

Proxy Engagement

Spring 2026

PINNACLE WEST
CAPITAL CORPORATION



Forward Looking Statements

This presentation contains forward-looking statements based on current expectations, including statements regarding our earnings guidance and financial outlook and goals. These forward-looking statements are often identified by words such as "estimate," "predict," "may," "believe," "plan," "expect," "require," "intend," "assume," "project," "anticipate," "goal," "seek," "strategy," "likely," "should," "will," "could," and similar words. Because actual results may differ materially from expectations, we caution you not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from outcomes currently expected or sought by Pinnacle West or APS. These factors include, but are not limited to: our ability to achieve timely and adequate rate recovery of our costs through our regulated rates and adjustor recovery mechanisms, including returns on and of debt and equity capital investment; the impacts of federal, state, and local laws, judicial decisions, statutes, regulations, and FERC, NRC, EPA, ACC, and other agency requirements, including as they are changed by legislative and regulatory action as well as executive orders, such as those relating to tax, environment, energy, nuclear plants, and deregulation of the retail electric market; our operation of Palo Verde is subject to substantial regulatory oversight and potentially significant liabilities and capital expenditures; we are subject to numerous environmental laws and changes to existing laws, or new laws, may increase our costs and impact our business; the potential effects of climate change on our electric system, including as a result of weather extremes, such as prolonged drought and high temperature variations in the area where APS conducts its business, as well as the impacts of policy and regulatory changes introduced to address climate change; co-owners of our jointly owned generation and transmission facilities may have unaligned goals; the willingness or ability of counterparties, participants, and landowners to meet contractual or other obligations or extend the rights for continued generation and transmission operations; deregulation of the electric industry and other factors, such as large customers developing large, utility scale generation to serve their energy needs, may result in increased competition; variations in demand for electricity, including those due to weather, seasonality (including large increases in ambient temperatures), the general economy or social conditions, customer and sales growth (or decline), data center growth (or lack thereof), including to support the AI industry, the effects of energy conservation measures and DG, and technological advancements; wildfires, including those arising as a result of climate change, extreme weather events, or the expansion of the wildland urban interface; generation, transmission, and distribution facilities and system operating costs, conditions, performance, and outages; our ability and efforts to meet current and anticipated future needs for generation and transmission and distribution facilities in our region at reliable levels, including factors affecting our ability to acquire and develop new resources to serve this load as well as difficulties in accurately forecasting load growth, particularly from high load energy users; availability of fuel and water supplies as well as the volatility and costs of fuel and purchased power; the direct or indirect effect on our facilities or business from cybersecurity threats or intrusions, data security breaches, terrorist attack, physical attack, severe storms, or other catastrophic events, such as fires, explosions, pandemic health events, or similar occurrences; risks inherent in the operation of nuclear facilities, including spent fuel disposal uncertainty; the development of new technologies and the impact they have on the retail and wholesale electricity market and the impacts of our adoption or failure to adopt such technologies; the availability and retention of qualified personnel and the need to negotiate collective bargaining agreements with union employees; the cost of debt, including increased cost as a result of rising interest rates, and equity capital and our ability to access capital markets when required as well as the impacts a credit rating downgrade would have on us; the investment performance of the assets of our nuclear decommissioning trust, captive insurance cell, coal mine reclamation escrow, pension, and other postretirement benefit plans, and the resulting impact on future funding requirements; Pinnacle West's cash flow depends on the performance of APS and its ability to make dividends and distributions; potential shortfalls in insurance coverage; Pinnacle West's ability to meet its debt service obligation could be adversely affected because its debt securities are structurally subordinated to the debt securities and obligations of its subsidiaries; the liquidity of wholesale power markets and the use of derivative contracts in our business; policy changes in Arizona or other states through ballot initiatives or referenda may increase our cost or operations or affect our business plans; general economic conditions, such as tariffs, inflation, and other supply chain constraints, as well as uncertainties associated with the current and future economic environment and conditions in Arizona; and disruptions in financial markets could adversely affect our cost of and access to credit and capital markets. These and other factors are discussed in the most recent Pinnacle West/APS Form 10-K along with other public filings with the Securities and Exchange Commission, which you should review carefully before placing any reliance on our financial statements, disclosures or earnings outlook. Neither Pinnacle West nor APS assumes any obligation to update these statements, even if our internal estimates change, except as required by law.

In this presentation, references to net income and earnings per share (EPS) refer to amounts attributable to common shareholders.

