Risk Factors Comparison 2024-02-29 to 2023-03-01 Form: 10-K

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The following summarizes the principal factors that make an investment in our company speculative or risky, all of which are more fully described in the Risk Factors section below. This summary should be read in conjunction with the Risk Factors section and should not be relied upon as an exhaustive summary of the material risks facing our business. The following factors could result in harm to our business, financial condition, results of operations, cash flows, and prospects, among other impacts: Market, Financial and Economic Risks • Our revenues, results of operations and operating cash flows are affected by price fluctuations in the wholesale power market and other market factors beyond our control. • We purchase natural gas, coal, fuel oil, and nuclear fuel for our generation facilities, and higher than expected fuel costs or disruptions in these fuel markets may have an adverse impact on, our costs, revenues, results of operations, financial condition and cash flows. • We have retired, announced planned retirements of, and may be forced to retire or idle additional underperforming generation units which could result in significant costs and have an adverse effect on our operating results. • Our assets or positions cannot be fully hedged against changes in commodity prices and ~~market~~ **Market** ~~heat~~ **Heat** ~~rates~~ **Rates**, and hedging transactions may not work as planned or hedge counterparties may default on their obligations. • Competition, changes in market structure, and / or state or federal interference in the wholesale and retail power markets, together with subsidized generation, may have a material adverse effect on our financial condition, results of operations and cash flows. • Our results of operations and financial condition could be materially and adversely affected by energy market participants continuing to construct new generation facilities or expanding or enhancing existing generation facilities despite relatively low power prices and such additional generation capacity results in a reduction in wholesale power prices. • Our liquidity needs could be difficult to satisfy, particularly during times of uncertainty in the financial markets or during times of significant fluctuation in commodity prices, and we may be unable to access capital on favorable terms or at all in the future, which could have a material adverse effect on us. • The agreements and instruments governing our debt, including the Vistra Operations Credit Facilities and indentures, contain restrictions and limitations that could affect our ability to operate our business, our liquidity, and our results of operations, and any failure to comply with these restrictions could have a material adverse effect on us. • We may not be able to complete future acquisitions on favorable terms or at all, successfully integrate future acquisitions into our business, or effectively identify and invest in value- creating businesses, assets or projects, which could result in unanticipated expenses and losses or otherwise hinder or delay our growth strategy. • Our ability to achieve the expected growth of our Vistra Zero portfolio, consisting of our solar generation, **battery** ESS, and other renewables development projects, is subject to substantial capital requirements and other significant uncertainties. • Tax legislation initiatives or challenges to our tax positions, or potential future legislation or the imposition of new or increased taxes or fees, could have a material adverse effect on our financial condition, results of operations and cash flows ~~. • We are required to pay the holders of TRA Rights for certain tax benefits, which amounts are expected to be substantial~~. Regulatory and Legislative Risks • Our businesses are subject to ongoing complex governmental regulations and legislation that have adversely impacted, and may in the future adversely impact, our businesses, results of operations, liquidity and financial condition. • Our cost of compliance with existing and new environmental laws could have a material adverse effect on us. • Pending or proposed laws or regulations, **or the repeal of existing beneficial laws or regulations,** including those proposed or implemented under the Biden administration, could have a material adverse effect on our businesses, results of operations, liquidity and financial condition. • Changes to laws, rules or regulations related to market structures in the markets in which we participate may have a material adverse effect on our businesses, results of operation, liquidity and financial condition. • We could be materially and adversely affected if current regulations are implemented or if new federal or state legislation or regulations are adopted to address global climate change, or if we are subject to lawsuits for alleged damage to persons or property resulting from greenhouse gas emissions. • Litigation, legal proceedings, regulatory investigations or other administrative proceedings could expose us to significant liabilities and reputational damage that could have a material adverse effect on us. Operational Risks • Volatile power supply costs and demand for power have and could in the future adversely affect the financial performance of our retail businesses. • Our retail operations are subject to significant competition from other REPs, which could result in a loss of existing customers and the inability to attract new customers **. • Cybersecurity attacks or technology systems failures could disrupt business operations and expose us to significant liabilities, reputational damage, loss of customers, and regulatory action**. • The operation of our businesses is subject to information security and operational technology risks, including cybersecurity breaches and failure of critical information and operations technology systems. Attacks on our infrastructure that breach cyber / data security measures could expose us to significant liabilities, reputational damage, regulatory action, and disrupt business operations, which could have a material adverse effect on us. • We may suffer material losses, costs and liabilities due to operational risks, regulatory risks, and the risk of nuclear accidents arising from the ownership and operation of the Comanche Peak nuclear generation facility. • The operation and maintenance of power generation facilities and related mining operations are capital intensive and involve significant risks that could adversely affect our results of operations, liquidity and financial condition. • We may be materially and adversely affected by obligations to comply with federal and state regulations, laws, and other legal requirements that govern the operations, assessments, storage, closure, corrective action, disposal and monitoring relating to CCR. • We have been and may in the future be materially and adversely affected by ~~,~~ the effects of extreme weather conditions and seasonality. • Events outside of our control, including an epidemic or outbreak of an infectious disease ~~, such as COVID- 19,~~ may materially adversely affect our business. • Changes in technology, increased electricity conservation efforts, or energy sustainability efforts may reduce the

value of our ~~generation facilities~~ **business, introduce new or emerging risks** and may otherwise have a material adverse effect on us. Risks Related to Our Structure and Ownership of our Common Stock • Evolving expectations from stakeholders, including investors, on ESG issues, including climate change and sustainability matters, and erosion of stakeholder trust or confidence could influence actions or decisions about our company and our industry and could adversely affect our business, operations, financial results, or stock price. • We may not pay any dividends on our common stock in the future, and we may not realize the anticipated benefits of our share repurchase program. Please carefully consider the following discussion of significant factors, events, and uncertainties that make an investment in our securities risky. These factors, in addition to others specifically addressed in Item 7. Management' s Discussion and Analysis of Financial Condition **,** and Results of Operations (MD & A), provide important information for the understanding of our forward- looking statements in this annual report on Form 10- K. If one or more of the factors, events and uncertainties discussed below or in the MD & A were to materialize, our business, results of operations, liquidity, financial condition, cash flows, reputation or prospects could be materially adversely affected. In addition, if one or more of such factors, events and uncertainties were to materialize, it could cause results or outcomes to differ materially from those contained in or implied by any forward- looking statement in this annual report on Form 10- K. There may be further risks and uncertainties that are not currently known or that are not currently believed to be material that may adversely affect our business, results of operations, liquidity, financial condition and prospects and the market price of our common stock in the future. The realization of any of these factors could cause investors in our securities (including our common stock) to lose all or a substantial portion of their investment. Our revenues, results of operations and operating cash flows generally are affected by price fluctuations in the wholesale power market and other market factors beyond our control. We are not guaranteed any rate of return on capital investments in our businesses. We conduct integrated power generation and retail electricity activities, focusing on power generation, wholesale electricity sales and purchases, retail sales of electricity and natural gas to end users and commodity risk management. Our wholesale and retail businesses are to some extent countercyclical in nature, particularly for the wholesale power and ancillary services supplied to the retail business. However, we do have a wholesale power position that is subject to wholesale power price moves, which may be significant. As a result, our revenues, results of operations and operating cash flows depend in large part upon wholesale market prices for electricity, natural gas, uranium, lignite, coal, fuel **oil** , and transportation in our regional markets and other competitive markets in which we operate and upon prevailing retail electricity rates, which may be impacted by, among other things, actions of regulatory authorities. Market prices for power, capacity, ancillary services, natural gas, coal and fuel oil are unpredictable and may fluctuate substantially over relatively short periods of time. Unlike most other commodities, electric power can only be stored on a very limited basis and generally must be produced concurrently with its use. As a result, power prices are