NRG Energy Inc.

Fourth Quarter and Full Year 2020 Earnings Presentation

March 1, 2021

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, the potential impact of COVID-19 or any other pandemic on the Company’s operations, financial position, risk exposure and liquidity, general economic conditions, hazards customary in the power industry, weather conditions and extreme weather events, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers or counterparties to perform under contracts, changes in the wholesale power markets, changes in government or market regulations, the condition of capital markets generally, our ability to access capital markets, 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, repowerings or asset sales, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to achieve our net debt targetsour ability to 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 commercial 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 a 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 March 1, 2021. 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 and CEO

Financial Review

Gaetan Frotte, SVP and Interim CFO

Closing Remarks

Mauricio Gutierrez, President and CEO

Q&A

Key Messages

Focused on Aiding Texas Communities and Strengthening System Reliability

Integrated Platform Delivers Stable Results through Unprecedented Events

Advancing Customer-Centric Strategy; Closed Direct Energy Acquisition and Announcing 4.8 GW Asset Sales

Winter Storm Uri
Preliminary Review & Response

nrg

Unprecedented Weather Conditions

- **Extreme winter weather conditions**
  - Historical winter storm - temperature, scale, duration, precipitation and wind
  - Third coldest 3-day stretch on record across Texas
- **Stressed entire energy system and exceeded planning parameters**
  - Exposed interdependency of natural gas and power systems
  - Estimated all-time record peak load of 77 GW[1]
  - System realized 52 GW[1] of forced outages
- **Conducting root cause analysis;** scope includes process, procedures and weatherization
  - Natural gas producers & infrastructure
  - Electric grid frequency
  - Power plant performance
  - Customer protections

NRG's Preparedness and Performance

- **Winter readiness program**
  - Comprehensive winterization program reviewed by management and submitted to and audited by ERCOT
  - Activated crisis plan; mobilized additional generation, critical supplies and people
  - Executed pre-storm customer, supplier and employee communications
- **Additional steps taken prior to storm**
  - Available capacity 8 GW; including ~2 GW additional capacity from seasonal layup
  - Executed supplemental gas and power hedges
- **Available generation performed at 80% average capacity factor through storm**
  - Produced ~2x MW hours from comparable period earlier in the month
  - System issues: pipeline pressure and grid frequency
  - Plant issues: weather-related despite weatherization program that exceeds guidelines

System Wide Infrastructure Failure is Unacceptable; NRG Committed to Work with Stakeholders to Improve Reliability of Energy System

[1] Source ERCOT February 24, 2021 presentation: 77 GW estimated peak load (without load shed) and 52 GW maximum generation capacity forced out at any given time

Winter Storm Uri
Preliminary Review & Response

nrg

Customer Focused Response

- **Balanced retail load and supply strategy provides stability**
  - Diverse retail footprint across Texas
  - Maximized production; prioritized production over profits
  - Supply mix of physical and third-party hedges; limited owned-generation sales to third-parties
- **Protected customer bills**
  - 100% residential plans across all-brands protected from real-time wholesale prices - no price shock
  - Indexed / real-time products limited to sophisticated business customers
  - Became voluntary residential retail provider for displaced customers (VREP)
- **Pledged initial $10 million in relief to Texans**
  - Community: food, water, housing, HVAC
  - Customers: financial support and bill planning
  - Employees: financial support for incurred damage

Expect to Deliver Stable Results

- **Preliminary financial impact expected to be within current guidance ranges**
  - Maintained ample liquidity through event
- **Primary drivers within financial impact**
  - Estimated customer meter and settlement data
  - Probable counterparty risk
  - Expected ERCOT default allocation
- **Stress Test of preliminary financial impact**
  - +/- $100 MM potential impact on guidance ranges

Maintaining 2021 Guidance Ranges

Focused on Protecting Customer through Stable Platform

Business Highlights & Results

2020 Scorecard

☑ Strong Financial and Operational Results

- Top decile safety performance
- Comprehensive COVID-19 response enabled resilient operational and financial results

☑ Completed 3-Year Transformation Plan

- $590 MM of EBITDA-accretive cost savings
- $215 MM of EBITDA-accretive margin enhancement

☑ Continue to Perfect Customer Focused Model

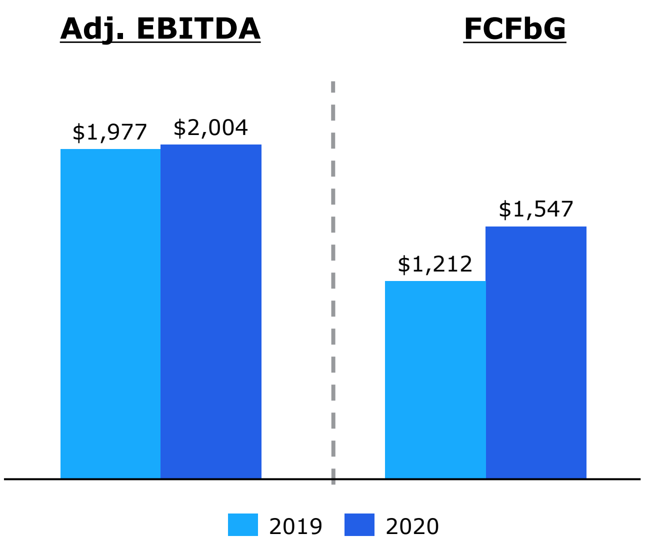
- Closed Direct Energy transaction on January 5th
- Signed 1.8 GW renewable PPAs in ERCOT
- Announcing non-core asset sales

