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NRG Energy Inc.

Fourth Quarter and Full Year 2021 Earnings Presentation

February 24, 2022

Safe Harbor

Forward-Looking Statements

In addition to historical information, the information presented 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, changes in government or market regulations, the condition of capital markets generally, our ability to access capital markets, 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, unanticipated outages at our generation facilities, adverse results in current and future litigation, failure to identify, execute or successfully implement acquisitions or asset sales, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to achieve our net debt targets, our ability to achieve or maintain investment grade credit metrics, 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, our ability to realize value through our market operations strategy, 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 24, 2022. 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

Platform Delivers In-Line Results; Maintaining 2022 Guidance

Successful Uri Mitigation Results; Increasing 2022 Capital Available for Allocation

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Advancing Customer-Focused Strategy; Executing Disciplined Capital Allocation

Business Highlights & Results

2021 Scorecard

☑ **Strong Financial and Operational Results**

- Top decile safety performance – best safety year in company history
- Successful Winter Storm Uri mitigation results

☑ **Direct Energy Integration**

- Achieved $175 MM (from $135 MM) synergies in 2021
- Full plan – $300 MM 2023 run rate – on track

☑ **Perfect & Grow Integrated Platform**

- Closed Direct Energy acquisition – Jan 5th
- Closed 4.8 GW East/West fossil asset sale – Dec 6th
- Signed 800 MW renewable PPAs (2.6 GW cumulative)
- Advanced Texas reliability and customer protection

☑ **Disciplined Capital Allocation**

- Increased dividend 8%; mid-point of 7-9% annual target
- Announced $1 Bn share repurchase program; $120 MM executed to date; current share count 242 MM
- Maintained strong balance sheet

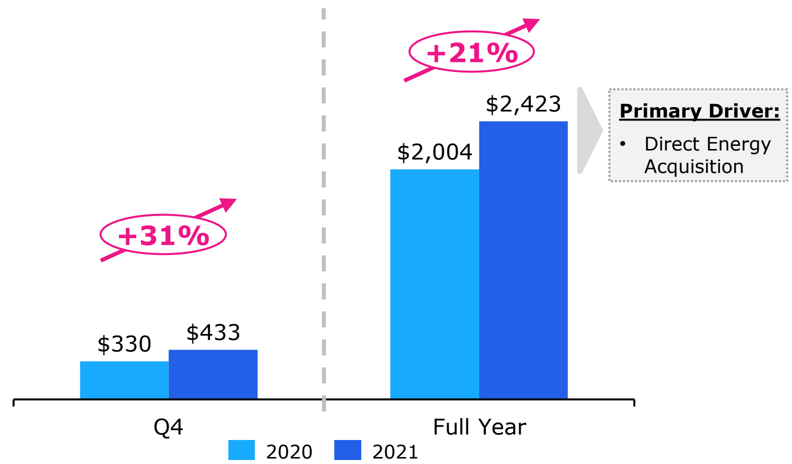
☑ **Successful Investor Day – June 2021**

Financial Update

(excludes one-time impacts from Uri)

($ millions)

Adjusted EBITDA



Maintaining 2022 Guidance Ranges

- Executing Investor Day growth roadmap
- Improving supply chain constraints
- Limited growth investment assumed in guidance

Successful Execution of ‘21 Priorities; Increasing ‘22 Capital Available for Allocation (CAFA)

Texas Market Update

Accelerated Action to Improve Market Design and Resilience

☑ **Implemented and Executed Substantial Improvements**

- Implemented Power Plant Weatherization Standards
- Advanced market design; ORDC scarcity price to $5,000/MWh and ancillary services
- Improved system-wide communications
- Enhanced customer protections

☐ **Continued Focus on Reforms into 2022; from well-head to light bulb**

- Natural gas resiliency
- Fuel reserve product
- Define reliability standard; including load-side requirements

Executed Winter Storm Uri Financial Mitigation Plan

☑ **Successful Mitigation Results**

- Disciplined liability management and securitization while protecting customer bills
- Decreased financial losses of Winter Storm Uri to $380 MM; surpassing prior expectations

Net Impact (Previous)	($500-700 MM)
Net Impact (Actual)	**($380 MM)**

Texas Remains Focused on Comprehensive and Competitive Solutions to Ensure Reliability and Continued Strong Economic Growth

Environmental, Social and Governance

Culture of Sustainability with a Comprehensive Framework

☑ Environmental

- 1.5° Celsius-aligned climate goal validated by Science Based Targets initiative
- 100% light-duty fleet electrification goal
- #14 on 2021 *Forbes* Green Growth list

☑ Social

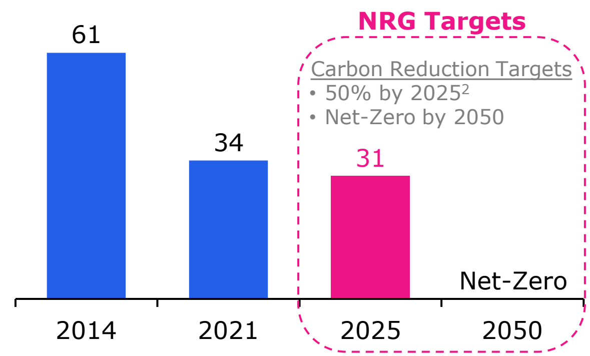
- Top decile safety performance
- Recognized by *Newsweek* as one of America's Most Responsible Companies and as a Champion of Board Diversity by The Forum of Executive Women in 2021
- Over 750 non-profits supported through positiveNRG
- Helping Home and Business customers achieve their sustainability goals

