predict the impacts of PJM's reforms on its operations and liquidity.

ERCOT

ERCOT is an ISO that manages the flow of electricity from approximately 98,000 MW of installed generation capacity to approximately 26 million Texas customers, representing 90% of the state's electric load and covering approximately 75% of its geography. ERCOT is an attractive wholesale power market with historically above-average demand growth, tight reserve margins and an increasing reliance on flexible and quickly dispatchable natural gas-fired assets. ERCOT was established in September 1996 and, as such, is the oldest ISO in the United States. As an energy-only market, ERCOT's market design is different from other competitive electricity markets in the United States. In addition to energy, ancillary services offer other potential revenue streams for market participants in order to maintain system reliability. In response to reliability concerns, the ERCOT market design is in the process of being reevaluated and revised by regulators. There remains significant uncertainty surrounding the details of the proposed market design and the timing for implementation. At this time, we cannot fully predict the impacts of the market design, when and if implemented, on our results of operation and liquidity. We are in the process of exiting the ERCOT market and recently announced an agreement to sell our ERCOT fleet. For additional information on the ERCOT Sale, please see "Part C. Business Information—Recent Developments—ERCOT Sale."

Our Commercial Risk Management Strategy

Our commercial optimization strategy is focused on hedging commodity price volatility within appropriate risk tolerances while providing stable cash flow generation and preserving forward margin. We employ a variety of commercial, physical and financial instruments to manage risk and optimize the value of our assets. In some cases, we use a portfolio approach to manage risks, such as those associated with capacity and ancillary offerings. Our hedging strategy prioritizes a first lien-based hedging program in which hedging counterparties are granted a lien in the same collateral securing our first-lien debt obligations which limits the use of collateral posting requirements. It also factors in the Nuclear PTC related to Susquehanna, which may reduce hedging requirements and therefore collateral needs. We use a variety of financial instruments to hedge our generation, including but not limited to fixed price swaps, options, and financial transmission rights ("FTRs")/congestion revenue rights ("CRRs"), as further discussed in the table below. We target a hedge range of 60-80% of our expected generation for the prompt 12 months and ratably scale the hedge percentage down further out in time to align with our financial objectives.

Type	Instruments	Strategy
Power	• Fixed swaps • Options • FTRs / CRRs	• Preserve intrinsic value while creating opportunities to capture extrinsic value • Cover expected generation • FTRs / CRRs critical for PJM and ERCOT assets due to transmission constraints and other factors relating to their positions on the grid
Fuel	• Fixed swaps • Options	• Preserve intrinsic value while creating opportunities to capture extrinsic value • Cover expected generation

Other	• Emission credits, including RGGI	• Emission expenses included in dispatch costs • Generally, cover emission exposure as we hedge or generate obligation

Fuel Supply

Our power generation assets are advantaged by significant fuel diversity, including nuclear, natural gas, coal, oil and various facilities capable of utilizing multiple fuel sources. See "Part C. Business Information—Item 10. The nature and extent of the issuer's facilities" for a breakdown of our portfolio by fuel source as of December 31, 2023.

Nuclear

Susquehanna nuclear has a portfolio of supply contracts for uranium, conversion, enrichment and fabrication with varying expiration dates, and we expect execution of certain additional fuel contracts to be immediately forthcoming. Together, these contracts are expected to provide substantially all of the nuclear fuel required to operate Susquehanna through 2025 and the majority of 2026-2028. We recently accelerated certain fuel deliveries to eliminate ongoing exposure to any Russian-affiliated counterparties.

Susquehanna has an on-site spent fuel storage facility employing dry cask fuel storage technology, which, together with the spent fuel pools, has the capacity to accommodate discharged spent nuclear fuel. We will continue to expand this spent fuel storage facility in phases to accommodate additional spent nuclear fuel and, assuming appropriate approvals are obtained, we expect such future expansion phases will accommodate all of the spent nuclear fuel expected to be discharged by Susquehanna through 2044, the current licensed life of unit 2.

Natural Gas and Oil

We manage our natural gas and oil supply utilizing a combination of contracted purchases, spot market purchases and on-site storage for the commodities and pipeline capacity. The amount and duration of contracted purchases vary due to several factors, including fuel availability, economic considerations and generation facility location on the pipeline grid, with a significant portion of our natural gas supply needs being satisfied through short-term transactions on a spot basis. Oil is generally supplied from on-site inventory and replenished through purchases on the spot market. The price-risk associated with these transactions is managed via financial hedges.

Coal

We actively manage our coal requirements by purchasing coal from mines located in central and northern Appalachia for our generation facilities located within PJM and from a mine located adjacent to the Colstrip generation facility. Reliability of coal deliveries can be affected from time to time by a number of factors, including fluctuations in demand, coal mine production issues and other supplier or transporter operating difficulties. Coal inventory is maintained at levels estimated to be necessary to avoid operational disruptions at coal-fired generation units. Additionally, long-term supply contracts support adequate levels of coal inventory and are augmented with spot market purchases, as needed.

We plan to eliminate the use of coal at our wholly owned generation facilities through either fuel conversion or plant retirement. Our current coal inventories are expected to be sufficient to run our wholly owned coal-fired facilities through either their planned conversion or planned retirement, as applicable, and we do not expect to make significant additional coal purchases for those facilities unless required by regulators to run for reliability reasons.

Competition

Since the early 1990s, there has been increased competition in U.S. energy markets because of federal and state competitive market initiatives. PJM and ERCOT are competitive markets and have, from time to time, considered new market rules, while some states have considered re-regulation measures that could result in more limited opportunities for competitive energy suppliers.

The power generation business is a regional business that is diverse in terms of industry structure and fundamentals. Demand for electricity may be met by generation capacity based on several competing generation technologies, such as natural gas-fired, coal-fired or nuclear generation, as well as power generation facilities fueled by alternative energy sources, including hydroelectric power, synthetic fuels, solar, wind, wood, geothermal, waste heat and solid waste sources. Talen faces competition in wholesale markets from other suppliers of available energy, capacity and ancillary services. Competition is affected by electricity and fuel prices, congestion along the power grid, subsidies provided by state and federal governments for new generation facilities and certain existing generation facilities (including facilities that might otherwise retire), new market entrants, construction of new generation assets, technological advances in power generation, the actions of environmental and other regulatory authorities and other factors. Talen primarily competes with other electricity suppliers based on our ability to aggregate generation supply at competitive prices from different sources and to efficiently manage fuel supply by utilizing transportation from third-party pipelines and transmission from electric utilities, ISOs and RTOs. Competitors in wholesale power markets include regulated utilities, industrial companies, non-utility generators, competitive subsidiaries of regulated utilities and other energy marketers.

Seasonality

The demand for and market prices of electricity and natural gas are affected by weather. As a result, our operating results in the future may fluctuate substantially on a seasonal basis. For example, a lack of sustained cold weather in the Mid-Atlantic region may suppress regional natural gas prices and reduce our future capacity and energy revenues. Alternatively, above-average temperatures in the summer tend to increase summer cooling electricity demand, energy prices and revenues, and below-average temperatures in the winter tend to increase winter heating electricity demand, energy prices and revenues. Inversely, the milder weather during spring and fall tend to decrease the need for both cooling electricity demand and heating electricity demand. In addition, our operating expenses typically fluctuate geographically on a seasonal basis, with peak power generation during the winter in the Mid-Atlantic region and during the summer in Texas.

We ordinarily perform facility maintenance during lower or non-peak demand periods to ensure reliability during periods of peak usage. The pattern of the fluctuations in our operating results varies depending on the type and location of the power generation facilities being serviced, capacity markets served, the maintenance requirements of our facilities and the terms of bilateral contracts to purchase or sell electricity. The largest recurring maintenance project is the annual spring refueling outage at Susquehanna. The outages normally occur during late March and into April each year.

Carbon Deleveraging

We have committed to cease burning coal at all of our wholly-owned coal facilities by the end of 2028, either through conversions or retirements. We have recently completed the conversion of approximately 3.2 GW of our legacy coal fleet to lower-carbon fuels. The conversion of our Brunner Island facility to dual-fuel (natural gas and coal) capability was completed in 2016; the plant currently burns coal only outside of Ozone Season and has committed to cease burning coal completely by the end of 2028. The conversion of our Montour facility to natural gas was completed in the third quarter of 2023, with both converted units now fully operational on gas. Together, these two facilities represent nearly 25% of our total generation capacity. The conversion of our legacy coal facilities to alternative fuels meaningfully extends the life of certain assets, while also lowering the carbon profile of our fossil fleet, mitigating uncertainties associated with coal supply and improving system reliability. These transitions enable us to maintain the capacity revenues generated by the assets while providing additional commodity upside optionality. In addition, the conversion of Wagner Unit 3 from coal to fuel oil was completed in December 2023; however, for economic reasons, we have requested deactivation of Wagner in mid-2025, and we currently anticipate that the plant will not operate after that time unless required for reliability reasons. Our wholly-owned 1.3 GW Brandon Shores facility is required by both environmental permits and settlements to stop combusting coal by the end of 2025, and we currently anticipate that the plant will not operate after that time unless required for reliability reasons.

We also own minority interests, totaling approximately 800 MW, in three coal-fired generation facilities in PJM and WECC. We are exploring ways to maximize the value of these assets in the context of our broader carbon deleveraging goals, and our key debt agreements provide us the ability to separate our minority-owned coal assets if we decide to do so.