☑ Disciplined Capital Allocation

- Compelling dividend policy; 7-9% annual growth
- Completed $228 MM share repurchases in 2020
- Targeting investment grade ratings in late ‘21 / ‘22

Financial Update

($ millions)



Maintaining 2021 Guidance Ranges[1]
$2,400 - 2,600 Adj EBITDA
$1,440 - 1,640 FCFbG

Executed 2020 Strategic & Financial Priorities

[1] Guidance ranges include Direct Energy

Direct Energy Integration
Advancing Customer Focused Strategy

nrg

Integration Plan On Track

- **Cost Savings**
  - ☑ Reaffirming full plan targets: $300 MM of recurring FCFbG-accretion by 2023
  - ☑ Organization leadership changes completed
  - ❑ On track for 2021 cost savings
- **2021 Integration Priorities**
  - ❑ Corporate integration - including payroll, human resources, accounting and IT
  - ❑ Texas operations integration - Home & Business
- **Business Enhancements**
  - ❑ Customer-focus culture across organization
  - ❑ Enhance data & analytics
  - ❑ Leverage scale of Home, Business and Services capabilities within our regions
  - ❑ 'Future of work' implementation aligned with return to office timeline

Introducing Direct Energy Scorecard

As of 12/31/2020 ($ millions)	**2021 Target**	**2022 Target**	**2023 / Run Rate**
Accretive & Recurring:			
Synergies	135	225	300
Total Recurring EBITDA & FCFbG –Accretion	**$135**	**$225**	**$300**
Non-Recurring:			
Integration Costs[1]	135	50	25
Total Non-Recurring	**$135**	**$50**	**$25**

$300 MM Recurring Synergies
$220 MM Integration Costs

Closed Direct Energy January 2021; Turning Attention to Integration

[1] 2020 actuals ~$10M

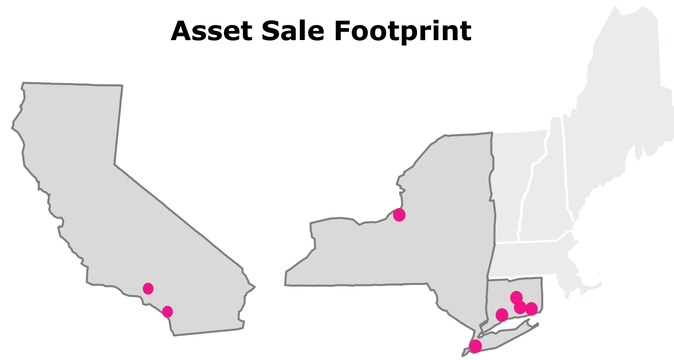
Perfecting Customer-Focused Platform
Streamlining Non-Core Generation

Asset Sale Highlights

Assets Sold	4.8 GW[1] Fossil Generation
Buyer	Generation Bridge, an affiliate of ArcLight
Cash Proceeds	$760 MM[2]
EV/EBITDA	4x
2021 Adj EBITDA **2021 FCFbG**	$190 MM $130 MM
Planned Deleveraging 2.50-2.75x	$500 MM
Target Closing Date	Fourth Quarter 2021
Key Approvals	FERC, HSR, NY PSC
Tolling Agreement	Arthur Kill: 866 MW natural gas in NYC through April 2025

NYISO, ISO-NE & CAISO Assets

Asset Sale Footprint



New York
- ☑ Arthur Kill,: 866 MW Natural Gas; age 56
- ☑ Oswego: 1,617 MW Oil; age 43

New England
- ☑ Montville: 491 MW Oil; age 53
- ☑ Middletown: 762 MW Oil; age 53
- ☑ Devon: 133 MW Oil; age 26
- ☑ CT Jets: 142 MW Oil; age 42

California
- ☑ Sunrise: 586 MW Natural Gas; age 20
- ☑ Long Beach: 252 MW Natural Gas; age 14[3]

Announcing Sale of 4.8 GW Fossil Generation in West and East

[1] MW capacity figures represent nominal summer MW capacity; [2] Subject to standard purchase price adjustments and other certain indemnifications; [3] Age since reactivation

Financial Review

2020 Results & 2021 Guidance

($ millions)

