2020 – 2022 Financial Outlook

May 10, 2020

Disclaimer

The financial outlook and information included in this document (the "Outlook") have been prepared by Energy Harbor Corp. ("Energy Harbor") together with its subsidiaries (Energy Harbor and its subsidiaries, collectively, the "Company"). The Outlook should be reviewed together with all of the materials posted on the Company's investor website at https://energyharbor.com/en/about/investor-relations (the "Investor Website").

Non-GAAP Financial Measures

The Outlook includes non-GAAP financial measures, including earnings before interest, tax, depreciation and amortization ("EBITDA") and adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), that are different from financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP") and may be different from non-GAAP calculations made by other companies. The presentation of these measures may not be comparable to similarly titled measures used by other companies. These measures may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to revenues, net income, cost of services or other measures of financial performance or liquidity under GAAP. The Company believes these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by investors, lenders and other interested parties in reviewing the Company.

Forward Looking Statements

This document contains "forward-looking statements." All statements, other than statements of historical facts, that are included in this document that address activities, events, or developments that the Company expects or anticipates to occur in the future, including such matters as financial results and performance, capital allocation, future capital expenditures, business strategy, competitive strengths, goals, future acquisitions or dispositions, operation of facilities, market and industry developments and the growth of the Company's businesses and operations (often, but not always, through the use of words or phrases such as "intends," "plans," "will likely result," "are expected to," "could," "will continue," "is anticipated," "estimated," "should," "projection," "target," "goal," "objective," and "outlook"), are forward-looking statements. Although the Company believes that in making any such forward-looking statement its expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties and is qualified in its entirety by reference to the discussion of risk factors under "Risk Factors" contained in the Disclosure Statement for the Fifth Amended Joint Plan of Reorganization of FirstEnergy Solutions Corp., et al., pursuant to Chapter 11 of the Bankruptcy Code filed with the Bankruptcy Court on May 30, 2019 available on the Investor Website (the "Disclosure Statement") and the following important factors, among others, that could cause the Company's actual results to differ materially from those projected in this document and in such forward-looking statements: difficulties the Company may face in retaining and motivating its key employees, and difficulties it may face in attracting new employees; the actions and decisions of regulatory authorities; changes in assumptions regarding economic conditions and power pricing within the Company's territories and markets; global or national health pandemics, epidemics or concerns, such as the COVID-19 pandemic; the Company's ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, its ability to continue to reduce costs and to successfully execute its financial plans; the uncertainties associated with the deactivation of remaining commodity-based generating units, including the impact on vendor commitments, and as it relates to the reliability of the transmission grid, the timing thereof; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings, including with respect to the timing and amounts of the capital expenditures that may arise in connection with any such proceedings, including NSR litigation, proceedings related to the rejection of certain power purchase agreements or potential regulatory initiatives or rulemakings; changes in customers' demand for power, including, but not limited to, changes resulting from the implementation of state and federal energy efficiency and peak demand reduction mandates; economic and weather conditions affecting future sales, margins and operations, such as significant weather events, and all associated regulatory events or actions; changes in national and regional economic conditions affecting the Company and/or the Company's major industrial and commercial customers, and other counterparties with which it does business; the impact of labor disruptions by the Company's unionized workforce; the risks associated with cyber-attacks and other disruptions to the Company's information technology system that may compromise the Company's generation services and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information regarding the Company's business, employees, stockholders, customers, suppliers, business partners and other individuals in its data centers and on its networks; the impact of the regulatory process and resulting outcomes on the matters at the federal level and in the various states in which the Company does business, including but not limited to, matters related to rates, and carbon regulation; the impact of the federal regulatory process on entities and transactions regulated by the Federal Energy Regulatory Commission ("FERC"), in particular FERC regulation of PJM Interconnection L.L.C. ("PJM") wholesale energy, ancillary services, and capacity markets as well as FERC's compliance and enforcement activity, including compliance and enforcement activity related to the North American Electric Reliability Corporation's ("NERC") mandatory reliability standards; adverse regulatory or legal decisions and outcomes with respect to the Company's nuclear operations (including, but not limited to, the revocation or non-renewal of necessary licenses, approvals or operating permits by the U.S. Nuclear Regulatory Commission ("NRC")); the Company's ability to comply with applicable state and federal reliability standards and energy efficiency and peak demand reduction mandates; other legislative and regulatory changes, including any challenges to Ohio HB6 (as described in the disclosure report dated February 28, 2020) and the federal administration's required review and potential revisions of environmental requirements, including, but not limited to, the effects of the Environmental Protection Agency's ("EPA") Clean Power Plan ("CPP"), Coal Combustion Residuals ("CCR"), and Cross-State Air Pollution Rules ("CSAPR") programs, including the Company's estimated costs of compliance, CWA waste water effluent limitations for power plants, and CWA 316(b) water intake regulation; the impact of changes to significant accounting policies; and the impact of any changes in tax laws or regulations or adverse tax audit results or rulings.

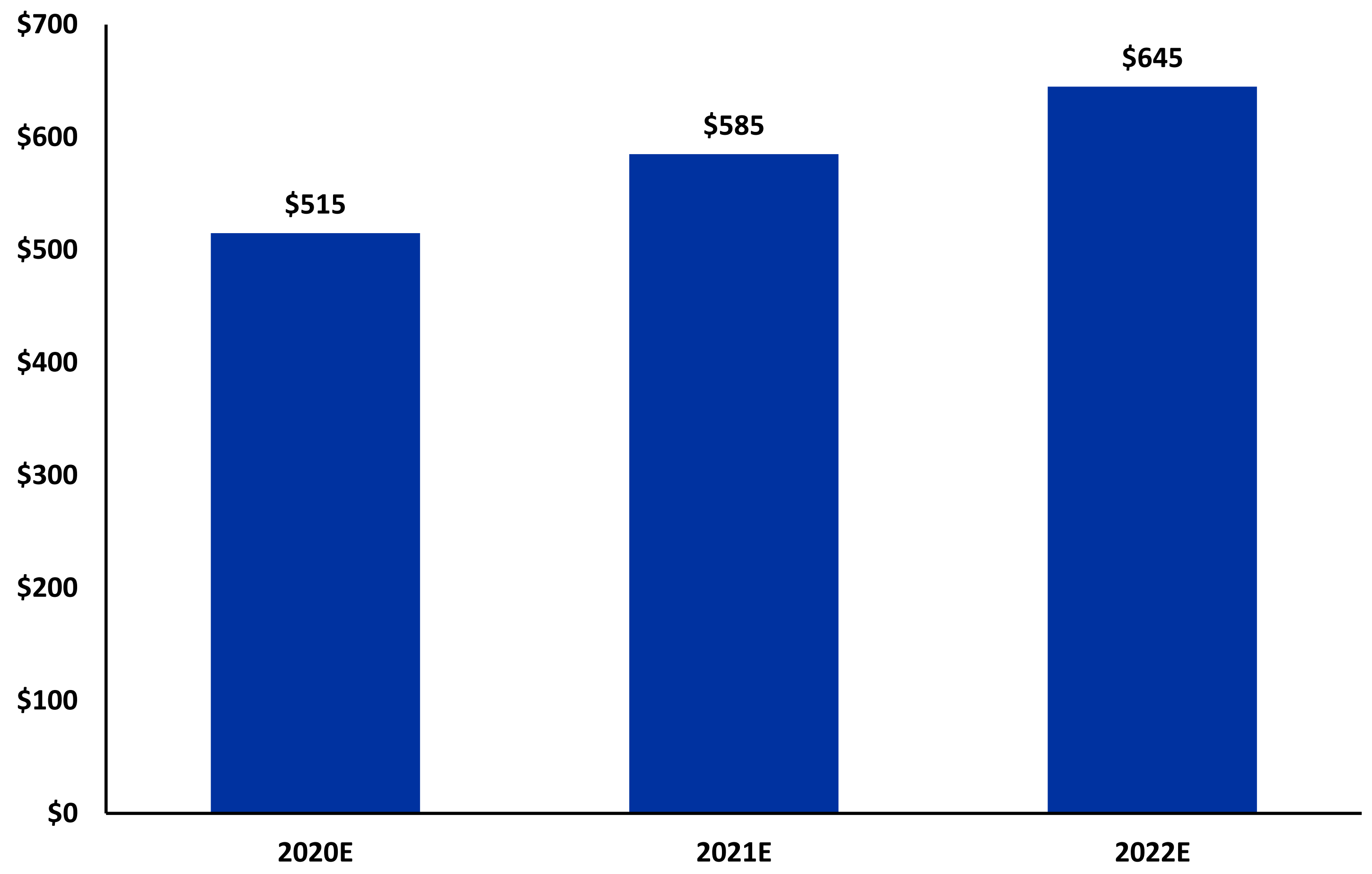
Any forward-looking statement speaks only as of the date on which it is made, and except as may be required by law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events or circumstances or to distribute an updated Outlook at any point in the future. New factors emerge from time to time, and it is not possible for the Company to predict all of them; nor can the Company assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. As such, you should not unduly rely on such forward-looking statements.

Energy Harbor Value Proposition

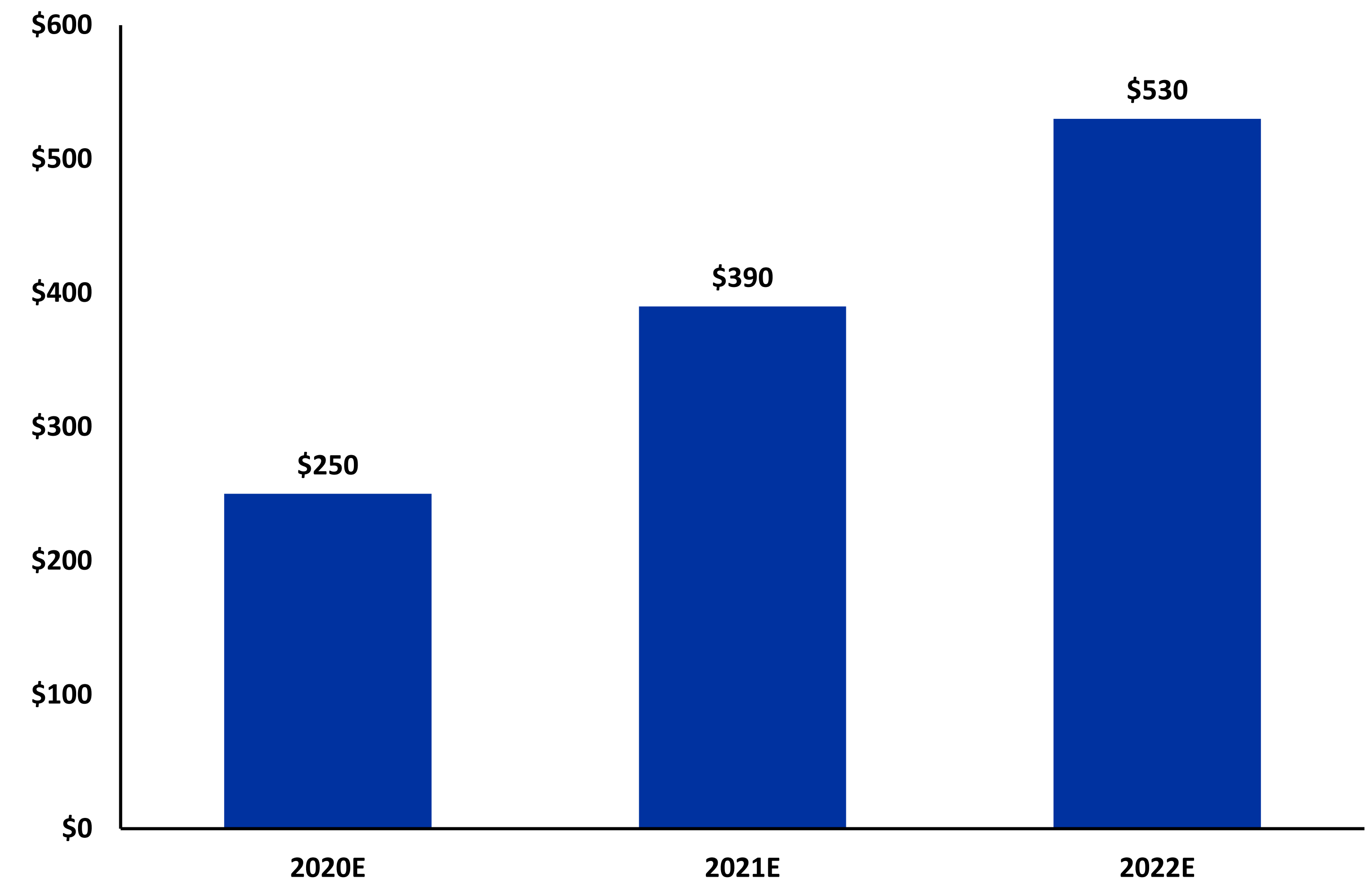
- **Mission: Energy Harbor strives to be the industry leading integrated power company through best in class safety, operations and customer experience with unmatched financial stability**
  - Energy Harbor produces substantial carbon free power from our well managed, highly reliable nuclear fleet
  - Energy from our clean plants combined with our top tier retail sales and operations platform enables our customers to meet their environmental, social and sustainability energy management goals
- **Substantial EBITDA and Free Cash Flow driven by constant focus on operational excellence**
  - Safe, reliable nuclear generation provides visible cash flows supported by clean air zero emission credits
  - Retail business balances generation length and is estimated to produce +$200MM of EBITDA by 2022
  - Corporate support functions are lean, nimble and focused on continuous financial and operational improvement
- **High quality, defensive and visible cash flow differentiates Energy Harbor**
  - Energy Harbor generates a substantial portion of its cash flow from low risk regulatory sources
  - Growing retail business provides reliable, visible and repeatable cash flows
  - Balanced wholesale and retail portfolio offers strong counter cyclical protection
- **Committed to maintaining a balance sheet with low leverage and significant liquidity**
  - Investment grade rating from Moody's reflects the Company's financial strength, "The company's financial metrics are expected to be very strong due to the very low level of debt on the balance sheet and robust cash flow from its clean air credits, retail and generation assets."
  - Industry leading financial leverage ratios include Gross Debt/EBITDA < 1x and average FFO/Gross Debt > 100%
- **Well positioned for a carbon free future that provides significant equity value upside**
  - Greater than 95% of Energy Harbor free cash flow comes from carbon free sources in 2022 and beyond
  - Free cash flow increase from potential future carbon policy offers meaningful upside for Energy Harbor shareholders
- **Desire to consistently return excess cash to shareholders is reflected by the Board's recent actions**
  - Share buyback authorization was increased from $500 million to $800 million on 5/8/2020
  - Energy Harbor has used the market dislocation to create meaningful incremental shareholder value through repurchases at a substantial discount to intrinsic value
  - Low leverage allows Energy Harbor to maximize capital return of substantial free cash flow to shareholders

