NRG Energy Inc.

Fourth Quarter 2022 Earnings Presentation

February 16, 2023

Safe Harbor

Forward-Looking Statements

In addition to historical information, the information contained in this presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks and uncertainties and can typically be identified by terminology such as "may," "should," "could," "objective," "projection," "forecast," "goal," "guidance," "outlook," "expect," "intend," "seek," "plan," "think," "anticipate," "estimate," "predict," "target," "potential" or "continue" or the negative of these terms or other comparable terminology. Such forward-looking statements include, but are not limited to, statements about the Company's future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions.

Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated herein include, among others, general economic conditions, hazards customary in the power industry, weather conditions and extreme weather events, competition in wholesale power and gas markets, the volatility of energy and fuel prices, failure of customers or counterparties to perform under contracts, changes in the wholesale power and gas markets, our ability to execute our market operations strategy, unanticipated outages at our generation facilities, changes in government or market regulations, the condition of capital markets generally, our ability to access capital markets, failure to identify, execute or successfully implement acquisitions or asset sales, our ability to achieve our net debt targets, our ability to achieve or maintain investment grade credit metrics, the potential impact of COVID-19 or any other pandemic on the Company's operations, financial position, risk exposure and liquidity, data privacy, cyberterrorism and inadequate cybersecurity, adverse results in current and future litigation, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to proceed with projects under development or the inability to complete the construction of such projects on schedule or within budget, the inability to maintain or create successful partnering relationships, our ability to operate our business efficiently, our ability to retain retail customers, the ability to successfully integrate businesses of acquired companies, including Direct Energy, our ability to realize anticipated benefits of transactions (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, and our ability to execute our Capital Allocation Plan. Achieving investment grade credit metrics is not an indication of or guarantee that the Company will receive investment grade credit ratings. Debt and share repurchases may be made from time to time subject to market conditions and other factors, including as permitted by United States securities laws. Furthermore, any common stock dividend is subject to available capital and market conditions.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The adjusted EBITDA and free cash flow guidance are estimates as of February 16, 2023. These estimates are based on assumptions the company believed to be reasonable as of that date. NRG disclaims any current intention to update such guidance, except as required by law. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this presentation should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

Agenda

Business Review

Mauricio Gutierrez
President & CEO

Financial Review

Alberto Fornaro
EVP & CFO

Closing Remarks

Mauricio Gutierrez
President & CEO

Q&A

Management

Key Messages

Lower 2022 Results; Reaffirming 2023 Guidance

Advancing Essential Consumer Services Strategy; Vivint Acquisition On-Track

Strong Core + Vivint Enhances Path to 15-20% FCFbG per Share Growth through 2025

2022 Business Highlights

($ millions)

2022 Scorecard

Financial and Operational Results

- ✓ Top decile safety performance
- ✓ Record customer retention
- Results impacted primarily by Parish Unit 8 plant outage

Direct Energy Integration

- ✓ $84 MM incremental ($259 MM cumulative) synergies
- ✓ Full plan – $300 MM 2023 run rate – on track

Perfect & Grow Integrated Platform

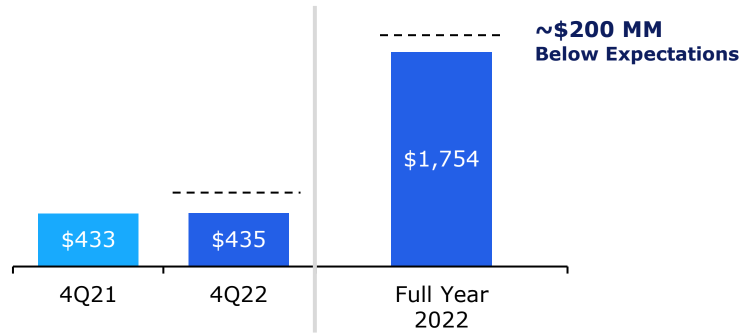
- ✓ Executed 'Test & Learn' – announced Vivint acquisition
- ✓ 2.4 GWs of renewable PPAs signed; ~45% online
- ✓ Portfolio optimization – PJM retirements, Astoria and Watson sales

Disciplined Capital Allocation

- ✓ Increased dividend 8%; mid-point of 7-9% annual target
- ☐ Partially executed $1 Bn share repurchase program; $355 MM remaining to be executed
- ✓ Maintained strong balance sheet

2022 Financial Results

Adjusted EBITDA



Fourth Quarter Below Expectations

- ($115 MM) from limited optimization opportunity in ERCOT
  - Highlighted in 3Q earnings as lever to maintain guidance which did not fully materialize
- ($80 MM) from December Winter Storm
  - Capacity performance bonus risk-adjusted, pending clarity from PJM

Executed 2022 Strategic Priorities; Lower 2022 Results

2023 Outlook
Well-Positioned for Strong Fundamentals

Reaffirming 2023 Guidance
(NRG Standalone)

(millions)	2023E
Adjusted EBITDA	**$2,270 – $2,470**
Free Cash Flow before Growth	**$1,520 – $1,720**

Strong Market Fundaments

- Stable to falling commodity prices ease customer bill pressure and stabilize margins
- Continued healthy consumer trends, supportive of home essential services
- Customer Bad Debt remains near historical avg

Executing on Priorities

- **Perfecting Integrated Energy Platform**
  - Portfolio optimization: expect minimum $500 MM in net cash proceeds
  - Advance hedging strategy to further stabilize platform
- **Grow the Core**
  - Direct Energy: achieve $300 MM synergies
  - Increase cross-sell; ~15% of NRG customers purchase more than one product
  - Increasing capital-light generation through renewable and dispatchable PPA's
- **Grow from Core; Close and Integrate Vivint**
  - ✓ Received all regulatory approvals, Hart-Scott-Rodino
  - Expect to close shortly after financings; $1.4 Bn debt/hybrid expected to be issued in coming weeks
  - Day 1 Focus: integration, cross-sell, balance sheet