☑ Governance

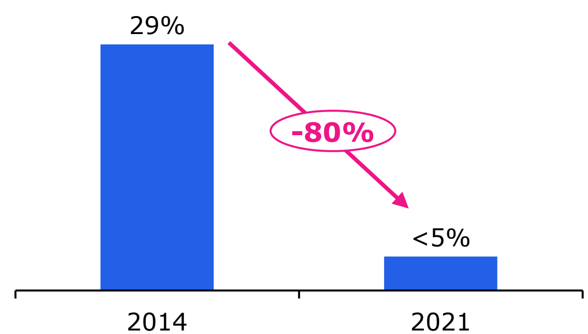
- 11th annual sustainability report, 1st TCFD report, 5th report per SASB standards, and 12th CDP Climate questionnaire submitted
- Aligned climate goals with financing strategy via second sustainability-linked bond
- Dedicated sustainability team

Climate Change is a Priority; On Path to Net-Zero

U.S. CO_2e Emission Goals[1]
($MMtCO_2e$)



% Revenues from Coal Sources



Driving a Positive Change for Our Customers and Communities; Creating Significant Value for all Stakeholders and Positioning Our Company for Growth

[1] See slide 18 for footnotes and details; [2] From the current 2014 baseline

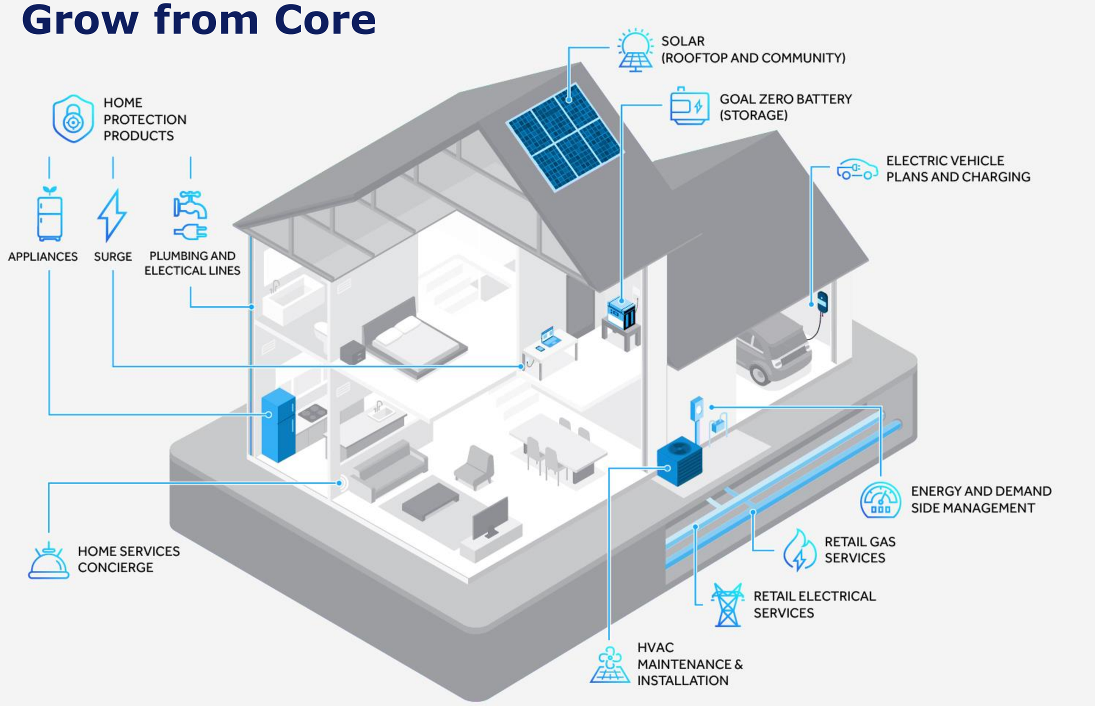
2022: A Staging Year for Growth
Strong Company Foundation Positioned for Growth

2021-2022
Setting the Stage for Growth

- Test & Learn approach in pilot programs
- Evaluate and develop strategic partnerships
- Data to enhance go-to-market strategies