Financial Outlook

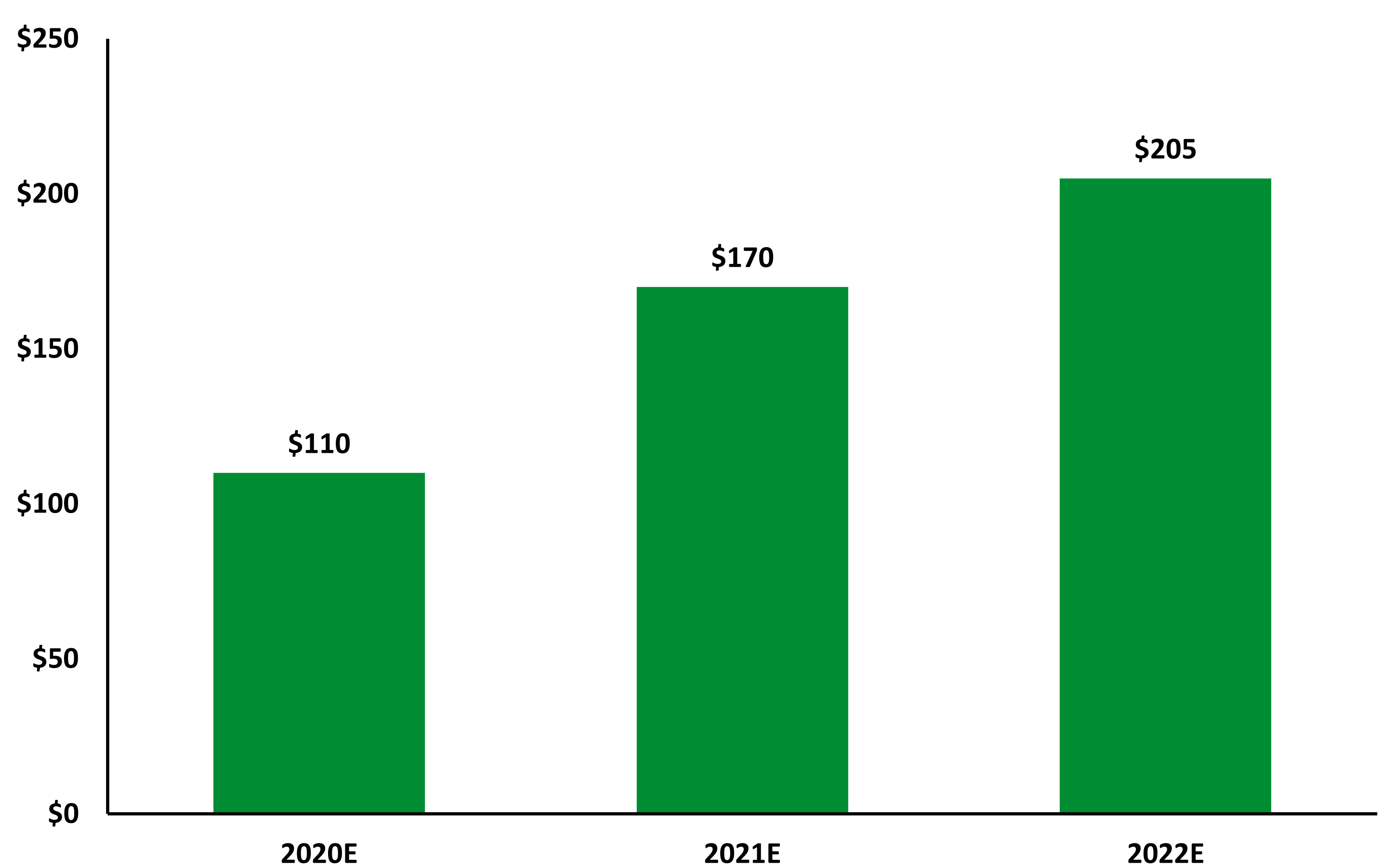
Consolidated Adjusted EBITDA[1]; $MM



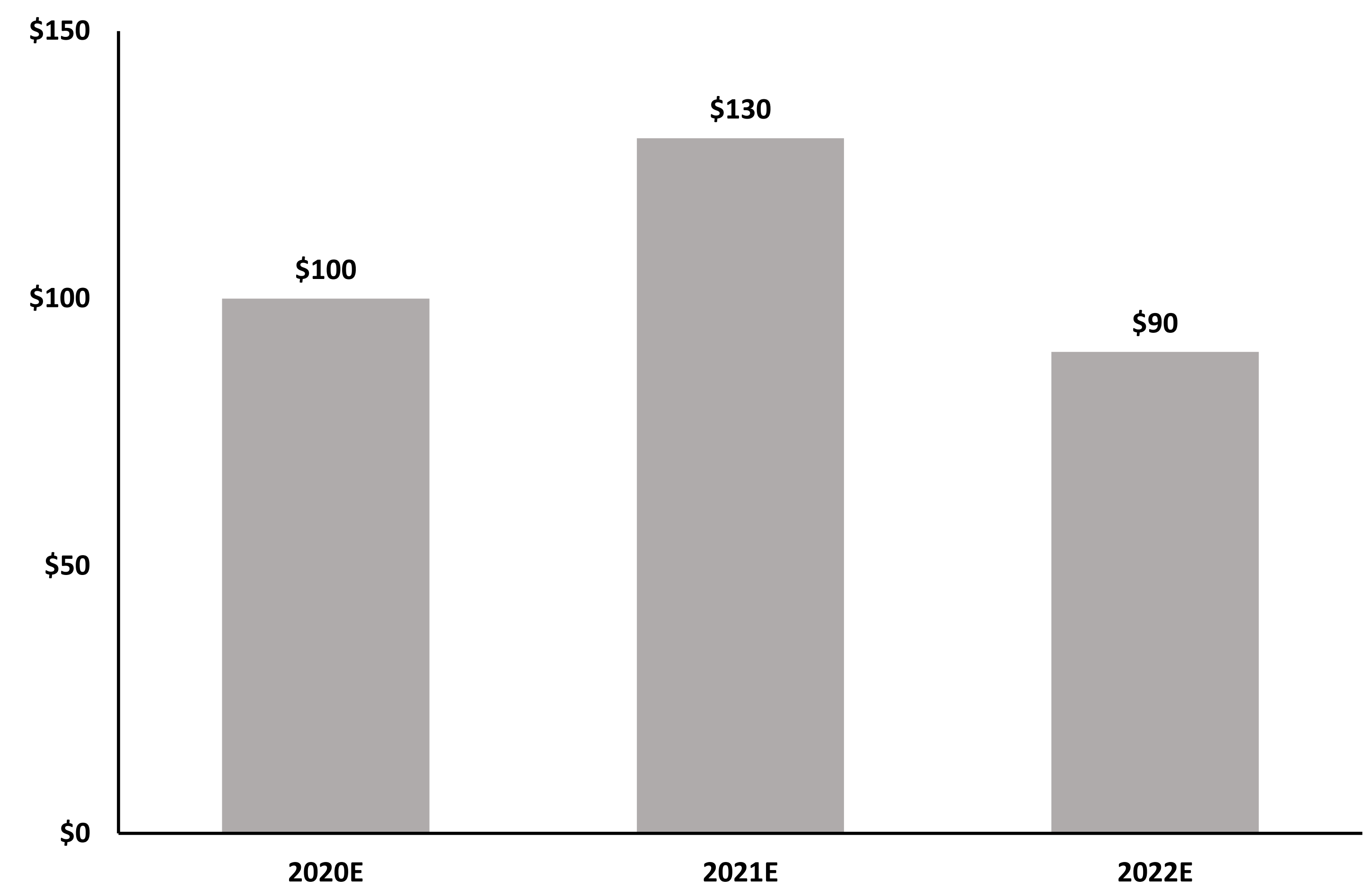
Consolidated Adjusted Free Cash Flow; $MM



Retail EBITDA; $MM



Capital Expenditures; $MM



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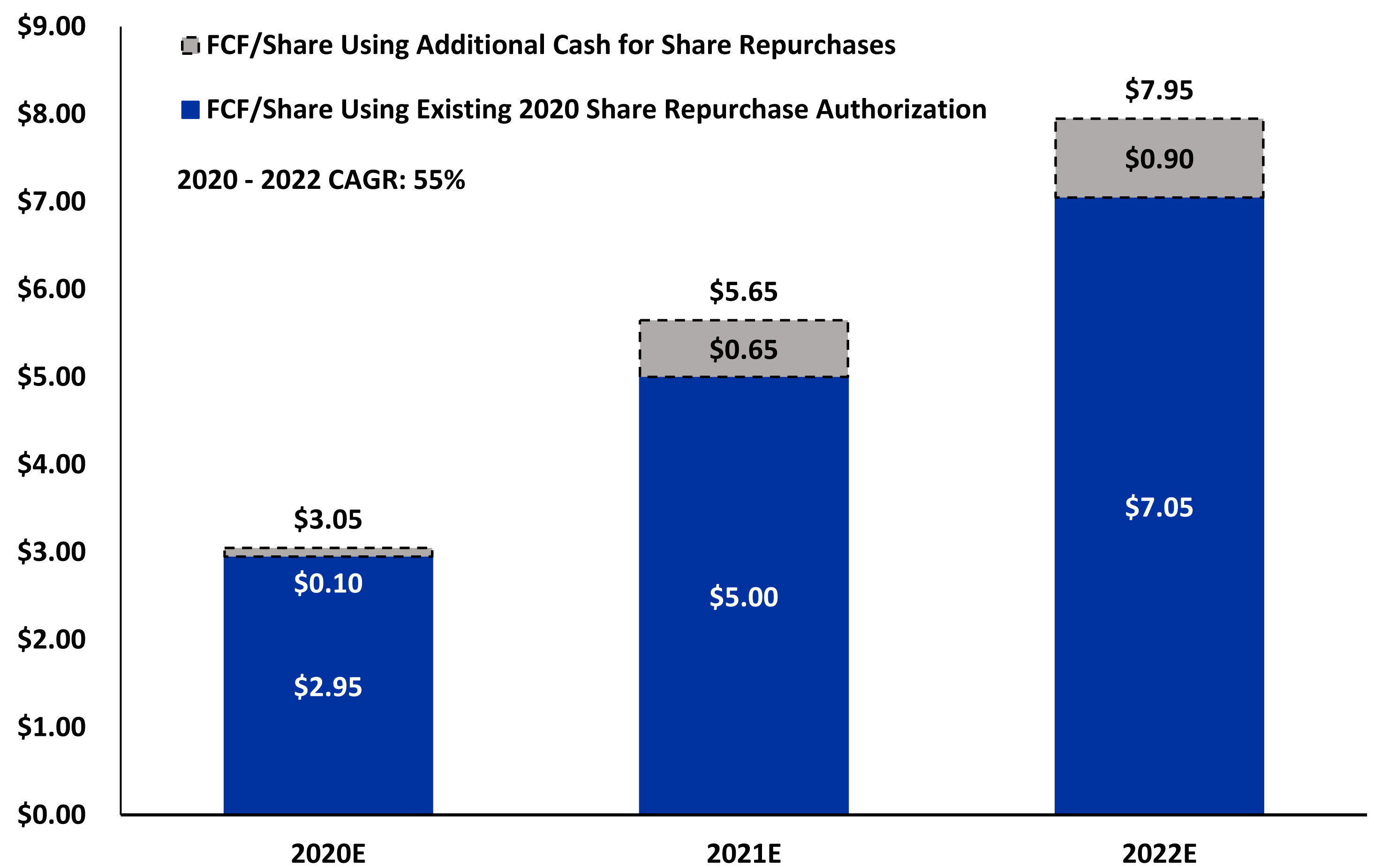
Note: Utilizes forward commodity prices as of 4/22/20