subject to significant volatility due to supply and demand imbalances, especially in the day- ahead and spot markets. Demand for electricity can fluctuate dramatically, creating periods of substantial under- or over- supply. Over- supply can occur as a result of the construction of new power generation sources, as we have observed in recent years. During periods of over- supply, electricity prices might be depressed. For example, the cost of electricity from renewable resources, such as solar, wind and battery ESS, has dropped substantially in recent years. In many instances, energy from these sources are bid into the relevant spot market at a price of zero or close to zero during certain times of the day, lowering the clearing price for all power wholesalers in such market. Also, at times there is political pressure, or pressure from regulatory authorities with jurisdiction over wholesale and retail energy commodity and transportation rates, to impose price limitations, bidding rules and other mechanisms to address volatility and other issues in these markets. Extreme weather events can also materially impact power prices or otherwise exacerbate conditions or circumstances that result in volatility of power prices. For example, in February 2021, the U. S. experienced Winter Storm Uri and extreme cold temperatures in the central U. S., including Texas. This severe weather event substantially increased the demand for natural gas used in our electric power generation business, and the cold further limited the availability of renewable generation across the region contributing to extremely high market prices for natural gas and electricity, which resulted in substantial increases in the costs to procure sufficient fuel supply and increased collateral posting requirements. Winter Storm Elliott, in December 2022, ~~was~~ **and Winter Storm Heather, in January 2024, were** ~~another~~ -- **other** ~~example~~ **examples** of extreme weather across the U. S. that resulted in widespread wholesale power market volatility. The majority of our facilities operate as" merchant" facilities without long- term power sales agreements. As a result, we largely sell electric energy, capacity and ancillary services into the wholesale energy spot market or into other wholesale and retail power markets on a short- term basis and are not guaranteed any rate of return on our capital investments. Consequently, there can be no assurance that we will be able to sell any or all of the electric energy, capacity or ancillary services from those facilities at commercially attractive rates or that our facilities will be able to operate profitably. We depend, in large part, upon prevailing market prices for power, capacity and fuel. Given the volatility of commodity power prices, to the extent we are unable to hedge or otherwise secure long- term power sales agreements for the output of our power generation facilities, our revenues and profitability will be subject to volatility, and our financial condition, results of operations and cash flows could be materially adversely affected. We purchase natural gas, coal, fuel oil, and nuclear fuel for our generation facilities, and higher than expected fuel costs, volatility, or disruption in these fuel markets may have an adverse impact on our costs, revenues, results of operations, financial condition and cash flows. We rely on natural gas, coal, fuel oil, and nuclear fuel for the majority of our power generation facilities. Delivery of these fuels to the facilities is dependent upon the continuing availability of such fuels and financial viability of contractual counterparties as well as upon the infrastructure (including mines, rail lines, rail cars, barge facilities, roadways, riverways and natural gas pipelines) available and functioning to serve each generation facility, and geopolitical risk, including the current Russia and Ukraine conflict and the potential for additional U. S. sanctions against Russia **or other potential restrictions on Russian energy deliveries** . See Item 7. Management' s Discussion and Analysis of Financial Condition **,** and Results of Operations – Significant Activities and Events **,** and Items Influencing Future Performance- Macroeconomic Conditions. As a result, we have experienced, and remain subject to the risks of disruptions or curtailments in

the production of power at our generation facilities if no fuel is available at any price, if a counterparty fails to perform or if there is a disruption in the fuel delivery infrastructure. Certain of our generation facilities rely on a limited number of counterparties, such as natural gas suppliers and railcar companies, to provide the necessary fuel. Disputes relating to or non- performance of contractual arrangements ~~,~~ have resulted in, and may continue to result in adverse impacts to our costs, revenues, results of operations, financial condition, and cash flows. As part of our strategy to mitigate the potential negative effects of commodity price volatility, we have sold forward a substantial portion of our expected power sales in the next ~~three~~ **few** years in order to lock in long- term prices. In order to hedge our obligations under these forward power sales contracts, we have entered into long- term and short- term contracts for the purchase and delivery of fuel. Many of the forward power sales contracts do not allow us to pass through changes in fuel costs or discharge the power sale obligations in the case of a disruption in fuel supply due to force majeure events or the default of a fuel supplier or transporter. Fuel costs (including diesel, natural gas, lignite, coal and nuclear fuel) are volatile, and the wholesale price for ~~electricity~~ **power** does not always change at the same rate as changes in fuel costs, and disruptions in our fuel supplies may therefore require us to find alternative fuel sources at costs which may be higher than planned, to find other sources of power to deliver to counterparties at a higher cost, or to pay damages to counterparties for failure to deliver power as contracted. Long- term and short- term contracts are subject to risk of non- delivery or claims of force majeure, which may impact our ability to economically recover the value of the contract. In addition, we purchase and sell natural gas and other energy related commodities, and volatility in these markets may affect costs incurred in meeting our obligations. Further, any changes in the costs of natural gas, coal, fuel oil, nuclear fuel or transportation rates and changes in the relationship between such costs and the market prices of power will affect our financial results. If we are unable to procure fuel for physical delivery at prices we consider favorable, or if we are unable to procure these fuels at all, our financial condition, results of operations and cash flows could be materially adversely affected. For example, supply challenges were among the primary drivers of the significant loss experienced in 2021 as a result of Winter Storm Uri. We also buy significant quantities of fuel on a short- term or spot market basis. Prices for all of our fuels fluctuate, sometimes rising or falling significantly over a relatively short period of time. The price we can obtain for the sale of energy may not rise at the same rate, or may not rise at all, to match a rise in fuel or delivery costs. This may have a material adverse effect on our financial and operating performance. Volatility in market prices for fuel and ~~electricity~~ **power** results from, among other factors: • demand for energy commodities and general economic conditions, including impacts of inflation and the relative strength or weakness of U. S. dollar compared to other currencies; • volatility in commodity prices and the supply of commodities, including but not limited to natural gas, coal and fuel oil; • volatility in ~~market~~ **Market** ~~heat~~ **Heat** ~~rates~~ **Rates** ; • volatility in coal and rail transportation prices; • volatility in nuclear fuel and related enrichment and conversion services; • transmission or transportation disruptions, constraints, congestion, inoperability or inefficiencies of electricity, natural gas or coal transmission or transportation, or other changes in power transmission infrastructure; • severe, sustained or unexpected weather conditions, including extreme cold, drought and limitations on access to water; • seasonality; • changes in electricity and fuel usage resulting from conservation efforts, changes in technology or other factors; • illiquidity in the wholesale ~~electricity~~ **power** or other commodity markets; • importation of liquified natural gas to certain markets; • development and availability of new fuels, new technologies and new forms of competition for the production and storage of power, including competitively priced alternative energy sources or storage; • changes in market structure and liquidity; • changes in the way we operate our facilities, including curtailed operation due to market pricing, environmental regulations and legislation, safety or other factors; • changes in generation capacity or efficiency; • outages or otherwise reduced output from our generation facilities or those of our competitors; • changes in electric capacity, including the addition of new supplies of power as a result of the development of new plants, expansion of existing plants, the continued operation of uneconomic power plants due to federal, state or local subsidies, or additional transmission capacity; • local, regional, national, or global supply chain constraints or shortages; • our creditworthiness and liquidity and the willingness of fuel suppliers and transporters to do business with us; • changes in the credit risk, payment practices, or financial condition of market participants; • changes in production and storage levels of natural gas, lignite, coal, uranium, diesel and other refined products; • pandemics and epidemics (including the impacts thereto, or recovery therefrom), natural disasters, wars, sabotage, terrorist acts, embargoes and other catastrophic events; and • changes in law, including judicial decisions, federal, state and local energy, environmental and other regulation and legislation. See" Economic downturns would likely have a material adverse effect on our businesses" for a discussion of potential risks arising from current U. S. and global economic and geopolitical conditions. A sustained decrease in the financial results from, or the value of, our generation units has resulted in the retirement or planned retirement of, and ultimately could result in additional retirements or idling of, generation units. We have operated certain of our lignite- and coal- fueled generation assets only during parts of the year that have higher electricity demand and, therefore, higher related wholesale electricity prices. In connection with the closure and remediation of retired generation units, we have spent, and may in the future spend, a significant amount of money, internal resources and time to complete the required closure and reclamation, which could have a material adverse effect on our financial and operating performance. Our assets or positions cannot be fully hedged against changes in commodity prices and ~~market~~ **Market** ~~heat~~ **Heat** ~~rates~~ **Rates** , and hedging transactions may not work as planned, or counterparties may default on their obligations, which could have a material adverse impact on our business, financial condition, results of operations and cash flows. Our hedging activities do not fully protect us against the risks associated with changes in commodity prices, most notably electricity and natural gas prices, because of the expected useful life of our generation assets and the size of our position relative to the duration of available markets for various hedging activities. Generally, commodity markets that we participate in to hedge our exposure to electricity prices and **Market** ~~heat~~ **Heat** ~~rates~~ **Rates** have limited liquidity after two to three years. Further, our ability to hedge our revenues by utilizing cross- commodity hedging strategies with natural gas hedging instruments is generally limited to a duration of four to five years. To the extent we have unhedged positions, fluctuating commodity prices and / or ~~market~~ **Market** ~~heat~~ **Heat** ~~rates~~ **Rates** can materially impact our results of operations, cash flows, liquidity and financial condition, either