	2020 Full Year Results	Maintaining 2021 Guidance
Texas	$1,319	$1,425-1,575
East/West/Other[1]	685	975-1,025
Adjusted EBITDA	**$2,004**	**$2,400-$2,600**
Free Cash Flow before Growth ("FCFbG")	**$1,547**	**$1,440-$1,640**

- Strong 2020 Adj EBITDA and FCFbG results
- Winter Storm Uri preliminary financial impact within Guidance ranges:
  - Preliminary financial impact based on projected meter and settlement data, counterparty risk and ERCOT default allocations
  - Stress Test of preliminary estimates indicate potential +/- $100 MM impact on guidance ranges
- Announcing sale of 4.8 GW fossil generation in East/West regions for $760 MM[2]

Maintaining 2021 Guidance Ranges
Stress Test Indicates +/- $100 MM Potential Impact on Guidance Ranges

[1] Includes Corporate segment; [2] Subject to standard purchase price adjustments and other certain indemnifications

Direct Energy Acquisition

($ millions)

	Previous Plan (3Q20 Earnings)	Changes: Decrease in '20 Cash Reserve	Changes: Lower fees, debt discount	Changes: Purchase price adjustment	Changes: Acquired cash & margin collateral	Final Plan[1]
New Bonds (Secured & Unsec.)	2,930		(2)			2,928
NRG Cash	815	(100)			(219)	496
NRG Temporary Revolver Draw	0	100	(11)	77	(166)	0
TOTAL SOURCES	**$3,745**	**$0**	**($13)**	**$77**	**($385)**	**$3,424**
Purchase Price, net	3,625			77	(385)	3,317
Transaction Costs	120		(13)			107
TOTAL USES	**$3,745**	**$0**	**($13)**	**$77**	**($385)**	**$3,424**

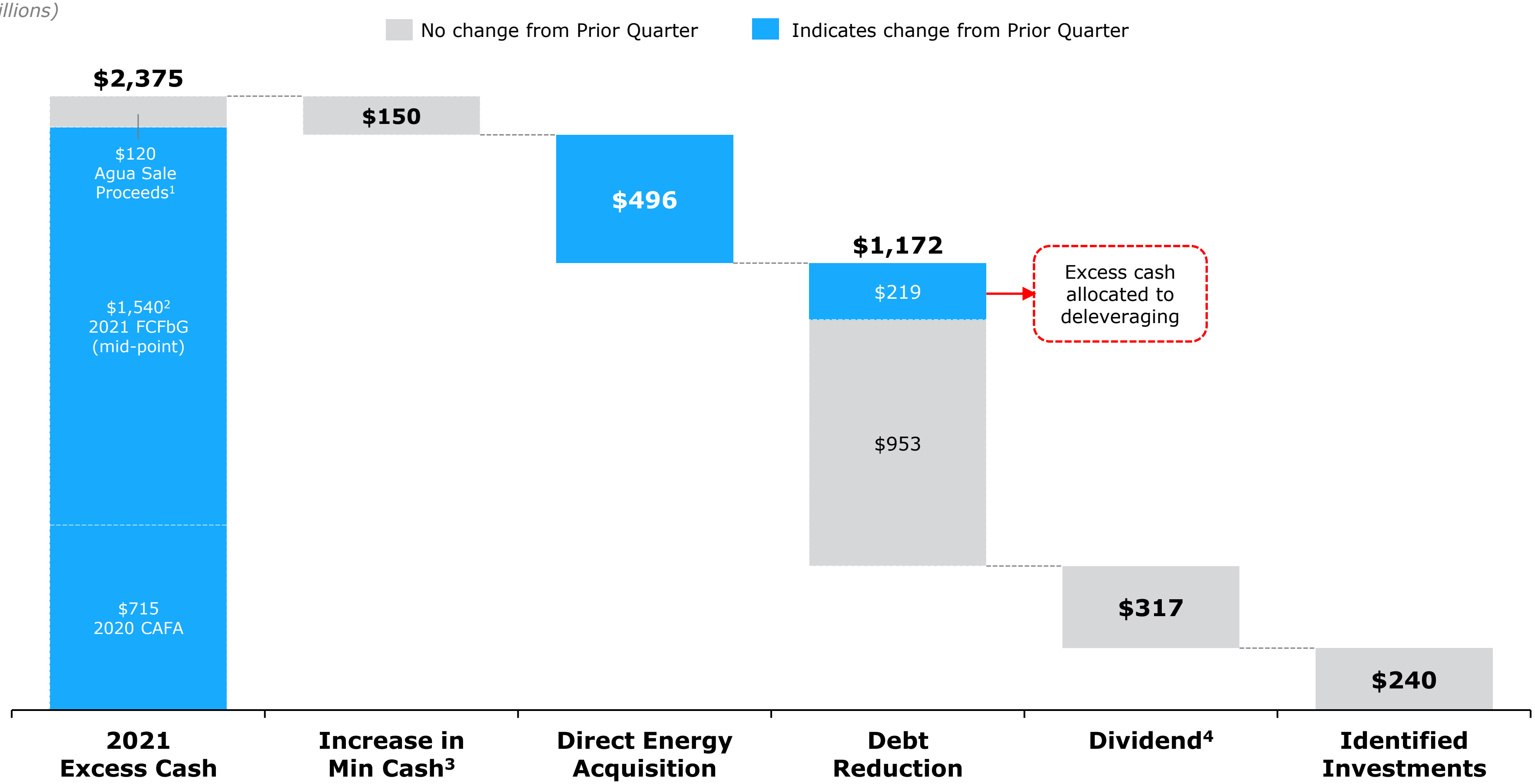
- Direct Energy acquired for a net $3.42 Bn after transaction costs, purchase price adjustments and acquired cash & margin collateral
  - Fully executed all permanent financings and $3.4 Bn in collateral facilities
  - Increased cash and margin collateral acquired eliminates previously expected $194 MM temporary debt