Our Cumulus Platform Opportunities

We believe our geographical footprint, supply of lower- and zero-carbon power, interconnection access and abundance of land all provide us with potential opportunities to extend the life and increase the value of our legacy assets through strategic development of growth projects where appropriate. With the majority of our planned capital expenditures for these projects having already been spent, we will continue to evaluate ways to find the highest and best use of our assets and capital, which may include advancing additional growth projects if justified by economics. These additional growth projects include our Cumulus affiliates' (collectively, "Cumulus") renewables and battery storage initiatives, which are focused on the opportunity to leverage our substantial existing asset base in the development of future projects primarily through partnerships. The renewables and battery projects currently under evaluation require only modest incremental spend to maintain interconnection optionality. Nautilus Cryptomine LLC ("Nautilus"), Cumulus's digital currency joint venture with an affiliate of TeraWulf Inc. ("TeraWulf") is now operational adjacent to Susquehanna and the Cumulus Data Campus. This 150 gross MW facility generates positive cash flows from operations in addition to being a firm purchaser of power generated by Susquehanna. We plan to evaluate a variety of structural alternatives to progress our currently identified opportunities in keeping with our commitment to appropriate leverage levels and to a thoughtful capital allocation framework.

Recent Developments

ERCOT Sale

On March 25, 2025, the Company entered into a definitive agreement with CPS Energy to acquire the Company's approximately 1,710 MW generation portfolio located in the South Zone of the ERCOT market for $785 million, subject to customary net working capital adjustments at closing. These assets include natural gas plants in Corpus Christi and Laredo. The ERCOT Sale is expected to close in the second quarter of 2024.

Under the terms of the ERCOT Sale, which is subject to customary closing conditions, CPS Energy will acquire all assets associated with the Company's 897 MW Barney Davis and 635 MW Nueces Bay natural gas-fired generation facilities, both located in Corpus Christi, Texas, as well as the Company's 178 MW natural-gas fired generation facility in Laredo, Texas.

Orion Cumulus Digital Buyout

On March 11, 2024, TES acquired all of the equity units of Cumulus Digital Holdings LLC ("Cumulus Digital Holdings") held by affiliates of Orion Energy Partners ("Orion") in exchange for $36 million in cash. Following the transaction, TES owns 99.5% of the equity of Cumulus Digital Holdings, with the remaining 0.5% held by two former members of Talen senior management.

Cumulus Data Campus Sale; Cumulus Digital Credit Agreement Payoff

On March 1, 2024, the Company completed its disposition of certain assets of Cumulus Data LLC ("Cumulus Data"), which included our zero-carbon Cumulus Data Campus currently being developed adjacent to Susquehanna, to an affiliate of Amazon Web Services, Inc. (together with its affiliates, "AWS") for gross proceeds of $650 million, $300 million of which is to be held in escrow until the achievement of certain development milestones that are expected to be achieved in 2024 (the "Cumulus Data Campus Sale"). In connection with the Cumulus Data Campus Sale, the Company entered into a power purchase agreement with AWS pursuant to which (i) the Company agreed to supply up to 960 MW of long-term, carbon-free power to the Cumulus Data Campus from Susquehanna; (ii) the parties agreed to fixed-price power commitments that increase in 120 MW increments over several years; and (iii) AWS has a one-time option to cap commitments at 480 MW. See Note 22 in Notes to the Annual Financial Statements for additional information.

In connection with the Cumulus Data Campus Sale, the Company terminated a project financing (the "Cumulus Digital Credit Agreement") at Cumulus Digital LLC ("Cumulus Digital"), a wholly owned subsidiary of Cumulus Digital Holdings, and the outstanding obligations thereunder were satisfied and discharged in full. The security interests granted under the Cumulus Digital Credit Agreement were terminated, discharged and released. See Note 13 in Notes to the Annual Financial Statements for additional information.

PPL/Talen Montana Litigation Settlement

In December 2023, Talen reached a litigation settlement with PPL Electric Utilities ("PPL"). Under the terms of the settlement agreement, PPL paid TEC's indirect subsidiary, Talen Montana, LLC ("Talen Montana"), $115 million in cash in exchange for a full release of Talen Montana's claims against PPL. Separately, Talen Montana remitted $11 million of the PPL settlement proceeds to the general unsecured creditors trust that was established pursuant to the Plan of Reorganization. See Note 12 in Notes to the Annual Financial Statements for additional information.

Share Repurchase Program

In October 2023, the Board of Directors approved a share repurchase program authorizing the Company to repurchase up to $300 million of the Company's outstanding common stock through December 31, 2025. In January 2024, the Company repurchased 225,000 shares of common stock with an aggregate purchase price of $14 million. See Note 16 in Notes to the Annual Financial Statements for additional information.

Riverstone Repurchase

In September 2023, TEC paid Riverstone Holdings LLC and certain of its affiliates (collectively, "Riverstone") $40 million in exchange for the cancellation of all of their TEC common stock warrants and a tax indemnity agreement, as well as waiving its future rights to certain additional equity based on the prices to be paid by Cumulus Data to Talen Generation for electricity generated at Susquehanna under retail electricity supply agreements. Also, in September 2023, TES and Orion purchased all of the Class A common units ("Cumulus Digital Units") of Cumulus Digital Holdings held by Riverstone for an aggregate purchase price of $20 million, of which TES paid $19 million. For additional information, see "Part D. Management Structure and Financial Information—Item 11. Company Insiders (Officers, Directors and Control Persons)—E. Disclosure of Related Party Transactions—Cumulus Investments—Cumulus Digital Holdings; Riverstone Buyout," "Part D. Management Structure and Financial Information—Item 11. Company Insiders (Officers, Directors and Control Persons)—E. Disclosure of Related Party Transactions—Riverstone Warrant Cancellation" and Note 16 in Notes to the Annual Financial Statements.

Reorganization and Emergence

On May 9, 2022, TES and 71 of its subsidiaries commenced the Restructuring, and in December 2022, TEC joined the Restructuring to facilitate the transactions contemplated by the Plan of Reorganization. In December 2022, the Bankruptcy Court confirmed the Plan of Reorganization that implemented, among other things, the settlement of certain claims and commitments of TES's debt holders and certain other of its obligations and equity and debt financings (collectively, the "Exit Financings"), which provided for the infusion of $1.4 billion of new equity capital into our business pursuant to the an equity rights offering (the "Rights Offering"); the issuance of $1.2 billion aggregate principal amount of secured notes; and our entry into new credit facilities including: (i) $700 million in revolving commitments and $475 million in letter of credit commitments under a revolving credit facility, (ii) $1.05 billion in commitments under the term loans B and C, $470 million of which is used to cash collateralize trade and standby letters of credit, and (iii) $75 million in commitments under a bilateral letter of credit agreement to support the issuance of standby letters of credit.

On May 17, 2023, upon receipt of applicable regulatory approvals and the consummation of the Exit Financings, the Plan of Reorganization became effective and we emerged from the Restructuring with a significantly deleveraged balance sheet, driven by the full repayment of TES's first-lien funded debt outstanding at the commencement of the Restructuring and the consensual equitization of all of TES's pre-Restructuring unsecured notes and Pennsylvania Economic Development Financing Authority Exempt Facilities Revenue Refunding Bonds Series 2009A ("PEDFA 2009A Bonds") outstanding at the commencement of the Restructuring, which resulted in an approximate $2.5 billion reduction in TES's debt and an additional $530 million of other liabilities subject to compromise. For additional information on the Restructuring, Plan of Reorganization and Exit Financings, see the historical financial statements and related notes thereto incorporated by reference into this Annual Report.

Item 8. The nature of the issuer's business

A. Business Development

1. The Company is a Delaware corporation. The Company is a holding company and substantially all of its assets consist of its ownership of 100% of the equity interests of TES.

2. The Company was incorporated on June 6, 2014.

3. The Company has a fiscal year ending on December 31.

4. The Company emerged from bankruptcy on May 17, 2023. For additional information, please see "Part C. Business Information—Recent Developments—Reorganization and Emergence" and the historical financial statements and related notes thereto incorporated by reference into this Annual Report.

5. During the past three years, there has not been any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.

6. The Restructuring constituted an event of default and accelerated the Company's pre-petition indebtedness obligations. The covenants and limitations contained in such credit agreements and indentures were not enforceable against the Company and its debtor affiliates as a result of the Restructuring. At Emergence, all of the aforementioned indebtedness and any defaults thereunder were addressed through the treatment discussed in the Plan of Reorganization. For additional information, please see "Part C. Business Information—Recent Developments—Reorganization and Emergence" and the historical financial statements and related notes thereto incorporated by reference into this Annual Report.

7. In connection with the Restructuring, there was a change of control. Following Emergence, holders of claims under TES's pre-Restructuring unsecured notes and PEDFA 2009A Bonds beneficially own, in the aggregate, approximately 99% of our equity, which was obtained through the equitization of their debt claims and participation in the Rights Offering. For additional information, please see "Part C. Business Information—Recent Developments—Reorganization and Emergence" and the historical financial statements and related notes thereto incorporated by reference into this Annual Report.

8. During the past three years, there has not been any increase of 10% or more of the same class of outstanding equity securities, other than the common stock issued at Emergence. For additional information, please see "Part E. Issuance History—Item 16. List of securities offerings and shares issued for services in the past two years."

9. During the past three years, there has been a recapitalization in connection with our Emergence. For additional information, please see "Part C. Business Information—Recent Developments—Reorganization and Emergence" and the historical financial statements and related notes thereto incorporated by reference into this Annual Report. Other than the Restructuring, there has not been any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization during the past three years.

10. During the past three years, there has not been any delisting of the Company's securities by any securities exchange.

11. For information on current, past, pending or threatened legal proceedings or administrative actions either by or against the Company that could have a material effect on our business, financial condition, or operations and any current, past or pending trading suspensions by a securities

regulator, please see "Commitments and Contingencies" in the historical financial statements and related notes thereto incorporated by reference into this Annual Report.

B. Business Information

1. The Company's SIC Code is 4911, which applies to companies engaged in the generation, transmission, and/or distribution of electric energy for sale.