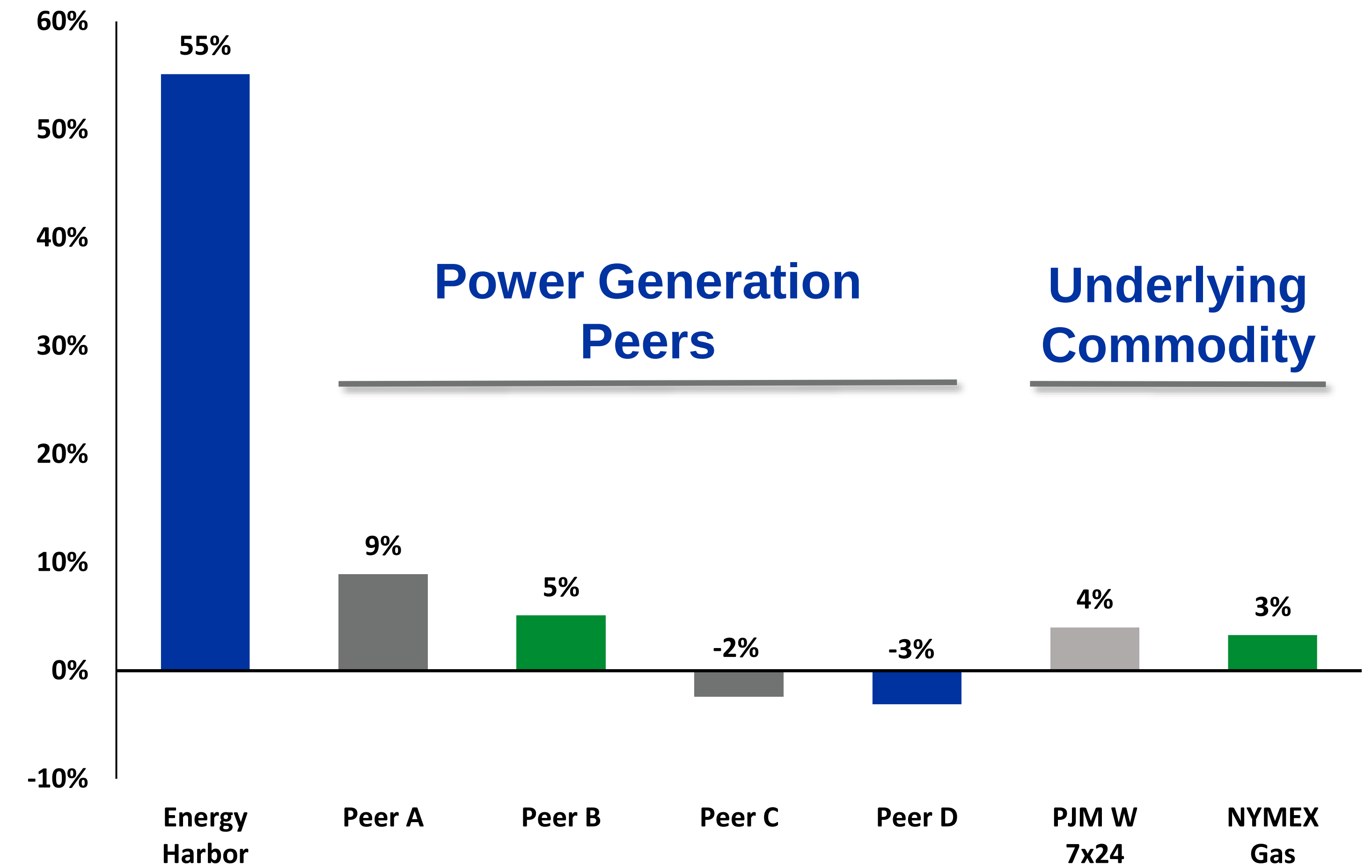
1) Adjusted EBITDA includes the cost of nuclear fuel

High Quality and Visible Free Cash Flow

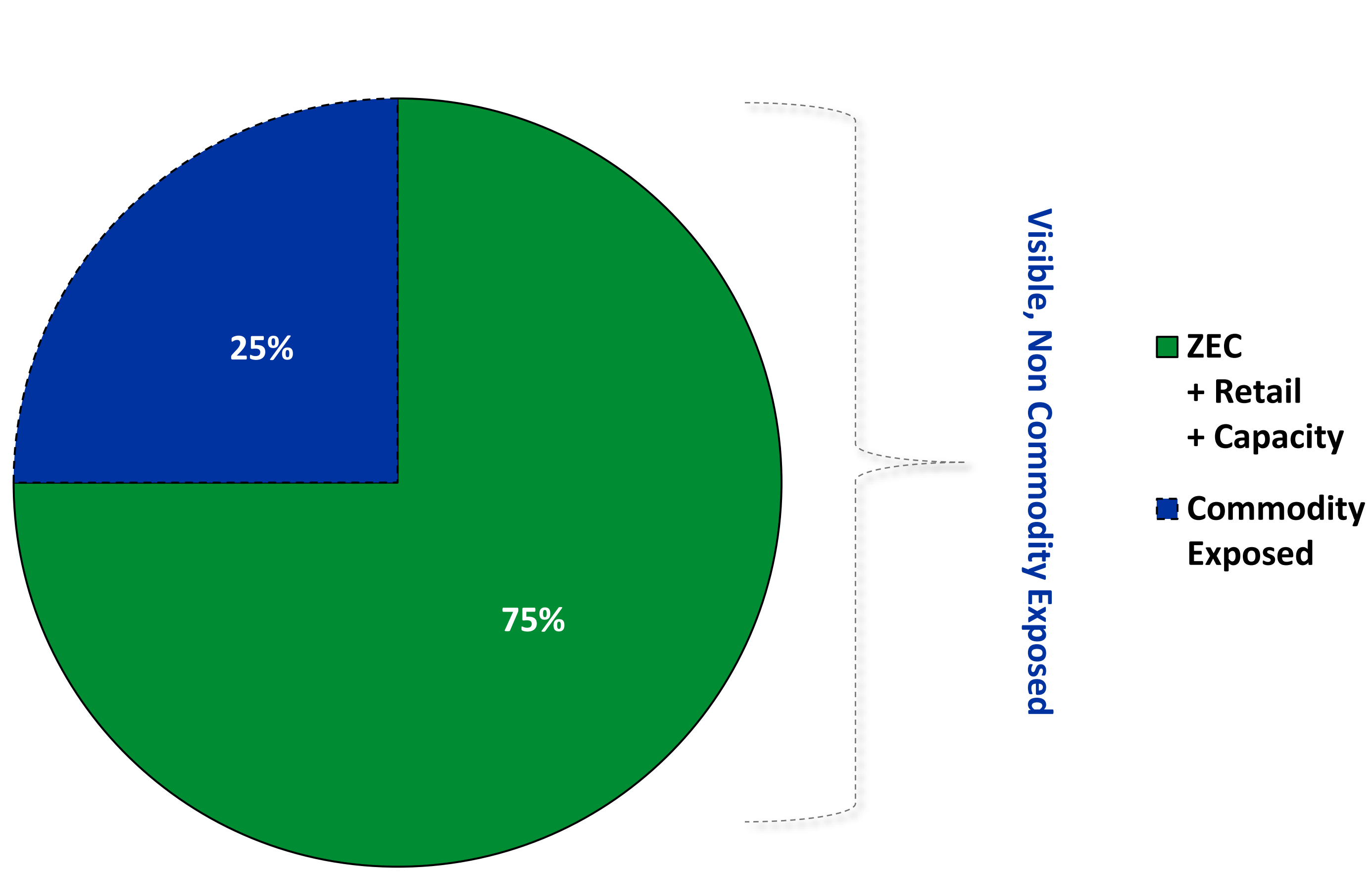
EH Produces Meaningful Adjusted FCF per Share



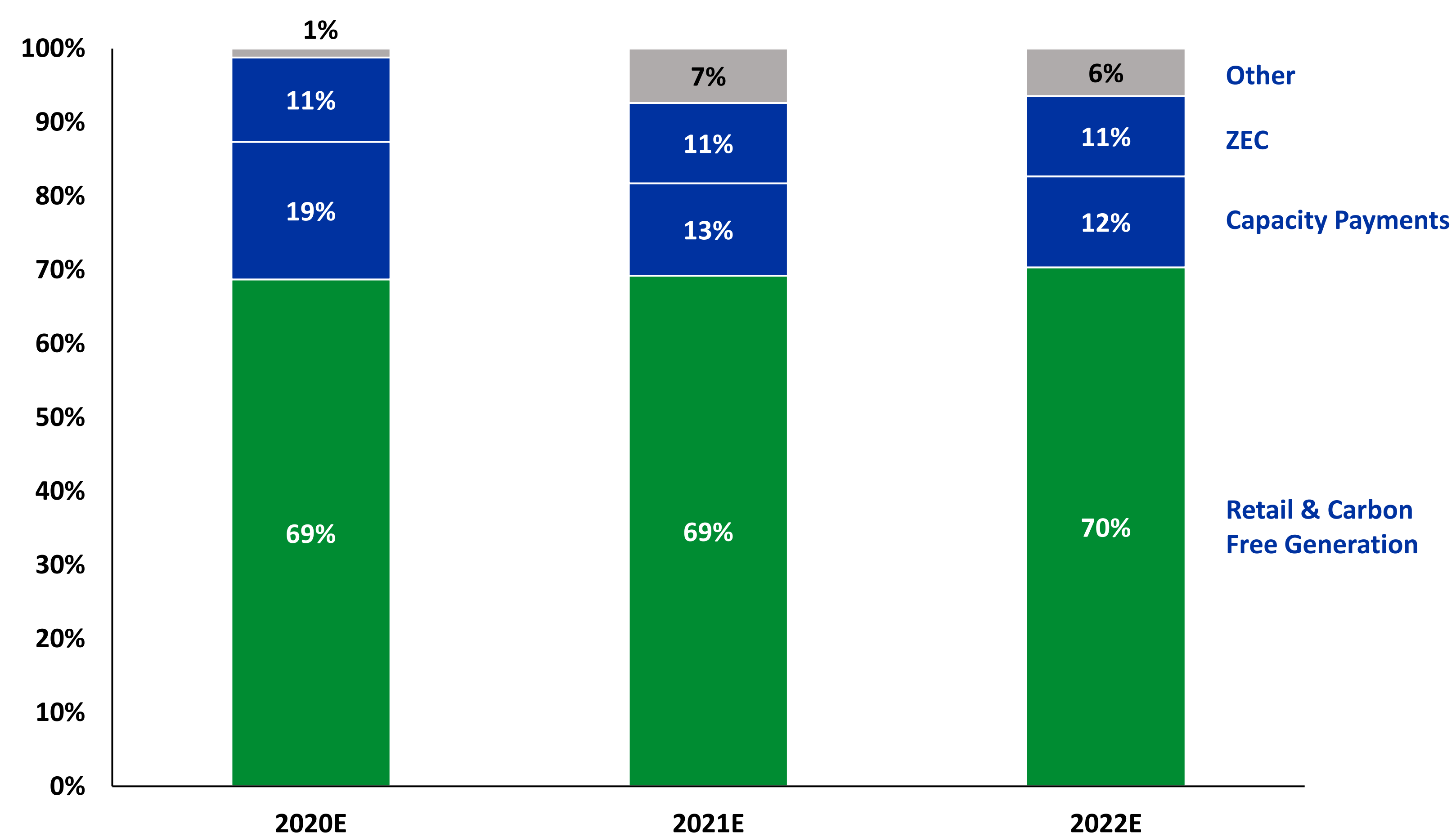
2020 – 2022 Adjusted FCF per Share CAGR



Cash Flow is High Quality, Defensive and Visible[1]