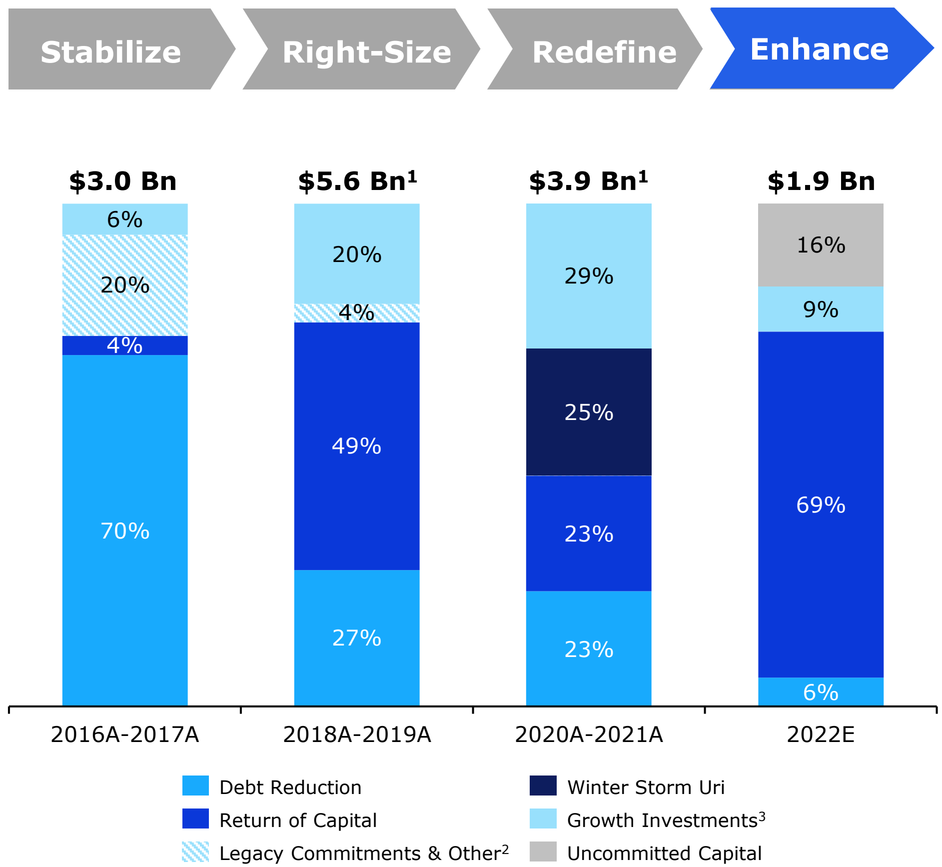
In Focus

Grow from Core



Solution	Capability	Status
Energy Services		
Power	nrg	Operational
Natural Gas	nrg	Operational
Solar	Partner Network	Pilot
Storage	GOAL ZERO	Operational
EV	Partner Network	Developing
Energy Mgmt	nrg	Developing
Home Services		
Concierge	Partner Network	Developing
HVAC	Airtron	Operational
Protection	Allied Warranty; Direct Energy Protection Plans	Operational
Security	Partner Network	Developing

Track Record of Cycle Appropriate Capital Allocation



Capital Allocation Principles

Maintain **top decile** safety and operational excellence

Investment Grade **metrics** of **2.50-2.75x** Net Debt / Adj EBITDA

50% Opportunistic	**50% Return of Capital**
Invest at GREATER of **12-15%** unlevered pretax return AND hurdle rate implied by share price OR **Share Repurchases**	**7-9%** annual dividend growth AND **Share Repurchases**

Significant Excess Cash Flow to Grow into Credit Metrics and Drive 15-20% FCFbG per Share CAGR

[1] Includes asset sale proceeds; [2] Primarily GenOn, Renew and Petra Nova; [3] Includes costs to achieve & integration costs

Financial Review

2021 Results & 2022 Guidance[1]

($ millions)

2021 Results

Texas	$1,166
East/West/Other[2]	1,257
Adjusted EBITDA	**$2,423**

Free Cash Flow before Growth ("FCFbG")	**$1,512**

Highlights

- 2021 results in-line with guidance
- Achieved $175 MM targeted Direct Energy synergies
- Reduced debt by $755 MM and refinanced $1.1 Bn with NRG's Sustainability-Linked Bond

Winter Storm Uri Impact

- Significant reduction of Winter Storm Uri net loss from a range of ($500 MM to $700 MM) to ($380 MM)

($ millions)	Financial Impact	Cash Impact	
	2021A	2021A	2022E
Total	($1,088)	($991)	($97)
Mitigants	$708	$12	696
Net	($380)	($979)	$599

2022 Guidance

Texas	$1,300-$1,500
East/West/Other[2]	650-750
Adjusted EBITDA	**$1,950-$2,250**

Free Cash Flow before Growth ("FCFbG")	**$1,140-$1,440**

Highlights

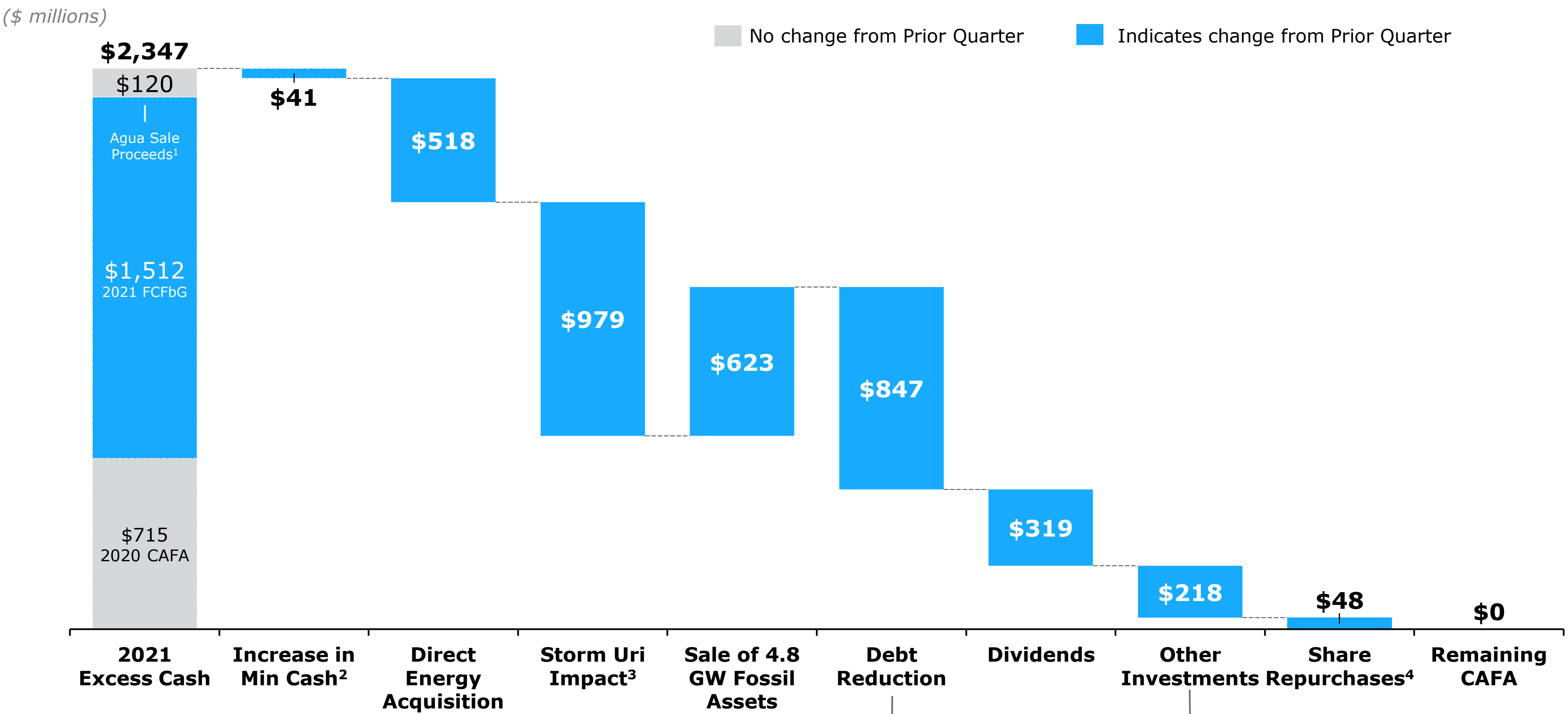
- Maintaining 2022 guidance ranges
- Improving supply chain constraints
- $1 Bn share repurchase authorization; $120 MM executed to date; current share count 242 MM[3]
- Reaffirming 2022 Direct Energy synergy target of $225 MM and 2023 run-rate target of $300 MM

