NRG Energy Inc.

Second Quarter 2021 Earnings Presentation

August 5, 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 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, 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 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 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 August 5, 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

Alberto Fornaro, EVP and CFO

Closing Remarks

Mauricio Gutierrez, President and CEO

Q&A

Key Messages

Integrated Platform Delivers Strong Results; Reaffirming 2021 Guidance

Texas Signed into Law Constructive Legislation to Improve System-wide Reliability and to Protect Customers

Investor Day Introduced Compelling Customer-Focused Long-Term Strategic and Financial Outlook

Business Highlights

2Q Business Highlights

☑ Financial and Operational Results

- Top decile safety performance
- Advancing Winter Storm Uri mitigation initiatives
- Prioritizing health and safety on return-to-office
- Released 11th annual sustainability report

☑ Executing Direct Energy Integration

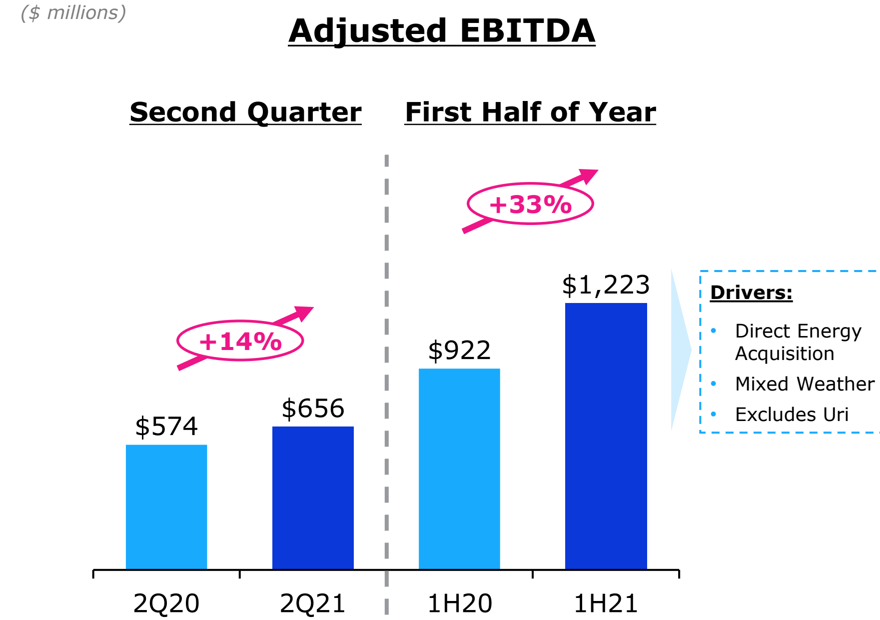
- $89 MM synergies achieved through 2Q21; 66% of 2021 target achieved in 1H21
- Reaffirming 2021 and full plan targets

☑ Perfecting Customer-Centric Model

- 4.8 GW fossil asset sales on track to close 4Q21
- 1.6 GW PJM coal assets to be retired; strategic review of entire PJM generation fleet
- 2.2 GW renewable PPAs in ERCOT (no change)
- June Investor Day introduced long-term strategy and 5-year roadmap as an advantaged consumer company

Year-over-Year Results

($ millions)



Reaffirming 2021 Financial Guidance

(excludes one-time impacts from Uri)

$2,400 - $2,600 MM Adj EBITDA
$1,440 - $1,640 MM FCFbG

Strong Results Highlight Value of Diversification; Reaffirming 2021 Guidance Ranges

Market Update

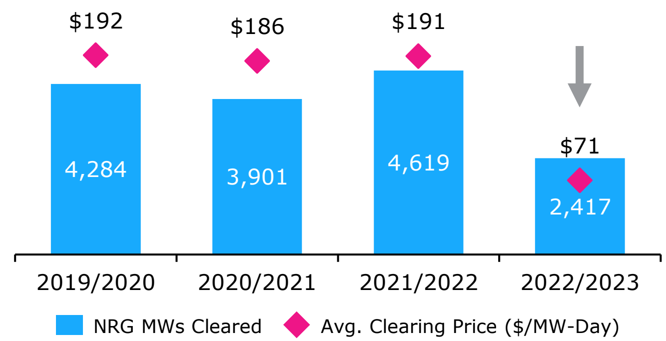
Texas – Improving Market Design

- **Reforms to Improve System-Wide Reliability**
  - Texas signed SB2 & SB3 into law, June 8th
  - Requires improved system hardening, market design and communications
  - Expect accelerated consideration of market design and communications reforms; system hardening over next 3-18 months
- **Maintaining Uri Expected Net Financial Impact**
  - Enhanced visibility into expected mitigations as result of internal planning and securitization
  - Increase in gross impact primarily from load re-settlements and bad debt