2. The Company is currently conducting operations.

3. The Company is not, and has not at any point, been a "shell company."

Item 9. The nature of products or services offered

A. Principal products or services, and their markets

We own and operate power infrastructure in the United States, with our generation fleet principally located in the Mid-Atlantic, Texas and Montana. We have two reportable segments, which are primarily based on the market areas in which our generation fleet operates and the manner in which our senior management team reviews our financial and operating performance and allocates resources. Our segments, (i) PJM and (ii) ERCOT and WECC, are engaged in electricity generation, marketing activities, commodity risk and fuel management within their respective RTO or ISO markets. For more information, please see "Part C. Business Information—Our Key Markets."

B. Distribution methods of the products or services

We produce and sell electricity, capacity and ancillary services into wholesale power markets in the United States, primarily in PJM, ERCOT and WECC, with our generation fleet principally located in the Mid-Atlantic, Texas and Montana. For additional information, please see "Part C. Business Information—Our Key Markets." Through Nautilus, our digital currency venture with TeraWulf, we also mine Bitcoin, which is deposited into an electronic "wallet" and then liquidated into U.S. dollars and/or distributed to TeraWulf.

C. Status of any publicly announced new product or service

We are continuing to focus on key services with nuclear and natural gas as our core elements of value. We announced a plan for the strategic repositioning of our generation facilities that will eliminate the use of coal at all of our wholly owned facilities by 2025 (or 2028, in the case of Brunner Island), and we have, in recent years, explored development of certain zero-carbon generation and battery storage projects to enable us to provide additional carbon-free power if economically viable. For additional information, please see "Part C. Business Information—Carbon Deleveraging" and "Part C. Business Information— Our Cumulus Platform Opportunities."

D. Competitive business conditions, competitive position in the industry, and methods of competition

Since the early 1990s, there has been increased competition in U.S. energy markets because of federal and state competitive market initiatives. PJM and ERCOT are competitive markets and have, from time to time, considered new market rules, while some states have considered re-regulation measures that could result in more limited opportunities for competitive energy suppliers. For additional information, please see "Part C. Business Information—Competition."

E. Sources and availability of raw materials and the names of principal suppliers

Our power generation assets are advantaged by significant fuel diversity, including nuclear, natural gas, coal, oil and various facilities capable of utilizing multiple fuel sources. Please see "Part C. Business Information—Fuel Supply."

F. Dependence on one or a few major customers

We do not rely on the business of any one customer or several major customers. Nonetheless, a substantial majority of our generation capacity is located in, and revenues are derived from, either PJM or ERCOT and we face certain risks associated with our operation in these wholesale markets, including a concentration of credit risk, uncertainty around future changes in market constructs and responses to unusual events, potential negative impacts stemming from events of default by other market participants, and other systemic market risks from extraordinary weather, other physical or cyber-related events. For more information regarding these risks and how we manage them, please see "Risk Management, Derivative Instruments and Hedging Activities" and "Commitments and Contingencies" in the notes to the historical financial statements incorporated by reference into this Annual Report, as well as "Quantitative and Qualitative Disclosures About Market Risk" in the accompanying Management's Discussion and Analysis thereto.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration

Labor Agreements

As of December 31, 2023, collective bargaining agreements ("CBAs") to which we are subject govern approximately 42% of our workforce, as follows: (i) a CBA with IBEW Local 1638, covering approximately 187 Talen Montana employees, is in effect until April 2026; (ii) a CBA with Teamsters Local 190, covering approximately six Talen Montana employees, is in effect until August 2024; and (iii) a CBA with IBEW Local 1600, covering approximately 656 Pennsylvania employees, is in effect until August 2025.

Trademarks

TEC holds the rights to the "Talen Energy" service mark (USPTO registration no. 4852846) and the "Talen" service mark (USPTO registration no. 5576050). An indirect subsidiary of TEC holds rights to the "Royal Manchester Golf Links" service mark (USPTO registration no. 3935030). TEC currently has pending with the USPTO a number of applications for service marks relating to Cumulus and its activities, which have been provisionally granted subject to the filing of statements of use by the applicable deadlines.

Royalty Agreements

In March 2023, TES sold certain mineral interests located in Pennsylvania for $29 million, while preserving the right to certain royalty payments from existing and future producing natural gas wells.

H. The need for any government approval of principal products or services and the status of any requested government approvals

As an owner of power generation facilities, a power marketer and a participant in wholesale energy markets, we are subject to extensive environmental and other regulation by federal and various state government authorities, including the EPA, various state environmental regulatory agencies, the U.S. Commodity Futures Trading Commission, FERC, the NRC, the Federal Communications Commission, the Public Utility Commission of Texas (the "PUCT") and the regulatory bodies of the various other states in which our generation assets are located.

In addition, we are subject to the market rules, procedures and protocols of the various ISO and RTO markets in which we participate. Our operations within the ERCOT region are not subject to rate regulation by FERC, as they are deemed to operate solely within one state (Texas) and not in interstate commerce. These operations are subject to regulation by the PUCT. We also are subject to regulation by the NRC with respect to our ownership interest in Susquehanna.

We are party to proceedings before such agencies arising in the ordinary course of business and have other regulatory exposure due to new and (or) amended regulations promulgated by such agencies from time to time. In addition, our plants are subject to extensive environmental regulation by the EPA and various state environmental regulatory agencies. While the outcome of these regulatory matters and proceedings is uncertain, the likely results are not expected, either individually or in the aggregate, to have a material adverse effect on our financial condition or results of operations, although the effect could be material to our results of operations in any interim reporting period.

For more information regarding the regulation of our business, please see "Commitments and Contingencies" in the historical financial statements and related notes thereto incorporated by reference into this Annual Report.

Item 10. The nature and extent of the issuer's facilities

Our power generation facilities as of December 31, 2023 are as follows:

Generation Facility	MW Capacity [a]	Percentage Ownership	MW Ownership	Fuel Type	State	Market
PJM						
Susquehanna [b]	2,476	90 %	2,228	Nuclear	PA	PJM
Martins Creek	1,716	100 %	1,716	Natural Gas/Oil	PA	PJM
Montour [c] [g]	1,508	100 %	1,508	Coal/Natural Gas	PA	PJM
Brunner Island [d] [g]	1,429	100 %	1,429	Coal/Natural Gas	PA	PJM
Brandon Shores [e]	1,283	100 %	1,283	Coal	MD	PJM
H.A. Wagner [e] [f]	834	100 %	834	Coal/Natural Gas/Oil	MD	PJM
Lower Mt. Bethel	606	100 %	606	Natural Gas	PA	PJM
Conemaugh [b] [g]	1,739	22.22 %	386	Coal	PA	PJM
Keystone [b] [g]	1,733	12.34 %	214	Coal	PA	PJM
Camden	145	100 %	145	Natural Gas	NJ	PJM
Peaking units	13	100 %	13	Oil	MD	PJM
Total	**13,482**		**10,362**			
ERCOT						
Barney Davis [h]	897	100 %	897	Natural Gas	TX	ERCOT
Nueces Bay [h]	635	100 %	635	Natural Gas	TX	ERCOT
Laredo [h]	178	100 %	178	Natural Gas	TX	ERCOT
Total	**1,710**		**1,710**			
Other Power Markets						
Colstrip Unit 3 [b]	740	30 %	222	Coal	MT	WECC
Dartmouth	80	100 %	80	Natural Gas/Oil	MA	ISO-NE
Total	**820**		**302**			
Generation Fleet	**16,012**		**12,374**			

(a) Electric generation capacity (summer rating) is based on factors, among others, such as operating experience and physical conditions which may be subject to revision.
(b) See Note 10 in Notes to the Annual Financial Statements for additional information regarding jointly owned facilities.
(c) Montour completed its coal to natural gas fuel conversion in August 2023 with Montour's Unit 3 dispatchable on natural gas or coal.
(d) Coal-fired electric generation is restricted during the EPA Ozone Season, which is May 1 to September 30 of each year.
(e) Notice was provided to PJM of deactivation as of June 1, 2025 for Brandon Shores and H.A. Wagner. See Note 10 in Notes to the Annual Financial Statements for additional information on the Brandon Shores deactivation.
(f) The coal to fuel-oil conversion of H.A. Wagner's Unit 3 was completed in December 2023.
(g) Coal-fired electric generation is required to cease at Montour by December 2025 and at Brunner Island, Keystone, and Conemaugh by December 2028 with an earlier retirement of coal at the wholly owned facilities of Montour and Brunner Island at the Company's election.
(h) On March 25, 2025, the Company entered into a definitive agreement with CPS Energy to acquire the Company's Barney Davis, Nueces Bay and Laredo plants. For additional information on the ERCOT Sale, please see "Part C. Business Information—Recent Developments—ERCOT Sale."

Part D. Management Structure and Financial Information

Item 11. Company Insiders (Officers, Directors, and Control Persons)

A. Officers and Directors

Information regarding the officers and directors of the Company as of the date of this Annual Report is set forth in the table and biographies below. All correspondence to the Company's officers and directors may be mailed to the Company's corporate headquarters at 2929 Allen Pkwy, Suite 2200, Houston, Texas 77019.