Direct Energy Acquired with $385 MM of Cash and Margin Collateral;
Asset Sale Proceeds No Longer Necessary to Achieve Investment Grade Metrics

[1] Subject to final purchase price adjustment expected on 4/5/21

2021 Capital Allocation

($ millions)



Astoria Repowering	$ 25
Small Books	15
Encina Site Improvement	25
Digital NRG	20
GenOn Pension	20
DE Integration Costs	135

[1] Net of revolver debt; [2] Updated mid-point of FCFbg guidance for 2021; [3] Increase in minimum cash from $500 MM to $650 MM – to reflect minimum cash for combined Company; [4] Based on annualized dividend of $1.30 per share and 244 MM outstanding shares

Corporate Credit Profile & Liquidity

($ millions)

	2021 NRG Pre-acquisition	Direct Energy Acquisition	2021 Post-acquisition
Corporate Debt	**$5,925**[1]	**$2,930**	**$8,855**
Debt reduction (2021 Capital Allocation)		(1,172)	(1,172)
Minimum cash balance	(500)	(150)	(650)
Corporate Net Debt	**$5,425**	**$1,608**	**$7,033**
Adj. EBITDA[2]	**$2,000**	**$500**	**$2,500**
Other Adjustments[3]	150	-	150
Corporate Adj. EBITDA	**$2,150**	**$500**	**$2,650**
	2.52x		**2.65x**

Target Investment Grade Metrics

Net Debt / Adj. EBITDA	**2.50 – 2.75x**
Adj. CFO/ Net Debt	**27.5 – 32.5%**
(Adj. CFO + Interest) / Interest	**5.5 – 6.5x**

Liquidity Position	As of February 26, 2021
Cash and cash equivalents	$1,923
Restricted cash	12
Total	**$1,935**
Total credit facility availability	1,865
Total Liquidity	**$3,800**

Strong Liquidity Maintained Throughout Winter Storm Uri
Targeting Investment Grade Metrics in 2021 and Ratings in Late 2021 / Early 2022

[1] Balance at 12/31/2020; [2] Midpoint of guidance ranges, see slides 24 and 25 for Reg G reconciliations; [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 Adj EBITDA

Closing Remarks

2021 Priorities

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

- ☐ **Execute on Direct Energy Objectives**
  - ☐ $135 MM EBITDA-accretive synergies ($300 MM 2021-2023)

- ☐ **Perfect and Grow Integrated Platform**
  - ☐ Advance Texas system-wide reliability and customer protection planning
  - ☐ Grow retail and increase renewable supply through capital-light (PPA) strategy
  - ☐ Portfolio / real-estate optimization
    - ☐ Close announced 4.8 GW asset sales - 4Q21 target

- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☐ Achieve investment grade metrics 2.50-2.75x
  - ☐ Achieve investment grade credit rating, targeting late 2021 / early 2022

- ☐ **Analyst Day – Spring 2021**

Appendix

Committed to Sustainability

NRG Sustainability Framework

Sustainable Business

Sustainable Operations

Sustainable Customers

Sustainable Suppliers

Sustainable Workplace

Industry-Leading Disclosure

10th Sustainability Report

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SASB | SUSTAINABILITY ACCOUNTING STANDARDS BOARD

Comprehensive Approach

SUSTAINABLE DEVELOPMENT GOALS

CDP SUPPLIER ENGAGEMENT LEADER

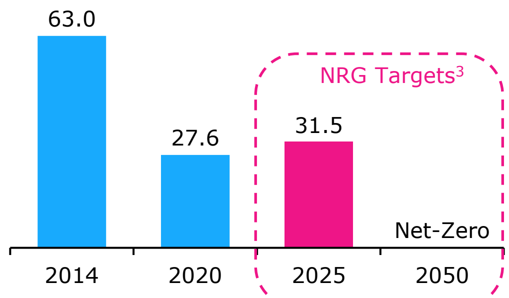
SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

WOMEN'S EMPOWERMENT PRINCIPLES — EQUALITY MEANS BUSINESS

Environmental Leadership[1]