Net Impact:	**($500-700 MM)** **(no change)**
Expected Mitigation:	$360-560 MM (from $275-475 MM)
Gross Impact:	($1,060 MM) (from $975)

East – Streamlining Supply Portfolio

PJM Capacity Auction Results



- **2022/2023 PJM Capacity Auction**
  - Announced retirement of 55% or 1.6 GW[1] of our PJM coal generation in 2022
  - Evaluating viability of remaining portfolio
- **Non-Core Asset Sales**
  - 4.8 GW sale of NYISO, ISO-NE & CAISO generation assets on track to close 4Q21
  - Continued focus on portfolio & asset optimizations

ERCOT Focused on Comprehensive & Competitive Solutions to Improve Reliability; Assessing PJM Portfolio in Light of Capacity Auction Results

[1] On July 30, 2021, PJM identified reliability impacts resulting from the proposed deactivation of Indian River 4; The Company has until August 29, 2021 to notify PJM if it elects not to pursue continued operations

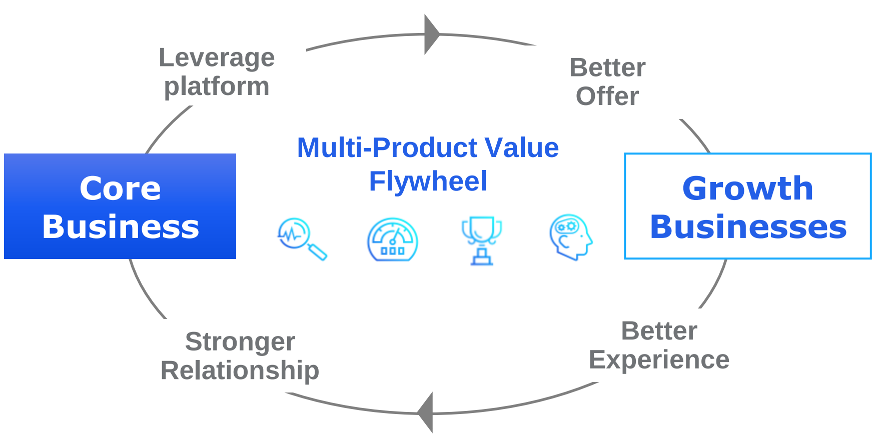
Investor Day 2021
A Consumer Service Company

Advantaged Consumer Platform…

6 MM
Customer Network

+7 Niche Brands

#1 Residential Retail Power Provider	**#3** Residential Retail Gas Provider
#2 C&I Power Provider	**Top 10** Gas Retailer to Business Customers



…Visible and Achievable 5-Year Strategic Priorities Roadmap

Optimize Core
2021–2022+
- Direct Energy Integration/ Synergies
- Capital-Light, Decarbonized Supply
- Power and Natural Gas Retail Expansion

Grow from Core
2022–2025
- Residential Power Services
- Residential Home Services

Return Capital
2021–2025
- Share Repurchases
- Dividends

Home Opportunity 2025

+$720 MM Incremental EBITDA
(~$200 MM Direct Energy Run Rate[1] + $520 MM Growth)

EBITDA Growth Implies ~$2 Bn of Capital Allocation

Uniquely Positioned to Capitalize on Macro Trends to Achieve Significant & Sustainable Growth Opportunities

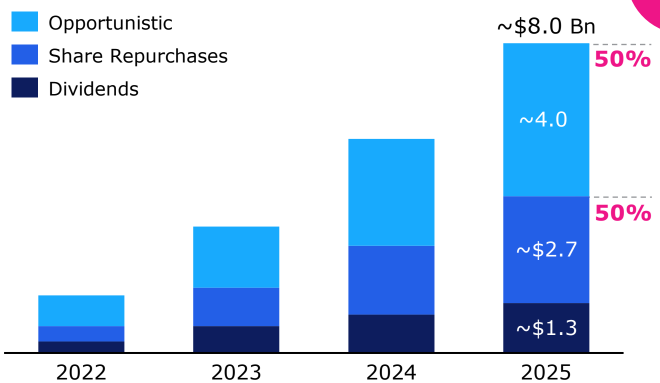
[1] Home portion of Direct Energy $240 MM 2022-2023 incremental run-rate EBITDA; see Investor Day 2021 Presentation slide 85 for details