($ millions)	2021 Realized	2022 Target	2023 / Run Rate
DE Synergies	$175	$225	$300
DE Integration Costs (Non-Recurring)	$104	$70	$29

Maintaining 2022 guidance and executing on $1 Bn Share Repurchase Program

[1] Actuals exclude Winter Storm Uri impacts; [2] Includes Corporate segment; [3] $39 MM completed in 2021, remaining $961 MM to be completed by the end of 2022

2021 Capital Allocation

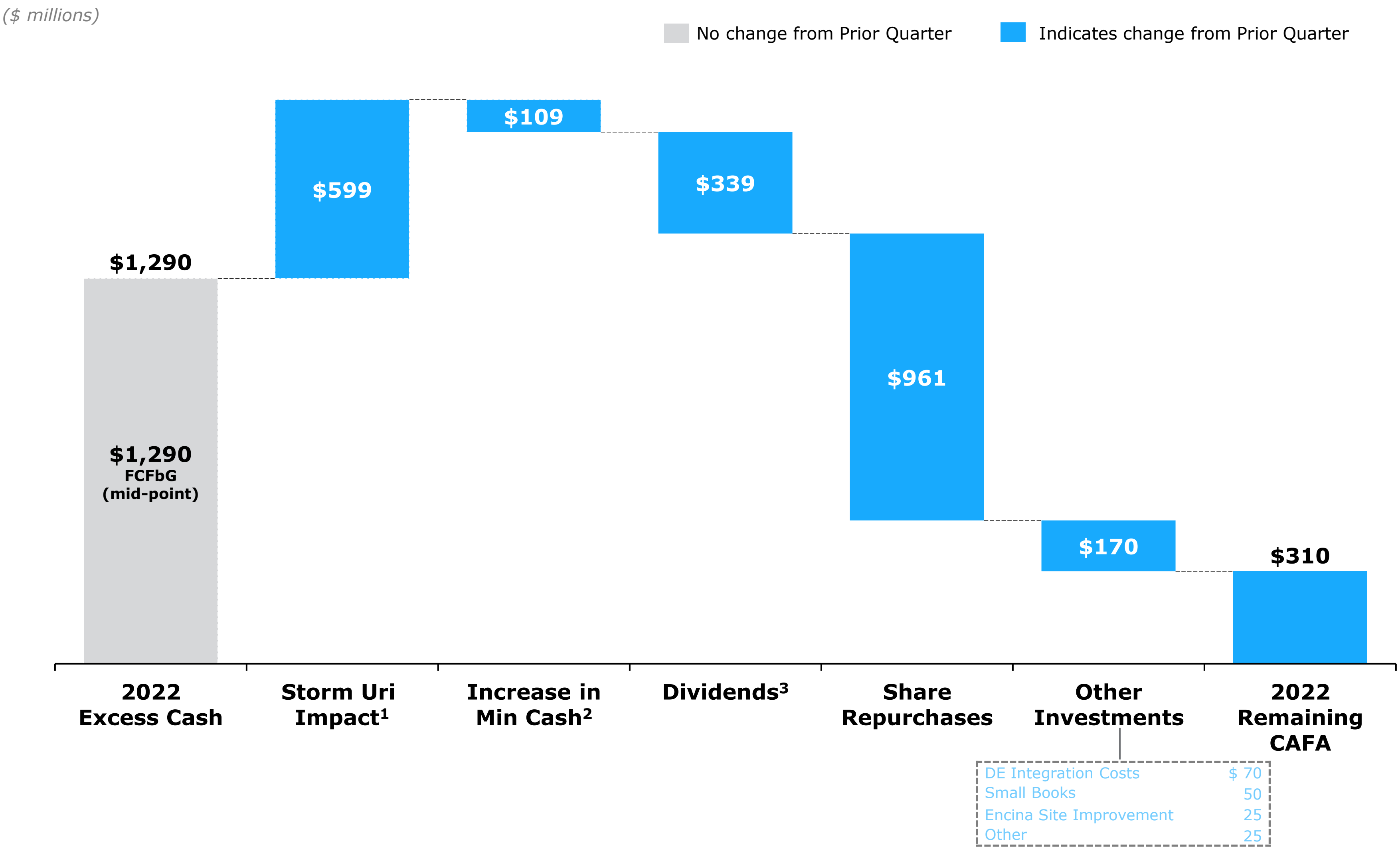


Debt Reduction Due to 4.8 GW fossil asset	$ 500
Debt Reduction Completed in Third Quarter	$ 255
Redemption/ Refinancing Fees	83
Other	9

DE and Other Integration Costs	$ 113
Astoria Repowering	25
Encina Site Improvement	19
Small Books	17
Digital NRG	22
Other	22

[1] Net of revolver debt of $83 MM; [2] Temporary reduction from $650 MM to $541 MM – minimum cash balance to $650 MM in 2022; [3] See slide 11 for details; [4] Includes $39 MM of $1 Bn announced on December 6, 2021

2022 Capital Allocation



[1] Includes $696 MM in net Securitization Proceeds and recovery of ERCOT default shortfall payments expected in the first half of 2022 less $97 MM of C&I bill credits; [2] Increase in minimum cash from $541 MM to $650 MM – to reflect minimum cash post acquisition of Direct Energy; [3] Dividends calculated based on 242 MM shares outstanding as of February 24, 2022

Corporate Credit Profile

($ millions)

	2022 Guidance
Corporate Debt[1]	**$8,100**
Minimum Cash balance	(650)
2022 Unallocated Capital[2]	(310)
Corporate Net Debt	**$7,140**
Adjusted EBITDA[3]	**$2,100**
Other Adjustments[4]	175
Corporate Adjusted EBITDA	**$2,275**

	Long-Term Target 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**

Expect to grow into Long-Term Target Range of 2.50x – 2.75x

[1] Balance at 12/31/2021; [2] Temporary until permanently allocated; [3] 2022 based on midpoint of guidance range, see slide 25 for Reg G reconciliation; [4] 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

2022 Priorities

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

- ☐ **Execute on Direct Energy Objectives**
  - ☐ $50 MM incremental 2022 EBITDA-accretive synergies (cumulative $225 MM in ‘22)