Outlook Further Supported by Improving Market Conditions;
Vivint Close & Integration In Focus

Smart Home Ecosystem
Creates Leading Essential Home Services Platform

Vivint Strengthens Core
(Combined 7.5 million customer network)

Smart Home Platform
- ✓ Connects currently isolated services / experiences
- ✓ Highly engaging ecosystem (~12x per day)
- ✓ Direct customer relationship in all markets

Unmatched Data and Solutions
- ✓ Innovative energy and home solutions
- ✓ Pricing and product bundling
- ✓ Enhanced customer experience

Adjacent Products & Sales Channels
- ✓ Adds ~2 million customers
- ✓ #2 security and scaled solar provider
- ✓ Expands revenue streams w/ national platform

Improved Stability and Customer Value
- ✓ Long tenured customer relationship (~9 years)
- ✓ Reduces customer acquisition costs

Home Services Value Flywheel

Connected End-to-End Smart Home Ecosystem
Strengthens Core Platform and Increases Customer Lifetime Value

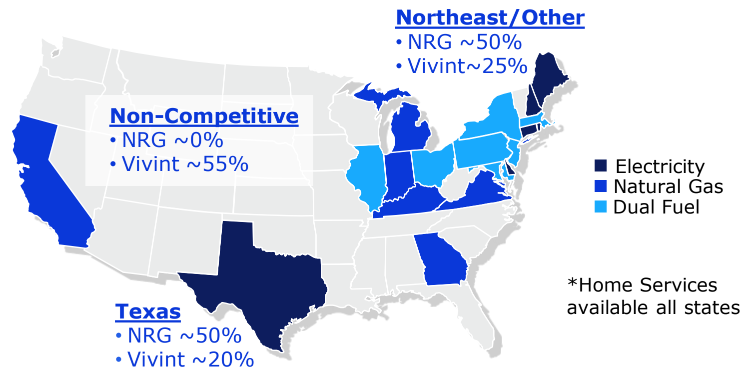
Vivint Smart Home Accelerates Value Creation

Significant Near-Term Accretion

2025 Identified Opportunities
(FCFbG)

- **$300 MM of Achievable Growth**
  - Cross-sell to Tier 1 current network (5-10%)
  - Bundle to new Tier 1 customers out-of-network
  - Sales channel and product optimization
  - Maintain existing Vivint growth rate
  - Expected cost to achieve: $500-600 MM
- **$100 MM Identified Cost Synergies**
  - General corporate and systems synergies
  - Applying NRG's culture of cost excellence
  - Expected cost to achieve: $160 MM
- **Improve Margin, Retention and Reach**
  - In East, only retailer with direct customer access
  - Improve cost to acquire & unit economics
  - Enhanced smart energy services, nationally

National Home Platform
(Customer Footprint)



Tier 1[1] Cross-Selling Opportunity
Total Available Market

7.5 MM Current Customer Network		Out-of-Network
~2.7 MM Smart Home to NRG Customers **~$1 BN** EBITDA/Yr[2]	**~1 MM** Energy to Vivint Customers **~$250 MM** EBITDA/Yr[2]	**~15 MM** Energy & Smart Home to New Customers **~$10 BN** EBITDA/Yr[2]

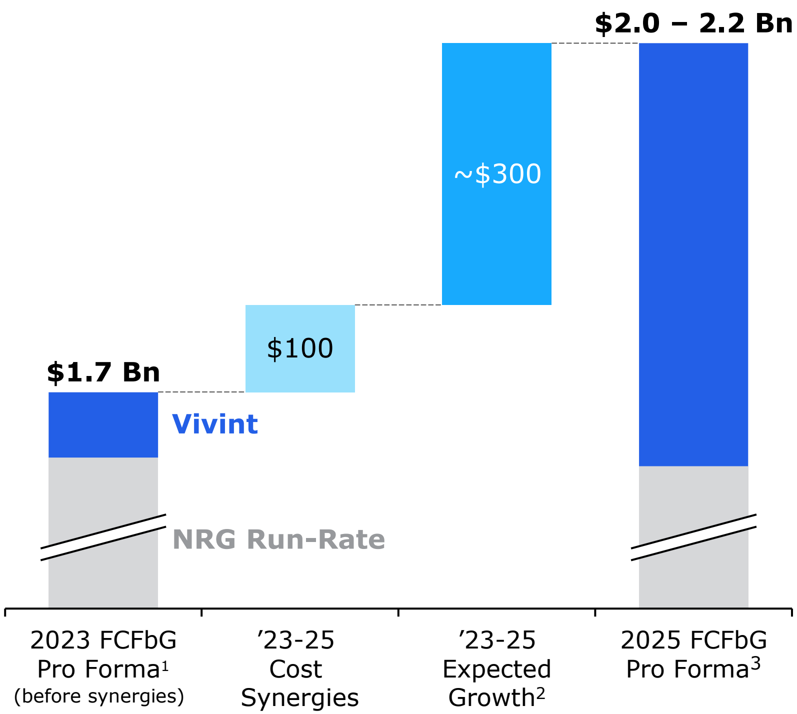
Improved and Diversified Financial Profile with More Predictable and Long Tenure Earnings

[1] Tier 1 customers are defined with the following attributes which include single-family homeowner with high credit score in core urban markets; [2] Assumes Smart Home to Energy customers at Vivint's implied EBITDA per customer of ~$440 and Energy to Smart Home customers at NRG's implied single-product EBITDA of ~$250 per customer; see slide 24 of June '21 Investor Day presentation for EBITDA/Customer detail