Investor Day 2021
Executing Strategic and Financial Priorities

Plan Creates Significant Recurring Excess Free Cash Flow…

2022-2025 Cumulative Pro Forma Excess Cash

~80% Market Cap



~$8 Bn Cumulative Pro Forma Excess Cash 2022-2025[1,2]

~$4 Bn Opportunistic	**~$4 Bn 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

…Compelling Value Proposition

Visible 15-20% FCFbG per Share Annual Growth Rate[1]

Strong 7-9% Dividend per Share Annual Growth Rate

Strong Balance Sheet and Commitment to Investment Grade Metrics

Best-in-Class Sustainability Platform

Demonstrated Track Record of Execution

Strategic and Financial Flexibility to Significantly Grow on a Per Share Basis

[1] See assumptions on slide 68 of June 2021 Investor Day Presentation; [2] Excludes 2021 unallocated excess cash to be allocated 2H21

Financial Review

Financial Update

($ millions)

	Three Months Ended		Six Months Ended		Reaffirming 2021 Guidance
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
Texas	$321	$378	$574	$573	$1,425 - 1,575
East/West/Services/Other[1]	335	196	649	349	$975 - 1,025
Adjusted EBITDA[2]	**$656**	**$574**	**$1,223**	**$922**	**$2,400 - $2,600**
Free Cash Flow before Growth ("FCFbG")			**$768**	**$532**	**$1,440 - $1,640**

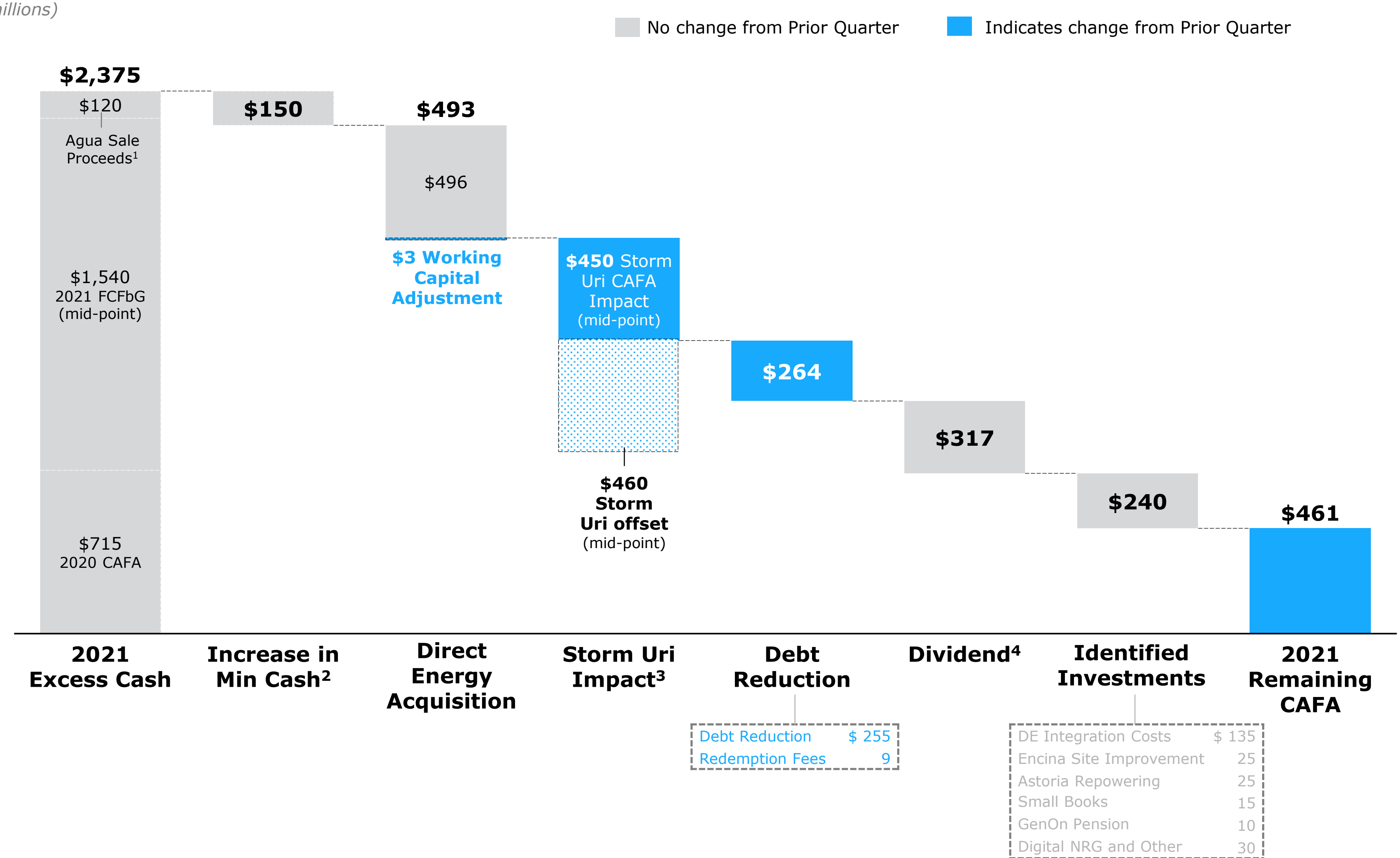
- 2Q Adj EBITDA results $82 MM higher vs. 2020 (excluding Winter Storm Uri impacts)
  - Increase primarily due to Direct Energy acquisition
  - Partially offset by higher supply costs in Texas; 2Q20 supply costs benefited from economic shutdown
- Winter Storm Uri One-Time Impacts (excluded from Guidance):
  - Net impact remains unchanged at ($500 MM)-($700 MM)
  - 2021 Net CAFA impact of ($350 MM)-($550 MM) and 2022 CAFA impact of ($150 MM) for deferred credits
- $89 MM Direct Energy synergies achieved year-to-date; reaffirming 2021 and full plan targets