favorably or unfavorably. To manage our financial exposure related to commodity price fluctuations, we routinely enter into contracts to hedge portions of purchase and sale commitments, fuel requirements and inventories of natural gas, lignite, coal, diesel fuel, uranium and refined products, and other commodities, within established risk management guidelines. As part of this strategy, we routinely utilize fixed- price forward physical purchase and sale contracts, futures, financial swaps and option contracts traded in over- the- counter markets or on exchanges. Given our exposure to risks of commodity price movements, we devote a considerable amount of time and effort to the establishment of risk management policies and procedures, as well as the ongoing review of the implementation of these policies and procedures. Additionally, we have processes and controls in place that are designed to monitor and accurately report hedging activities and positions. The policies, procedures, processes and controls in place may not always function as planned and cannot eliminate all the risks associated with these activities, including unauthorized hedging activity, or improper reporting thereof, by our employees in violation of our existing risk management policies and procedures. For example, we hedge the expected needs of our wholesale and retail customers, but unexpected changes due to weather, natural disasters, consumer behavior, market constraints or other factors could cause us to purchase electricity to meet unexpected demand in periods of high wholesale market prices or resell excess electricity into the wholesale market in periods of low prices. As a result of these and other factors, the impacts of our commodity hedging activities and risk management decisions may have a material adverse effect on our business, financial condition, results of operations and cash flows. Based on economic and other considerations, including our available liquidity, we may not be able to, or we may decide not to, hedge the entire exposure of our operations to commodity price risk. To the extent we do not hedge against commodity price risk and applicable commodity prices change in ways adverse to us, we could be materially and adversely affected. To the extent we do hedge against commodity price risk, those hedges may ultimately prove to be ineffective. Additionally, there may be changes to existing laws or regulations that could significantly impact our ability to effectively hedge, which may have a material adverse effect on us. With the continued tightening of credit markets that began in 2008 and expansion of regulatory oversight through various financial reforms, there has been a decline in the number of market participants in the wholesale energy commodities markets, resulting in less liquidity. Notably, participation by financial institutions and other intermediaries (including investment banks) in such markets has declined. Extended declines in market liquidity could adversely affect our ability to hedge our financial exposure to desired levels. To the extent we engage in hedging and risk management, and power purchase agreement activities, we are exposed to the credit risk that counterparties that owe us money, energy or other commodities as a result of these activities will not perform their obligations to us. Should the counterparties to these arrangements fail to perform, we could be forced to enter into alternative hedging arrangements or honor the underlying commitment at then- current market prices. Additionally, our counterparties may seek bankruptcy protection under Chapter 11 or liquidation under Chapter 7 of the Bankruptcy Code. Our credit risk may be exacerbated to the extent collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount due to us. There can be no assurance that any such losses or impairments to the carrying value of our financial assets would not materially and adversely affect our financial condition, results of operations and cash flows. In such event, we could incur losses or forgo expected gains in addition to amounts, if any, already paid to the counterparties. Market participants in the ISOs / RTOs in which we operate are also exposed to risks that another market participant may default on its obligations to pay such ISO / RTO for electricity or services taken, in which case such costs, to the extent not offset by posted security and other protections available to such ISO / RTO, may be allocated to various non- defaulting ISO / RTO market participants, including us. We do not apply hedge accounting to our commodity derivative transactions, which may cause increased volatility in our quarterly and annual financial results. We engage in economic hedging activities to manage our exposure related to commodity price fluctuations through the use of financial and physical derivative contracts for commodities. These derivatives are accounted for in accordance with GAAP, which requires that we record all derivatives on the balance sheet at fair value with changes in fair value immediately recognized in earnings as unrealized gains or losses. GAAP permits an entity to designate qualifying derivative contracts as normal purchases and sales. If designated, those contracts are not recorded at fair value. GAAP also permits an entity to designate qualifying derivative contracts in a hedge accounting relationship. If a hedge accounting relationship is used, a significant portion of the changes in fair value is not immediately recognized in earnings. We have elected not to apply hedge accounting to our commodity contracts, and we have designated contracts as normal purchases and sales in only limited cases, such as certain retail sales contract portfolios. As a result, our quarterly and annual financial results in accordance with GAAP are subject to significant fluctuations caused by changes in forward commodity prices. Our generation and competitive retail businesses rely on a competitive wholesale marketplace. The competitive wholesale marketplace may be undermined by changes in market structure and out- of- market subsidies provided by federal or state entities, including bailouts of uneconomic plants, imports of power from Canada, renewable mandates or subsidies, as well as out- of- market payments to new generators. Multiple potential changes **have been and** are ~~currently~~ being evaluated by the PUCT and the Texas legislature for the ERCOT market, including the PCM that would align a required reliability standard with resource availability during higher- risk system conditions, the ultimate resolution of which is unknown. Our power generation business competes with other non- utility generators, regulated utilities, unregulated subsidiaries of regulated utilities, other energy service companies and financial institutions in the sale of electric energy, capacity and ancillary services, as well as in the procurement of fuel, transmission and transportation services. Moreover, aggregate demand for power may be met by generation capacity based on several competing technologies, as well as power ~~generating~~ - **generation** facilities fueled by alternative or renewable energy sources, including hydroelectric power, synthetic fuels, solar, wind, wood, geothermal, waste heat and solid waste sources. Regulatory initiatives designed to enhance and / or subsidize renewable generation increases competition from these types of facilities and out- of- market subsidies to existing or new generation can undermine the competitive wholesale marketplace, which can lead to premature retirement of existing facilities, including those owned by us. We also compete against other energy merchants on the basis of our relative operating skills, financial position and access to credit sources. Electric energy customers, wholesale energy