Diversified and Visible Gross Margin

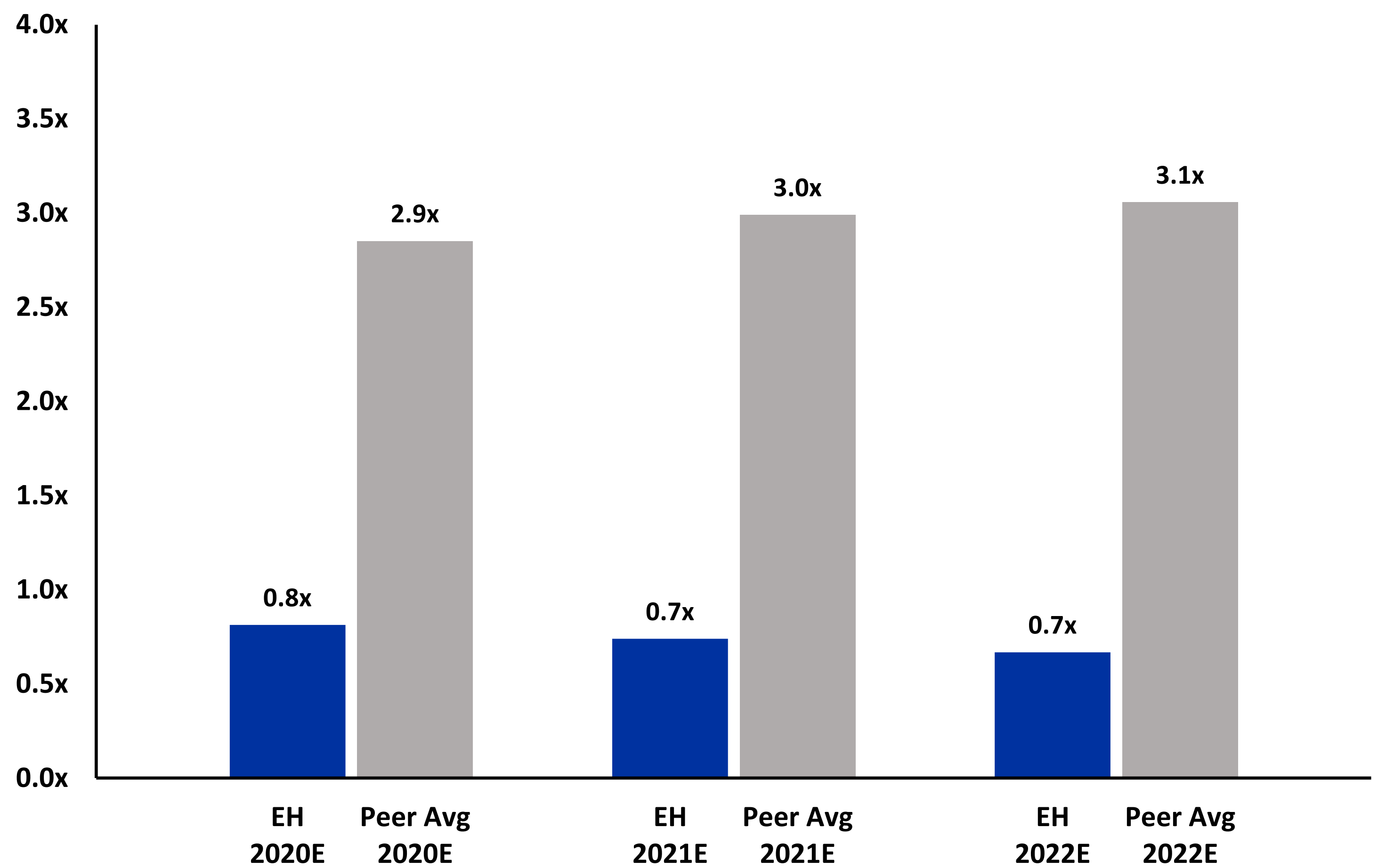


Note: Peer data sourced from company filings and sell side research

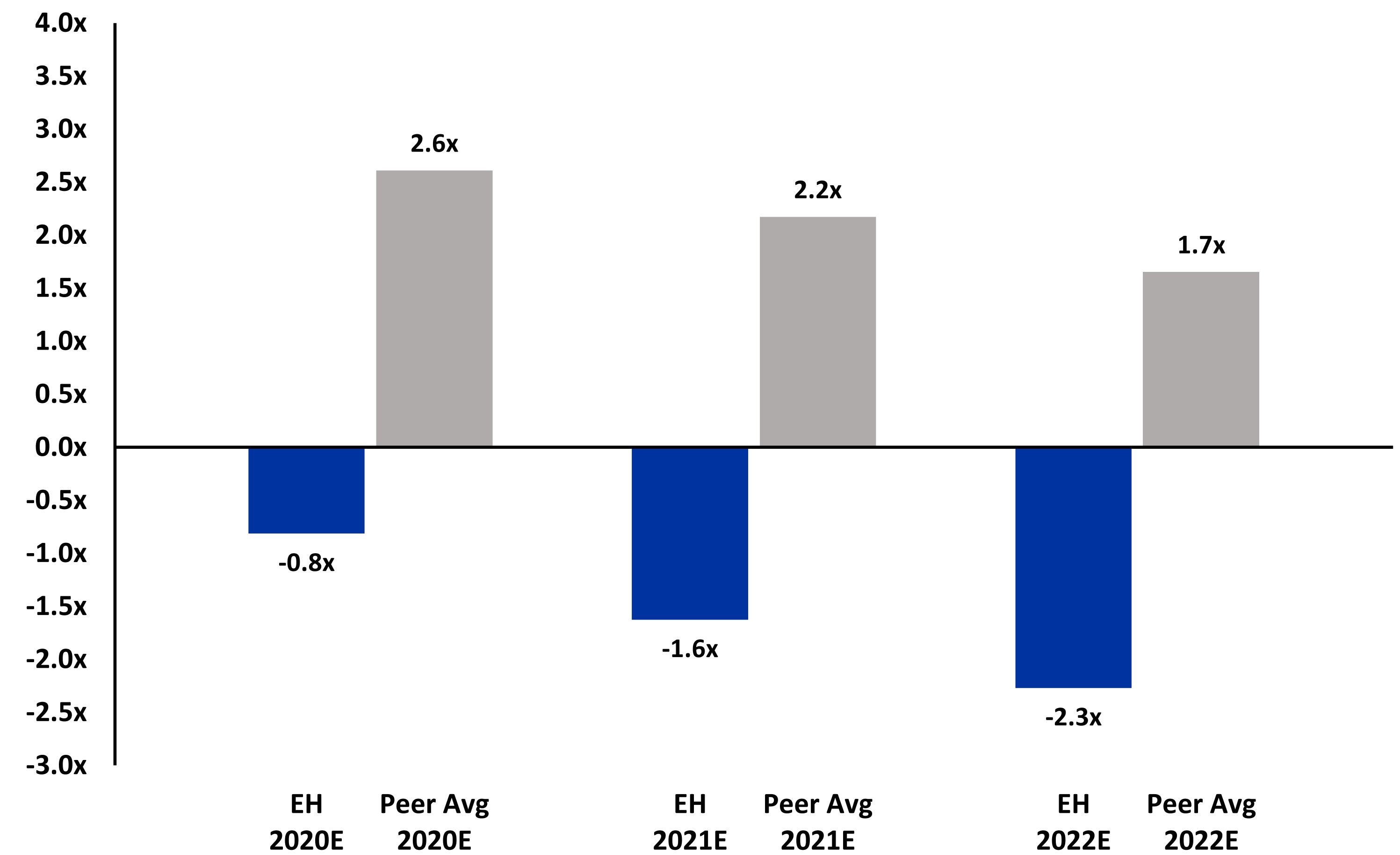
1) Energy Harbor 2022E Adjusted Free Cash Flow

Industry Leading Balance Sheet

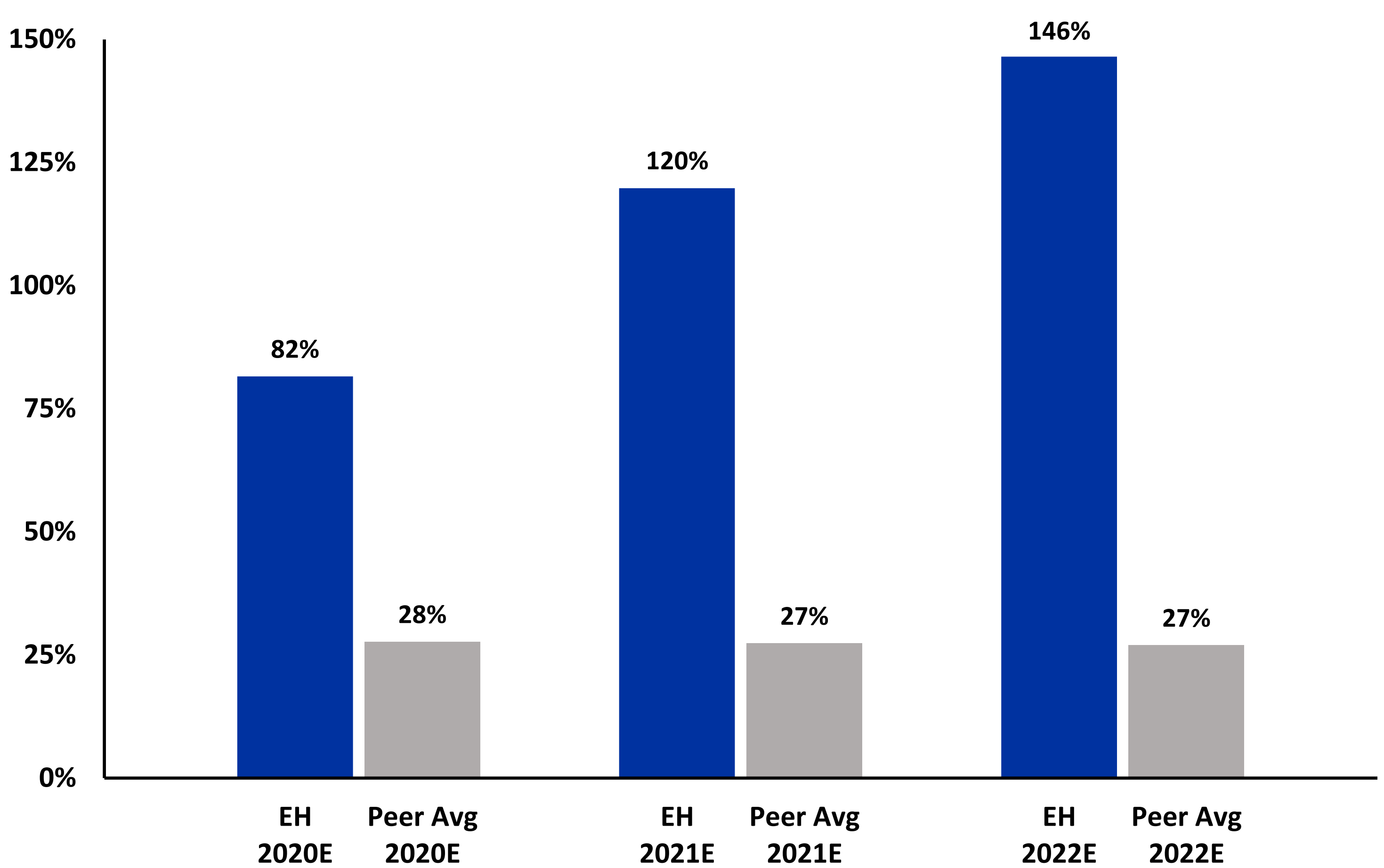
Gross Debt/EBITDA



Net Debt/EBITDA



FFO/Debt



Investment Grade Rating

MOODY'S
INVESTORS SERVICE

Rating Action: **Moody's assigns first-time Baa3 Issuer Rating to Energy Harbor; outlook stable**

The cost structure of Energy Harbor has improved over the last three years since it reduced the large generation portfolio that characterized FirstEnergy Solutions Corp., and pared it down to three nuclear plants and two baseload coal-fired power plants. Medium term, greater than 95% of Energy Harbor's cash flow is 'carbon-free'. In addition, over 60% of its cash flow is derived from its visible and carbon free clean air credits and retail business, with an additional 35% from its inherently carbon free nuclear assets. Thus, Moody's views Energy Harbor's carbon transition risk to be low, benefiting the company's overall risk profile.

The company's financial metrics are expected to be very strong due to the very low level of debt on the balance sheet and robust cash flow from its clean air credits, retail and generation assets.