Strong Year-to-Date Results; Reaffirming 2021 Guidance

[1] Includes Corporate segment; [2] Winter Storm Uri year-to-date impact of $1,049 MM; additional $11 MM impact to be incurred beyond 2Q21

2021 Capital Allocation

($ millions)



[1] Net of revolver debt of $83 MM; [2] Increase in minimum cash from $500 MM to $650 MM – to reflect minimum cash post acquisition of Direct Energy; [3] Net costs ($600 MM) less $150 MM credits deferred to 2022; [4] Based on annualized dividend of $1.30 per share and 244 MM outstanding shares

Corporate Credit Profile & Liquidity

($ millions)

	2021 Guidance
Corporate Debt[1]	**$8,855**
Debt reduction (2021 Capital Allocation)	(255)
Minimum cash balance	(650)
Corporate Net Debt	**$7,950**
Adjusted EBITDA[2]	**$2,500**
Other Adjustments[3]	150
Corporate Adj. EBITDA	**$2,650**

	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 be at ~3.0x Corporate Net Debt / Adjusted EBITDA by Year-End and Within Our Long-Term Target Range of 2.5x – 2.75x by the End of 2023

[1] Balance at 12/31/2020; [2] Midpoint of guidance ranges, see slide 21 for Reg G reconciliation; [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 2023 run-rate) – on track

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- ☐ **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 – on track

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- ☐ **Execute Disciplined Capital Allocation Plan**
  - ☐ ***New*** Achieve strong credit metrics of 3x in ’21; grow into investment grade metrics 2.50-2.75x by ’23
  - ☐ ***New*** Expect to resume programmatic share repurchase program in second half of 2021

- ☑ **Investor Day – June 2021**

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

CDP DISCLOSER 2020

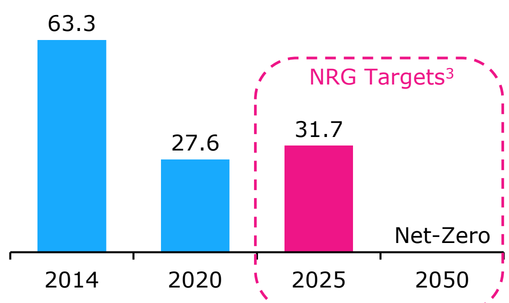
SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