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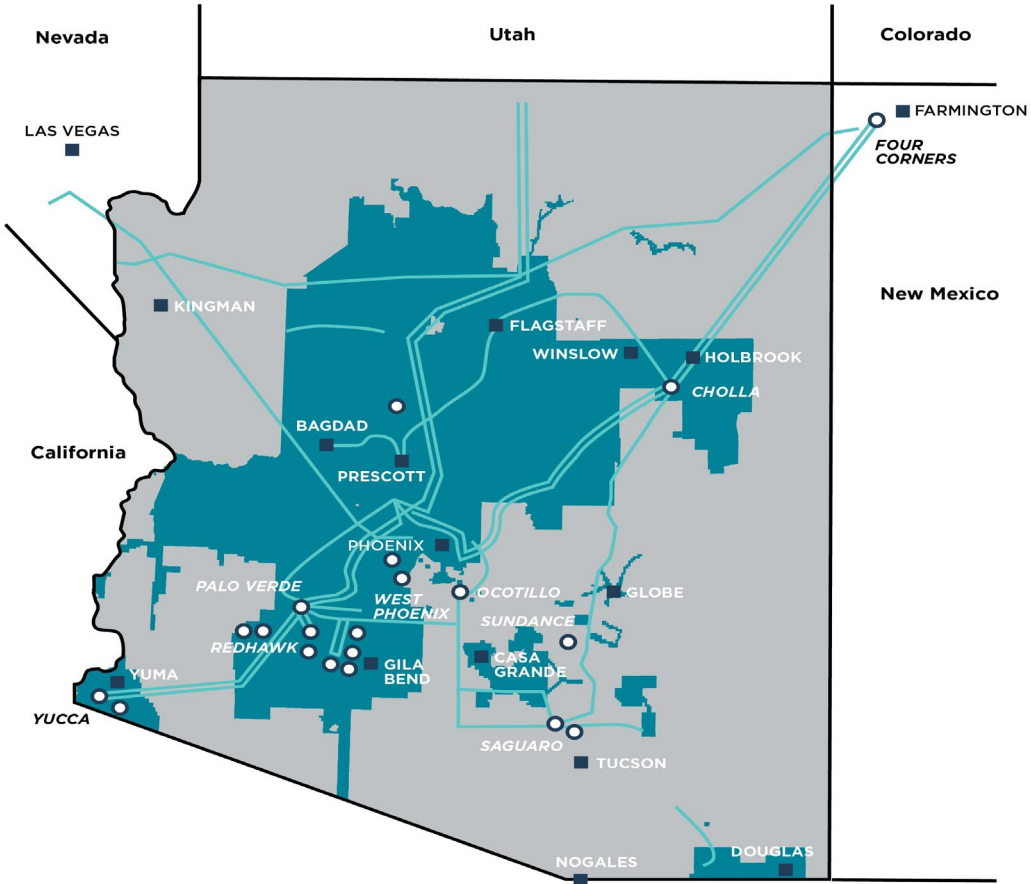