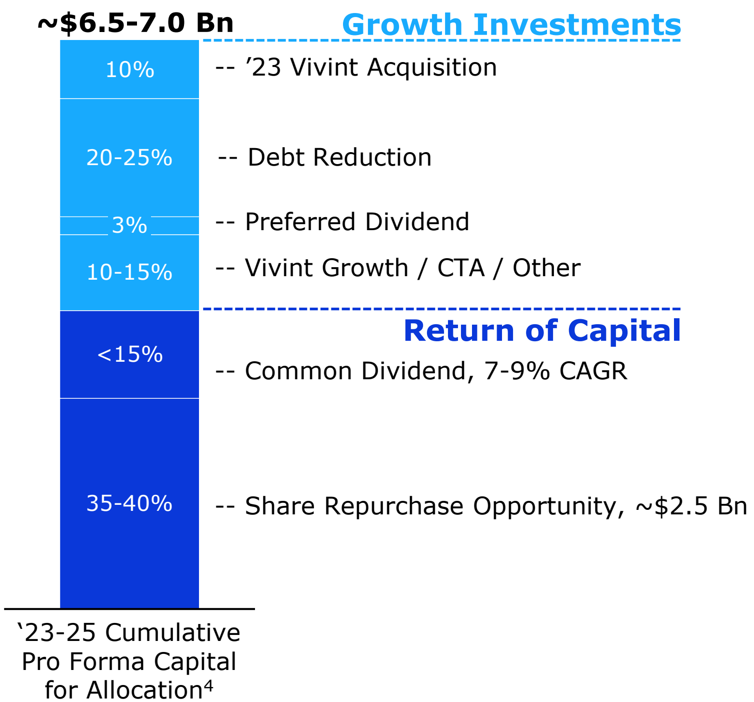
Pro Forma Financial Outlook
Road Map to 2025 FCFbG/Share Expectations

($ millions)

2025 Free Cash Flow before Growth
Pro Forma[1,2,3]



2023-2025 Capital Allocation
Pro Forma



Achievable Growth Supporting 15-20% FCFbG per Share Growth and Strong Balance Sheet

[1] Assumes 1/1/23 Vivint close; expect to close 1Q23; Vivint 2022 pro forma less expected synergies; to be updated post acquisition close; [2] See slide 8; [3] 2025 NRG run-rate includes impacts from temporary acquisition debt & associated deleveraging, targeted 2023 asset sales; excludes 2023 & future potential working capital uplift (see slide 12); [4] Cumulative pro forma capital available for allocation from operations, asset sales, and all other activities

Financial Review

2022 Financial Results

($ millions)

	Fourth Quarter 2022	Fourth Quarter 2021	2022 Results	Reaffirming 2023 Standalone Guidance
Texas	$200	$161	$821	$1,645-$1,795
East/West/Services/Other[1]	235	272	933	625-675
Adjusted EBITDA	**$435**	**$433**	**$1,754** *Expectation: $1,950*	**$2,270-2,470**
Free Cash Flow before Growth ("FCFbG")	**$274**	**$349**	**$568** *Expectation: $950*	**$1,520-1,720**

2022 Fourth Quarter

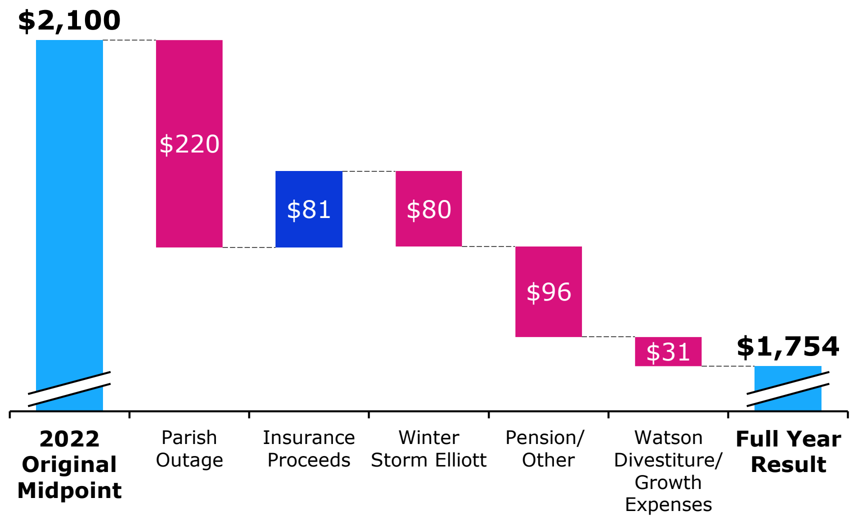
Adjusted EBITDA:

- 4Q guidance included upside for:
  - Insurance, synergies, and cost reduction
  - Opportunistic additional generation margin
- 4Q adjusted EBITDA variance to guidance due to:
  - Unrealized opportunistic margin (~$115 MM)
  - Impact of Winter Storm Elliott (~$80 MM)

Free Cash Flow before Growth:

- 4Q FCFbG below expectations due to lower EBITDA, timing of insurance proceeds and higher working capital