WOMEN'S EMPOWERMENT PRINCIPLES EQUALITY MEANS BUSINESS

Environmental Leadership[1]

U.S. CO_2e Emissions ($MMtCO_2e$[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

64% Board Diversity

- ☑ Four women and three ethnically diverse board members
- ☑ Diversity, Equity, and Inclusion one of the company's five core values
- ☑ Recognized as one of the Best Employers for Diversity since 2019 by Forbes
- ☑ Dedicated Diversity, Equity, and 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 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

Capacity Clears & Unsold

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

Market	2021	2022
PJM	$299	$171
ISO-NE	$89	$75
NYISO[2]	$162	$145
CAISO[2]	$59	$67

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	2021-2022	$4.63	1,529	100%	1,528
	2022-2023	$3.80	1,517	100%	1,517
	2023-2024	$2.00	1,517	50%	757
	2024-2025	$2.61	1,518	100%	1,518
NYISO	2021	$4.90	2,747	82%	2,242
	2022	$4.31	2,811	13%	356
	2023	$3.82	2,542	1%	17
CAISO	2021	$5.91	838	95%	797
	2022	$6.64	838	52%	438

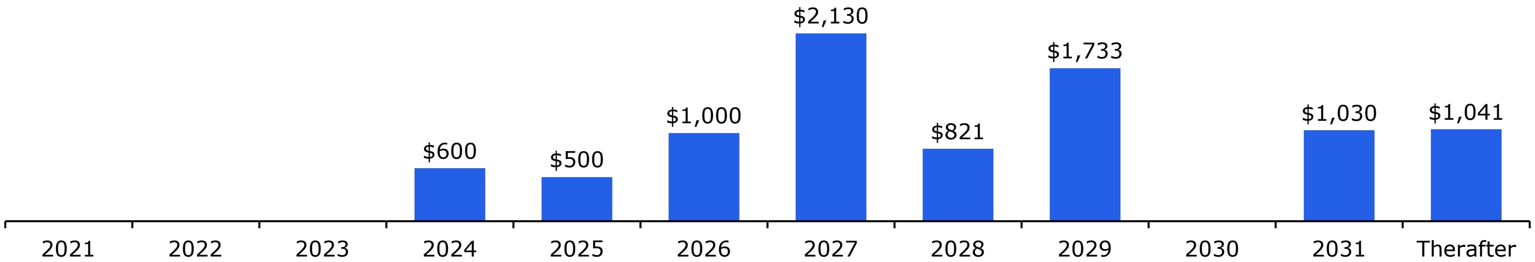
Market	Region	Planning Year	Average Price ($/MW-Day)	MWs Cleared
PJM	ComEd	2021-2022	$195.55	3,995
		2022-2023	$68.96	2,212
PJM	DPL South	2021-2022	$165.73	552
		2022-2023	$97.86	148
PJM	PEPCO	2021-2022	$140.00	72
		2022-2023	$95.79	57
PJM	Net Total	2021-2022	$191.12	4,619
		2022-2023	$71.36	2,417

*PJM data as of 6/30/2021

[1] Capacity revenue excludes cleared DER of: 1,913 MW at $109.32 $/MW-day in 2020-2021; 3,431 MW at $150.79 $/MW-day in 2021-2022; 1,669 MW at $70.38 $/MW-day in 2022-2023; 2021 Capacity revenue includes revenues for announced asset sales: ISO-NE $89 MM, NYISO $118 MM, CAISO $59 MM; 2022 Capacity revenue includes revenues for announced asset sales: ISO-NE $75 MM, NYISO $110 MM, CAISO $67 MM; [2] NYISO & CAISO values include sold and unsold revenue; unsold revenue is estimated as of 6/30/2021 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 6/30/2021 and is subject to change; [4] Percentage of the total qualified capacity that has been sold as of 6/30/2021

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
Tax-exempt bonds	$466
Recourse Debt	**$8,855[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 July 30, 2021, see page 31 of 2Q21 10Q; [2] Excludes revolving credit facilities

Direct Energy Integration
Advancing Customer Focused Strategy

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Integration Plan On Track

- **Cost Savings**
  - ☑ Reaffirming full plan targets: $300 MM of recurring FCFbG-accretion by 2023
  - ☑ Organization changes
  - ❑ On track for 2021 cost savings
- **2021 Integration Priorities**
  - ☑ Payroll & human resources integration
  - ❑ Accounting and IT integration
  - ❑ 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