U.S. CO_2e Emission Goals ($MMtCO_2e$[2])

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

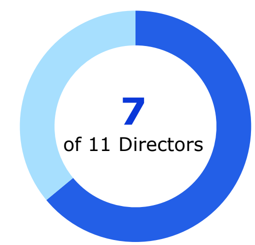


2020 emissions below 2025 target

May increase over 2021-2024 but company on track to meet 2025 target

Diversity & Inclusion Focus

Board Diversity



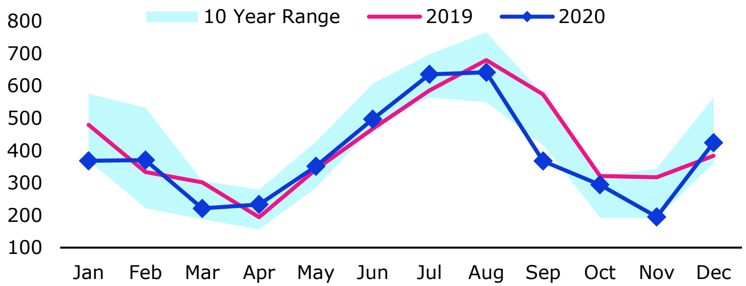
- ☑ Four women and three ethnically diverse board members
- ☑ Diversity & Inclusion elevated to one of the company's five core values in 2019
- ☑ Recognized as one of the Best Employers for Diversity in 2019 by Forbes
- ☑ Dedicated Diversity & Inclusion management Steering Committee
- ☑ Independent board: 91%[4]

[1] Data as of December 31, 2020; [2] Million Metric tons of carbon dioxide equivalent; [3] NRG's goal is to reduce its total U.S. Scope 1, 2 (purchased electricity), and 3 (employee business travel) CO_2e emissions by 50% by 2025, from current 2014 baseline, and achieve 'net-zero' emissions by 2050; [4] All Directors except CEO

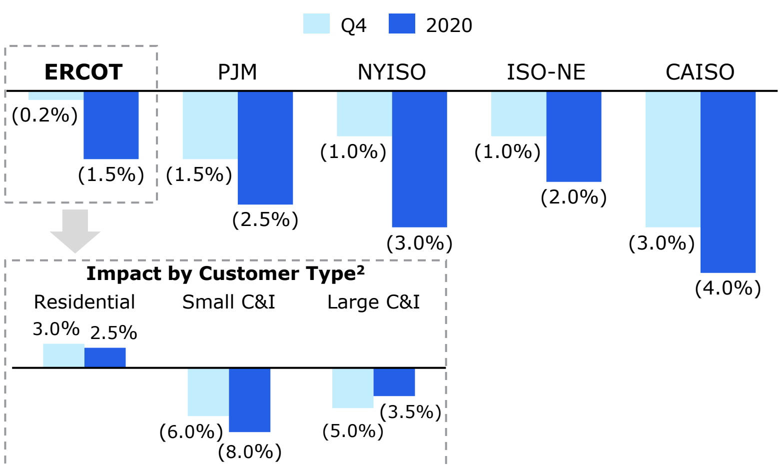
Market & COVID-19 Review

System Load Negatively Impacted by Mild Weather and COVID-19…

Texas Degree Days



Load Reductions by ISO[1]
(weather-normal)



…Signs of Measured Recovery

- **NRG's Comprehensive Response** to COVID-19; Prioritizing Customers and Employee Wellbeing
  - No known workplace COVID-19 transmissions
  - Customer relief and payment programs effective to date with manageable bad debt and related costs
  - Redirecting and refining customer selling actives in ERCOT; reduced customer selling activities in East
- **Regional Load** Showing Signs of Recovery
  - ERCOT continues to demonstrate relative strength
  - East/West steadily improving with vaccine driven economic reopening to accelerate recovery
- **Customer Load** Trends Vary by Customer-Type
  - Residential load remains resilient; expect ongoing impacts from stay-at-home trends
  - Business load remains mixed; expect economic stimulus, partial return to work and vaccine rollout to accelerate recovery

2020 Impacted by COVID-19 and Mild Weather; Expect Measured Recovery in 2021

[1] NRG estimates for weather normalized system wide load; [2] Based on internal analysis

Capacity Clears & Unsold

Capacity Revenue by Calendar[1] Year ($ MM)

Market	2021
PJM	$299
ISO-NE	$89
NYISO[2]	$157
CAISO[2]	$58

Illustrative: Assumes uncleared capacity clears at current market levels

Market	Planning Year	Average Price ($/kW-Month)	Estimated Qualified Capacity[3]	Percentage Sold[4]	MWs Cleared
ISO-NE	2020-2021	$5.30	1,563	100%	1,563
	2021-2022	$4.63	1,529	100%	1,529
	2022-2023	$3.80	1,517	100%	1,517
	2023-2024	$2.00	1,517	50%	757
	2024-2025	$2.61	1,518	100%	1518
NYISO	2021	$4.83	2,727	64%	1,751
	2022	$4.12	2,796	11%	317
	2023	$3.05	2,543	1%	17
CAISO	2021	$5.72	838	75%	632
	2022	$5.92	838	37%	313