2022 Full Year Adjusted EBITDA



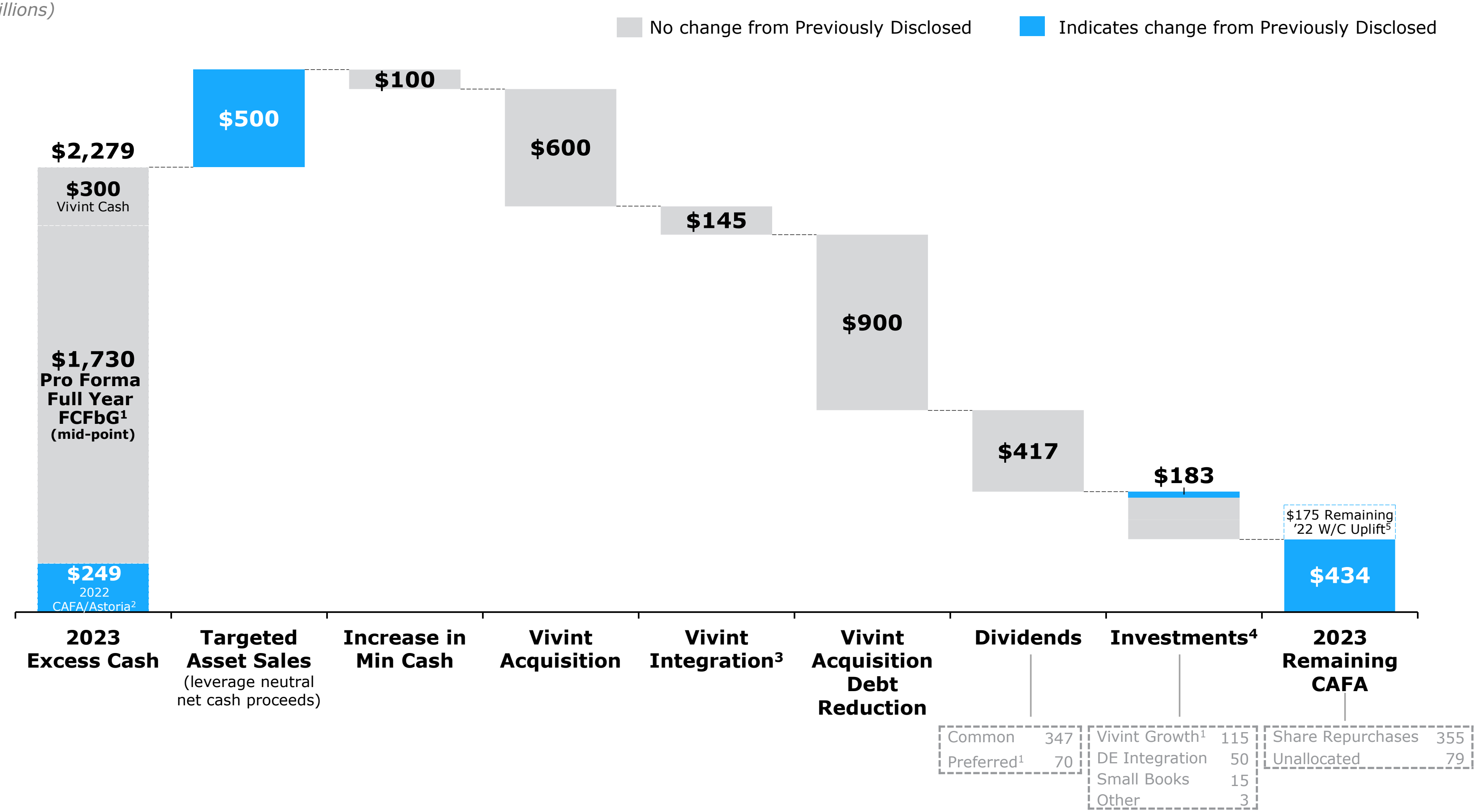
Lower than Expected 2022 Results; Reaffirming 2023 Guidance

[1] Includes Corporate segment

2023 Capital Allocation

Pro Forma Full Year View[1]

($ millions)



Remaining CAFA to be Allocated Following Full Visibility in Achieving 2023 Credit Metrics

[1] Shows full year impact from acquisition; including: mid-point FCFbG estimates for NRG standalone of $1,620 MM and Vivint 2022 pro forma of $110 MM, expected financing expenses and Vivint 2022 pro forma growth; see slides 21 and 22 of 12/6/2022 acquisition announcement; to be updated post acquisition close; [2] Astoria proceeds $209 MM and 2022 remaining CAFA $40 MM; [3] Includes deal costs; [4] Previously included Winter Storm Uri Mitigants of ($29) MM which was recognized and received in 2022; [5] See 3Q22 earnings presentation for details

Corporate Credit Profile

($ millions)

	2023 NRG Standalone	Acquisition	Pro Forma 2023
Corporate Debt	**$8,100[1]**	**$4,385**	**$12,485**
Debt Reduction	0	(900)	(900)
Minimum Cash Balance	(650)	(100)	(750)
Corporate Net Debt	**7,450**	**3,385**	**10,835**
Adjusted EBITDA	**$2,370**	**$770[2]**	**$3,140**
Other Adjustments[3]	175	35	210
Corporate Adjusted EBITDA	**2,545**	**805**	**3,350**
Net Debt to Corporate Adjusted EBITDA Ratio	**2.93x**		**3.23x**

	Investment Grade Metrics
Net Debt / Adjusted EBITDA	**2.50 – 2.75x**
Adjusted CFO/ Net Debt	**27.5 – 32.5%**
(Adjusted CFO + Interest) / Interest	**5.5 – 6.5x**

Target Investment Grade Metrics by Late 2025 to 2026 Through Debt Reduction and Growth

[1] Balance at 12/31/2022; [2] Previously reported in 12/6/2022 Business Update, Vivint Adjusted EBITDA is based on 2022 guidance per Vivint 3Q 2022 earnings release plus $35 MM of expected cost synergies; 2023 guidance not issued as of the date of this presentation; [3] Includes non-cash expenses (e.g., nuclear amortization, equity compensation amortization, and bad debt expense) and non-cash equity earnings that are included in Adjusted EBITDA