suppliers and transporters often seek financial guarantees, credit support such as letters of credit and other assurances that their energy contracts will be satisfied. Companies with which we compete may have greater resources or experience in these areas. Over time, some of our plants may become unable to compete because of subsidized generation, including public utility commission supported power purchase agreements, and the construction of new plants. Such new plants could have a number of advantages including more efficient equipment and newer technology that could result in fewer emissions or more advantageous locations on the electric transmission system. Additionally, these competitors may be able to respond more quickly to new laws and regulations because of the newer technology utilized in their facilities or the additional resources derived from owning more efficient facilities. Other factors may contribute to increased competition in wholesale power markets. We expect that we will continue to face intense competition from numerous companies, including new entrants or consolidation of existing competitors, in the industry. Certain federal and state entities in jurisdictions in which we operate have either enacted or are considering regulations or legislation to subsidize otherwise uneconomic plants and attempt to incentivize, including through certain tax benefits, the construction and development of additional renewable resources as well as increases in energy efficiency investments. For example, the Inflation Reduction Act of 2022 contains a number of tax credits and incentives relating to renewable projects and clean energy technologies such as nuclear energy. New entrants or existing competitors may find it more economical to develop new renewable projects or invest in clean energy technologies in which we would like to invest. Subsidies (or increases thereto) to our competitors could result in increased competition for us, which could have a material adverse effect on our financial condition, results of operations and cash flows. In addition, our retail marketing efforts compete for customers in a competitive environment, which impacts the margins that we can earn on the volumes we are able to serve. Further, with retail competition, it is easier for residential customers where we serve load to switch ~~to and from~~ competitive electricity generation suppliers for their energy needs. The volatility and uncertainty that results from such mobility may have material adverse effects on our financial condition, results of operations and cash flows. For example, if fewer customers switch to another supplier than anticipated, the load we must serve will be greater than anticipated ~~and~~ , **and** if market prices of fuel have increased, our costs will increase more than expected due to the need to go to the market to cover the incremental supply obligation. If more customers switch to another supplier than anticipated, the load we must serve will be lower than anticipated and, if market prices of electricity have decreased, our operating results could suffer. Given the overall attractiveness of certain ~~of the~~ markets in which we operate and certain tax benefits associated with renewable energy, among other matters, energy market participants have continued to construct new generation facilities or invest in enhancements or expansions of existing generation facilities despite relatively low wholesale power prices. Assuming this market dynamic continues, our results of operations and financial condition could be materially and adversely affected if such additional generation capacity results in an over- supply of electricity that causes a reduction in wholesale power prices. Additionally, new or existing market participants without, or with less, fossil fuel operations may gain additional market share, or reduce our market share, due to evolving expectations and sentiments of key stakeholders, government, and regulatory authorities regarding our operations and activities. Economic downturns would likely have a material adverse effect on our businesses. Our results of operations may be negatively affected by sustained downturns or sluggishness in the economy, including lower prices for power, generation capacity and natural gas, which can fluctuate substantially. Increased unemployment of residential customers and decreased demand for products and services by commercial and industrial customers resulting from an economic downturn could lead to declines in the demand for energy and an increase in the number of uncollectible customer balances, which would negatively impact our overall sales and cash flows. The convergence of current global conditions, including sustained inflation, ~~rising~~ **elevated** interest rates, and the geopolitical climate, has and could lead to, or accelerate or exacerbate the occurrence of, a significant economic downturn, as well as changes in consumer and counterparty behavior, higher costs of capital, decreases in the value of our existing long- dated contracts, commodity price increases and volatility, supply chain shortages, and other adverse impacts to our business. Additionally, prolonged economic downturns that negatively impact our financial condition, results of operations and cash flows could result in future material impairment charges to write down the carrying value of certain assets to their respective fair values. Our liquidity needs could be difficult to satisfy, particularly during times of uncertainty in the financial markets or during times of significant fluctuation in commodity prices, and we may be unable to access capital on favorable terms or at all in the future, which could have a material adverse effect on us. We currently maintain non- investment grade credit ratings that could negatively affect our ability to access capital on favorable terms or result in higher collateral requirements, particularly if our credit ratings were to be downgraded in the future. Our businesses are capital intensive. In general, we rely on access to financial markets and credit facilities as a significant source of liquidity for our capital requirements, hedging transactions and other obligations not satisfied by cash- on- hand or operating cash flows. The inability to raise capital or to access credit facilities, particularly on favorable terms, could adversely impact our liquidity and our ability to meet our obligations or sustain and grow our businesses and could increase capital costs and collateral requirements, any of which could have a material adverse effect on us. Our access to capital and the cost and other terms of acquiring capital are dependent upon, and could be adversely impacted by, various factors, including: • general economic and capital markets conditions, including changes in financial markets that reduce available liquidity or the ability to obtain or renew credit facilities on favorable terms or at all; • conditions and economic weakness in the U. S. power markets; • regulatory developments; • changes in interest rates; • a deterioration, or perceived deterioration, of our creditworthiness, enterprise value or financial or operating results; • a downgrade of Vistra' s or its applicable subsidiaries' credit ratings, or credit ratings of its issuances; • our level of indebtedness and compliance with covenants in our debt agreements; • our ability to meet our sustainability targets in our secured credit facilities; • a deterioration of the creditworthiness or bankruptcy of one or more lenders or counterparties under our credit facilities that affects the ability of such lender (s) to make loans to us; • credit, security, or collateral requirements, including those relating to volatility in commodity prices; • general credit availability from banks or other lenders for us and our industry peers; • investor and lender confidence in and sentiment of the industry, our business, and the wholesale

electricity markets in which we operate; • a material breakdown in or oversight in effectuating our risk management procedures; • the occurrence of changes in our businesses; • disruptions, constraints, or inefficiencies in the continued reliable operation of our generation facilities and **battery** ~~ESSs~~ **ESS** ; and • changes in or the operation of provisions of tax and regulatory laws. There are also increasing financial risks for companies that own and operate fossil fuel generation as institutional lenders or other sources of capital have become more attentive to sustainable financing practices and some of them may seek commitments on emission reduction targets or expected use or proceeds when providing funding to, or decline to provide funding for companies who produce or utilize fossil fuel energy or that have higher levels of GHG emissions. **Our** ~~We amended our~~ Vistra Operations Credit Agreement **contains** ~~to build in~~ Sustainability Adjustments. These adjustments use baseline values from KPI Metrics and provide for decreases in the applicable credit spread adjustments and commitment fee rates if our reported metrics are a certain percentage below the baseline values, adjusted on a year **-** to **-** year basis. Conversely, if our reported metrics are a certain percentage above the baseline values, adjusted on a year **-** to **-** year basis, the applicable credit spread adjustments and fee rates are increased. Building in these adjustments to our credit agreement helps to show lenders we are committed to lowering our GHG emissions, but failing to meet the targets on a regular basis could be viewed negatively by such lenders. Additionally, the lending practices of institutional lenders have been the subject of intensive lobbying efforts in recent years, oftentimes public in nature, by environmental activists and others concerned about climate change not to provide funding for companies in the broader energy sector. ~~Limitation~~ **Limitations** on our access to, or increases in our cost of, capital could have a material adverse effect on us. In addition, we currently maintain non- investment grade credit ratings. As a result, we may not be able to access capital on terms (financial or otherwise) as favorable as companies that maintain investment- grade credit ratings or we may be unable to access capital at all at times when the credit markets tighten. In addition, due to our non- investment grade credit ratings, counterparties request collateral support (including cash or letters of credit) in order to enter into certain transactions with us. A downgrade in long- term debt ratings generally causes borrowing costs to increase and the potential pool of investors to shrink and could trigger liquidity demands pursuant to contractual arrangements. Future transactions by Vistra or any of its subsidiaries, including the issuance of additional debt, could result in a temporary or permanent downgrade in our credit ratings. Our indebtedness ~~and the phaseout of LIBOR, or the replacement of LIBOR with a different reference rate,~~ could adversely affect our ability in the future to raise additional capital to fund our operations. It could also expose us to the risk of increased interest rates and limit our ability to react to changes in the economy, or our industry, as well as impact our cash available for distribution. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~13~~ **14** . ~~0~~ **4** billion of total indebtedness and approximately $ ~~12~~ **10** . ~~6~~ **9** billion of indebtedness net of cash. Our debt could have negative consequences for our financial condition including: • increasing our vulnerability to general economic and industry conditions; • requiring a significant portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to pay dividends to holders of our common stock or to fund our operations, capital expenditures and future business opportunities; • limiting our ability to enter into long- term power sales or fuel purchases which require credit support; • limiting our ability to fund operations or future acquisitions; • limiting our ability to repurchase shares under the share repurchase program; • restricting our ability to make distributions or pay dividends with respect to our ~~capital~~ **common and preferred** stock and the ability of our subsidiaries to make distributions to us, in light of restricted payment and other financial covenants in our credit facilities and other financing agreements; • inhibiting the growth of our stock price; • exposing us to the risk of increased interest rates because certain of our borrowings, including borrowings under the Vistra Operations Credit Facilities, are at variable rates of interest, only a portion of which are hedged; • limiting our ability to obtain additional financing for working capital including collateral postings, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and • limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who may have less debt. We may not be successful in obtaining additional capital for these or other reasons. Furthermore, we may be unable to refinance or replace our existing indebtedness on favorable terms or at all upon the expiration or termination thereof. Our failure to obtain additional capital or enter into new or replacement financing arrangements when due may constitute a default under such existing indebtedness and may have a material adverse effect on our business, financial condition, results of operations and cash flows. ~~In July 2017, the United Kingdom' s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. LIBOR is the interest rate benchmark used as a reference rate on a portion of our variable rate debt, including our revolving credit facility and interest rate swaps. In November 2020, ICE Benchmark Administration (IBA), the administrator of LIBOR, with the support of the U. S. Federal Reserve and the United Kingdom' s Financial Conduct Authority, announced plans to consult on ceasing publication of USD LIBOR on December 31, 2021 for only the one- week and two- month USD LIBOR tenors, and on June 30, 2023 for all other USD LIBOR tenors. While this announcement extends the transition period to June 2023, the U. S. Federal Reserve concurrently issued a statement advising banks to stop new USD LIBOR issuances by the end of 2021. In light of these announcements, the future of LIBOR at this time is uncertain and any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR' s phaseout could cause LIBOR to perform differently than in the past or cease to exist. Over the course of the last year, in anticipation of LIBOR ceasing to exist for affected tenors, we amended our revolving credit facilities to implement a change to SOFR as our primary reference rate. For our Vistra Operations Credit Agreement, we made this change in conjunction with an extension amendment. Certain lenders chose not to extend their commitments past the original maturity date. As a result, the commitments of those lenders remain subject to a LIBOR based rate. However, unless extended, those commitments, in the amount of $ 200 million, shall terminate on June 14, 2023 and, assuming no extension of such commitments, at such time all of our revolving credit facilities shall be SOFR based. However, our Term Loan B- 3 Facility, with a December 31, 2025 maturity date, remains LIBOR- based and may be subject to the LIBOR transition risks set forth above. Further, certain of our agreements which utilize LIBOR as the referenced rate are governed by New York law, and certain of these contracts do not contain any fallback provisions or otherwise contain fallback provisions that lead to replacement~~

~~rate based on LIBOR or require polling for interbank rates. To the extent that we are unsuccessful in our efforts to amend such contracts prior to the LIBOR transition, we anticipate that the applicable New York legislation would apply to such contracts and would provide a replacement rate for inclusion in such contracts. Notwithstanding our efforts, these changes may result in interest rates and / or payments that do not correlate over time with the interest rates and / or payments that would have been made on our obligations if LIBOR was available in its current form. Any new contracts would need to reference an alternative benchmark rate or include suggested fallback language. Accordingly, we could be exposed to increased costs with respect to our variable rate debt, which could have an adverse impact on extensions of our credit and / or we might not be fully hedged on the variable rate exposure on our swapped indebtedness. Any such increased costs or exposure could increase our cost of capital and have a material adverse effect on us.~~ The agreements and instruments governing our debt, including the Vistra Operations Credit Facilities and indentures, contain restrictions and limitations that could affect our ability to operate our business, or liquidity, and results of operations, and any failure to comply with these restrictions could have a material adverse effect on us. The agreements and instruments governing our debt, including the Vistra Operations Credit Facilities and indentures, contain restrictions that could adversely affect us by limiting our ability to operate our businesses and plan for, or react to, market conditions or to meet our capital needs and could result in an event of default under the Vistra Operations Credit Facilities and / or indentures. The Vistra Operations Credit Facilities and indentures contain events of default customary for financings of this type. If we fail to comply with the covenants in the Vistra Operations Credit Facilities and / or indentures and are unable to obtain a waiver or amendment, or a default exists and is continuing, the lenders under such agreements or notes, as the case may be, could give notice and declare outstanding borrowings thereunder immediately due and payable. The breach of any covenants or obligations in certain agreements and instruments governing our debt, including the Vistra Operations Credit Facilities and indentures, not otherwise waived or amended, could result in a default under the applicable debt obligations and could trigger acceleration of those obligations, which in turn could trigger cross defaults under other agreements governing our debt, and any such acceleration of outstanding borrowings could have a material adverse effect on us. Certain ~~of our~~ obligations are required to be secured by letters of credit, surety bonds **, first liens,** or cash, which increase our costs. If we are unable to provide such security, it may restrict our ability to conduct our business, which could have a material adverse effect on us. We undertake certain hedging and commodity activities and enter ~~into~~ certain financing arrangements with various counterparties that require cash collateral or the posting of letters of credit which are at risk of being drawn down in the event we default on our obligations. We currently use margin deposits, prepayments, surety bonds ~~and~~ **,** letters of credit **and first liens** as credit support for commodity procurement and risk management activities. Future cash collateral requirements may increase based on the extent of our involvement in standard contracts and movements in commodity prices, **the use of first lien collateral,** and also based on our credit ratings and the general perception of creditworthiness in the markets in which we operate. In the case of commodity arrangements, the amount of such credit support that must be provided **is** typically ~~is~~ based on the difference between the price of the commodity in a given contract and the market price of the commodity. Significant movements in market prices can result in our being required to provide cash collateral and letters of credit in very large amounts. The effectiveness of our strategy may be dependent on the amount of collateral available to enter into or maintain these contracts, and liquidity requirements may be greater than we anticipate or will be able to meet. Without **enough** ~~a sufficient amount of~~ working capital or other sources of available liquidity to post as collateral, we may not be able to manage price volatility effectively or to implement our strategy. A material increase in the amount of letters of credit or cash collateral required to be provided to our counterparties may have a material adverse effect on us **. The Transactions (as defined below) remain subject to customary closing conditions which, if not satisfied or waived, would delay the Transactions or adversely impact our ability to complete the Transactions on the terms set forth in the Transaction Agreement (as defined below) or at all. The completion of the Transactions remain subject to the satisfaction or waiver of customary closing conditions. These closing conditions may not be fulfilled in a timely manner or at all, and, accordingly, the Transactions may not be completed. If we are unable to complete the Transactions, we still will incur and will remain liable for significant transaction costs, including legal, accounting, advisory and other costs relating to the Transactions. Also, depending upon the reasons for not completing the Transactions, we may be required to pay Energy Harbor a termination fee of $ 225 million. If such a termination fee is payable, the payment could affect Vistra' s share price. Failure to consummate the Transactions as currently contemplated or at all could adversely affect the price of Vistra' s common stock and our future business and financial results. We cannot guarantee when or if these conditions will be satisfied or that the Transactions will be successfully completed. If the Transactions are not consummated, or are consummated on different terms than as contemplated by the Transaction Agreement, we could be adversely affected and subject to a variety of risks associated with the failure to consummate the Transactions, or to consummate the Transactions as contemplated by the Transaction Agreement, including: • our stockholders may be prevented from realizing the anticipated potential benefits of the Transactions; • the market price of our common stock could decline significantly; • reputational harm due to the adverse public perception of any failure to successfully complete the Transactions; • under certain circumstances, we may be required to pay Energy Harbor a termination fee of up to $ 225 million or reimburse Energy Harbor' s expenses up to $ 20 million; and • the attention of our management and employees may be diverted from their day- to-day business and operational matters and our relationships with our customers and suppliers may be disrupted as a result of efforts relating to attempting to consummate the Transactions. Any delay in the consummation of the Transactions, any uncertainty about the consummation of the Transactions on terms other than those contemplated by the Transaction Agreement and any failure to consummate the Transactions could adversely affect our business, financial results and common stock price. Following the completion of the Transactions, we may be unable to successfully integrate Energy Harbor' s businesses with Vistra' s nuclear and retail businesses and its Vistra Zero renewable and battery ESS projects or realize the anticipated synergies and other expected benefits of the Transactions**