  - ☐ $300 MM cumulative 2023 run-rate EBITDA-accretive synergies – On Track

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- ☐ **Optimize and Grow from Core**
  - ☐ Execute ‘Test & Learn’ growth investments
  - ☐ Enhance transparency through financial and operational disclosures
  - ☐ Increase renewable and storage supply through capital-light (PPA) strategy
  - ☐ Portfolio / real-estate optimization

- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☐ Maintain strong balance sheet
  - ☐ Advance plan to grow into Investment Grade metrics of 2.50-2.75x
  - ☐ Execute $1 Bn share repurchase program in 2022

Appendix

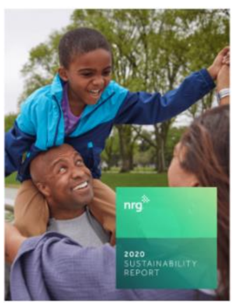
Committed to Sustainability

NRG Sustainability Framework

Sustainable Business	Sustainable Operations	Sustainable Customers	Sustainable Suppliers	Sustainable Workplace

Industry-Leading Disclosure

11th Sustainability Report



TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SASB ALLIANCE

Comprehensive Approach

SUSTAINABLE DEVELOPMENT GOALS

WOMEN'S EMPOWERMENT PRINCIPLES EQUALITY MEANS BUSINESS

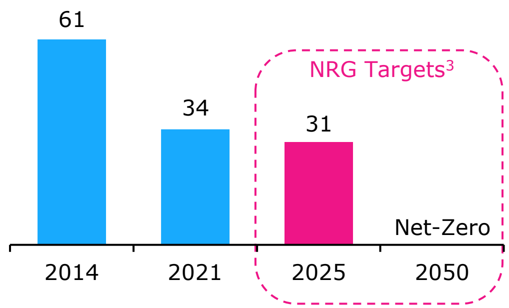
CDP DISCLOSER 2021

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Environmental Leadership[1]

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

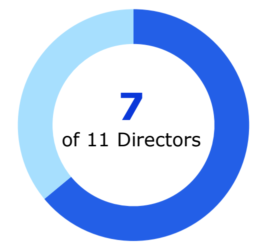
Carbon Reduction Target: 50% by 2025; net-zero by 2050



- ☑ Goals certified as 1.5 degrees Celsius-aligned by Science Based Targets initiative
- ☑ #14 on 2021 *Forbes* Green Growth List
- ☑ 2021 Climate Leadership Award for Excellence in Greenhouse Gas Management

Diversity & Inclusion Focus

64% Board Diversity



- ☑ Four women and three ethnically diverse board members
- ☑ Champion of Board Diversity award, Forum of Executive Women
- ☑ Diversity, Equity, and Inclusion one of the company's five core values
- ☑ Dedicated Diversity, Equity, and Inclusion management Steering Committee
- ☑ Independent board: 91%[4]

[1] Data as of December 31, 2021; [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 baseline, and achieve net-zero emissions by 2050; [4] All Directors except CEO