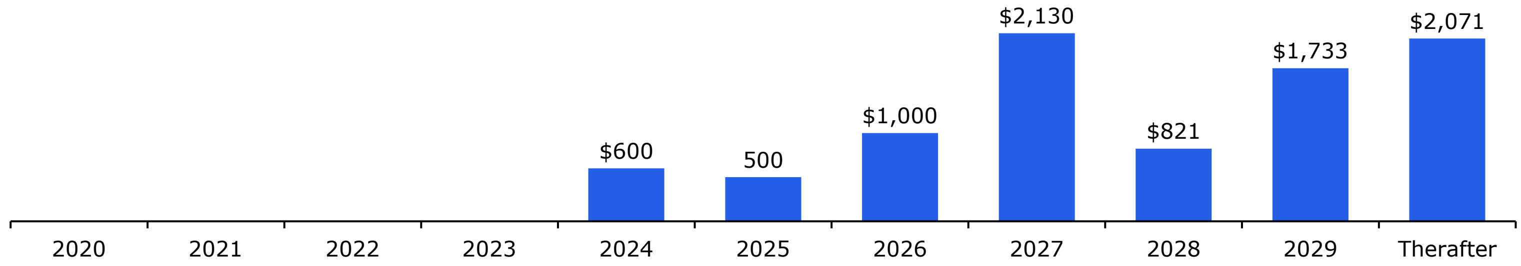
Market	Region	Planning Year	Average Price ($/MW-Day)	MWs Cleared
PJM	ComEd	2020-2021	$188.12	3,315
		2021-2022	$195.55	3,995
PJM	DPL South	2020-2021	$187.87	519
		2021-2022	$165.73	552
PJM	PEPCO	2020-2021	$86.04	67
		2021-2022	$140.00	72
PJM	Net Total	2020-2021	$186.34	3,901
		2021-2022	$191.12	4,619

*PJM data as of 5/23/2018

[1] Capacity revenue excludes cleared DER of: 1,954 MW at $125.09 $/MW-day in 2020-2021 and 3,203 MW at $155.15 $/MW-day in 2021-2022 [2] NYISO & CAISO values include sold and unsold revenue; unsold revenue is estimated as of 12/31/2020 and is subject to change; NYC estimated qualified capacity is ~1.3 GW; NYISO – Rest of State estimated qualified capacity is ~1.5 GW; [3] Capacity that can be bid in a capacity auction; estimated as of 12/31/2020 and is subject to change; [4] Percentage of the total qualified capacity that has been sold as of 12/31/2020

Recourse Debt Maturity Schedule

($ millions)



Recourse Debt	Principal
7.25% Senior notes, due 2026	$1,000
6.625% Senior notes, due 2027	$1,230
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
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
Revolving Credit Facility	$-
Tax-exempt bonds	$466
Recourse Debt	**$8,855**

NRG Energy, Inc. Credit Rating

S&P	Moody's
BB+ Stable	Ba1 Positive

On Track to Achieve Investment Grade Metrics in 2021

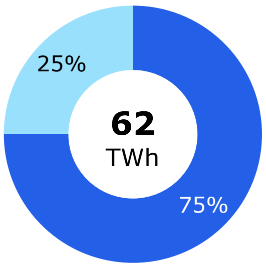
[1] Notes will become convertible during each of the ~6-month periods following December 1, 2024 and December 1, 2047; for updated convertible rate as of December 31, 2020, see page 131 of 2020 10-K

Business Metrics

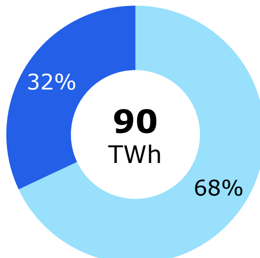
Home & Business Volumes[1]