on the anticipated timeframe or at all. The Transactions involve the combination of Energy Harbor' s nuclear and retail businesses with Vistra' s nuclear and retail businesses and certain of Vistra Zero renewables and battery ESS projects under Vistra Vision. This new combination expects to benefit from certain cost savings, operating efficiencies and a growing renewables and battery ESS portfolio, some of which will take time to realize. We will be required to devote significant management attention and resources to the integration of our and Energy Harbor' s business practices and operations into Vistra Vision. The potential difficulties we may encounter in building Vistra Vision include the following: • the inability to successfully combine our nuclear, retail, renewables and battery storage business and Energy Harbor' s nuclear and retail businesses in a manner that permits Vistra Vision to achieve the cost savings anticipated to result from the Transactions, which would result in the anticipated benefits of the Transactions not being realized in the timeframe currently anticipated or at all; • the complexities associated with maintaining the second- largest competitive nuclear fleet in the U. S.; • the complexities of combining two companies with different histories, geographic footprints and asset mixes; • the complexities in combining two companies with separate technology systems; • potential unknown liabilities and unforeseen increased expenses, delays or conditions associated with the Transactions; • failure to perform by third- party service providers who provide key services for the combined company; and • performance shortfalls as a result of the diversion of management' s attention caused by completing the Transactions and integrating the companies' operations. For all these reasons, it is possible that the integration process could result in the distraction of our management, the disruption of our ongoing business or inconsistencies in operations, services, standards, controls, policies and procedures, any of which could adversely affect our ability to maintain relationships with operators, vendors and employees, to achieve the anticipated benefits of the Transactions, or could otherwise materially and adversely affect its business and financial results . As part of our growth strategy, including our desire to grow our retail platform, we may pursue acquisitions of assets or operating entities. This strategy depends on the Company' s ability to successfully identify and evaluate acquisition opportunities and consummate acquisitions on favorable terms. Our ability to continue to implement this component of our growth strategy will be limited by our ability to identify appropriate acquisition or joint venture candidates and our financial resources, including available cash and access to capital. In addition, the Company will compete with other companies for these limited acquisition opportunities, which may increase the Company' s cost of making acquisitions or limit the Company' s ability to make acquisitions at all. Any expense incurred in completing acquisitions or entering into joint ventures, the time it takes to integrate an acquisition or our failure to integrate acquired businesses successfully could result in unanticipated expenses and losses. Furthermore, we may not be able to fully realize the anticipated benefits from any future acquisitions or joint ventures we may pursue. In addition, the process of integrating acquired operations into our existing operations may involve unknown risks, result in unforeseen operating difficulties and expenses, and may require significant financial resources that would otherwise be available for the execution of our business strategy. If the Company is unable to identify and consummate future acquisitions, it may impede the Company' s ability to execute its growth strategy. We have a substantial capital allocation plan intended for investments in renewable assets, including solar development projects and **battery** ~~ESSs~~ - **ESS** . As part of our business strategy, we plan to continually assess potential strategic acquisitions or investments in renewable assets, emerging technologies and related projects. Notably, the Company' s ability to successfully develop our current renewables projects, or in the future acquire additional renewable assets, may be impacted by the demand for and viability of renewable assets generally, which may vary depending on availability of projects and financing, as well as public policy, financial and tax mechanisms implemented at the state and federal levels to support the development of renewable assets. Various factors could result in increased costs or result in delays or cancellation of our current or future renewable projects, or the loss of, or declines in the value of, our investments in projects including, but not limited to, risks relating to siting, financing, engineering and construction, permitting, interconnection requests, federal and state regulatory approvals, new legislation or regulatory changes impacting the industry, commissioning delays, import tariffs, changes to federal income tax laws, economic events or factors, environmental and community concerns, availability of or requirements for additional funding, enhanced competition, or the potential for termination of the power sales contract as a result of a failure to meet certain milestones. Further, the recent proliferation of renewable projects has resulted in a large volume of interconnection requests submitted to grid operators, including the markets in which we operate, resulting in significant delays to the approval process and estimated completion dates for our projects and others. **FERC and regional ISOs are working to address these backlogs, including with potential regulatory rule changes, which would change the interconnection process, the results of which are currently unknown.** Additionally, the increased demand for construction of renewables projects, such as **battery** ~~ESSs~~ - **ESS** and solar projects, and other labor market and supply chain constraints have resulted, and may continue to result, in limited availability of qualified specialists, contractors, and necessary services or materials, leading to delays in and higher costs for the development and construction of our current and future planned projects. Should any of these factors occur, our financial position, results of operations, and cash flows could be adversely affected, or our future growth opportunities may not be realized as anticipated. While certain of our subsidiaries are in various stages of developing and constructing solar generation facilities and **battery** ~~ESSs~~ - **ESS** and certain of these projects have signed long- term contracts or made similar arrangements for the sale of electricity, in other cases, our subsidiaries may enter into obligations in the development process even though the subsidiaries have not yet secured power purchase arrangements or other important elements for a successful project. If the project does not proceed as planned, our subsidiaries may remain obligated for certain liabilities even though the project will not be completed. Development is inherently uncertain and we may forgo certain development opportunities and we may undertake significant development costs before determining that we will not proceed with a particular project. We believe that capitalized costs for projects under development are recoverable; however, there can be no assurance that any individual project will be completed and reach commercial operation. If these development efforts are not successful, we may abandon a project under development and write off the costs incurred in connection with such project and could incur additional losses associated with

any related contingent liabilities. Circumstances associated with potential divestitures could adversely affect our results of operations and financial condition. In evaluating our business and the strategic fit of our various assets, we may determine to sell one or more of such assets. Despite a decision to divest an asset, we may encounter difficulty in finding a buyer willing to purchase the asset at an acceptable price and on acceptable terms and in a timely manner. In addition, a prospective buyer may have difficulty obtaining financing. Divestitures could involve additional risks, including: • difficulties in the separation of operations and personnel; • the need to provide significant ongoing post- closing transition support to a buyer; • management' s attention may be temporarily diverted; • the retention of certain current or future liabilities in order to induce a buyer to complete a divestiture; • the obligation to indemnify or reimburse a buyer for certain past liabilities of a divested asset; • the disruption of our business; and • potential loss of key employees. We may not be successful in managing these or any other significant risks that we may encounter in divesting any asset, which could adversely affect our results of operations and financial condition. If our goodwill, intangible assets, or long- lived assets become impaired, we may be required to record a significant charge to earnings. We have significant goodwill, intangible assets and long- lived assets recorded on our balance sheet. In accordance with U. S. GAAP, goodwill and non- amortizing intangible assets are required to be tested for impairment at least annually. Additionally, we review goodwill, our intangible assets and long- lived assets for impairment when events or changes in circumstances indicate the carrying value of the asset may not be recoverable. Factors that may be considered include a decline in future cash flows, slower growth rates in the energy industry, and a sustained decrease in the price of our common stock. We performed our annual assessment of goodwill and non- amortizing intangibles in the fourth quarter of ~~2022~~ **2023** and determined that no material impairment was required. However, impairment assessments will be performed in future periods and may result in an impairment loss, which could be material. Issuances or acquisitions of our common stock, or sales or dispositions of our common stock by stockholders, that result in an ownership change as defined in Internal Revenue Code (IRC) § 382 could further limit our ability to use certain tax attributes and our federal net operating losses to offset our future taxable income. If an" ownership change," as defined in Section 382 of the IRC (IRC § 382) occurs, the amount of NOLs that could be used in any one year following such ownership change could be substantially limited. In general, an" ownership change" would occur when there is a greater than 50 percentage point increase in ownership of a company' s stock by stockholders, each of which owns (or is deemed to own under IRC § 382) 5 percent or more of such company' s stock. Given IRC § 382' s broad definition, an ownership change could be the unintended consequence of otherwise normal market trading in our stock that is outside our control. Vistra acquired NOLs from its merger with Dynegy; however, Vistra' s use of such attributes is limited under IRC § 382 because the merger constituted an" ownership change" with respect to Dynegy. If there is an" ownership change" with respect to Vistra (including by the normal trading activity of greater than 5 % stockholders), the utilization of all NOLs existing at that time would be subject to additional annual limitations based upon a formula provided under IRC § 382 that is based on the fair market value of the Company and prevailing interest rates at the time of the ownership change. In addition, any ownership change with respect to Vistra could result in additional limitations on our ability to use certain tax attributes, including depreciation, existing at the time of any such ownership change and have an impact on our tax liabilities ~~and on our obligations under the TRA~~. We are subject to the tax laws and regulations of the U. S. federal, state and local governments. From time to time, legislative measures may be enacted that could adversely affect our overall tax positions regarding income or other taxes. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these legislative measures. The Tax Cuts and Jobs Act of 2017 (TCJA), enacted December 22, 2017, and the Inflation Reduction Act (IRA), enacted August 16, 2022, both introduced significant changes to current U. S. federal tax law. For example, the IRA includes the enactment of several new proposals, including, but not limited to (i) a corporate alternative minimum tax based on book income and (ii) additional requirements to qualify for enhanced renewable energy tax credits. These changes are complex and continue to be the subject of additional guidance issued by the U. S. Treasury and the Internal Revenue Service. In addition, the reaction to the federal tax changes by the individual states continues to evolve. Our interpretations and assumptions around U. S. tax reform may evolve in future periods as further administrative guidance and regulations are issued, which may materially affect our effective tax rate or tax payments. U. S. federal, state and local tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will be sustained if challenged by relevant tax authorities and if not sustained, there could be a material impact on our results of operations and financial condition. U. S. federal income tax reform and changes in other tax laws could adversely affect us. Additionally, states in which we operate or own assets may impose new or increased taxes or fees on various aspects of our operations. The passage of any legislation as a result of these proposals and other similar changes in U. S. federal income tax laws or the imposition of new or increased taxes or fees could have a material adverse effect on our financial condition, results of operations and cash flows. ~~We are required to pay the holders of TRA Rights for certain tax benefits, which amounts could be substantial. On the Effective Date, we entered into the TRA with American Stock Transfer & Trust Company, LLC, as the transfer agent. Pursuant to the TRA, we issued beneficial interests in the rights to receive payments under the TRA (TRA Rights) to the first lien creditors of our Predecessor to be held in escrow for the benefit of the first lien creditors of our Predecessor entitled to receive such TRA Rights under the Plan of Reorganization. Our financial statements reflect a liability of $ 522 million as of December 31, 2022 related to these future payment obligations (see Note 7 to the Financial Statements). This amount is based on certain assumptions as described more fully in the notes to the financial statements and the actual payments made under the TRA could be materially different than this estimate. The TRA generally provides for the payment by us to the holders of TRA Rights of 85 % of the amount of cash savings, if any, in U. S. federal, state and local income tax that we and our subsidiaries actually realize as a result of our use of (a) the tax basis step up attributable to the PrefCo Preferred Stock Sale, (b) the entire tax basis of the assets acquired as a result of the purchase and sale agreement, dated as of November 25, 2015 by and between La Frontera Ventures, LLC and Luminant, and (c) tax benefits related to imputed interest deemed to be paid by us as a result of payments under the TRA, plus interest accruing from the due date of the applicable tax return. The amount and timing of any payments under the TRA will vary~~

~~depending upon a number of factors, including the amount and timing of the taxable income we generate in the future and the tax rate then applicable, our use of loss carryovers and the portion of our payments under the TRA constituting imputed interest. Although we are not aware of any issue that would cause the IRS to challenge the tax benefits that are the subject of the TRA, recipients of the payments under the TRA will not be required to reimburse us for any payments previously made if such tax benefits are subsequently disallowed. As a result, in such circumstances, Vistra could make payments under the TRA that are greater than its actual cash tax savings. Any amount of excess payment can be used to reduce future TRA payments, but cannot be immediately recouped, which could adversely affect our liquidity. Because Vistra is a holding company with no operations of its own, its ability to make payments under the TRA is dependent on the ability of its subsidiaries to make distributions to it. To the extent that Vistra is unable to make payments under the TRA because of the inability of its subsidiaries to make distributions to us for any reason, such payments will be deferred and will accrue interest until paid, which could adversely affect our results of operations and could also affect our liquidity in periods in which such payments are made. The payments we will be required to make under the TRA could be substantial. We may be required to make an early termination payment to the holders of TRA Rights under the TRA. The TRA provides that, in the event that Vistra breaches any of its material obligations under the TRA, or upon certain mergers, asset sales, or other forms of business combination or certain other changes of control, the transfer agent under the TRA may treat such event as an early termination of the TRA, in which case Vistra would be required to make an immediate payment to the holders of the TRA Rights equal to the present value (at a discount rate equal to LIBOR plus 100 basis points) of the anticipated future tax benefits based on certain valuation assumptions. As a result, upon any such breach or change of control, we could be required to make a lump sum payment under the TRA before we realize any actual cash tax savings and such lump sum payment could be greater than our future actual cash tax savings. The aggregate amount of these accelerated payments could be materially more than our estimated liability for payments made under the TRA set forth in our financial statements, which could have a substantial negative impact on our liquidity.~~ Our businesses are subject to ongoing complex governmental regulations and legislation that have adversely impacted, and may in the future adversely impact, our businesses, results of operations, liquidity, financial condition **,** and cash flows. Our businesses operate in changing market environments influenced by various state and federal legislative and regulatory initiatives regarding the restructuring of the energy industry, including competition in power generation and sale of electricity, natural gas, **emissions** ~~carbon offsets~~ and renewable energy certificates, and other commodities. Although we attempt to comply with changing legislative and regulatory requirements, there is a risk that we will fail to adapt to any such changes successfully or on a timely basis. Compliance with, or changes to, the requirements under these legal and regulatory regimes, including those proposed or implemented under the ~~Biden~~ **current presidential** administration **or during any future change of administration, or any repeal of existing beneficial laws or regulations** , may adversely impact our businesses, results of operations, liquidity, financial condition **,** and cash flows. Our businesses are subject to numerous state and federal laws (including, but not limited to, ~~PURA~~ **Texas Public Utility Regulatory Act** , the Federal Power Act, the Natural Gas Policy Act, the Atomic Energy Act, the Public Utility Regulatory Policies Act of 1978, the Clean Air Act (CAA), the Clean Water Act (CWA), the Resource Conservation and Recovery Act (RCRA), the Energy Policy Act of 2005, the Dodd- Frank Wall Street Reform and the Consumer Protection Act and the Telephone Consumer Protection Act), changing governmental policy and regulatory actions (including those of the FERC, the NERC, the RCT, the MSHA, the EPA, the NRC, the DOJ, the FTC, the CFTC, state public utility commissions and state environmental regulatory agencies), and the rules, guidelines and protocols of ERCOT, CAISO, ISO- NE, MISO, NYISO and PJM with respect to various matters, including, but not limited to, market structure and design, operation of nuclear generation facilities, construction and operation of other generation facilities, development, operation and reclamation of lignite mines, recovery of costs and investments, decommissioning costs, market behavior rules, present or prospective wholesale and retail competition, administrative pricing mechanisms (and adjustments thereto), rates for wholesale sales of electricity, mandatory reliability standards and environmental matters. We, along with other market participants, are subject to electricity pricing constraints and market behavior and other competition- related rules and regulations. Additionally, Ambit' s direct selling business (i) could be found by ~~federal, state or foreign~~ regulators not to be in compliance with applicable law or regulations, which may lead to our inability to obtain or maintain a license, permit, or similar certification and (ii) may be required to alter its compensation practices in order to comply with applicable federal or state law or regulations. Changes in, revisions to, or reinterpretations of, existing laws and regulations may have a material adverse effect on our businesses, results of operations, liquidity, financial condition and cash flows. Extreme weather events have resulted, and in the future may result, in efforts by both federal and state government and regulatory agencies to investigate and determine the causes of such events. For example, as a result of Winter Storm Uri, we received a civil investigative demand from the Attorney General of Texas as well as a request for information from ERCOT, NERC, and other regulatory bodies related to this event. ~~The recent~~ Winter Storm Elliott **, in December 2022,** has also led to regulatory requests for information and notices of investigation by NERC, FERC, regional reliability entities, and independent market monitors for regions across the country. Such ~~efforts~~ **investigations** have resulted, and in the future may result, in changes in laws or regulations that impact our industry and businesses including, but not limited to, additional requirements for winterization of various facets of the electricity supply chain including generation, transmission, and fuel supply; improvements in coordination among the various participants in the electricity supply chain during any future event; restrictions or limitations on the types of plans permitted to be offered to customers; potential revisions to the method ~~or~~ **of** calculation of market compensation and incentives relating to the continued operation of assets that only run periodically, including during extreme weather events or other times of scarcity; and other potential legislative and regulatory corrective actions that may be taken. Previously announced or future legal proceedings, regulatory actions, investigations, or other administrative proceedings involving market participants may lead to adverse determinations or other findings of violations of laws, rules **,** or regulations, any of which may impact the ability of market participants to satisfy, in whole or in part, their respective obligations. The Texas Legislature, the PUCT, and ERCOT have implemented new requirements and