Name	Position
Mark "Mac" McFarland	Chief Executive Officer and Director
Terry Nutt	Chief Financial Officer
John Wander	General Counsel and Corporate Secretary
Andrew Wright	Chief Administrative Officer
Brad Berryman	Chief Nuclear Officer
Stephen Schaefer	Chairman of the Board and Director
Gizman Abbas	Director
Anthony Horton	Director
Karen Hyde	Director
Joseph Nigro	Director
Christine Benson Schwartzstein	Director

Mark "Mac" McFarland. Mr. McFarland has served as the Chief Executive Officer and a Director of the Company since May 2023. Mr. McFarland oversees all aspects of the Company's long-term strategy and overall performance including leadership of its wholesale power generation business, commercial operations, and its Cumulus growth businesses. From October 2020 until May 2023, he served as President and Chief Executive Officer of California Resources Corporation ("CRC"), an independent energy and carbon management company committed to energy transition, where he continues to serve on the board of directors and as the Chairman of Carbon TerraVault, a wholly owned subsidiary of CRC. Prior to his roles with CRC, Mr. McFarland served as Executive Chairman of GenOn Energy, an independent power producer, where he also served as President and Chief Executive Officer from April 2017 to December 2018 and continued as a member of the board of directors until September 2022. From 2013 to 2016, he served as Chief Executive Officer of Luminant Holding Company LLC ("Luminant"), a subsidiary of Energy Future Holdings Corporation ("EFH"), a large independent power producer and, from 2008 to 2013, served as both Chief Commercial Officer of Luminant and Executive Vice President, Corporate Development and Strategy of EFH. From 1999 to 2008, Mr. McFarland served in various roles at Exelon Corporation, including as Senior Vice President, Corporate Development. Mr. McFarland currently serves on the board of directors of the Nuclear Energy Institute, and previously served on the boards of directors of TerraForm Power, Bruin E&P Partners, and Chaparral Energy. Mr. McFarland earned his M.B.A. from the University of Delaware and his B.S. in Civil Engineering (Environmental Concentration) from Virginia Polytechnic Institute and State University. He holds a professional engineer license and has completed the MIT Reactor Technology Course for Utility Executives. We believe that Mr. McFarland's extensive industry experience makes him well-qualified to serve on our Board of Directors.

Terry Nutt. Mr. Nutt has served as the Chief Financial Officer of the Company since July 2023. In this role, Mr. Nutt leads the Company's finance, M&A, risk management and treasury activities. He has over 20 years of experience in the energy industry, including time spent at utility companies, power generation providers and energy trading firms. Prior to joining the Company, Mr. Nutt served as the Chief Financial Officer of Just Energy, a retail energy provider specializing in electricity and natural gas commodities. From 2018 until 2023, he served as Chief Financial Officer and Managing Director for EDF Trading North America ("EDF"), a subsidiary of Électricité de France (EDF) S.A., a multinational energy utility headquartered in France. Prior to his service at EDF, Mr. Nutt served in multiple senior finance positions at Vistra Corporation (and its predecessor entity, EFH), including as Senior Vice President and Controller and Senior Vice President of Risk Management. Mr. Nutt earned his M.S. in Accounting and his B.B.A. from Texas A&M University and is a certified CPA in the state of Texas.

John Wander. Mr. Wander has served as General Counsel and Corporate Secretary of the Company since June 2023. Mr. Wander is responsible for overseeing all legal matters for the Company. He has nearly 30 years of experience in commercial law, with cases primarily pertaining to finance, accounting and shareholder issues. Prior to joining the Company, Mr. Wander was a Shareholder Litigation and Enforcement Partner at Vinson & Elkins LLP ("V&E") and served as the firm's General Counsel. He worked on some of the firm's most high-profile, high-stakes litigation matters, and focused his practice on commercial litigation in the energy, accounting, securities, manufacturing and insurance industries, routinely representing issuers and accounting firms before the Securities & Exchange Commission. He also tried numerous corporate governance cases in the Delaware Chancery Court. Since joining V&E in 1994, Mr. Wander also served in numerous other leadership positions, including as Managing Partner of the Dallas office, Co-Department Head of Litigation and Regulatory, Co-Practice Group Leader of Complex Commercial Litigation and a member of the firm's Management Committee. Mr. Wander earned his J.D. from The University of Texas School of Law and his B.A. in Economics from Northwestern University.

Andrew "Andy" Wright. Mr. Wright began serving as the Company's Chief Administrative Officer in June 2023, after having served as the Company's General Counsel and Corporate Secretary since June 2018. In his current role, Mr. Wright is responsible for overseeing the human resources, information technology, facilities and corporate security functions of the Company. Prior to joining the Company, Mr. Wright spent 14 years as in-house counsel for EFH., most recently serving as Executive Vice President, General Counsel and Corporate Secretary. Mr. Wright has nearly 20 years of experience in the power generation sector with an intimate knowledge of the financial, operational and regulatory challenges facing the industry. He has led numerous fleet and balance sheet restructuring efforts, complex acquisitions and divestitures, high-stakes litigation and regulatory reviews. His experience includes being involved in the largest leveraged buyout in U.S. history and some of the largest financial restructurings in the industry. He has also worked closely with various boards of directors, private equity sponsors and other stakeholders of Talen and EFH. After earning his J.D. from the University of Notre Dame, Mr. Wright went into private practice with V&E in both Dallas, Texas and London, England with a focus on corporate securities, mergers and acquisitions, and corporate governance. Prior to pursuing his law career, he earned his B.B.A. in Accounting from Southern Methodist University, obtained his CPA certification and practiced as an accountant with KPMG in Chicago.

Brad Berryman. Mr. Berryman serves as Talen Energy's senior vice president and Chief Nuclear Officer, responsible for overseeing all aspects of the Susquehanna nuclear power plant. Mr. Berryman joined the Company in early 2017 in the role of site vice president for Susquehanna nuclear, where he was responsible for all plant operations and personnel. With over two decades of extensive commercial nuclear experience, Mr. Berryman has held positions of increasing importance spanning various technical, operational, training and financial capacities. Prior to joining the Company, he served as general manager at Turkey Point Nuclear Generating Station. He also held leadership roles at Wolf Creek Nuclear Operating Corporation, Palo Verde Nuclear Generating Station and Arkansas Nuclear One. In addition, he proudly served his country in the U.S. Navy as part of the submarine fast attack fleet. Mr. Berryman earned his B.S., summa cum laude, in Organizational Management from Central Baptist College.

Stephen Schaefer. Mr. Schaefer has served as the Chairman of the Board of Directors of the Company since May 2023. Since December 2018, May 2018, September 2020 and September 2021, respectively, Mr. Schaefer has served on the boards of directors of GenOn Holdings Inc. (where he formerly served as Chairman of the board of directors from November 2018 to May 2023), TexGen Power LLC (where he has served as Chairman of the board of directors since May 2018), Just Energy Group, Inc. (where he formerly served as Chairman of the Audit Committee and as a member of the Risk and Compensation Committee), and Alpine Summit Energy Partners (where he has also served as Chairman of the Audit Committee and as a member of the Reserves Committee and Compensation Committee). Mr. Schaefer has been actively involved in the deregulated natural gas and electricity markets since 1993. He was a Partner with Riverstone, a private equity firm focused on energy investing, from 2004 to 2015. While at Riverstone, he served on two of its investment committees and was primarily responsible for conventional power and renewable energy investments. Prior to joining Riverstone, Mr. Schaefer served as a Managing Director with Huron Consulting Group, where he founded and headed its Energy Practice. From 1998 to 2003, he served as a Managing Director and Vice President with Duke Energy North America. Mr. Schaefer earned his B.S., magna cum laude, in Finance and Accounting from Northeastern University in 1987 and is a Chartered Financial Analyst. We believe that Mr. Schaefer's extensive industry experience makes him well-qualified to serve on our Board of Directors.

Gizman Abbas. Mr. Abbas has served as a Director since May 2023. Mr. Abbas has nearly 30 years of energy and investment experience. He has served on the board of directors of Prairie Operating Company, including as Chairman of the Audit Committee and as a member of the Compensation Committee, since May 2023, as Founding Principal of Direct Invest Development since December 2014, and on the board of directors of the New York Independent System Operator, including as Chairman of the Commerce & Compensation Committee and as a member of the Reliability & Markets Committee, since April 2021. Mr. Abbas served on the boards of directors of Crown Electrokinetics, including as Chairman of the Compensation Committee and as a member of the Audit and Governance Committees, from March 2021 to December 2022, Aranjin Resources Ltd., including as an Audit Committee Member from May 2016 to December 2020, KLR Energy Acquisition Corporation, including as Chairman of the Compensation Committee and a member of the Audit Committee, from January 2016 to May 2017, and Handeni Gold, including as an Audit Committee Member, from February 2012 to July 2017. Previously, Mr. Abbas was a founding Partner of the commodity investment business at Apollo Global Management, a Vice President at Goldman Sachs, an investment associate at Morgan Stanley, a Senior Project Engineer on oil and gas construction projects for Exxon Mobil Corporation, and a Co-Op Power Engineer at Southern Company. Mr. Abbas earned his B.S. in Electrical Engineering from Auburn University and his M.B.A. from Northwestern University's Kellogg School of Business. We believe that Mr. Abbas' executive, financial and investment experience makes him well-qualified to serve on our Board of Directors.

Anthony Horton. Mr. Horton has served as a Director since May 2023. Since March 2018, November 2021 and February 2022, respectively, Mr. Horton has served as Chief Executive Officer of AR Horton Advisors and served as an Independent Director for Equiniti Trust Company and as Lead Independent Director for Team, Inc. Additionally, Mr. Horton served as an Independent Director of U.S. Renal Care from January 2023 to February 2024, Travelport GDS, UK from March 2020 to December 2023, Neiman Marcus' Mariposa Holdings from April 2020 to September 2020, Seadrill Partners from January 2020 to May 2021, and Arena Energy from March 2020 to September 2020, among others, and served as Independent Director and Chairman of the board of directors of NanoLumens from May 2017 to May 2020. Mr. Horton has more than 25 years of energy and technology experience, including having served as Executive Vice President and CFO at EFH and as Senior Director of Corporate and Public Policy at TXU Energy. He also has experience serving on various boards of directors and committees of companies involved in turnarounds and restructuring matters. Mr. Horton earned his Master's of Professional Accounting and Finance from the University of Texas at Dallas/Arlington and his B.B.A. in Economics and Management from the University of Texas at Arlington. He is a CPA, Chartered Financial Analyst, Certified Management Accountant, and Certified Financial Manager. We believe that Mr. Horton's extensive financial and business expertise, including a diversified background of both senior leadership and director roles of public and private companies, makes him well-qualified to serve on our Board of Directors.