Closing Remarks

2023 Priorities

- ☐ **Deliver on Financial, Operational and ESG Objectives**

- ☐ **Execute on Acquisition Integration Objectives**
  - ☐ Direct Energy: $300 MM 2023 run-rate EBITDA-accretive synergies – in 2023 guidance
  - ☐ Vivint: $100 MM cumulative 2025 run-rate EBITDA-accretive synergies – pending close

- ☐ **Optimize and Grow from Core**
  - ☐ Close Vivint acquisition & achieve stated targets – expected close 1Q23
  - ☐ Execute Growth plan – to achieve 15-20% FCFbG per share growth through 2025
  - ☐ Enhance transparency through financial and operational disclosures
  - ☐ Increase renewable and dispatchable supply through capital-light (PPA) strategy
  - ☐ Portfolio / real-estate optimization – Targeting $500 MM net cash proceeds

- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☐ Execute debt reduction plan - $900 MM debt reduction in 2023
  - ☐ Advance plan to achieve Investment Grade metrics of 2.50-2.75x
  - ☐ Complete $1 Bn share repurchase program – $355 MM to be completed in 2023

Appendix

Committed to Sustainability

NRG Sustainability Framework

Sustainable Business

Sustainable Suppliers

Sustainable Customers

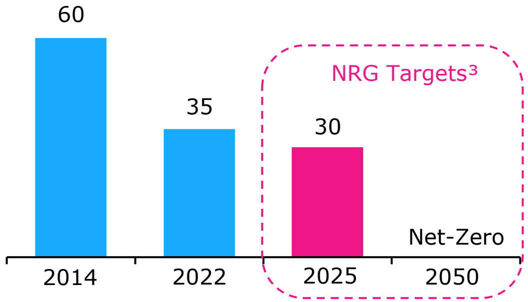
Sustainable Operations

Sustainable Workplace

Environmental Leadership[1]

U.S. CO_2e Emissions ($MMtCO_2e$[2])

Carbon Reduction Target: 50% by 2025; net-zero by 2050



- ☑ Goals certified as 1.5 degrees Celsius-aligned by Science Based Targets initiative
- ☑ Climate Leadership Hall of Fame Inductee
- ☑ *Newsweek*'s Most Responsible Companies
- ☑ Green Sustainability Award
- ☑ 12th Sustainability Report

Social Leadership

- ☑ Diversity, Equity, and Inclusion one of the company's five core values
- ☑ Published several years of Equal Employment Opportunity (EEO-1) reports in 2022
- ☑ Made "Embracing Diversity & Inclusion" training available to all employees, including executives, with over 94% participation
- ☑ Best-ever safety performance in 2022[5]
- ☑ 115% increase in employee volunteer hours through positiveNRG

Governance Leadership

64% Board Diversity

- ☑ Four women and three ethnically diverse board members
- ☑ Champion of Board Diversity award, Forum of Executive Women
- ☑ ESG Integration Award: Board Oversight of ESG
- ☑ Independent board: 91%[4]

[1] Data as of December 31, 2022; [2] Million metric tons of carbon dioxide equivalent; [3] NRG's goal is to reduce its total Scope 1, 2 (purchased electricity), and 3 (employee business travel) CO_2e emissions by 50% by 2025, from the current 2014 base year, and achieve net-zero emissions by 2050; [4] All Directors except CEO; [5] Total recordable incident rate of 0.27 (industry top decile is 0.34)

Mature Risk Strategy
Managing Through-Cycle Stability

1 Forecast & Price → **2 Retail Sale & Hedge** → **3 Optimize**

1 Forecast & Price

- Proprietary forecasting program models expected load and variability
- Data analytics form actionable insights into macro and micro usage patterns and trends
- Pricing model reflects insights from customer data/usage

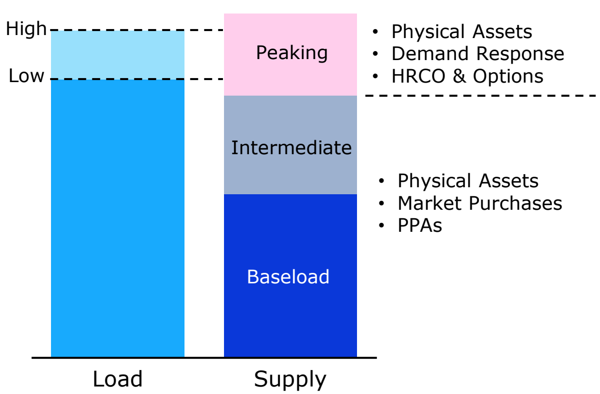
2 Retail Sale & Hedge

- Fully hedge priced load to firm gross margin
- Partially hedge expected future unpriced load (month-to-month) to mitigate bill shock
- Unique products require tailored hedging solutions to flex with usage variability

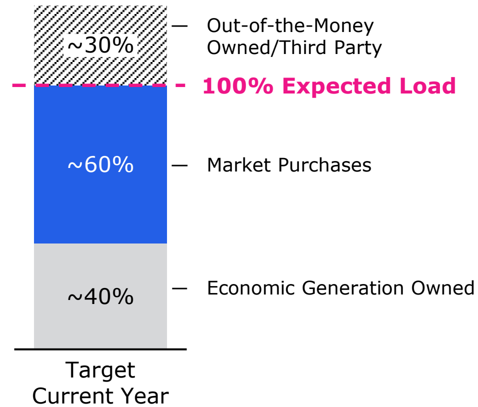
3 Optimize

- Perfect hedge profile to incorporate additional data (i.e. weather)
- Optimize hedge profile to reflect commercial market intelligence to achieve enhanced returns and lower supply costs