Texas | East / Other

Electric



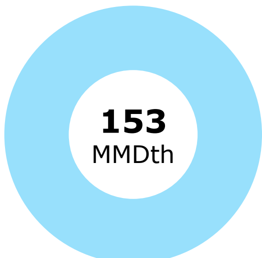
Home / Residential



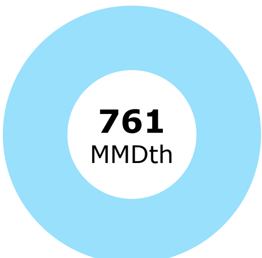
Business / C&I

152 TWh
Electricity

Natural Gas



Home / Residential



Business / C&I

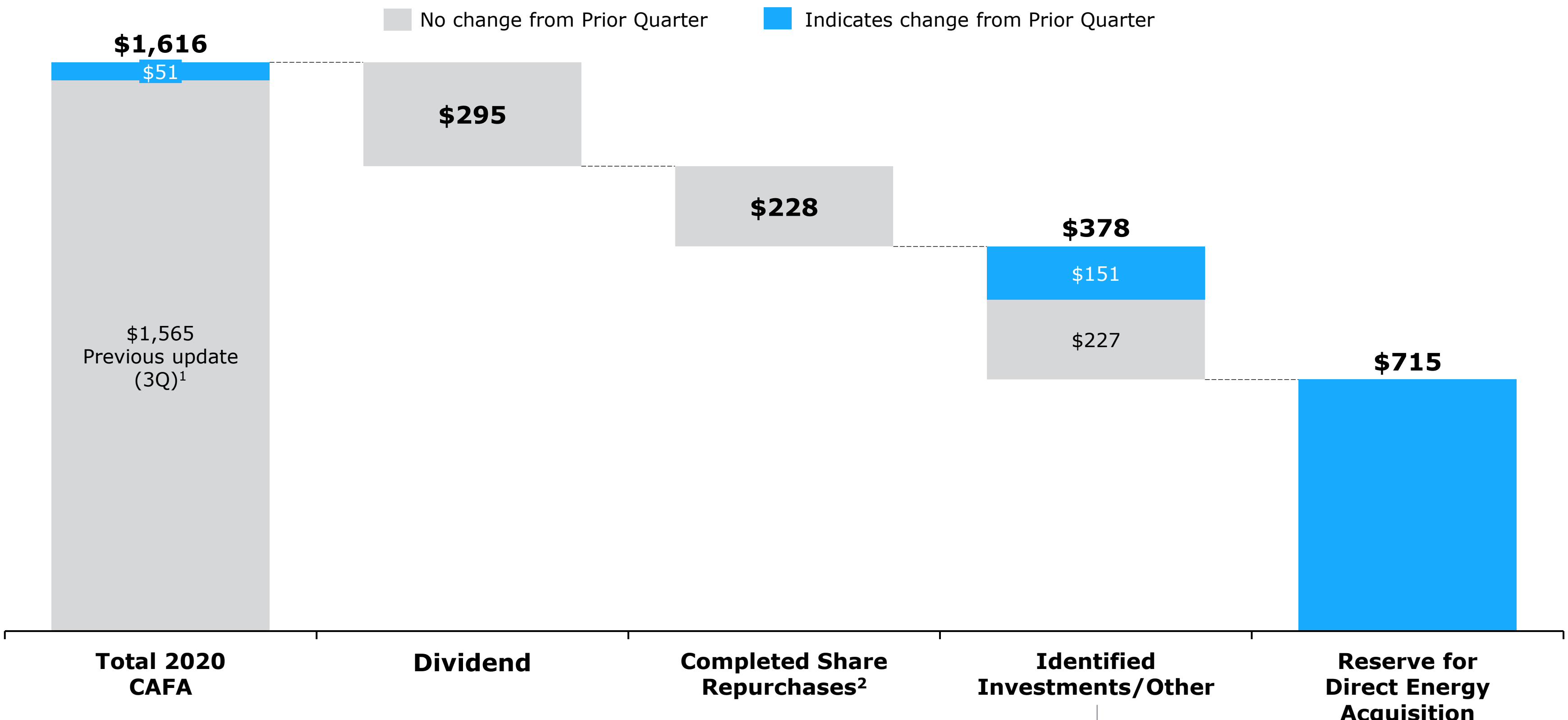
914 MMDth
Natural Gas

Leading North American Integrated Energy Provider

[1] 2020A: NRG & Direct Energy volumes

2020 Capital Allocation

($ millions)



MWG lease buyout[3]	$260
Astoria Repowering	14
Digital NRG	29
Small books	22
Encina Site Improvement	11
DE Integration and Cost-to-Achieve	32
Other investing & financing	10

~$700 MM Remaining 2020 Capital Reserved for Direct Energy Acquisition

[1] See slide 10 of 3Q2020 presentation; [2] Including $60 MM remaining balance of the 2019 $250 MM share repurchase authorization, which was completed in Jan-Feb 2020; [3] 3Q2020 was $112M net, with revolver draw of $148M

Appendix: Reg. G Schedules

Reg. G

Appendix Table A-1: 2021 NRG Guidance

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

($ millions)	2021 Guidance
Income from Continuing Operations[1]	**$1,180 - $1,380**
Income tax	25
Interest Expense	475
Depreciation, Amortization, Contract Amortization, and ARO Expense	555
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	70
Other Costs[2]	95
Adjusted EBITDA	**$2,400 - $2,600**
Interest payments	(475)
Income tax	(25)
Working capital / other assets and liabilities	(300)
Cash Flow from Operations	**$1,600 - $1,800**
Adjustments: Acquired Derivatives, Cost-to-Achieve, Return of Capital Dividends, Collateral, GenOn Pension, Other	30
Adjusted Cash Flow from Operations	**$1,630 - $1,830**
Maintenance capital expenditures, net	(180) - (195)
Environmental capital expenditures, net	(5) - (10)
Free Cash Flow before Growth	**$1,440 - $1,640**