Karen Hyde. Ms. Hyde has served as a Director since May 2023. Until her retirement in 2022, Ms. Hyde served as Senior Vice President, Chief Compliance & Ethics Officer, Chief Audit Executive, and Chief Risk Officer of Xcel Energy. Across her 30 years with Xcel Energy, she served in various roles with increasing responsibility, including roles in rates and regulatory affairs, resource planning and acquisition, and risk management. She was also responsible forecasting and production cost, expansion plan modeling, and evaluating the effectiveness of compliance programs and control frameworks. Ms. Hyde spent approximately a decade negotiating structured power purchase arrangements, including Xcel Energy's initial renewable energy contracts, and was responsible for renewable energy compliance. Prior to joining Xcel Energy, she was a lead nuclear engineer as a civilian employee of the U.S. Department of Defense, where she was responsible for overhauling submarine reactors. Since 2013, Ms. Hyde has served with Volunteers of America CO Branch, including as Treasurer, on the board of directors, and as Chair of the Audit Committee. Ms. Hyde earned her M.S. in Mineral Economics from the Colorado School of Mines and her B.S. in Metallurgical Engineering from Lafayette College. We believe that Ms. Hyde's extensive industry, regulatory and risk management experience makes her well-qualified to serve on our Board of Directors.

Joseph Nigro. Mr. Nigro has served as a Director since May 2023. Mr. Nigro has served both as senior advisor to Blackstone Inc.'s energy transition group and on the board of directors of Kindle Energy LLC since July 2023. Mr. Nigro previously served as an advisor to the Exelon Chief Executive Officer until March 2023 after having served as Exelon's Chief Financial Officer from May 2018 to October 2022. He was also a member of Exelon's Executive Committee and the Chair of its Corporate Investment Committee. Prior to that, Mr. Nigro served as Chief Executive Officer of Constellation Energy, an Exelon operating division, from 2013 to 2018, after serving as its Senior Vice President of Portfolio Strategy. Before joining Constellation, he was the Senior Vice President of Portfolio

Management and Strategy for the Exelon Power Team, where he also led the merger integration for the Exelon Power Team wholesale trading and marketing organization with Constellation. Mr. Nigro started his career with PECO Energy, now an Exelon company, in 1996 and also spent seven years prior with Phibro Energy, Inc., an independent oil trading and refining company. Mr. Nigro earned his Bachelor's Degree in Economics from the University of Connecticut. He has also completed the Exelon Leadership Institute Program through the Northwestern University Kellogg School of Management, the University of Chicago Executive Development Program, and the MIT Reactor Technology Course for Utility Executives. We believe that Mr. Nigro's extensive industry experience makes him well-qualified to serve on our Board of Directors.

Christine Benson Schwartzstein. Ms. Benson has served as a Director since May 2023. She has served on the boards of directors of Delek US Holdings, Inc. since January 2024, Just Energy (U.S.) Corp. since February 2024, and Apollo Infrastructure Company since October 2023. Ms. Benson previously served as a member of Orion Infrastructure Capital's ("OIC") Senior Advisory Board after retiring as a Managing Director and Investment Principal in 2022. Before joining OIC, she spent 17 years in various roles at Goldman Sachs, most recently as a Managing Director in the Financing Group on the Structured Finance and Risk Management team in the Investment Banking Division, where she was responsible for the firm's commodity structured finance efforts within Investment Banking. Prior to that, Ms. Benson was a Managing Director on the Energy Sales and Structuring teams in the Securities Division. She began her career at Goldman Sachs in 2004 as an analyst on the Energy team. Ms. Benson earned her A.B. in Earth and Planetary Sciences, magna cum laude, from Harvard University. We believe that Ms. Benson's extensive industry and financial and risk management experience makes her well-qualified to serve on our Board of Directors.

Compensation. The following table sets forth certain information with respect to the non-equity compensation paid to, awarded to or earned by our named executive officers ("NEOs") for the year ended December 31, 2023. Please refer to the items listed under "Part F. Exhibits—Item 17. Material Contracts" for more information on the compensation arrangements of our directors and executive officers.

Name	Salary ($)(1)	Bonuses ($)(2)	Stock Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)	Total ($)
Mark McFarland	683,654	—	27,667,227	1,210,079	13,782	29,574,742
Terry Nutt	253,846	—	9,860,313	720,304	9,335	10,843,798
Brad Berryman	541,660	665,106	7,729,289	1,251,994	40,498	10,228,547
Andrew Wright	529,598	586,623	7,448,229	1,145,461	49,488	9,759,399
John Wander	285,578	250,000	7,729,289	720,304	3,881	8,989,052

(1) The amounts in this column reflect base salary amounts actually earned by each NEO in 2023.
(2) The amounts in this column reflect the Restructuring-related retention and Emergence bonuses paid to Messrs. Berryman and Wright and the first installment of Mr. Wander's signing bonus.
(3) The amounts in this column reflect the aggregate grant date fair value of the restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") granted under the 2023 Equity Incentive Plan of Talen Energy Corporation, effective as of May 17, 2023, calculated in accordance with Accounting Standards Codification Topic 718 and using the assumptions discussed under "Stock-Based Compensation" in Note 17 to the Annual Financial Statements. Because the grant date fair value is based on the date the awards were granted, amounts in this column may vary among NEOs who received similar-sized awards but on different dates. See the table and footnotes below for additional detail on the amounts and terms of these awards.
(4) The amounts in this column for 2023 reflect (a) the cash amounts paid to or earned by our NEOs in the first half of 2023 under the Company's pre-Emergence short-term incentive program and Key Employee Incentive Plan and (b) amounts payable under the Company's current short-term incentive plan with respect to the third and fourth quarters of 2023.
(5) The amounts in this column reflect the total amounts of the following perquisites received by our NEOs in 2023: (a) payments for the cost of premiums for a term life insurance policy paid by us, (b) employer matching contributions to the 401(k) Plan, (c) employer discretionary contributions to the 401(k) Plan, (d) contributions to the NEO's health savings account, (e) expenses under the NEO's lifestyle account, (f) payments for financial counseling services, and (g) payments for the cost of health and welfare benefits for the NEO's dependent(s).

Equity Ownership of Directors and Executive Officers. The following table sets forth certain information with respect to the beneficial ownership of common stock as of the date of this Annual Report by (1) each director and executive officer of the Company and (2) all of our directors and executive officers as a group.

Beneficial ownership has been determined in accordance with the rules of the Securities and Exchange Commission and includes voting power and investment power with respect to shares of common stock. Shares of common stock issuable pursuant to stock options and convertible securities that are exercisable or convertible as of or within 60 days after March 29, 2024 are deemed outstanding for computing the beneficial ownership percentage of the person or member of a group holding the options but are not deemed outstanding for computing the beneficial ownership percentage of any other person. Except as indicated by footnote, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. The address of each director and executive officer named below is the same as that of the Company.

Name	**Position**	**Common Stock Beneficially Owned**[(1)]
Mark "Mac" McFarland	Chief Executive Officer and Director	74,380 [(2)]
Terry Nutt	Chief Financial Officer	—[(3)]
John Wander	General Counsel & Corporate Secretary	—[(3)]
Andrew Wright	Chief Administrative Officer	20,023[(4)]
Brad Berryman	Senior Vice President and Chief Nuclear Officer	20,779[(5)]
Stephen Schaefer	Chairman of the Board and Director	4,132[(6)]
Gizman Abbas	Director	4,132[(7)]
Anthony Horton	Director	4,132[(7)]
Karen Hyde	Director	4,132[(7)]
Joseph Nigro	Director	4,132[(7)]
Christine Benson Schwartzstein	Director	4,132[(7)]
All directors and officers as a group		139,974[(8)]

(1) Does not reflect grants of RSUs or PSUs awarded in connection with Emergence that will not vest within 60 days of the date of this Annual Report. In each case, (a) one-third of the RSUs vest on each of the first, second and third anniversary of the vesting commencement date thereof and (b) based on certain equity value performance metrics, a certain percentage of the PSUs vest on the third anniversary of the vesting commencement date thereof. See the following footnotes for individual award amounts.
(2) Does not reflect 148,761 RSUs and 334,711 PSUs.
(3) Does not reflect 62,338 RSUs and 93,507 PSUs.
(4) Does not reflect 40,048 RSUs and 90,107 PSUs.
(5) Does not reflect 41,559 RSUs and 93,507 PSUs.
(6) Does not reflect 8,265 RSUs and 18,891 PSUs.
(7) Does not reflect 8,265 RSUs.
(8) Does not reflect unvested RSUs and PSUs held by the directors and officers of the Company.

B. Other Control Persons

The following table indicates certain information about the Company's stockholders that beneficially own more than five percent of any class of the issuer's equity securities (each, a "Control Person") as of October 16, 2023, which is the latest practicable date.