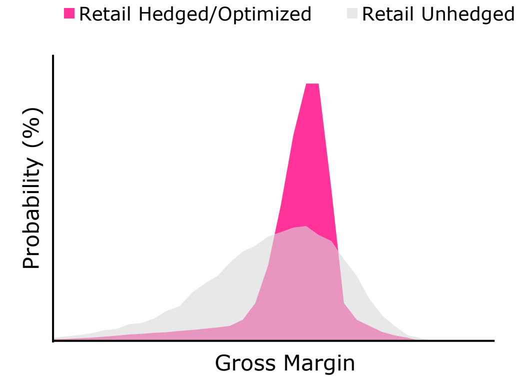
Power Retail



Retail Power Position
(On-Peak, Texas & East)



Stabilize & Enhance Gross Margin

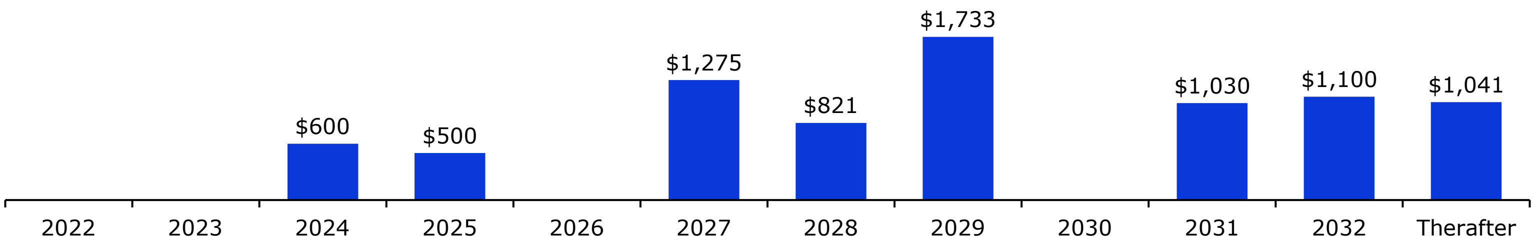


At Signing, Day 0: Hedge to Expected Load

Day 1 thru Delivery Day: Optimize

Recourse Long-Term Debt Maturity Schedule
Balance as of 12/31/2022

($ millions)



Recourse Debt	Principal
6.625% Senior notes, due 2027	$375
5.75% Senior notes, due 2028	$821
5.25% Senior notes, due 2029	$733
3.375% Senior notes, due 2029	$500
3.625% Senior notes, due 2031	$1,030
3.875% Senior notes, due 2032	$1,100
2.75% Convertible Senior Notes, due 2048[1]	$575
3.75% Senior Secured First Lien Notes, due 2024	$600
2.00% Senior Secured First Lien Notes, due 2025	$500
2.45% Senior Secured First Lien Notes, due 2027	$900
4.45% Senior Secured First Lien Notes, due 2029	$500
Tax-exempt bonds	$466
Recourse Debt	**$8,100[2]**

NRG Energy, Inc. Credit Rating		
S&P	**Moody's**	**Fitch**
BB+ Credit Watch	**Ba1 Stable**	**BB+ Stable**

Uniform Maturity Schedule with No Maturity Walls

[1] Notes will become convertible during each of the ~6-month periods following December 1, 2024 and December 1, 2047; for updated convertible rate as of 12/31/2022, see Note 13 – Long-term Debt and Finance Leases in 4Q22 10K; [2] Excludes revolving credit facilities

Direct Energy Integration
Advancing Customer Focused Strategy

($ millions)

Direct Energy Integration Scorecard

On Track

As of 12/31/2022	2021 Realized	2022 Realized	2023 / Run Rate
Accretive & Recurring:			
Synergies	175	259	300
Total Recurring EBITDA & FCFbG –Accretion	**$175**	**$259**	**$300**
Non-Recurring:			
Integration Cost[1]	104	74	50
	$104	**$74**	**$50**

☑ 2022: $50 MM Incremental Synergies Target

☑ $84 MM Incremental Synergies Achieved YTD

Reaffirming Full Plan Targets

[1] 2020 Integration Costs ~$10M

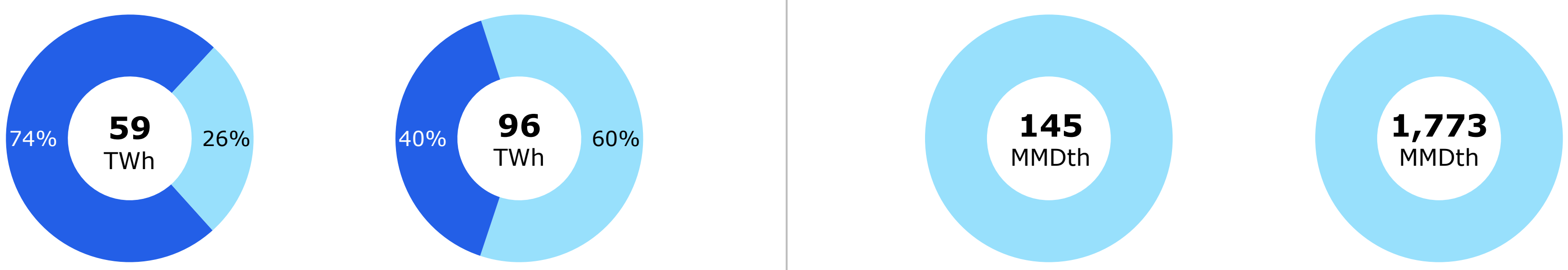
2022 Business Metrics

Home & Business Volumes

Texas | East / Other

Electric

Natural Gas



Home / Residential **Business / C&I** **Home / Residential** **Business / C&I**

155 TWh
Electricity

1,918 MMDth
Natural Gas

Strong Retail Performance – Ending Quarter at 5.4 MM Home Customers

Appendix: Reg. G Schedules

($ millions)