Direct Energy Integration
Advancing Customer Focused Strategy

Direct Energy Integration

2021 Highlights

Cost Savings
- ☑ Achieved 2021 cost savings and reaffirming full plan targets: $300 MM of recurring FCFbG-accretion by 2023
- ☑ Organization changes completed

Integration Milestones
- ☑ Payroll & Human Resources integration
- ☑ Accounting integration
- ☑ Texas Home integration

Business Enhancements
- ☑ Customer-focus culture across organization
- ☑ Enhanced data & analytics capabilities

2022 Priorities

Cost Savings
- ❑ Achieve targeted 2022 cost savings

Integration Priorities
- ❑ IT integration
- ❑ Business & Home integration
- ❑ Market Operations integration

Direct Energy Integration Scorecard

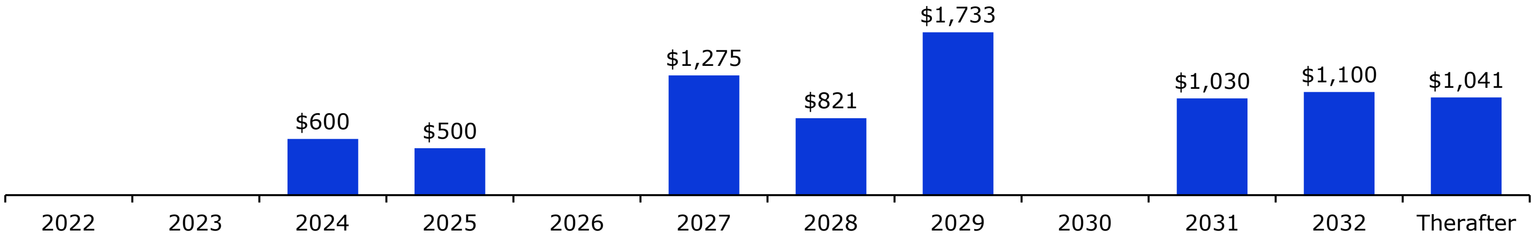
As of 12/31/2021 ($ millions)	**2021 Realized**	**2022 Target**	**2023 / Run Rate**
Accretive & Recurring:			
Synergies	175	225	300
Total Recurring EBITDA & FCFbG –Accretion	**$175**	**$225**	**$300**
Non-Recurring:			
Integration Cost[1]	104	70	29
Total Non-Recurring	**$104**	**$70**	**$29**

Exceeded Original 2021 Objectives; On Track for 2022

[1] 2020 Integration Costs ~$10M

Recourse Long-Term Debt Maturity Schedule
Balance as of 12/31/2021

($ 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
BB+ Stable	**Ba1 Stable**

Uniform Maturity Schedule with No Maturity Walls

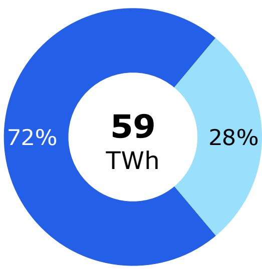
[1] Notes will become convertible during each of the ~6-month periods following December 1, 2024 and December 1, 2047; for updated convertible rate as of January 31, 2022, see page 126 of 2021 10K; [2] Excludes revolving credit facilities

2021 Business Metrics

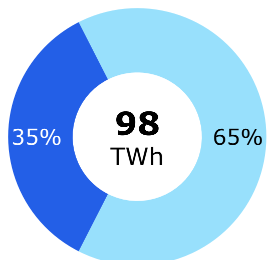
Home & Business Volumes[1]