Name of Control Person	**Class of Securities Beneficially Owned**	**Number of Securities Beneficially Owned**
Entities Affiliated with Rubric Capital Management LP[(1)]	Common Stock	13,782,407
Monarch Alternative Capital[(2)]	Common Stock	3,845,105
Capital Research and Management Company[(3)]	Common Stock	3,099,169

(1) Consists of (i) 8,981,221 shares held by Rubric Capital Master Fund LP, (ii) 3,173,129 shares held by Rubric BSR Fund LLC, (iii) 849,918 shares of common stock held by Blackstone CSP-MST FMAP Fund and (iv) 778,139 shares held by BEMAP Master Fund Ltd. (collectively, the "Rubric Funds"). The Rubric Funds are managed or sub-managed by Rubric Capital Management LP, as applicable. The sole general partner of Rubric Capital Management LP is Rubric Capital Management GP LLC. The managing member of Rubric Capital Management GP LLC is David Rosen. Mr. Rosen may be deemed to have shared voting and investment power of the securities managed or sub-managed, as applicable, by Rubric Capital Management LP. Mr. Rosen disclaims beneficial ownership of such securities, except to the extent of his pecuniary interest therein. The address of the Rubric Funds is 155 E. 44th Street, New York, NY 10017.
(2) Consists of (i) 1,939,025 shares held by Monarch Capital Master Partners V LP, (ii) 745,309 shares held by Monarch Capital Master Partners VI LP, (iii) 57,306 shares held by Monarch Customized Opportunistic Fund – Series 1 LP, (iv) 524,056 shares held by Monarch Debt Recovery Master Fund Ltd and (v) 579,409 shares held by Monarch V Select Opportunities Master Fund LP (collectively, the "Monarch Funds"). Monarch Alternative Capital LP Capital is the beneficial owner of the Company's common stock and has been delegated the power to vote and dispose of the shares on behalf of the Monarch Funds. MDRA GP LP, Monarch GP LLC, Michael

Weinstock, Andrew Herenstein and Christopher Santana share beneficial ownership with Monarch Alternative Capital LP by virtue of the fact that MDRA GP LP is the general partner of Monarch Alternative Capital LP, Monarch GP LLC is the general partner of MDRA GP LP and Monarch GP LLC is managed by Messrs. Weinstock, Herenstein and Santana. The address of the Monarch Funds is c/o Monarch Alternative Capital LP, 535 Madison Avenue, 22nd Floor, New York, NY 10022.

(3) Consists of (i) 356 shares held by American Funds Insurance Series - Capital World Bond Fund, (ii) 2,242,027 shares held by American High-Income Trust, (iii) 109,720 shares held by American Funds Insurance Series – American High-Income Trust, (iv) 372,237 shares held by American Funds Multi-Sector Income Fund, (v) 368,879 shares held by The Income Fund of America and (vi) 5,950 shares held by Capital Group U.S. High-Yield Trust (US). Capital Research and Management Company ("CRMC") is the investment adviser for American Funds Insurance Series – Capital World Bond Fund, American High-Income Trust, American Funds Insurance Series – American High-Income Trust, American Funds Multi-Sector Income Fund, The Income Fund of America and Capital Group U.S High-Yield Trust (US) (collectively, the "CRMC Funds"). CRMC may be deemed to be the beneficial owner of the shares held by each CRMC Fund; however, CRMC expressly disclaims that it is, in fact, the beneficial owner of such securities. Philip Chitty, Andrew A. Cormack and Thomas Reithinger, as portfolio managers, have voting or investment control over the shares held by American Funds Insurance Series – Capital World Bond Fund. Tom Chow, David A. Daigle, Tara L. Torrens and Shannon Ward, as portfolio managers, have voting or investment control over the shares held by American High-Income Trust, American Funds Insurance Series – American High-Income Trust and Capital Group U.S. High-Yield Trust (US). Xavier Goss, Damien J. McCann, Kirstie Spence, Scott Sykes and Shannon Ward, as portfolio managers, have voting or investment control over the shares held by American Funds Multi-Sector Income Fund. Hilda L. Applbaum, Pramod Atluri, David A. Daigle, Dimitrije M. Mitrinovic, John R. Queen, Caroline Randall, Anirudh Samsi, Andrew B. Suzman, Justin Toner and Shannon Ward, as portfolio managers, have voting or investment control over the shares held by The Income Fund of America. The address of American Funds Insurance Series – Capital World Bond Fund, American High-Income Trust and American Funds Insurance Series – American High-Income Trust is 333 South Hope, 55th Floor, Los Angeles, CA 90071-1406. The address of American Funds Multi-Sector Income Fund, The Income Fund of America and Capital Group U.S. High-Yield Trust (US) is 6455 Irvine Center Drive, Irvine, CA 92618.

C. Legal/Disciplinary History

None of the current directors and executive officer of the Company have, in the last five years, been the subject of (1) a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding any traffic violations and other minor offenses); (2) the entry of an order, judgment or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities and banking activities; (3) a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated; or (4) the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

D. Disclosure of Family Relationships

There are no family relationships among or between the Company's directors, officers or beneficial owners of more than five percent (5%) of any class of the Company's equity securities.

E. Disclosure of Related Party Transactions

Riverstone Management Fees

Prior to the filing of the Restructuring, TES had customary agreements with affiliates of Riverstone for management services and reimbursement of expenses. Under these agreements, TES paid approximately $1.1 million for management services provided and expenses incurred from January to November 2021. In November 2021, Riverstone agreed to suspend payment of the management fees. The agreements were terminated and remaining fees were waived by Riverstone in connection with the Restructuring.

Employment of Independent Contractor

During 2021 and 2022, TES engaged the services of an immediate family member of an executive officer of the Company through an unaffiliated staffing services firm. TES paid $142,000 and $88,000 under this arrangement during the years ended December 31, 2021 and 2022, respectively. The arrangement ended in the second quarter of 2022.

Pattern Energy Joint Ventures

Subsidiaries of TES are currently party to three renewables joint ventures with Pattern Renewables 2 LP ("Pattern Energy") for the development of two solar projects in Pennsylvania totaling 280 MW and a 600-MW wind project in Montana. Affiliates of Riverstone indirectly own a substantial minority interest in Pattern Energy. The joint venture project companies are jointly controlled and indirectly owned either 49% or 50% by TES, respectively, and 51% or 50% by Pattern Energy, respectively. During the years ended December 31, 2023 and 2022, amounts invested by TES in these joint ventures were $2 million and $5 million, respectively.

Cumulus Investments

Cumulus Digital Holdings; Riverstone Buyout

TES owns certain and indirect investments in Cumulus Digital Holdings, our non-wholly owned subsidiary in which Riverstone also owned a minority interest until September 2023. The carrying value of our investments in Cumulus Digital Holdings as of December 31, 2023 was $152 million. TES, directly and indirectly, and Riverstone initially became owners of Cumulus Digital Units in September 2022 in connection with a Restructuring-related settlement in Q3 2022, with TES directly and indirectly receiving approximately 74% of the Cumulus Digital Units and Riverstone receiving approximately 21%. Additionally, pursuant to the settlement, the then-Chairman of TEC, and the then-Chief Executive Officer of TES and TEC, each purchased Cumulus Digital Units from Riverstone in exchange for $1 million in cash. The remainder of the Cumulus Digital Units were held by Orion. From September 2022 through June 30, 2023, TES's direct and indirect interests in Cumulus Digital Holdings increased to 81% as a result of incremental investments by TES, and Riverstone's interests decreased to 14%.

In September 2023, Riverstone sold all of its Cumulus Digital Units to TES and Orion in exchange for $20 million in cash (the "Riverstone Buyout"). As a result of the Riverstone Buyout, TES's direct and indirect interest increased to approximately 95%. In March 2024, Orion sold all of its Cumulus Digital Units to TES in exchange for $36 million in cash. As a result, TES's interest further increased to approximately 99.5%. Following TES's purchase of the Orion equity, Cumulus Digital Holdings distributed approximately $109 million of the initial net proceeds from the Cumulus Data Campus Sale to its members, including approximately $108 million to TES. For additional information on the Cumulus Data Campus Sale, please see "Part C. Business Information—Recent Developments—Cumulus Data Campus Sale; Cumulus Digital Credit Agreement Payoff."

See the historical financial statements and related notes thereto incorporated by reference into this Annual Report for more information on Cumulus Digital Holdings.

Cumulus Coin Holdings

In the first and second quarters of 2022, Riverstone invested approximately $46.7 million in Cumulus Coin Holdings LLC ("Cumulus Coin Holdings"), a subsidiary of Cumulus Digital Holdings, in exchange for preferred equity units. During 2021 and 2022, TES directly and indirectly invested $59 million in Cumulus Coin Holdings in exchange for preferred equity units. Pursuant to a Restructuring-related settlement in Q3 2022, these units were converted into Cumulus Digital Units.

Nautilus Joint Venture

Cumulus Coin LLC ("Cumulus Coin"), a wholly owned subsidiary of Cumulus Coin Holdings, holds a 75% equity interest in Nautilus, with TeraWulf as our joint venture partner owning the other 25%. Under the limited liability company agreement for Nautilus, Cumulus Coin is entitled to designate four of the five members of Nautilus's board of managers as well as Nautilus's chief executive officer, president and chief financial officer. TeraWulf is entitled to designate (i) one board member so long as its ownership percentage remains at or above 15%, and (ii) Nautilus's chief operating officer so long as its ownership percentage remains at or above 25%. The board of managers has overall responsibility and authority for the management and operation of Nautilus, with the officers of

Nautilus exercising day-to-day control and supervision of its operations. The limited liability agreement governing Nautilus does not have a specified term. Termination requires consent of Cumulus Coin but does not require consent of TeraWulf for so long as TeraWulf holds less than 33% of the interests of Nautilus.