Direct Energy Integration Scorecard

As of 06/30/2021 ($ millions)	**2021 Target**	**2021 Realized**	**2022 Target**	**2023 / Run Rate**
Accretive & Recurring:				
Synergies	135	89	225	300
Total Recurring EBITDA & FCFbG –Accretion	**$135**	**$89**	**$225**	**$300**
Non-Recurring:				
Integration Cost[1]	135	51	40	27
Total Non-Recurring	**$135**	**$51**	**$40**	**$27**

$89 MM Synergies YTD
Reaffirming 2021 & full plan targets

Integration Workstreams On Track

[1] 2020 Integration Costs ~$10M

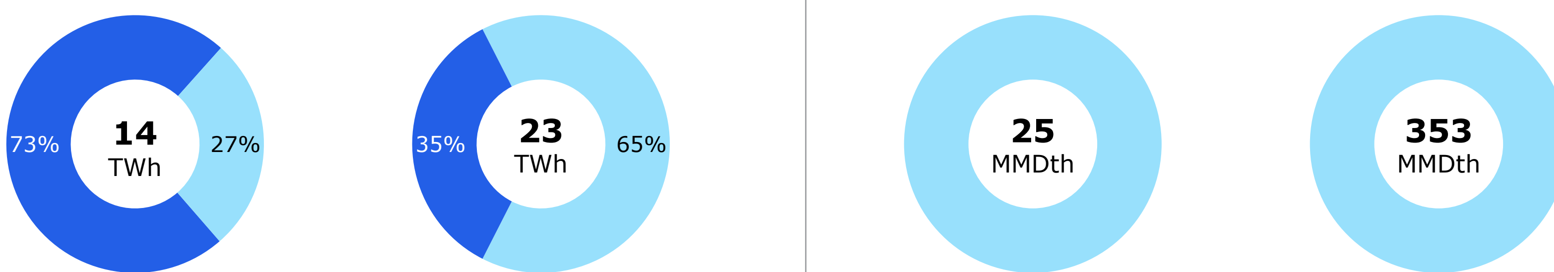
2Q21 Business Metrics

Home & Business Volumes

Texas | East / Other

Electric

Natural Gas



Home / Residential | Business / C&I | Home / Residential | Business / C&I

37 TWh
Electricity

379 MMDth
Natural Gas

Leading North American Integrated Energy Provider

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 Net (Loss)/Income:

($ millions)	**2021 Guidance**
Net Loss[1]	**($340)-($140)**
Winter Storm Uri	1,060
Interest expense, net	450
Income tax	(80)
Depreciation, Amortization, Contract Amortization, and ARO Expense[2]	834
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	75
Impairments	306
Other Costs[3]	95
Adjusted EBITDA	**$2,400 - $2,600**
Interest payments, net	(460)
Income tax	(25)
Working capital / other assets and liabilities	(315)
Cash provided by Operating Activities	**$1,600 - $1,800**
Adjustments: Proceeds from investment and asset sales, Collateral, GenOn Pension, Nuclear Decommissioning Trust liability	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] Provisional amounts related to the Direct Energy acquisition are subject to revision until evaluations are completed; for details see Note 4 of NRG 2Q21 10Q; [3] Includes deactivation costs, and integration expenses

Appendix Table A-2: 3 months ended 06/31/21 Adjusted EBITDA Reconciliation by Operating Segment