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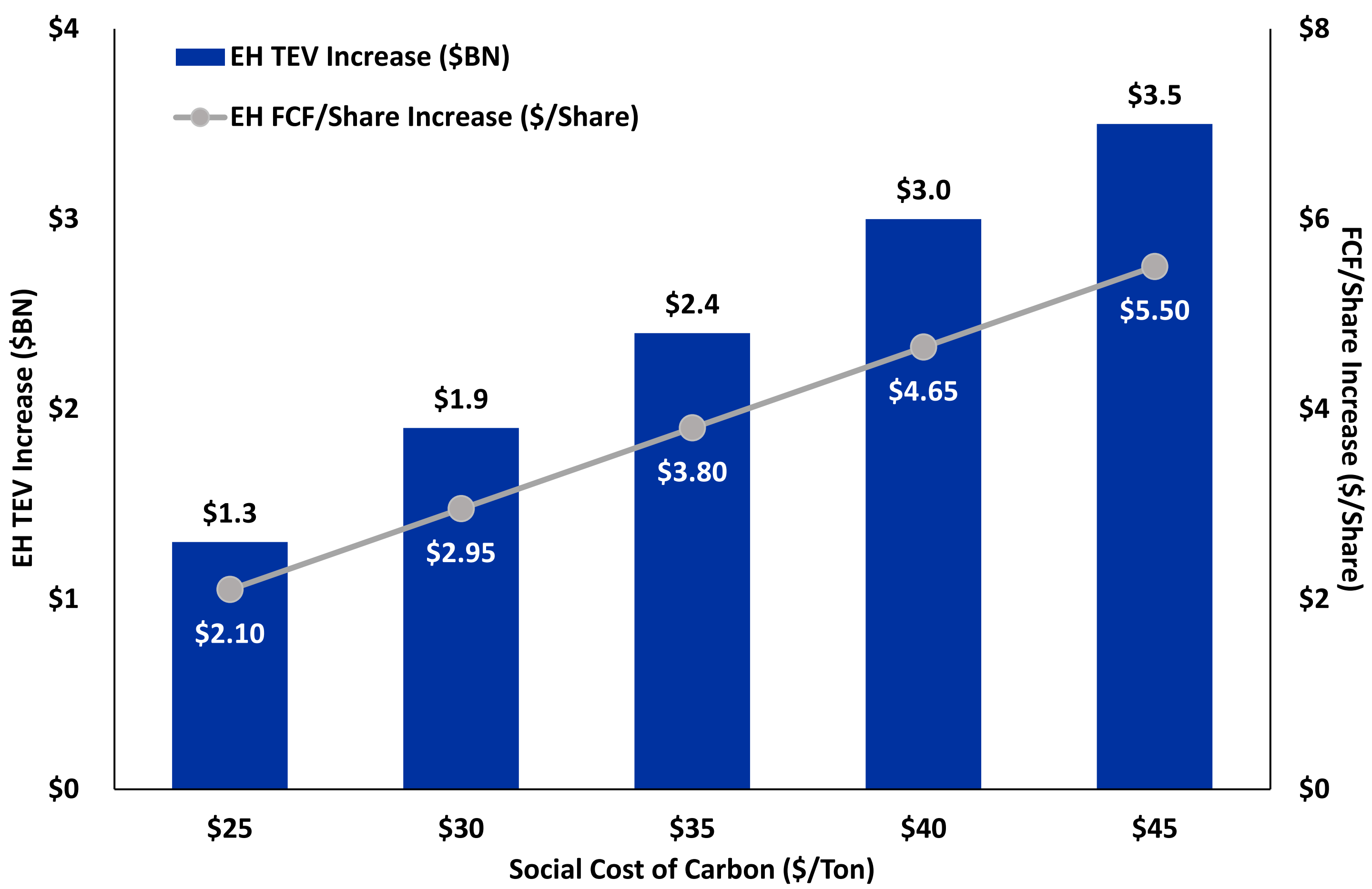
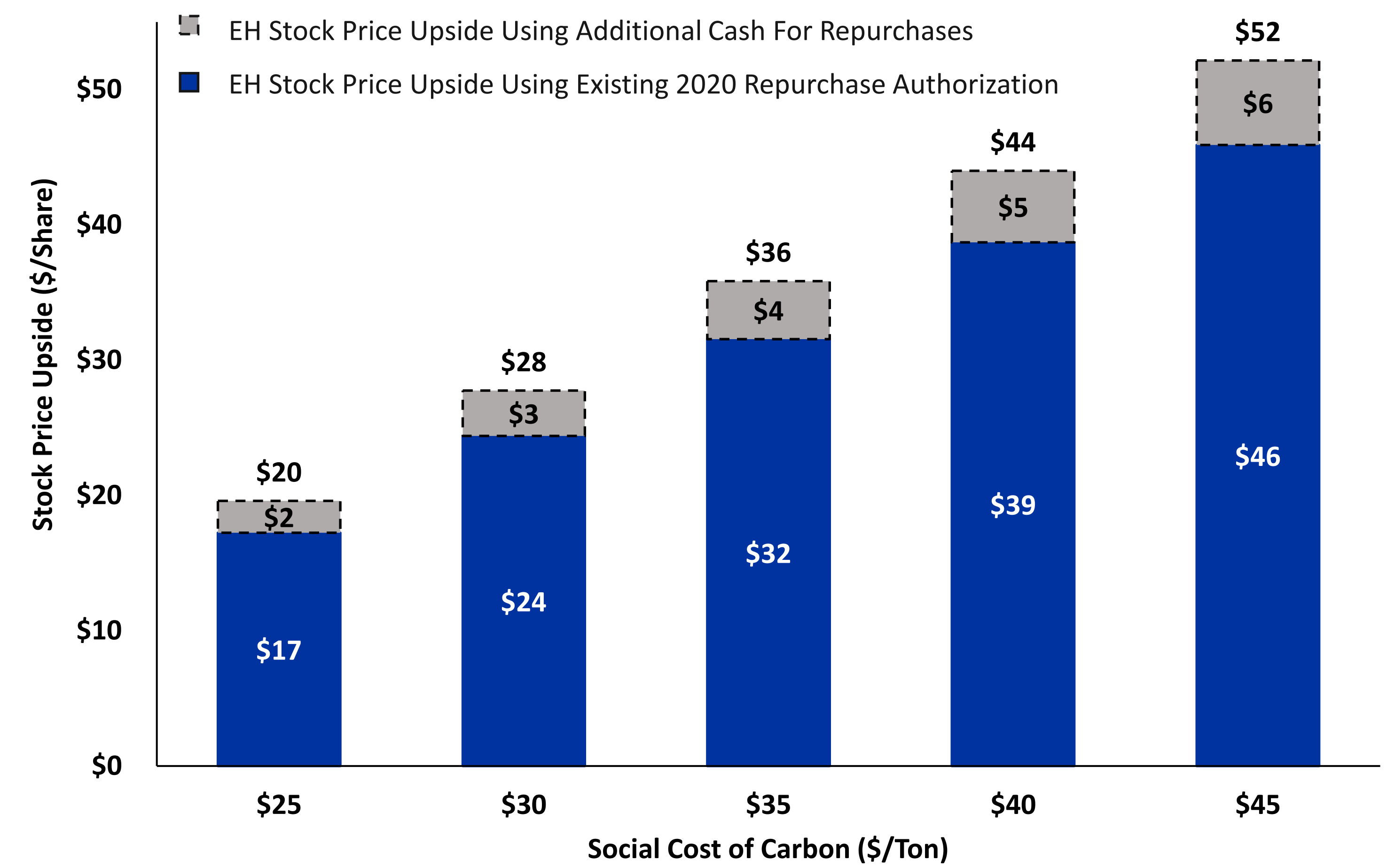
1) Energy Harbor debt balance includes $431MM of current outstanding debt over the forecast period
2) Peer group includes public independent power producers. Peer data sourced from company filings and sell side research.
3) Excludes any share repurchases for Energy Harbor and Peers beyond 2020

Carbon Free Future: Significant Upside for Energy Harbor

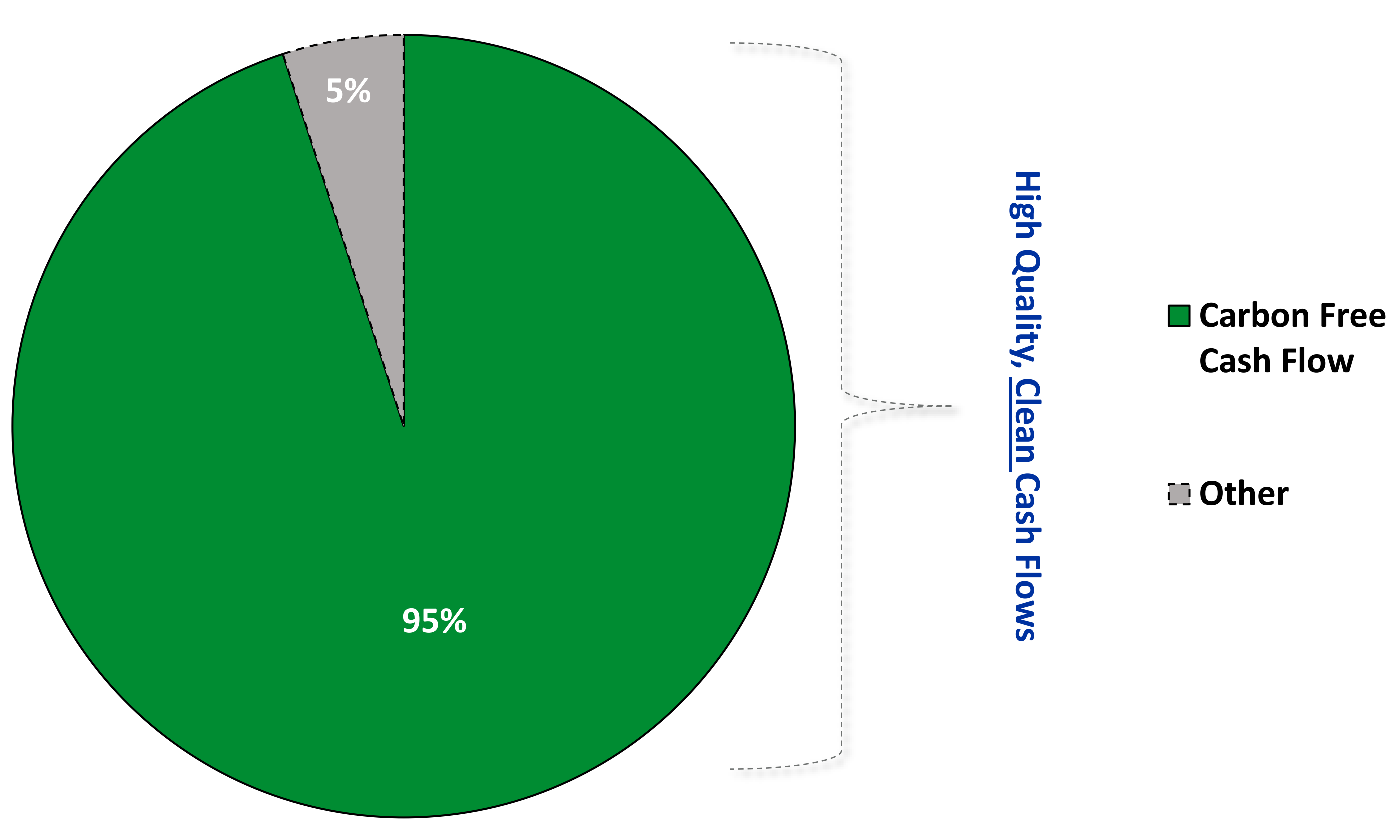
EH Carbon Benefit to FCF per Share and TEV[1]



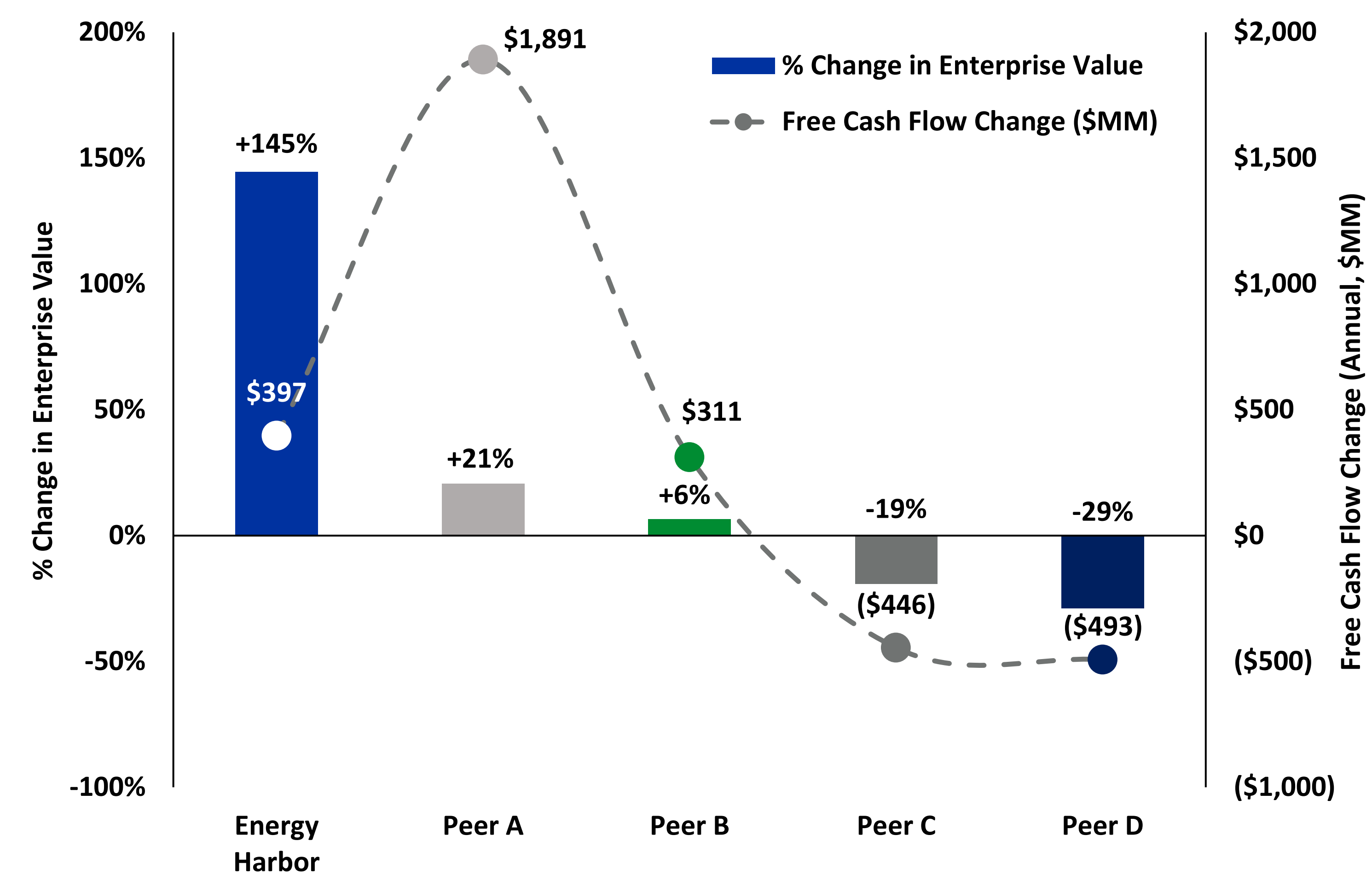
EH Stock Price Upside from Carbon[1,3]