Texas East / Other

Electric



Home / Residential

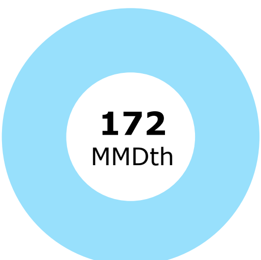


Business / C&I

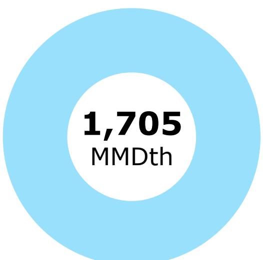
157 TWh

Electricity

Natural Gas



Home / Residential



Business / C&I

1,877 MMDth

Natural Gas

Leading North American Integrated Energy Provider

[1] Includes Winter Storm Uri volumes

Mature Risk Strategy
Managing Through-Cycle Stability

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

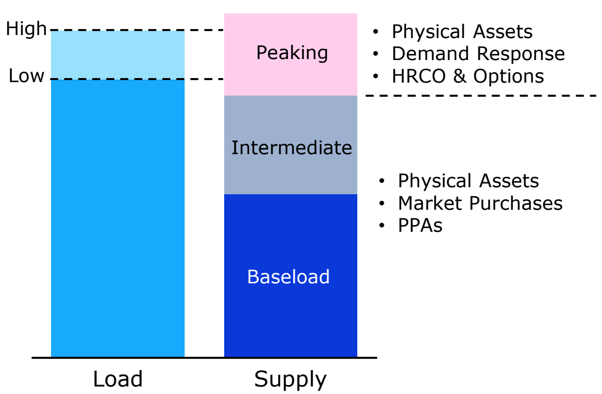
2 Retail Sale & Hedge

- 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

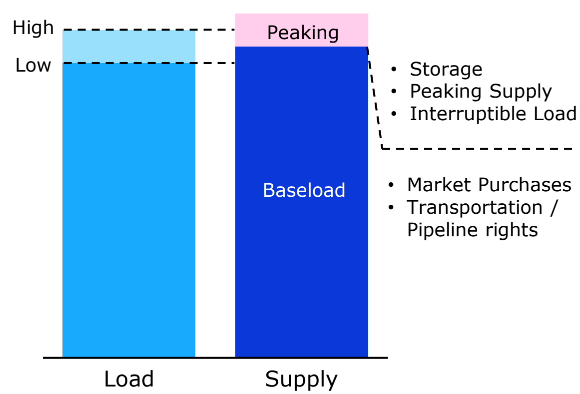
3 Optimize

- 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

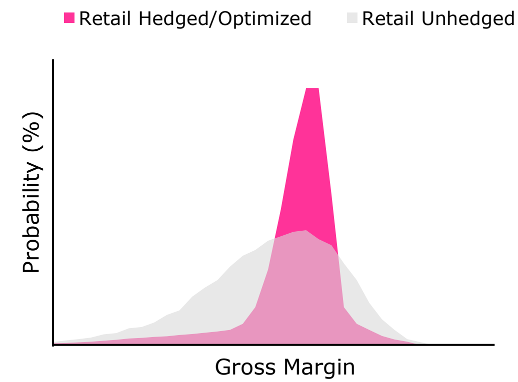
Power Retail



Natural Gas Retail



Stabilize & Enhance Gross Margin

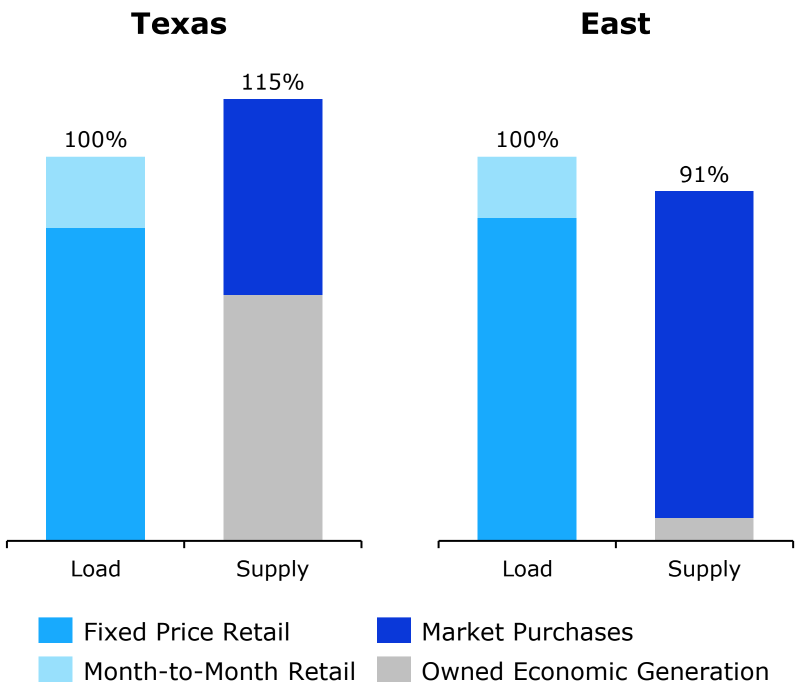


At Signing, Day 0: Hedge to Expected Load

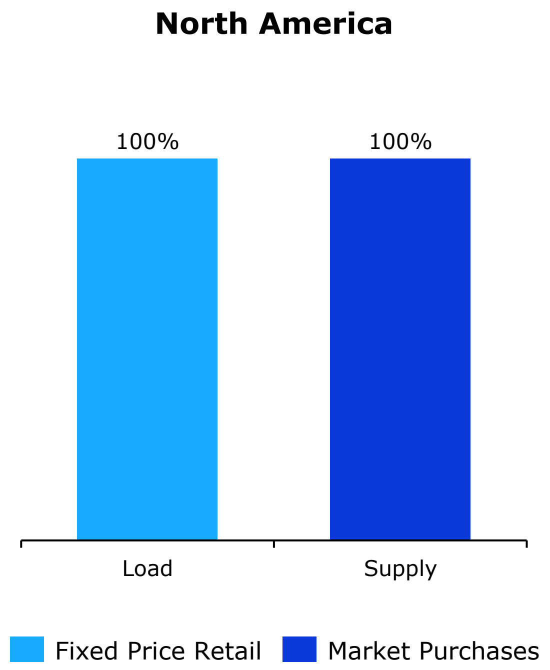
Day 1 thru Delivery Day: Optimize

Integrated Hedge Position
Retail Power & Retail Natural Gas

2022 Retail Power Hedge Position[1,2,3,4]



2022 Retail Gas Hedge Position[1,2]



[1] As of 12/31/2021 and around-the-clock; [2] Retail load excludes indexed load; [3] Month-to-Month retail load includes expected future unpriced load; [4] Owned economic generation represents expected output based on forward price curves; Excludes out-of-the-money owned generation and third-party options and tolls

Appendix: Reg. G Schedules

Reg. G

($ millions)

Appendix Table A-1: 2022 Guidance

The following table summarizes the calculation of Free Cash Flow before Growth and provides a reconciliation to Adjusted EBITDA and to Net Income:

	2022 Guidance
Net Income[1]	**$480-$780**
Interest expense, net	380
Income tax	210
Depreciation, Amortization, Contract Amortization, and ARO Expense	760
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	70
Other Costs[2]	50
Adjusted EBITDA	**$1,950 - $2,250**
Interest payments, net	(395)
Income tax	(20)
Working capital / other assets and liabilities	(165)
Net Cash Provided by Operating Activities	**$1,370 - $1,670**
Adjustments: Proceeds from investment and asset sales, Collateral, GenOn Pension, Nuclear Decommissioning Trust liability	10
Adjusted Cash Flow from Operations	**$1,380 - $1,680**
Maintenance capital expenditures, net	(220) - (240)
Environmental capital expenditures, net	(5) - (10)
Free Cash Flow before Growth	**$1,140 - $1,440**