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

($ in millions)	Three Months ended 06/30/21					Three Months ended 06/30/20				
	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total
Net Income/(Loss)	**$ 792**	**$ 772**	**$ 40**	**$ (526)**	**$ 1,078**	**$ 350**	**$ 142**	**$ 29**	**$ (208)**	**$ 313**
Plus:										
Interest expense, net	-	1	-	124	125	-	2	1	91	94
Income tax	-	12	1	367	380	-	-	1	100	101
Depreciation and amortization	84	(54)	16	7	53	59	32	9	10	110
ARO Expense	5	3	4	-	12	3	3	1	-	7
Contract amortization	(8)	81	6	-	79	1	-	-	-	1
EBITDA	**873**	**815**	**67**	**(28)**	**1,727**	**413**	**179**	**41**	**(7)**	**626**
Winter Storm Uri Impact	71	5	2	4	82	-	-	-	-	-
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	18	-	18	1	-	24	-	25
Acquisition-related transaction and integration costs	-	-	-	22	22	-	-	-	2	2
Reorganization costs	-	-	-	-	-	-	-	-	(1)	(1)
Legal Settlements	-	-	-	-	-	-	-	-	-	-
Deactivation costs	-	15	-	-	15	2	-	1	-	3
Other non recurring charges	2	-	-	1	3	3	(1)	-	4	6
Impairments	-	306	-	-	306	-	-	-	-	-
Mark to market (MtM) (gains)/losses on economic hedges	(625)	(851)	(41)	-	(1,517)	(41)	(45)	(1)	-	(87)
Adjusted EBITDA	**$ 321**	**$ 290**	**$ 46**	**$ (1)**	**$ 656**	**$ 378**	**$ 133**	**$ 65**	**$ (2)**	**$ 574**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-3: 6 months ended 06/30/21 Adjusted EBITDA Reconciliation by Operating Segment

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

($ in millions)	Six Months ended 06/30/21					Six Months ended 06/30/20				
	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total	Texas	East	West/ Services/ Other[1]	Corp/Elim	Total
Net Income/(Loss)	**$ 367**	**$ 1,125**	**$ 109**	**$ (605)**	**$ 996**	**$ 512**	**$ 162**	**$ 74**	**$ (314)**	**$ 434**
Plus:										
Interest expense, net	-	3	1	246	250	-	6	1	181	188
Income tax	-	16	2	277	295	-	-	1	123	124
Loss on debt extinguishment	-	-	-	-	-	-	1	-	-	1
Depreciation and amortization	161	155	40	14	370	118	64	18	19	219
ARO Expense	7	5	2	1	15	7	11	1	(1)	18
Contract amortization	(7)	81	6	-	80	2	-	-	-	2
EBITDA	**528**	**1,385**	**160**	**(67)**	**2,006**	**639**	**244**	**95**	**8**	**986**
Winter Storm Uri Impact	1,192	(140)	(9)	6	1,049	-	-	-	-	-
Adjustment to reflect NRG share of adjusted EBITDA in unconsolidated affiliates	-	-	37	1	38	2	-	48	-	50
Acquisition-related transaction and integration costs	-	-	-	66	66	1	-	-	2	3
Reorganization costs	-	-	-	-	-	1	-	-	2	3
Legal Settlements	-	-	-	6	6	-	-	-	-	-
Deactivation costs	-	16	-	-	16	2	-	2	(1)	3
Gain on sale of business	-	-	(17)	(15)	(32)	-	-	-	(15)	(15)
Other non recurring charges	3	3	1	(1)	6	-	-	(1)	6	5
Impairments	-	306	-	-	306	18	-	-	-	18
Mark to market (MtM) (gains)/losses on economic hedges	(1,149)	(1,013)	(76)	-	(2,238)	(90)	(25)	(16)	-	(131)
Adjusted EBITDA	**$ 574**	**$ 557**	**$ 96**	**$ (4)**	**$ 1,223**	**$ 573**	**$ 219**	**$ 128**	**$ 2**	**$ 922**

[1] Includes International, remaining renewables and eliminations

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Appendix Table A-4: 2021 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 operating activities:

($ millions)	6 Months Ended 6/30/21	6 Months Ended 6/30/20
Adjusted EBITDA	**$ 1,223**	**$ 922**
Winter Storm Uri loss	(1,049)	-
Interest payments	(191)	(172)
Income tax	12	(4)
Collateral / working capital / other	382	(54)
Cash provided by operating activities	**$ 377**	**$ 692**
Winter Storm Uri:		
Loss	1,049	-
C&I credits and remaining open accounts receivable	(111)	-
Net receipts from settlement of acquired derivatives that include financing elements	191	-
Merger and integration costs	66	3
Encina site improvement and GenOn pension	14	3
Proceeds from investment and asset sales	-	12
Adjustment for change in collateral	(696)	(58)
Nuclear Decommissioning Trust Liability	(27)	(37)
Adjusted Cash Flow from Operations	**$ 863**	**$ 615**
Maintenance capital expenditures, net	(94)	(82)
Environmental capital expenditures, net	(1)	(1)
Free Cash Flow before Growth	**$ 768**	**$ 532**

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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.