Appendix Table A-1: 2023 Guidance

The following table summarizes the calculation of Adjusted EBITDA providing a reconciliation to Net Income, and the calculation of Free Cash Flow before Growth providing a reconciliation to Cash provided by Operating Activities

	2023 NRG Guidance	
Net Income[1]	**$735 - $935**	
Interest expense, net	430	
Income tax	310	
Depreciation, amortization, contract amortization, and ARO expense	700	
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	15	
Other costs[2]	80	
Adjusted EBITDA	**2,270 - 2,470**	
Interest payments, net	(375)	
Income tax	(95)	
Working capital / other assets and liabilities	(20)	A
Cash provided by Operating Activities	**1,780 - 1,980**	
Adjustments: Proceeds from investment and asset sales, collateral, nuclear decommissioning trust liability	10	
Adjusted Cash Flow from Operations	**1,790 - 1,990**	
Maintenance capital expenditures, net	(250) - (270)	B
Environmental capital expenditures	(10) - (15)	
Free Cash Flow before Growth	**$1,520 - $1,720**	

A Insurance proceeds related to property damage claims previously included in Working capital / other assets and liabilities, currently included in Maintenance capital expenditures, net

B Maintenance capital expenditures includes ~$220 MM in 2023 of deployed capital to return W.A. Parish Unit 8 to service by end of second quarter 2023 and expected property damage reimbursements of ~90% in addition to pull forward of property damage reimbursements of deployed capital for Limestone Unit 1 which was returned to service in April 2022

[1] For purposes of guidance, fair value adjustments related to derivatives are assumed to be zero; [2] Includes deactivation costs and integration expenses

Reg. G

($ millions)

Appendix Table A-2: Three months ended 12/31/22 and 12/31/21 Adjusted EBITDA Reconciliation by Operating Segment

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Net Income/(Loss):

	Three Months ended 12/31/22					Three Months ended 12/31/21				
	Texas	East	West/ Services/ Other	Corp/Elim	Total	Texas	East	West/ Services/ Other	Corp/Elim	Total
Net Income/(Loss)	**$ 215**	**$ (1,759)**	**$ 234**	**$ 215**	**$ (1,095)**	**$ 693**	**$ (1,213)**	**$ (152)**	**$ 245**	**$ (427)**
Plus:										
Interest expense, net	(1)	(4)	8	71	74	-	1	19	87	107
Income tax	-	2	29	(328)	(297)	-	1	(13)	(156)	(168)
Loss on debt extinguishment	-	-	-	-	-	-	-	-	20	20
Depreciation and amortization	77	44	20	8	149	87	99	22	8	216
ARO expense	33	2	-	-	35	7	2	-	-	9
Contract and emission credit amortization, net	-	28	7	-	35	(2)	31	6	-	35
EBITDA	**324**	**(1,687)**	**298**	**(34)**	**(1,099)**	**785**	**(1,079)**	**(118)**	**204**	**(208)**
Winter Storm Uri impact	(135)	-	-	-	(135)	(692)	-	-	2	(690)
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	5	-	5	-	-	17	-	17
Acquisition and divestiture integration and transaction costs	-	-	-	26	26	-	-	-	14	14
Deactivation costs	-	5	4	-	9	-	(6)	-	-	(6)
Loss / (gain) on sale of assets	-	-	(2)	1	(1)	(19)	-	-	(211)	(230)
Other non recurring charges	(39)	5	-	(3)	(37)	5	1	(4)	(11)	(9)
Impairments	-	8	-	-	8	-	230	9	(1)	238
Mark-to-market for economic hedging activities, net	50	1,849	(240)	-	1,659	82	1,081	144	-	1,307
Adjusted EBITDA	**$ 200**	**$ 180**	**$ 65**	**$ (10)**	**$ 435**	**$ 161**	**$ 227**	**$ 48**	**$ (3)**	**$ 433**

Reg. G

($ millions)

Appendix Table A-3: Twelve months ended 12/31/22 Adjusted EBITDA Reconciliation by Operating Segment
The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Net Income/(Loss):

	Twelve Months ended 12/31/22				
	Texas	**East**	**West/ Services/ Other**	**Corp/Elim**	**Total**
Net Income/(Loss)	**$ 1,265**	**$ 326**	**$ 480**	**$ (850)**	**$ 1,221**
Plus:					
Interest expense, net	-	(9)	30	332	353
Income tax	-	1	57	384	442
Depreciation and amortization	310	208	85	31	634
ARO Expense	41	11	3	-	55
Contract and emission credit amortization, net	-	131	19	-	150
EBITDA	**1,616**	**668**	**674**	**(103)**	**2,855**
Winter Storm Uri impact	(135)	-	-	-	(135)
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	53	-	53
Acquisition and divestiture integration and transaction costs	-	-	-	58	58
Deactivation costs	-	21	5	-	26
Gain on sale of assets	(10)	-	(45)	3	(52)
Other non recurring charges	(37)	30	(11)	9	(9)
Impairments	-	206	-	-	206
Mark-to-market for economic hedging activities, net	(613)	(188)	(447)	-	(1,248)
Adjusted EBITDA	**$ 821**	**$ 737**	**$ 229**	**$ (33)**	**$ 1,754**

Reg. G

($ millions)