Nautilus has no employees. TES, the indirect parent of Cumulus Coin, provides corporate and operational services to Nautilus. The Nautilus facility is located on land previously leased by Nautilus from Cumulus Data, but which was subsequently sold to AWS in the Cumulus Data Campus Sale. Under the terms of the lease, which was assigned to the buyer in the Cumulus Data Campus Sale, among other things, Cumulus Data submetered up to 150 MW of electric power to Nautilus in exchange for supplemental rent payments. At the time of assignment, the lease had an initial term that expires on July 1, 2027, renewable at Nautilus's option. The power was supplied to Cumulus Data by Talen Generation, LLC ("Talen Generation"), a wholly owned subsidiary of TES, pursuant to the Coin PPA described under "—Energy Supply Agreements" below.

Energy Supply Agreements

Prior to the Cumulus Data Campus Sale, Cumulus Data was party to the following two separate agreements with Talen Generation for energy supply ultimately sourced from Susquehanna: (i) an agreement for up to 300 MW which supported submetered power to Nautilus under its ground lease agreement (the "Coin PPA"); and (ii) a separate option agreement for up to 650 MW which was intended to support Cumulus Data's anticipated obligations to provide submetered power under lease agreements with data center tenants (the "Campus PPA"). In connection with the Cumulus Data Campus Sale, the Coin PPA was assigned to an affiliate of AWS and the Campus PPA was terminated. Prior to the sale, Cumulus Data had elected to receive 150 MW under the Coin PPA and had not yet elected to receive any power under the Campus PPA. Talen Generation's obligation to supply power to Cumulus Data under each of the agreements was backstopped by wholesale energy supply agreements with Susquehanna on substantially the same terms as the Coin PPA and the Campus PPA, respectively. The wholesale agreement supporting the Coin PPA was assigned to an affiliate of AWS in connection with the Cumulus Data Campus Sale, and the commitment for wholesale power to support the Campus PPA was terminated. For additional information on the Cumulus Data Campus Sale, please see "Part C. Business Information—Recent Developments—Cumulus Data Campus Sale; Cumulus Digital Credit Agreement Payoff."

Delivery of power under the Coin PPA, together with the five-year initial term of the agreement, commenced in February 2023. Pursuant to the Coin PPA, Talen Generation sold the first 100 MW of power to Cumulus Data at a price of $28.81 per MWh of delivered energy, and the next 50 MW at a price of $44.05 per MWh of delivered energy.

No energy was sold or payments made under the Campus PPA during the years ended December 31, 2023 and December 31, 2022, and no energy was sold or payments made under the Coin PPA during the year ended December 31, 2022. Talen Generation charged $35 million to Cumulus Data under the Coin PPA for the year ended December 31, 2023, with corresponding payments over the same period from Talen Generation to Susquehanna Nuclear for wholesale power supply.

Under the terms of the Plan of Reorganization and related settlements, affiliates of Riverstone received an additional 243,413 shares of common stock at Emergence, representing 25.00% of the estimated net present value of certain potential incremental energy revenues associated with the Coin PPA. Additionally, affiliates of Riverstone also had the right under the Plan of Reorganization related settlements to receive additional common stock (or, at TEC's option, a cash payment) equal to 25.00% of the estimated net present value of certain potential incremental energy revenues under the Campus PPA. This agreement was terminated contemporaneously with the closing of the Riverstone Buyout. For additional information on the Cumulus Data Campus Sale, please see "Part C. Business Information—Recent Developments—Riverstone Repurchase."

Corporate and Operational Services Agreement

Cumulus Digital and its subsidiaries have no employees. As a result, Cumulus Digital has contracted with TES to provide corporate, administrative and operational services under a Corporate and Operational Services Agreement (the "Cumulus Digital COSA"). TES's services under the Cumulus Digital COSA include support of Cumulus Digital's obligation to provide Nautilus with corporate and administrative services under a separate agreement.

In exchange for providing these services, TES is entitled to an annual management fee of $750,000, plus overhead charges approximating the cost of service at rates specified in the agreement, as well as the reimbursement of certain costs incurred in support of Cumulus Digital and its subsidiaries. The agreement terminates in September 2027, subject to earlier termination by Cumulus Digital upon 60 days' prior notice or by TES upon 180 days' prior notice. Prior to the Cumulus Data Campus Sale and associated repayment of the Cumulus Digital Credit Agreement, cash payment of fees and expenses under the agreement were required to be deferred until the earlier of: (i) two years from the commercial operation date of the Nautilus facility; and (ii) the date Cumulus Data and Cumulus Coin meet a minimum interest coverage threshold. TES had the option to receive payment for deferred fees and expenses in cash payments ratably over the next succeeding 24 months or in additional common units of Cumulus Digital Holdings, subject to certain caps. Fees and expenses payable to TES under the agreement for the years ended December 31, 2023 and December 31, 2022, were $18.5 million and $14.6 million, respectively, of which $26.3 million was converted to additional common units in Cumulus Digital Holdings in June 2023. Following repayment of the Cumulus Digital Credit Agreement in March 2024, deferral of fees and expenses is no longer required and the remaining deferred fees and expenses were paid to TES.

Nautilus Facility Operations Agreement

In December 2022, Nautilus and TES executed a Facilities Operations Agreement (the "Nautilus FOA") whereby TES agreed to provide, or arrange for Nautilus, certain infrastructure, construction, operations and maintenance and administrative services necessary to build out and operate the Nautilus facility and support Nautilus's ongoing business at the Nautilus facility. The services were previously provided to Nautilus under an agreement with an affiliate of TeraWulf, our unaffiliated joint venture partner in Nautilus, which was terminated upon execution of the Nautilus FOA with TES. TES is entitled to reimbursement of its costs (including direct personnel costs) incurred in performing the services on a monthly basis but is not otherwise entitled to a management fee. The Nautilus FOA expires in December 2025. Amounts payable by Nautilus to TES under the Nautilus FOA were $5 million for the year ended December 31, 2023.

Letters of Credit Supporting Cumulus Digital Credit Agreement and Reimbursement Agreement

As of December 31, 2023, TES provided $50 million in letters of credit to support certain of Cumulus Digital's obligations under the Cumulus Digital Credit Agreement. Cumulus Digital agreed to reimburse TES for fees associated with the letters of credit in the form of cash payments or additional common units of Cumulus Digital Holdings, subject to certain caps. Prior to the Cumulus Data Campus Sale and associated repayment of the Cumulus Digital Credit Agreement, payment of cash fees was deferred until the earlier of: (i) two years from the commercial operation date of the Nautilus facility; and (ii) the date Cumulus Data and Cumulus Coin meet a minimum interest coverage threshold. Fees and expenses payable to TES under the agreement for the years ended December 31, 2023 and December 31, 2022, were $3.3 million and $2.6 million, respectively, of which $3.7 million was converted to additional common units in Cumulus Digital Holdings in June 2023.

In connection with the Cumulus Data Campus Sale, on March 1, 2024, the Cumulus Digital Credit Agreement was repaid in full and terminated, and the letters of credit provided by TES to support Cumulus Digital's obligations under the Cumulus Digital Credit Agreement were terminated. Following repayment of the Cumulus Digital Credit Agreement, deferral of fees and expenses is no longer required and the remaining deferred fees and expenses were paid to TES.

Guaranty of Cumulus Digital Credit Agreement

Prior to the consummation of the Cumulus Data Campus Sale, TEC had provided a guarantee to the lenders under the Cumulus Digital Credit Agreement for certain shortfalls in principal and interest payments by Cumulus Digital (up to a maximum of 23% of the principal amount of outstanding loans under the Cumulus Digital Credit

Agreement). In connection with the Cumulus Data Campus Sale, the Cumulus Digital Credit Agreement was repaid in full and the guarantees TEC provided to the lenders thereof were terminated.

Tax Indemnity Agreement

In September 2022, upon the Bankruptcy Court's approval of the transactions contemplated by a Restructuring-related settlement in Q3 2022, Riverstone agreed to indemnify the Company (or, at our option, TES) for:

- certain federal and state income taxes that may be owed as a result of certain of the transactions contemplated by the settlement; and

- the tax-effected value of federal income tax attributes of TES in excess of $33 million, if any, utilized to reduce our income tax obligations which, absent such tax attributes, would have otherwise been payable in connection with such transactions.

The TIA was terminated contemporaneously with the closing of the Riverstone Buyout.

Registration Rights Agreement and Stockholders Agreement

In connection with Emergence, we entered into the Registration Rights Agreement and the Stockholders Agreement. Under the Registration Rights Agreement, the Reg Rights Holders were granted customary registration rights that may be exercised after the consummation of an initial public offering, including customary shelf registration rights and piggyback rights.

Pursuant to the Stockholders Agreement, stockholders have certain limited information rights, drag-along rights and tag-along rights, and certain stockholders holding 5% or more of common stock have the right to designate a representative to an offering committee (the "Offering Committee") and so long as the aggregate Company ownership represented on the Offering Committee is at least 20%. Although the Offering Committee has not been established, it would, if established, have the right to request that the Company pursue and use its reasonable best efforts to consummate an underwritten initial public offering. In connection with such underwritten initial public offering, the Offering Committee has certain consent rights, including over the selection of a lead underwriter, structure of the offering, terms and conditions of material transaction documents, selection of a stock exchange, valuation matters, timing and pricing terms. Additionally, any holder that beneficially owns at least 3% of the Company's common stock is entitled to participate in any secondary component of an underwritten initial public offering. The Stockholders Agreement terminates automatically upon the effectiveness of a registration statement in connection with an underwritten public offering of the Company's common stock. The Stockholders Agreement also terminates upon the written consent of the Company and stockholders that beneficially own at least two-thirds of the Company's outstanding common stock; provided that the Stockholders Agreement may not be terminated with respect to any stockholders without such stockholder's consent if such termination would adversely affect such stockholder.