Energy Harbor Cash Flow is Largely Carbon Free[2]



EH Well Positioned for Carbon Relative to Peers[3]

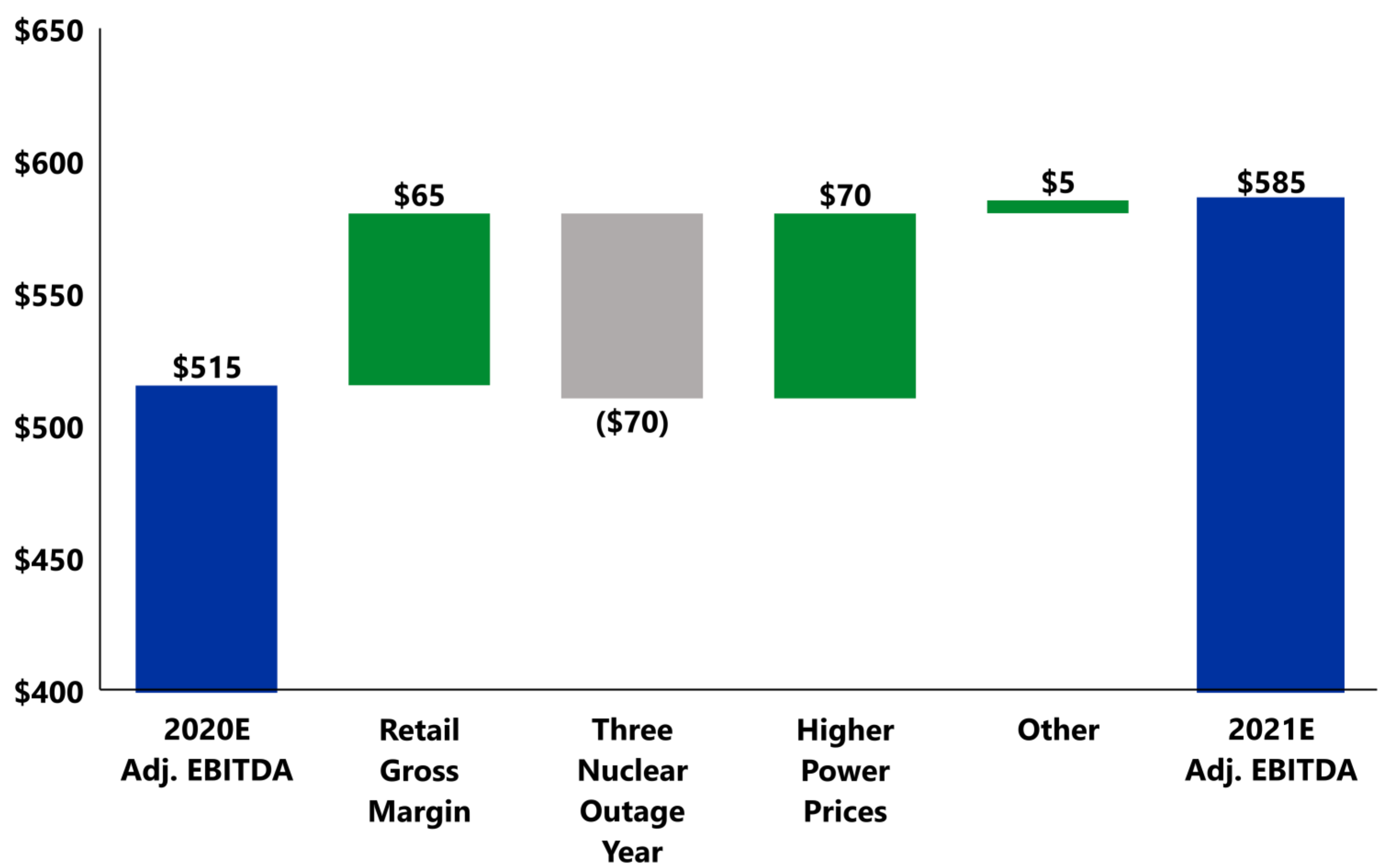


1) TEV calculated using equity value at 12% Free Cash Flow Yield
2) 2022E Free Cash Flow
3) Assumes social cost of carbon of $41.25/ton. Excludes generation from non-ERCOT fossil assets. Peer data sourced from company filings and sell side research.