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

($ millions)

Appendix Table A-2: 3 months ended 12/31/21 and 12/31/20 Adjusted EBITDA Reconciliation by Operating Segment
The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Net Income:

	Three Months ended 12/31/21					Three Months ended 12/31/20				
	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total
Net Income/(Loss)	**$ 695**	**$ (1,214)**	**$ (153)**	**$ 245**	**$ (427)**	**$ -**	**$ 44**	**$ (60)**	**$ (157)**	**$ (173)**
Plus:										
Interest expense, net	-	1	19	86	106	-	3	-	106	109
Income tax	-	1	(13)	(156)	(168)	-	(1)	-	36	35
Loss on debt extinguishment	-	-	-	20	20	-	2	5	1	8
Depreciation and amortization	86	100	22	8	216	60	42	8	7	117
ARO Expense	7	2	-	-	9	(4)	2	-	1	(1)
Contract and emission credit amortization, net	(2)	32	6	-	36	1	-	-	-	1
EBITDA	**786**	**(1,078)**	**(119)**	**203**	**(208)**	**57**	**92**	**(47)**	**(6)**	**96**
Winter Storm Uri impact	(692)	-	-	2	(690)	-	-	-	-	-
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	18	-	18	7	-	25	(1)	31
Acquisition and divestiture integration and transaction costs	1	1	-	11	13	-	-	-	10	10
Reorganization costs	-	-	-	-	-	-	-	-	(2)	(2)
Deactivation costs	-	(5)	-	-	(5)	-	3	-	1	4
Gain on sale of business	(19)	-	-	(211)	(230)	-	-	3	-	3
Other non recurring charges	4	(1)	(5)	(8)	(10)	6	4	-	(1)	9
Impairments	-	230	9	(1)	238	14	-	33	(1)	46
Mark-to-market for economic hedging activities, net	82	1,081	144	-	1,307	147	(22)	8	-	133
Adjusted EBITDA	**$ 162**	**$ 228**	**$ 47**	**$ (4)**	**$ 433**	**$ 231**	**$ 77**	**$ 22**	**$ -**	**$ 330**

[1] Includes remaining renewables and international

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($ millions)

Appendix Table A-3: 12 months ended 12/31/21 and 12/31/20 Adjusted EBITDA Reconciliation by Operating Segment
The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Net Income:

	Twelve Months ended 12/31/21					Twelve Months ended 12/31/20				
	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total
Net Income/(Loss)	**$ 1,293**	**$ 1,909**	**$ 83**	**$ (1,098)**	**$ 2,187**	**$ 800**	**$ 352**	**$ 37**	**$ (679)**	**$ 510**
Plus:										
Interest expense, net	1	(1)	28	452	480	-	13	3	377	393
Income tax	-	-	19	653	672	-	(1)	2	250	251
Loss on debt extinguishment	-	-	-	77	77	-	4	5	-	9
Depreciation and amortization	331	338	88	28	785	227	138	36	34	435
ARO Expense	16	11	3	-	30	25	16	4	-	45
Contract and emission credit amortization, net	(2)	54	21	-	73	5	-	-	-	5
EBITDA	**1,639**	**2,311**	**242**	**112**	**4,304**	**1,057**	**522**	**87**	**(18)**	**1,648**
Winter Storm Uri impact	520	(138)	(10)	8	380	-	-	-	-	-
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	1	-	72	-	73	9	-	97	(1)	105
Acquisition and divestiture integration and transaction costs	2	-	1	94	97	2	-	-	23	25
Reorganization costs	-	-	-	-	-	-	-	-	(1)	(1)
Legal Settlements	-	(15)	-	11	(4)	-	-	-	-	-
Deactivation costs	-	10	1	-	11	2	5	2	-	9
Gain on sale of business	(19)	-	(17)	(211)	(247)	-	-	3	-	3
Other non recurring charges	8	-	(3)	(24)	(19)	8	3	(1)	(7)	3
Impairments	-	535	9	-	544	32	-	61	-	93
Mark-to-market for economic hedging activities, net	(985)	(1,715)	(16)	-	(2,716)	209	(93)	3	-	119
Adjusted EBITDA	**$ 1,166**	**$ 988**	**$ 279**	**$ (10)**	**$ 2,423**	**$ 1,319**	**$ 437**	**$ 252**	**$ (4)**	**$ 2,004**

[1] Includes remaining renewables and international

Reg. G

($ millions)

Appendix Table A-4: 2021 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:

		2021
Adjusted EBITDA	**$**	**2,423**
Winter Storm Uri loss		(380)
Interest payments		(428)
Income tax		(32)
Collateral / working capital / other		(1,090)
Cash Provided by Operating Activities		**493**
Winter Storm Uri:		
Loss		380
Securitization, C&I credits and remaining open accounts receivables		599
Net receipts from settlement of acquired derivatives that include financing elements		938
Acquisition and divestiture integration and transaction costs		97
Encina site improvement and GenOn pension		21
Adjustment for change in collateral		(797)
Nuclear decommissioning trust liability		(41)
Adjusted Cash Flow from Operations		**1,690**
Maintenance capital expenditures, net		(176)
Environmental capital expenditures, net		(2)
Free Cash Flow before Growth	**$**	**1,512**

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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 news release.

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 news release.

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.

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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, preferred stock dividends 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.