Company Profile & Growing Capital Plan

PINNACLE WEST
CAPITAL CORPORATION

Arizona's largest electric company

Service Territory

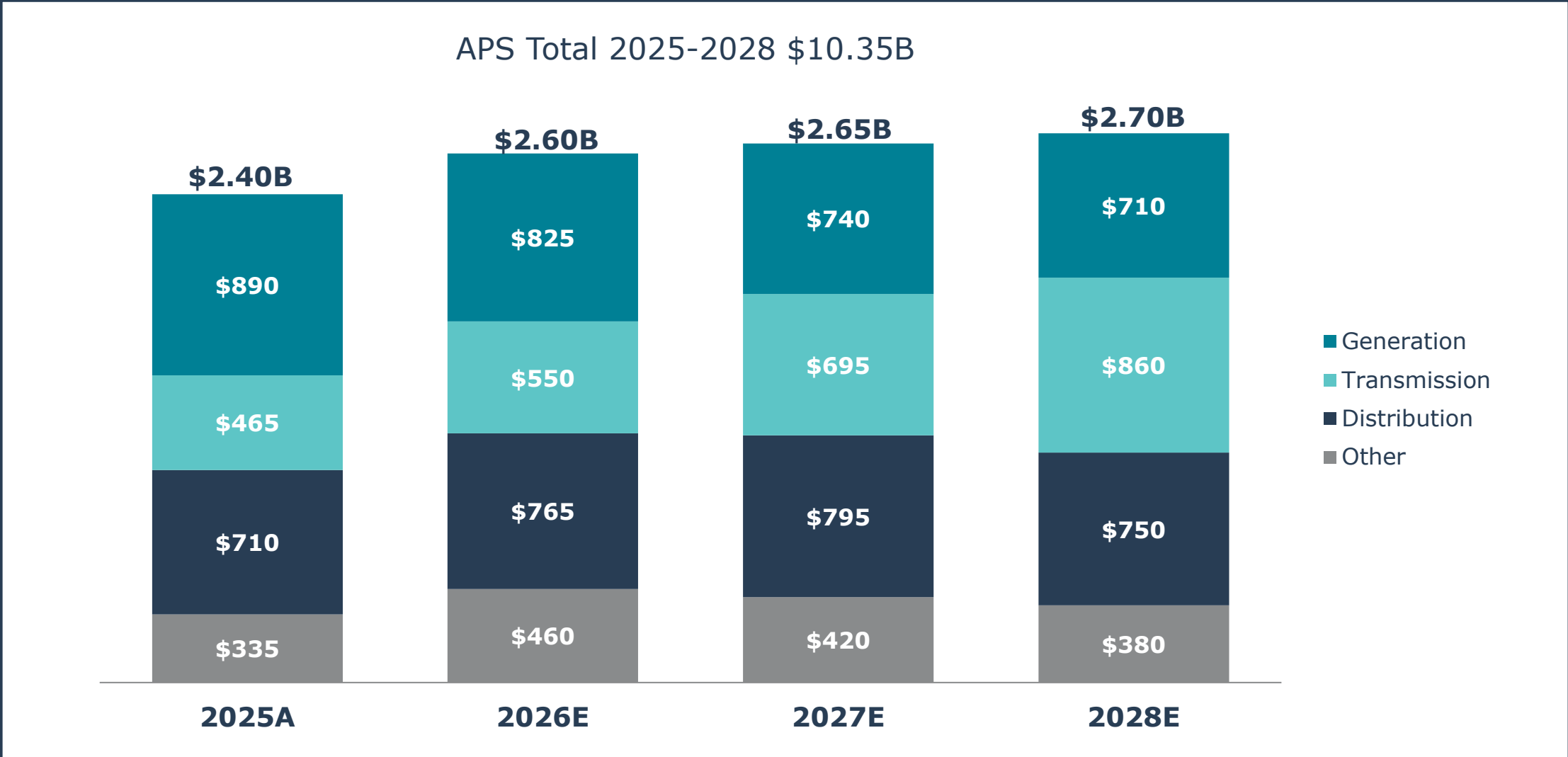


- APS Retail Electric Service Territory
- Major APS Generating Facilities
- Principal APS Transmission Lines

As of December 31, 2025.

Key facts as of Dec. 31, 2025	
Consolidated assets	\$30B
Market cap	\$10.62B
Generating capacity owned or leased (year end)	6.3GW
Customers	1.4M
Current % from clean energy	58%
Retail sales mix (Residential/Non-Residential)	50%/50%

Capital plan to support reliability and continued growth within our service territory