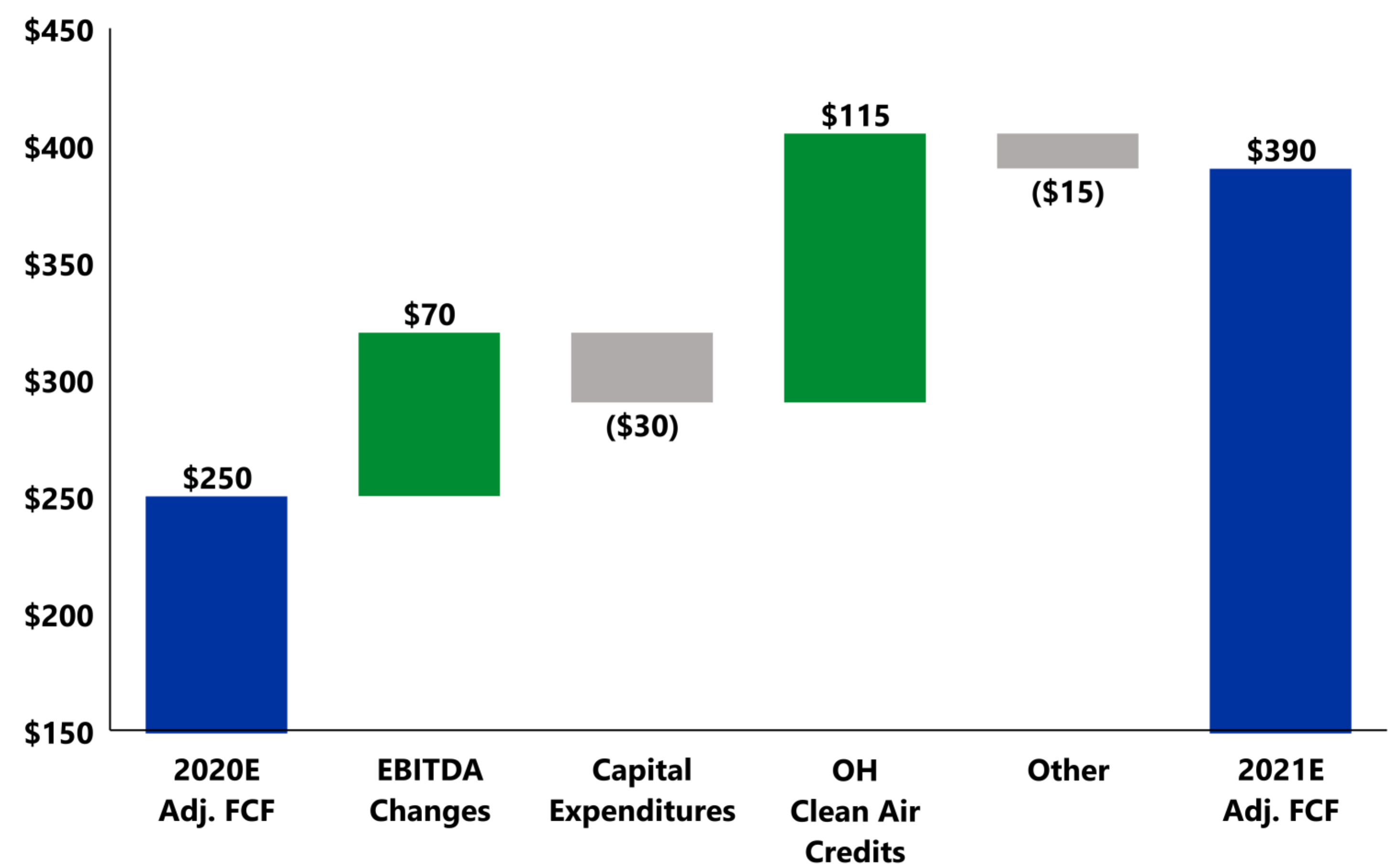
Appendix and Assumptions

Financial Outlook Key Drivers

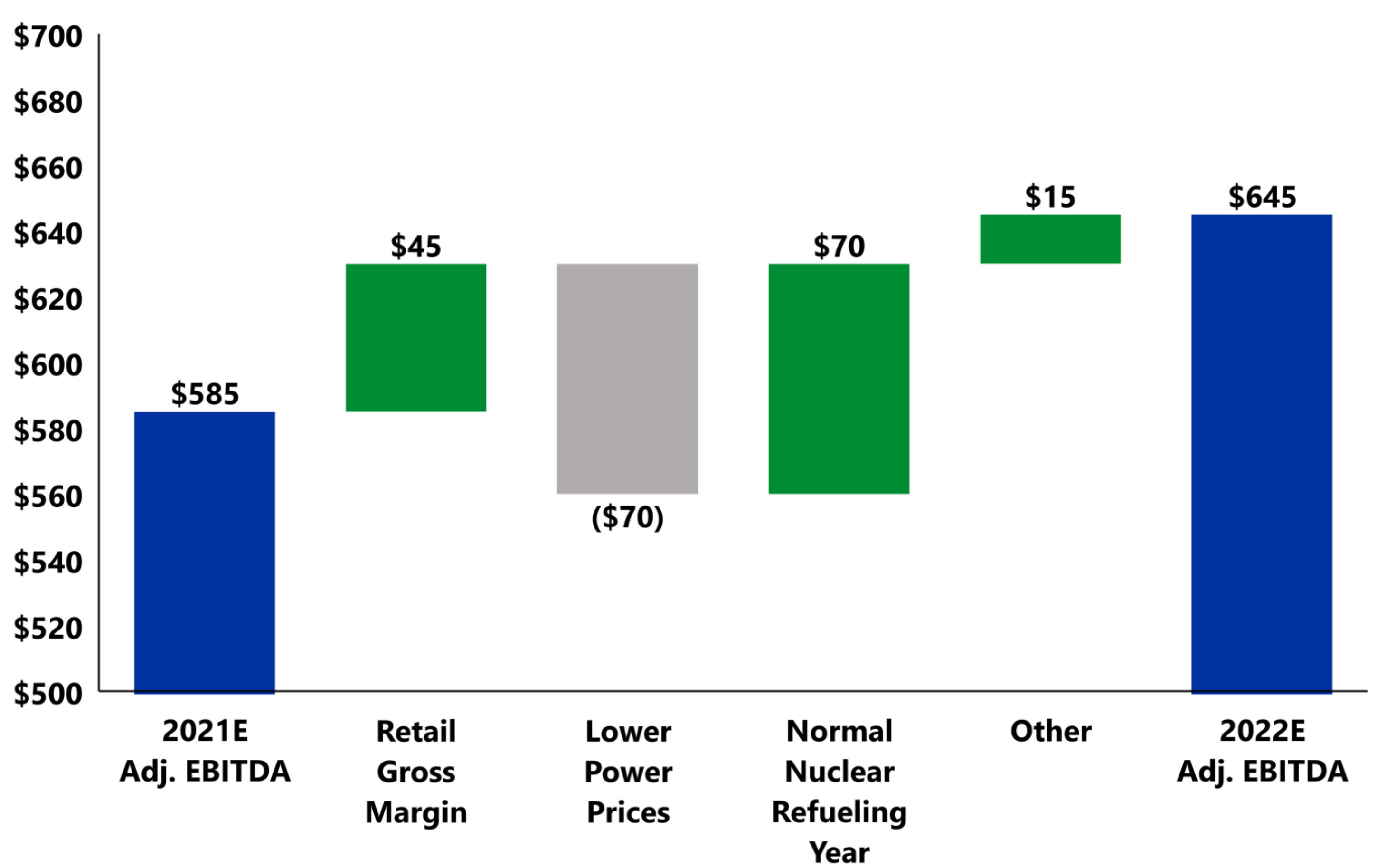
2020E – 2021E Adjusted EBITDA; $MM



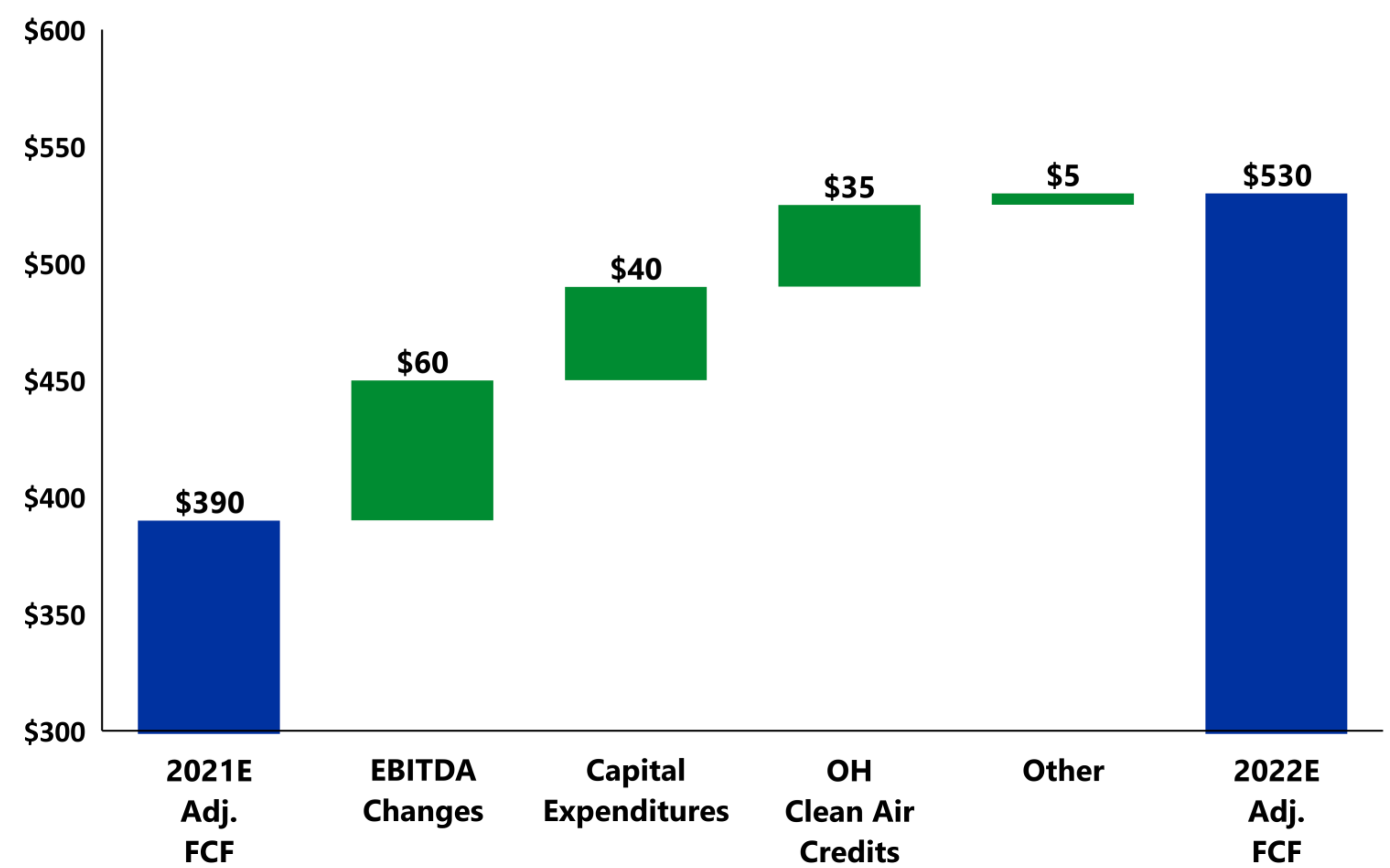
2020E – 2021E Adjusted Free Cash Flow[1]; $MM



2021E – 2022E Adjusted EBITDA; $MM



2021E – 2022E Adjusted Free Cash Flow[1]; $MM



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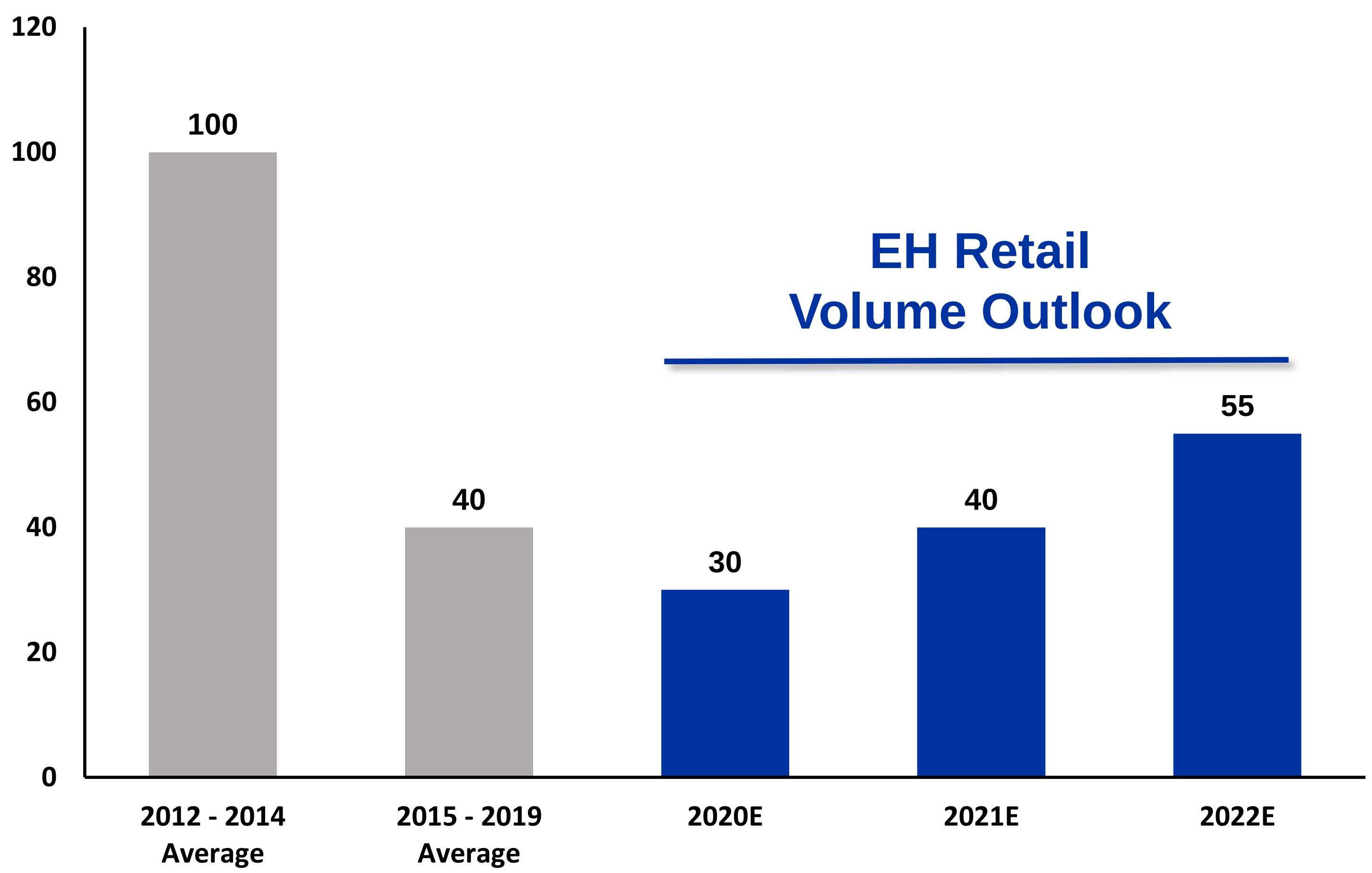
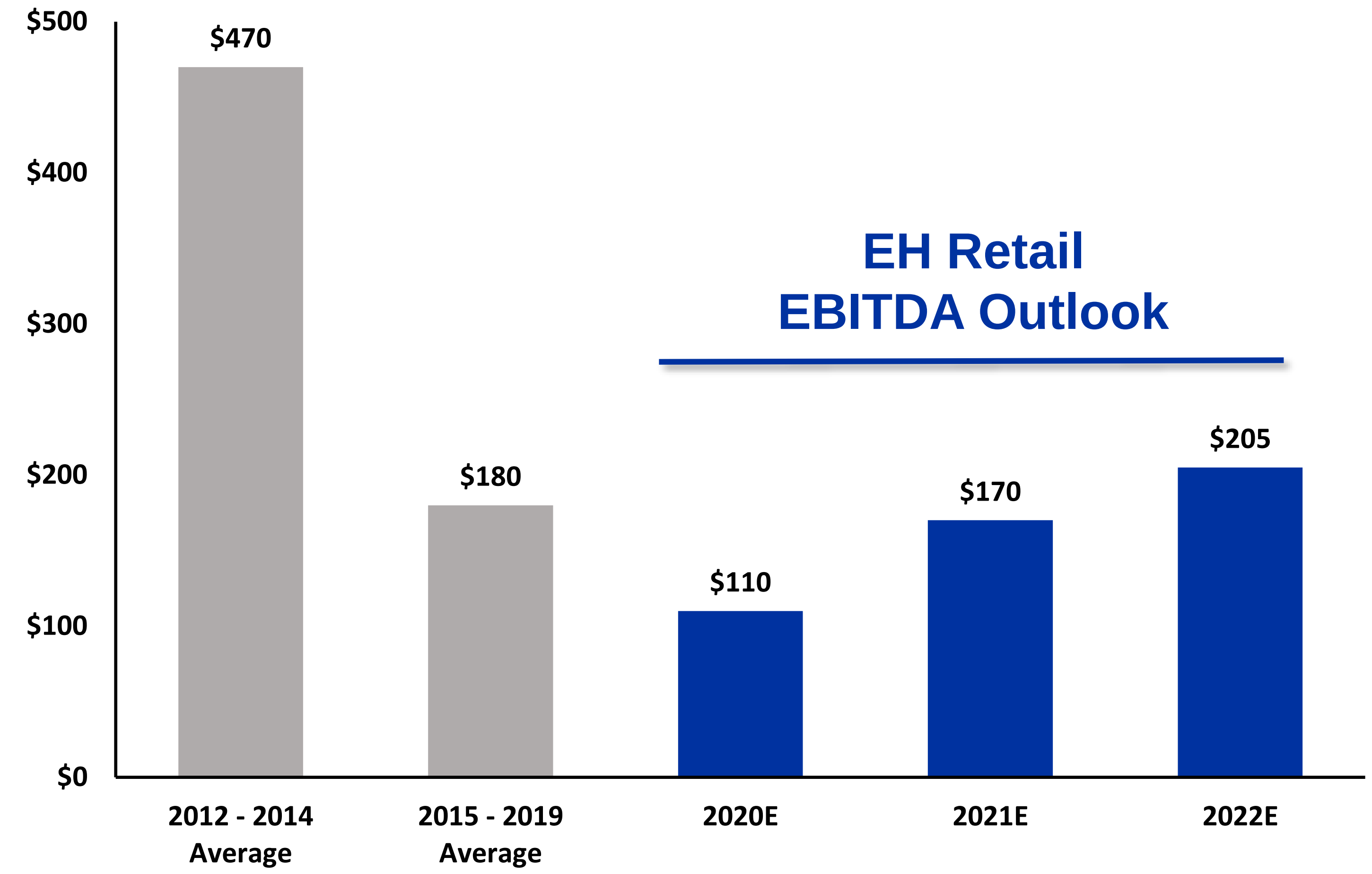
1) FCF calculated as cash flow from operations less capital expenditures and other cash expenses
2) Clean Air Credit cash flow starts 4/1/2021 resulting in 75% realization in 2021 and 100% realization in 2022