Riverstone Warrant Cancellation

Pursuant to the Plan of Reorganization and related settlements, at Emergence, affiliates of Riverstone received warrants to acquire an additional 3,106,781 shares of common stock. In August 2023, TEC, TES and the Riverstone affiliates agreed that (i) the warrants would be surrendered and the Riverstone affiliates would waive their right to receive additional common stock in connection with the Campus PPA and (ii) the TIA would be terminated in exchange for a $40 million cash payment by TES. The transactions were consummated in September 2023 contemporaneously with the closing of the Riverstone Buyout.

F. Disclosure of Conflicts of Interest

There are no conflicts of interest for any executive officer or director with competing professional or personal interests.

Item 12. Financial information for the issuer's most recent fiscal period

The Company has provided the following audited financial statements as of December 31, 2023, for the Period from January 1, 2023 through May 17, 2023 (Predecessor) and for the Period from May 18, 2023 through December 31, 2023 (Successor) which are available on the OTC Markets Group website (www.otcmarkets.com/stock/TLNE/disclosure), and are hereby incorporated by reference into this Annual Report:

Consolidated Statements of Operations for the Period from January 1, 2023 through May 17, 2023 (Predecessor), the Period from May 18, 2023 through December 31, 2023 (Successor), and the Years Ended December 31, 2022 and 2021 (Predecessor)

Consolidated Statements of Comprehensive Income (Loss) for the Period from January 1, 2023 through May 17, 2023 (Predecessor), the Period from May 18, 2023 through December 31, 2023 (Successor), and the Years Ended December 31, 2022 and 2021 (Predecessor)

Consolidated Balance Sheets as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor)

Consolidated Statements of Cash Flows for the Period from January 1, 2023 through May 17, 2023 (Predecessor), the Period from May 18, 2023 through December 31, 2023 (Successor), and the Years Ended December 31, 2022 and 2021 (Predecessor)

Consolidated Statements of Equity for the Period from January 1, 2023 through May 17, 2023 (Predecessor), the Period from May 18, 2023 through December 31, 2023 (Successor), and the Years Ended December 31, 2022 and 2021 (Predecessor)

Item 13. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence

The Company has provided the following audited financial statements for the years ended December 31, 2022 and 2021, which were previously posted to OTC Markets Group website (www.otcmarkets.com/stock/TLNE/disclosure) and are hereby incorporated by reference into this Annual Report:

Talen Energy Corporation
Consolidated Balance Sheets as of December 31, 2022 and 2021
Consolidated Statements of Operations for the Years Ended December 31, 2022 and 2021
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2022 and 2021
Consolidated Statements of Statements of Cash Flows for the Years Ended December 31, 2022 and 2021
Consolidated Statements of Statements of Equity for the Years Ended December 31, 2022 and 2021

Talen Energy Supply, LLC and Subsidiaries
Consolidated Balance Sheets as of December 31, 2022 and 2021
Consolidated Statements of Operations for the Years Ended December 31, 2022 and 2021
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2022 and 2021
Consolidated Statements of Statements of Cash Flows for the Years Ended December 31, 2022 and 2021
Consolidated Statements of Statements of Equity for the Years Ended December 31, 2022 and 2021

Item 14. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure

Investment Banker

Not applicable.

Promoter

B. Riley Securities, Inc.
Attn: Becky Popoff
111000 Santa Monica Blvd., Suite 800
Los Angeles, CA 90025
Phone: (949) 250-5514
Email: bpopoff@brileyfin.com

Securities Counsel

Kirkland & Ellis LLP
Attn: Matthew R. Pacey P.C., Michael W. Rigdon P.C. and Anthony L. Sanderson
609 Main Street
Houston, TX 77002
Phone: (713) 836-3786; (713) 836-3647; (713) 836-3424
Email: matt.pacey@kirkland.com; michael.rigdon@kirkland.com; anthony.sanderson@kirkland.com

Auditor

Preparation of the Company's financial statements is the responsibility of the Company's management. The Company's independent audit firm, PricewaterhouseCoopers LLC, is responsible for expressing an opinion on the Company's financial statements based on its audit (i) as of December 31, 2023 and for the period from May 18, 2023 through December 31, 2023, (ii) for the period from January 1, 2023 through May 17, 2023, and (iii) as of and for the years end December 31, 2022 and 2021. PricewaterhouseCoopers LLC's contact information is as shown below:

PricewaterhouseCoopers LLP
1000 Louisiana, Suite 5800
Houston, TX 77002
Phone: (713) 356-4000
Email: lucas.m.carpenter@pwc.com

Public Relations Consultant

Not applicable.

Investor Relations Consultant

Not applicable.

Other Advisors

Not applicable.

Item 15. Management's Discussion and Analysis or Plan of Operation

A. Plan of Operation

This item is not applicable as we have had revenues for the years ended December 31, 2023 and 2022.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations

For information on the Company's financial condition and results of operations, please see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included with the historical financial statements incorporated by reference into this Annual Report and available on the OTC Markets Group website (www.otcmarkets.com/stock/TLNE/disclosure).

C. Off-Balance Sheet Arrangements

The Company does not have any obligations that meet the definition of an off-balance sheet arrangement that have had, or are reasonably likely to have, a material effect on the Company's financial condition or results of operations.

Part E. Issuance History

Item 16. List of securities offerings and shares issued for services in the past two years

Common Stock

At Emergence, and in reliance on the exemption from registration provided in Section 1145 of the Bankruptcy Code, 4,757,642 shares of common stock were issued to the holders of claims under TES's pre-Restructuring unsecured notes and PEDFA 2009A Bonds in satisfaction of such claims.

At Emergence, Riverstone and Talen MidCo LLC and certain of their respective designees received 833,701 shares of common stock issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), in connection with the settlement of certain claims.

Backstopped Equity Rights Offering

In connection with Emergence, in April 2023, the Company commenced the Rights Offering. Pursuant to the Rights Offering, TEC offered holders of claims under TES's pre-Restructuring unsecured notes and PEDFA 2009A Bonds the right to purchase common stock of the reorganized, post-Emergence Company, for an aggregate purchase price of $1.4 billion. Such Rights Offering was backstopped by certain holders of claims under TES's pre-Restructuring unsecured notes and PEDFA 2009A Bonds (the "Backstop Parties").

Pursuant to the Rights Offering, (i) the Company issued 43,750,000 shares of common stock at a purchase price of $32.00 per share to participating holders for an aggregate purchase price of approximately $1.4 billion, of which (a) 690,813 shares of common stock were issued in reliance on the exemption from registration provided in Section 1145 of the Bankruptcy Code and (b) 43,059,187 shares of common stock were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and (ii) the Company issued 9,687,500 shares of common stock, comprising of shares issuable as part of the fee payable to the Backstop Parties, in reliance on the exemption from registration provided in Section 1145 of the Bankruptcy Code.

Warrants

At Emergence, certain affiliates of Riverstone received warrants to purchase up to 5.00%, or 3,106,781 shares, of common stock, with (i) a tenor of five years, (ii) a strike price of $52.92, subject to adjustment in certain circumstances, and (iii) Black-Scholes protection in the event of certain change of control transactions, the terms of which are set forth in the those certain Warrant Certificates No. 1-3, dated May 17, 2023, issued by TEC. The warrants were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act in connection with the settlement of certain claims. In connection with the consummation of the Riverstone Buyout, such warrants were surrendered and cancelled in exchange for a $40 million cash payment by TES.

Pursuant to that certain Employment Agreement, dated December 12, 2022, by and between Talen Energy Supply, LLC and Leonard LoBiondo, at Emergence, Mr. LoBiondo acquired warrants to purchase up to 457,142 shares common stock with a tenor of three years and a strike price of at a strike price of $43.75, subject to adjustment in certain circumstances, the terms of which are set forth in the that certain Warrant Certificate No. L-1, dated May 17, 2023, issued by TEC. Such warrants were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

Senior Notes

On May 12, 2023, TES issued $1.2 billion aggregate principal amount of secured notes in reliance on the exemptions from registration provided by Section 4(a)(2) of the Securities Act and resold pursuant to Rule 144A and Regulation S under the Securities Act. The offering of the secured notes was part of the series Exit Financings undertaken in connection with the Restructuring and was used to fund the distributions provided for under the Plan of Reorganization, including the repayment of claims under certain of the debtors' pre-petition indebtedness, and to pay certain fees, commissions and expenses relating to the foregoing and Emergence and for general corporate purposes.

Part F. Exhibits

Item 17. Material Contracts

Other than as disclosed elsewhere in this Annual Report and in our Supplemental Information Report posted on March 4, 2024, Quarterly Reports for the period ended September 30, 2023 and June 30, 2023 and in our Quarterly Report and Initial Disclosure Statement for the period ended March 31, 2023, each of which is available on the OTC Markets Group website (www.otcmarkets.com/stock/TLNE/disclosure) and each of which is hereby incorporated by reference, there are no material contracts of the Company, not made in the ordinary course of business, that will be performed after the posting of this Annual Report or that were entered into not more than two years before such posting.

Item 18. Articles of Incorporation and Bylaws

A complete copy of each of the Third Amended and Restated Certificate of Incorporation of Talen Energy Corporation and the Second Amended and Restated Bylaws of Talen Energy Corporation is available on the OTC Markets Group website (www.otcmarkets.com/stock/TLNE/disclosure), each of which is hereby incorporated by reference.

Item 19. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 20. Issuer's Certifications

I, Mark A. McFarland, certify that:

(i) I have reviewed this annual disclosure statement of Talen Energy Corporation;

(ii) Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

(iii) Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 29, 2024

/s/ Mark A. McFarland
Chief Executive Officer and Director

I, Terry L. Nutt, certify that:

(i) I have reviewed this annual disclosure statement of Talen Energy Corporation;

(ii) Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

(iii) Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: March 29, 2024

/s/ Terry L. Nutt
Chief Financial Officer