Source: 2025-2028 as disclosed in the 2025 Form 10-K

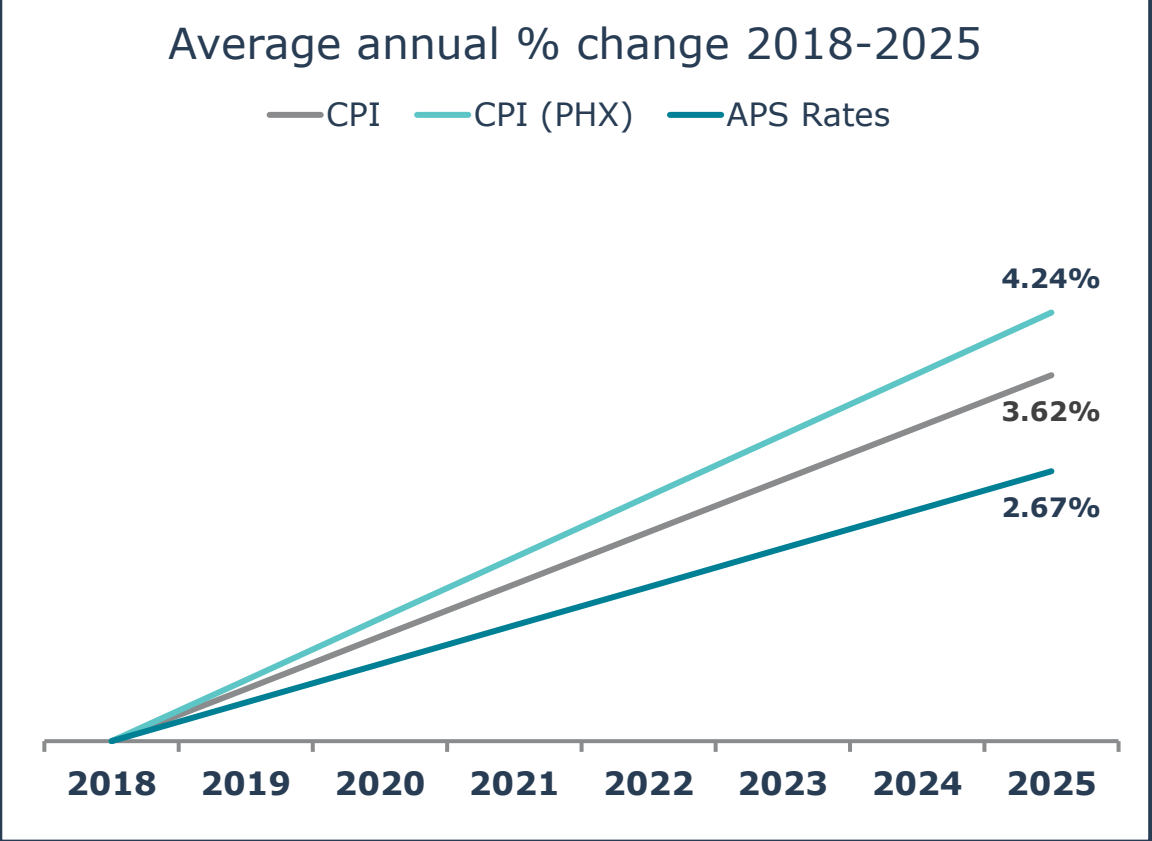


Customer & Employee Highlights

PINNACLE WEST
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We are focused on maintaining customer affordability

APS rates have remained well below the rate of inflation



Maintaining affordability

- **Disciplined cost management:** Process improvements and preventative maintenance to reduce operating costs
- **Customer growth:** Long-term goal of declining O&M per MWh as service territory grows
- **Customer programs:** Innovative customer programs to help customers save energy and money
- **Balanced long-term capital plan:** Infrastructure investments designed to maintain reliability while minimizing annual customer impact
- **Stakeholder engagement:** Working with partners to ensure reliability, affordability, and recovery through appropriate rate design

Supporting our people to further strengthen our Company

- ✓ Introduced new **Talent Philosophy and Leadership Model** frameworks to better create a common language, clarity, and consistency for leadership and talent development
- ✓ Average **employee tenure of 10.89 years** in 2025 due to strong talent strategy and an engaged workforce
- ✓ **Total turnover of 7.1%** in 2025 remains below the industry median of 7.9% for the Utilities sector¹
- ✓ Annual **employee experience** and focused quarterly pulse **surveys** allow us to gather employee feedback and take meaningful actions in response to survey results
- ✓ Robust **employee engagement**, including 11 employee network groups

¹ Source: PwC Saratoga Benchmarking

Helping our communities thrive creates lasting benefits for our Company¹

Supporting our communities



We **contributed** nearly **\$10.7 million** to the community

Philanthropy



Arizona's #1 Corporate Philanthropy Award and the Second Largest Corporate Volunteer Program from the Phoenix Business Journal

Community-minded employees



Employees pledged **\$2.2 million** to the 2025 Community Service Fund Campaign and spent an estimated **87,000 hours volunteering**

Customer assistance



21,000 customers received **\$12.8 million in bill assistance** from federal and state programs, APS Crisis Bill Assistance program, and other sources

Community engagement



Hosted three **Energy Update meetings** with our CEO to exchange ideas, perspective and gather feedback

¹ Data as of Dec 31, 2025.



Strong Governance

PINNACLE WEST
CAPITAL CORPORATION

Robust shareholder rights reflect investor feedback

- ✓ Threshold to call a special meeting of shareholders set at **15%**
- ✓ **Annual elections** of all directors with cumulative voting
- ✓ **No poison pill plan** or similar anti-takeover provision in place
- ✓ **No supermajority provisions** in our Articles of Incorporation or Bylaws
- ✓ **Proxy access rights** allowing up to 20 shareholders owning 3% of our outstanding stock for at least 3 years to nominate up to 25% of the Board

Our strong governance enables successful execution

Board independence



- **Independent Lead Director** role with clearly defined and robust responsibilities
- Ten of our eleven directors are **independent**
- **Robust Board refreshment**, with director retirement policy
- **Average tenure** of independent directors is **5.4 years**¹

Board oversight



- Thorough CEO performance **oversight process**
- Robust management **succession planning**
- Board oversight of **strategy and risk**
- Broad range of skills, knowledge and expertise

¹ Average tenure is as of the date of the 2026 Annual Shareholder Meeting (May 14, 2026)

Executive compensation linked to shareholder priorities

- ✓ Substantial proportion of target compensation **is at risk**
- ✓ **Performance shares are tied to relative performance**, ensuring long-term financial health
- ✓ **Anti-hedging** and **anti-pledging policies**
- ✓ **Stock ownership guidelines** for all Officers and Directors
- ✓ **Clawback policy** for executive officers





Voting Items

PINNACLE WEST
CAPITAL CORPORATION

Voting items

Proposal #1: The election of the nominated slate of directors.

– FOR

Proposal #2: The approval, on advisory basis, of the resolution approving the Company’s executive compensation, as disclosed in the Proxy statement.

– FOR

Proposal #3: The ratification of the appointment of Deloitte & Touche LLP, as the Company’s independent registered public accounting firm for the year ending December 31, 2026.

– FOR