Retail Business Drives Visible Cash Flow

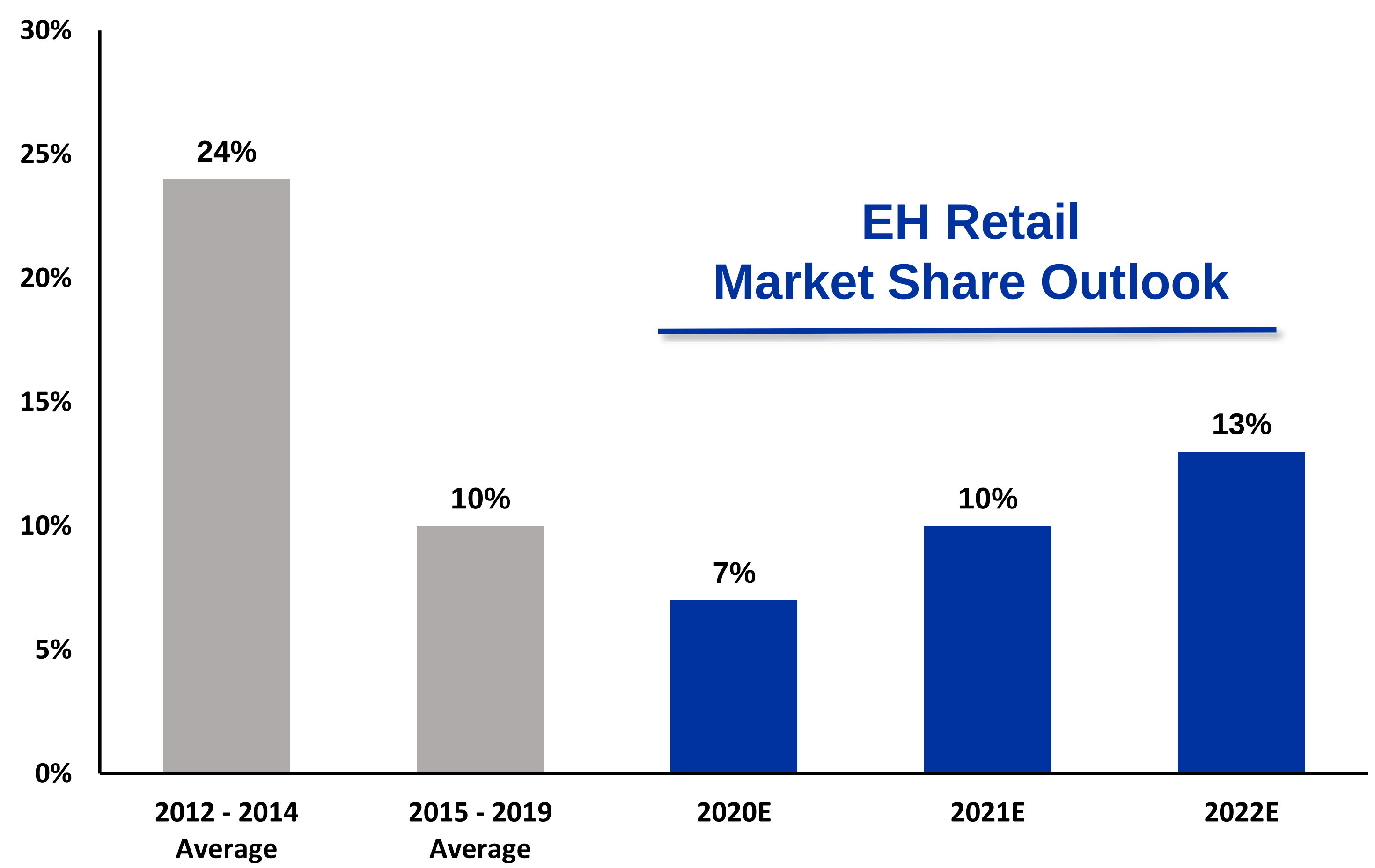
Historical Retail Volumes; TWh



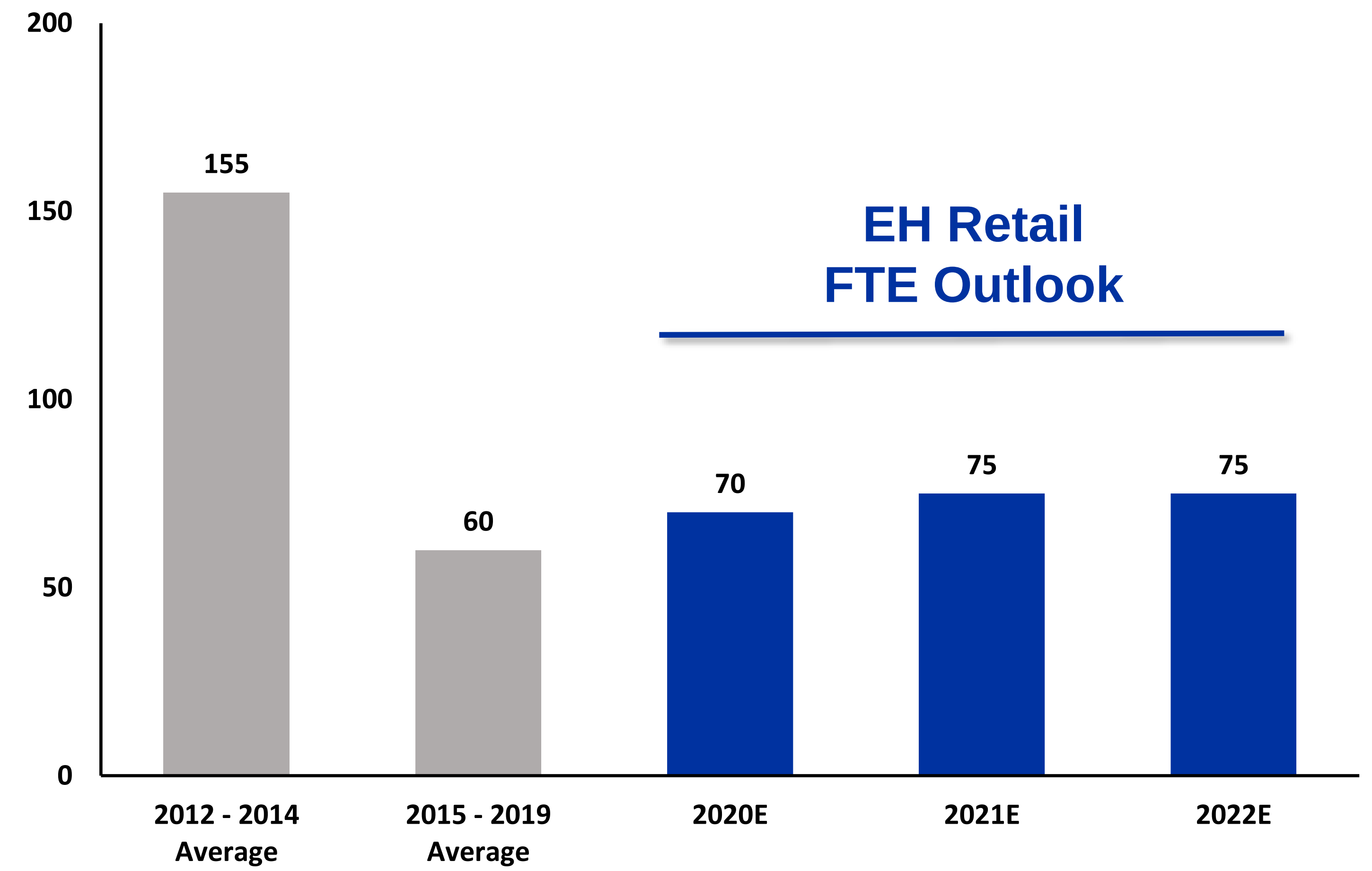
Illustrative Historical Retail EBITDA[1]; $MM



Historical Retail Market Share[2]



Full Time Retail Employees



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1) Illustrative EBITDA = (2020E to 2022E Average Gross Margin ($/MWh) * Historical TWh) – Estimated Operating Expenses
2) Estimated 406 TWh annual addressable market including commercial, POLR, government aggregation and residential shopping load in Illinois, Maryland, Michigan, New Jersey, Ohio and Pennsylvania

Forecast Assumptions

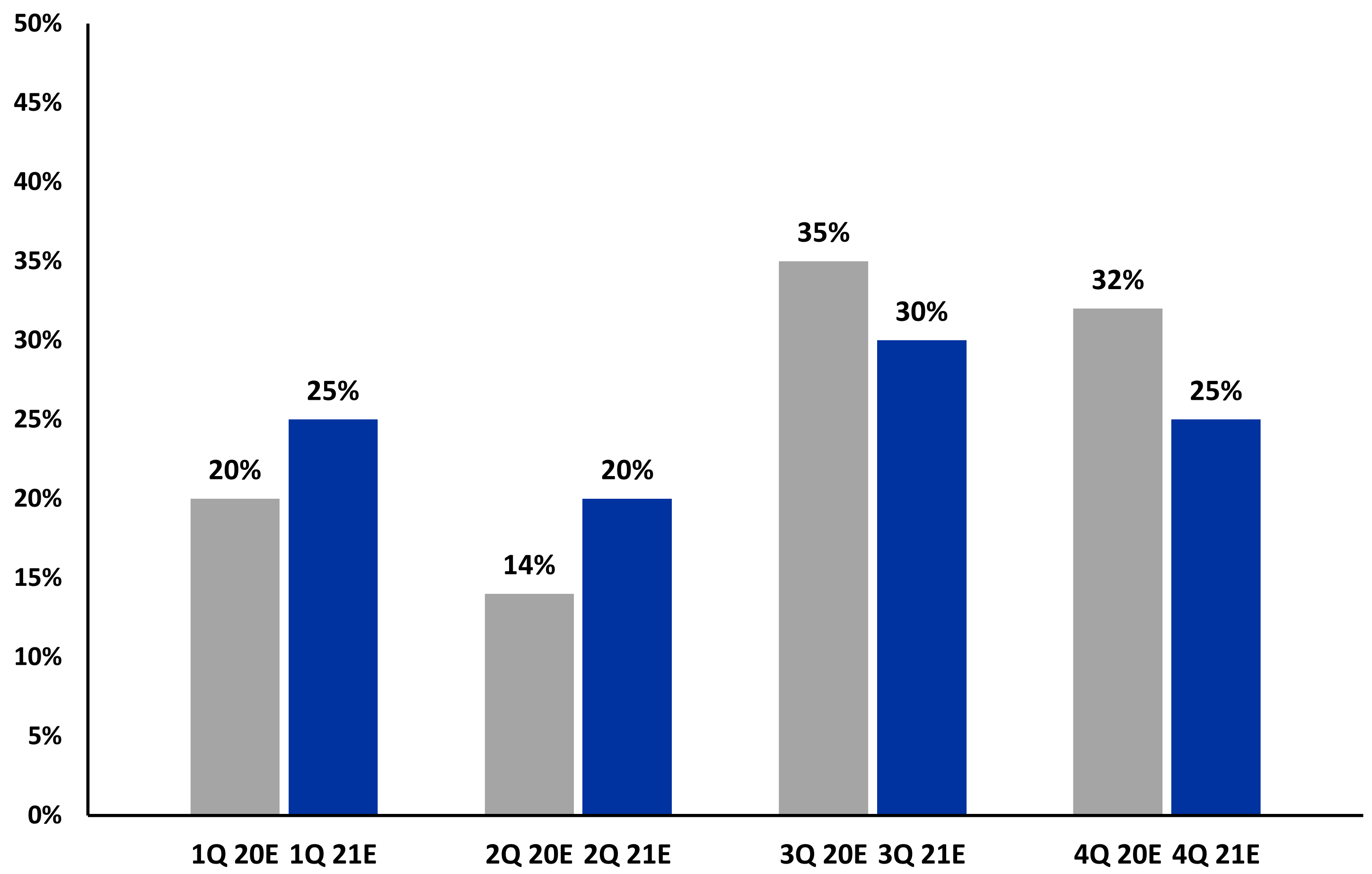
Key Forecast Assumptions

- All forecasts are based on commodity market and available forward prices as of April 22, 2020 and assume no economic benefit from commodity improvement
- Forecasts exclude ~$2/MWh of RGGI benefit in PA on BV I and II nuclear production of 14 TWhs, or $28MM EBITDA/FCF expected to commence in 2022
- Nuclear refueling schedule shown as planned
- Cash flow seasonality is displayed to account for mild winter and other bankruptcy related impacts in 2020 vs normal expectations in 2021+
- Diluted share count assumptions in FCF/share and FCF/share CAGR estimates exclude full benefit of excess EH cash balance that may be returned to shareholders through additional equity repurchases at discretion of EH Board
- Carbon benefit assumptions for EH assumes coal fleet is retired, with run rate cash flow subtracted from estimated CO2 cash flow uplift
- Social Cost of Carbon impact on PJM W 7x24 Power: 7.5 Heat Rate (MMBtu/MWh) x 119 (C02/MMBtu) x (1 ton/2,000 lbs) x C02 price ($/ton)
- Company not expected to be a material federal cash taxpayer for foreseeable future

Planned Outages (Days)	2020	2021	2022
Beaver Valley 1	None	Apr | 28 days	Oct | 24 days
Beaver Valley 2	Completed	Oct | 28 days	None
Davis-Besse	Completed	None	Mar | 30 days
Perry	None	Mar | 26 days	None

Commodity Forwards as of 4/22/2020	Bal 2020	Cal 2021	Cal 2022
PJM W Power (7x24, In $/MWh)	$23.98	$28.86	$27.45
AD Hub Power (7x24, In $/MWh)	$24.41	$28.04	$26.56
NYMEX Natural Gas (In $/MMBtu)	$2.36	$2.74	$2.52
TETCO M3 - NYMEX Basis (In $/MMBtu)	($0.23)	$0.16	$0.11
PJM W Heat Rate (7x24, Btus/KWh)	11,258	9,952	10,437

Energy Harbor EBITDA Seasonality



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