Appendix Table A-4: Three months ended 12/31/2022 and 12/31/2021 Free Cash Flow before Growth
The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Cash used by Operating Activities:

	Three Months Ended 12/31/22	Three Months Ended 12/31/21
Adjusted EBITDA	**$ 435**	**$ 433**
Winter Storm Uri EBITDA	135	690
Interest payments, net	(66)	(95)
Income tax	(20)	(14)
Collateral / working capital / other	(1,882)	(2,376)
Cash used by Operating Activities	**(1,398)**	**(1,362)**
Winter Storm Uri:		
Winter Storm Uri EBITDA	(135)	(690)
Securitization, C&I credits and remaining open accounts receivables	23	706
Net receipts from settlement of acquired derivatives that include financing elements	399	542
Acquisition and divestiture transaction and integration costs	26	14
Encina site improvement	1	5
Adjustment for change in collateral	1,425	1,173
Nuclear decommissioning trust liability	(8)	(5)
Effect of exchange rate changes on cash and cash equivalents	2	-
Adjusted Cash Flow from Operations	**335**	**383**
Maintenance capital expenditures, net	(61)	(34)
Free Cash Flow before Growth	**$ 274**	**$ 349**

($ millions)

Appendix Table A-5: Twelve months ended 12/31/2022 Free Cash Flow before Growth

The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Cash provided by Operating Activities:

		Twelve Months Ended 12/31/22
Adjusted EBITDA	**$**	**1,754**
Winter Storm Uri EBITDA		135
Interest payments, net		(320)
Income tax		(67)
Collateral / working capital / other		(1,142)
Cash provided by Operating Activities		**360**
Winter Storm Uri:		
Winter Storm Uri EBITDA		(135)
Securitization, C&I credits and remaining open accounts receivables		(585)
Net receipts from settlement of acquired derivatives that include financing elements		1,995
Acquisition and divestiture transaction and integration costs		58
Encina site improvement		12
GenOn Settlement		4
Adjustment for change in collateral		(896)
Nuclear decommissioning trust liability		(6)
Effect of exchange rate changes on cash and cash equivalents		(3)
Adjusted Cash Flow from Operations		**804**
Maintenance capital expenditures, net		(235)
Environmental capital expenditures		(1)
Free Cash Flow before Growth		**568**

Reg. G

EBITDA and Adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of Adjusted EBITDA should not be construed as an inference that NRG’s future results will be unaffected by unusual or non-recurring items.

EBITDA represents net income before interest expense (including loss on debt extinguishment), income taxes, depreciation and amortization, asset retirement obligation expenses, contract amortization consisting of amortization of power and fuel contracts and amortization of emission allowances. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG’s business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this presentation.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. As NRG defines it, Adjusted EBITDA represents EBITDA excluding impairment losses, gains or losses on sales, dispositions or retirements of assets, any mark-to-market gains or losses from forward position of economic hedges, adjustments to exclude the Adjusted EBITDA related to the non-controlling interest, gains or losses on the repurchase, modification or extinguishment of debt, the impact of restructuring and any extraordinary, unusual or non-recurring items plus adjustments to reflect the Adjusted EBITDA from our unconsolidated investments. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating Adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this presentation.

Management believes Adjusted EBITDA is useful to investors and other users of NRG's financial statements in evaluating its operating performance because it provides an additional tool to compare business performance across companies and across periods and adjusts for items that we do not consider indicative of NRG’s future operating performance. This measure is widely used by debt-holders to analyze operating performance and debt service capacity and by equity investors to measure our operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired. Management uses Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to readily view operating trends, as a measure for planning and forecasting overall expectations, and for evaluating actual results against such expectations, and in communications with NRG's Board of Directors, shareholders, creditors, analysts and investors concerning its financial performance.

Reg. G

Adjusted cash flow from operating activities is a non-GAAP measure NRG provides to show cash from operations with the reclassification of net payments of derivative contracts acquired in business combinations from financing to operating cash flow, as well as the add back of merger, integration, related restructuring costs, changes in the nuclear decommissioning trust liability, and the impact of extraordinary, unusual or non-recurring items. The Company provides the reader with this alternative view of operating cash flow because the cash settlement of these derivative contracts materially impact operating revenues and cost of sales, while GAAP requires NRG to treat them as if there was a financing activity associated with the contracts as of the acquisition dates. The Company adds back merger, integration related restructuring costs as they are one time and unique in nature and do not reflect ongoing cash from operations and they are fully disclosed to investors. The company excludes changes in the nuclear decommissioning trust liability as these amounts are offset by changes in the decommissioning fund shown in cash from investing.

Free Cash Flow before Growth Investments is adjusted cash flow from operations less maintenance and environmental capital expenditures, net of funding, dividends from preferred instruments treated as debt by ratings agencies, and distributions to non-controlling interests and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. The reader is encouraged to evaluate each of these adjustments and the reasons NRG considers them appropriate for supplemental analysis. Because we have mandatory debt service requirements (and other non-discretionary expenditures) investors should not rely on Free Cash Flow before Growth Investments as a measure of cash available for discretionary expenditures.

Free Cash Flow before Growth Investment is utilized by Management in making decisions regarding the allocation of capital. Free Cash Flow before Growth Investment is presented because the Company believes it is a useful tool for assessing the financial performance in the current period. In addition, NRG’s peers evaluate cash available for allocation in a similar manner and accordingly, it is a meaningful indicator for investors to benchmark NRG's performance against its peers. Free Cash Flow before Growth Investment is a performance measure and is not intended to represent net income (loss), cash from operations (the most directly comparable U.S. GAAP measure), or liquidity and is not necessarily comparable to similarly titled measures reported by other companies.