[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

Appendix Table A-2: 2021 NRG and Direct Energy Midpoint Guidance for Credit Profile

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Income from Continuing Operations:

($ millions)	2021 NRG	2021 Direct Energy
Income from Continuing Operations (based on midpoint)[1]	**$ 1,110**	**$170**
Income tax	20	5
Interest Expense	325	150
Depreciation, Amortization, Contract Amortization, and ARO Expense	450	105
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	70	-
Other Costs[2]	25	70
Adjusted EBITDA (based on midpoint)	**$ 2,000**	**$500**

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

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Appendix Table A-3: 2020 and 2019 YTD 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 continuing operations

($ millions)		Full Year 2019		Full Year 2020
Adjusted EBITDA	**$**	**1,977**	**$**	**2,004**
Interest payments		(328)		(333)
Income tax		(5)		(24)
Collateral/ Working capital / other		(239)		190
Cash provided by continuing operations	**$**	**1,405**	**$**	**1,837**
Merger, integration and cost-to-achieve expenses[1]		39		26
GenOn Settlement[2]		18		-
Note repayment		5		-
Encina site improvement		2		11
Proceeds from investment and asset sales		1		12
Adjustment for change in collateral		(97)		(127)
Nuclear Decommissioning Trust Liability[3]		-		(51)
Adjusted Cash Flow from Operations	**$**	**1,373**	**$**	**1,708**
Maintenance capital expenditures, net		(156)		(156)
Environmental capital expenditures, net		(3)		(3)
Distributions to non-controlling interests		(2)		(2)
Free Cash Flow before Growth	**$**	**1,212**	**$**	**1,547**

[1] 2019 includes cost-to-achieve expenses associated with the Transformation Plan announced on July 2017 call; [2] 2019 includes final restructuring fee of $5 million and pension contribution of $13 million; [3] 2019 includes $37 million of Nuclear Decommissioning Trust Liability

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Appendix Table A-4: 12 months ended 12/31/20 Adjusted EBITDA Reconciliation by Operating Segment

The following table summarizes the calculation of Adjusted EBITDA and provides a reconciliation to Income/(Loss) from Continuing Operations

($ in millions)	Twelve Months ended 12/31/20					Twelve Months ended 12/31/19				
	Texas	East	West/ Other[1]	Corp/Elim	Total	Texas	East	West/ Other[1]	Corp/Elim	Total
Income/(Loss) from Continuing Operations	**799**	**371**	**19**	**(679)**	**510**	**972**	**287**	**7**	**2,854**	**4,120**
Plus:										
Interest expense, net	-	13	3	377	393	-	17	9	368	394
Income tax	-	(1)	2	250	251	-	2	1	(3,337)	(3,334)
Loss on debt extinguishment	-	4	5	-	9	-	-	3	48	51
Depreciation and amortization	227	142	32	34	435	188	121	33	31	373
ARO Expense	25	16	4	-	45	28	11	13	(1)	51
Contract amortization	5	-	-	-	5	19	-	-	-	19
EBITDA	**1,056**	**545**	**65**	**(18)**	**1,648**	**1,207**	**438**	**66**	**(37)**	**1,674**
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	9	-	97	(1)	105	12	-	104	(1)	115
Acquisition-related transaction, integration costs and costs to achieve	2	-	-	23	25	1	1	-	1	3
Reorganization costs	-	-	-	(1)	(1)	6	-	-	17	23
Legal Settlements	-	-	-	-	-	3	6	2	2	13
Deactivation costs	2	5	2	-	9	(1)	12	7	9	27
Gain on sale of business	-	-	2	(19)	(17)	-	-	-	(6)	(6)
Other non recurring charges	9	2	-	12	23	(2)	2	(2)	(3)	(5)
Impairments	32	-	61	-	93	103	-	4	6	113
Mark to market (MtM) (gains)/losses on economic hedges	209	(93)	3	-	119	10	25	(15)	-	20
Adjusted EBITDA	**1,319**	**459**	**230**	**(4)**	**2,004**	**1,339**	**484**	**166**	**(12)**	**1,977**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-5: 2021 Adjusted EBITDA and Free Cash Flow before Growth Reconciliation for 4.8GW of generation assets in the East/West region

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

($ in millions)	2021
Income from Continuing Operations	**$ 152**
Plus:	
Depreciation Expense	35
ARO Expense	3
Adjusted EBITDA	**$ 190**
Less: Working capital / other assets and liabilities	(37)
Cash Flow from Operations	**$ 153**
Less: Maintenance & Environmental capital expenditures, net	(23)
Free Cash Flow before Growth	**$ 130**

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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 (including loss on debt extinguishment), taxes, depreciation and amortization. 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 accounting for derivatives, 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 and changes in the nuclear decommissioning trust liability. 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 for the benefit.

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.