continue to consider future market design and other rule changes in response to Winter Storm Uri and other extreme weather events. Finally, the regulatory environment has undergone significant changes in the last several years due to state and federal policies affecting wholesale and retail competition and the creation of incentives for the addition of large amounts of new renewable generation. For example, changes to, or development of, legislation that requires the use of clean renewable and alternate fuel sources or mandate the implementation of energy conservation programs that require the implementation of new technologies, could increase our capital expenditures and / or impact our financial condition **. Changes enacted by the Texas Legislature through Senate Bill 2627, the Powering Texas Forward Act, to administer Texas Energy Fund (TEF) programs, which include grants and loans to finance the construction, maintenance, modernization, and operation of electric facilities in Texas, may negatively impact our financial condition if it materially changes market fundamentals** . Additionally, in some retail energy markets, state legislators, government agencies and other interested parties have made proposals to change the use of market- based pricing, re- regulate areas of these markets that have previously been competitive, or permit electricity delivery companies to construct or acquire ~~generating~~ **generation** facilities. Other proposals to re- regulate the retail energy industry may be made, and legislative or other actions affecting electricity and natural gas deregulation or restructuring process may be delayed, discontinued or reversed in states in which we currently operate or may in the future operate. If such changes were to be enacted by a regulatory body, we may lose customers, incur higher costs and / or find it more difficult to acquire new customers. These changes are ongoing, and we cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on our business. We are required to obtain, and to comply with, government permits and approvals. We are required to obtain, and to comply with, numerous permits and licenses from federal, state and local governmental agencies. The process of obtaining and renewing necessary permits and licenses can be lengthy and complex and can sometimes result in the establishment of conditions that make the project or activity for which the permit or license was sought unprofitable or otherwise unattractive. In addition, such permits or licenses may be subject to denial, revocation or modification under various circumstances. Failure to obtain or comply with the conditions of permits or licenses, or failure to comply with applicable laws or regulations, may result in the delay or temporary suspension of our operations and electricity sales or the curtailment of our delivery of electricity to our customers and may subject us to penalties and other sanctions. Although various regulators routinely renew existing permits and licenses, renewal of our existing permits or licenses could be denied or jeopardized by various factors, including (a) failure to provide adequate financial assurance for closure, (b) failure to comply with environmental, health and safety laws and regulations or permit conditions, (c) local community, political or other opposition and (d) executive, legislative or regulatory action. Our inability to procure and comply with the permits and licenses required for our operations, or the cost to us of such procurement or compliance, could have a material adverse effect on us. In addition, new environmental legislation or regulations, if enacted, or changed interpretations of existing laws, may cause activities at our facilities to need to be changed to avoid violating applicable laws and regulations or elicit claims that historical activities at our facilities violated applicable laws and regulations. In addition to the possible imposition of fines in the case of any such violations, we may be required to undertake significant capital investments and obtain additional operating permits or licenses, which could have a material adverse effect on us. We are subject to extensive environmental regulation by governmental authorities, including federal and state environmental agencies and / or attorneys general. We may incur significant additional costs beyond those currently contemplated to comply with these regulatory requirements. If we fail to comply with these regulatory requirements, we could be subject to administrative, civil or criminal liabilities and fines. Existing environmental regulations could be revised or reinterpreted, new laws and regulations could be adopted or become applicable to us or our facilities, and future changes in environmental laws and regulations could occur, including potential regulatory and enforcement developments related to air emissions and CCR, all of which could result in significant additional costs beyond those currently contemplated to comply with existing requirements. Any of the foregoing could have a material adverse effect on us. The EPA has recently finalized or proposed several regulatory actions establishing new requirements for control of certain emissions from sources, including electricity generation facilities. In the future, the EPA may also propose and finalize additional regulatory actions that may adversely affect our existing generation facilities or our ability to cost- effectively develop new generation facilities. There is no assurance that the currently installed emissions control equipment at our lignite, coal and / or natural gas- fueled generation facilities will satisfy the requirements under any future EPA or state environmental regulations. Some of the recent regulatory actions, such as the EPA' s **Good Neighbor Plan** ~~proposed Cross- State Air Pollution Rule Update, the ACE rule and any proposed or~~ **for** ~~future actions~~ **the 2015 Ozone NAAQS, May 2023 proposal** to **regulated GHG emissions that would** replace the ACE rule, and actions under the Regional Haze program, could require us to install significant additional control equipment, resulting in potentially material costs of compliance for our generation units, including capital expenditures, higher operating and fuel costs and potential production curtailments or plant retirements. These costs or operation impacts could have a material adverse effect on us. We may not be able to obtain or maintain all required environmental regulatory approvals. If there is a delay in obtaining any required environmental regulatory approvals, if we fail to obtain, maintain or comply with any such approval or if an approval is retroactively disallowed or adversely modified, the operation of our generation facilities could be stopped, disrupted, curtailed or modified or become subject to additional costs. Any such stoppage, disruption, curtailment, modification or additional costs could have a material adverse effect on us. In addition, we may be responsible for any on- site liabilities associated with the environmental condition of facilities that we have acquired, leased, developed or sold, regardless of when the liabilities arose and whether they are now known or unknown. In connection with certain acquisitions and sales of assets, we may obtain, or be required to provide, indemnification against certain environmental liabilities. Another party could, depending on the circumstances, assert an environmental claim against us or fail to meet its indemnification obligations to us, which could have a material adverse effect on us. We could be materially and adversely affected if new federal or state legislation or regulations are adopted to address global climate change that could require efforts that exceed or are more expensive than our currently planned initiatives or if we

are subject to lawsuits for alleged damage to persons or property resulting from greenhouse gas emissions. There is **continuing emphasis** ~~attention and interest~~ nationally and internationally ~~about~~ **on** global climate change and how GHG emissions, such as CO2, contribute to global climate change. Over the last several years, the U. S. Congress has considered and debated several proposals intended to address climate change using different approaches, including a cap on carbon emissions with emitters allowed to trade unused emission allowances (cap- and- trade), a tax on carbon or GHG emissions, incentives for the development of low- carbon technology and federal renewable portfolio standards. In July 2019, the EPA finalized the ACE rule that developed emissions guidelines that states must use when developing plans to regulate GHG emissions from existing coal-fueled electric ~~generating~~ - **generation** units. In January 2021, the ACE rule was vacated by the D. C. Circuit Court and remanded to the EPA for further consideration in accordance with the court' s ruling. The D. C. Circuit Court' s decision was appealed to the U. S. Supreme Court. In June 2022, the U. S. Supreme Court issued its decision in West Virginia v. EPA, in which it held that the EPA does not have the authority to apply generation shifting in the regulation of GHG emissions. The judgment reversed the D. C. Circuit Court' s decision and remanded the case for further proceedings consistent with the U. S. Supreme Court' s opinion. The EPA ~~may~~ **is in the process of** ~~develop~~ **developing** a more stringent and more encompassing rule to replace the ACE rule in its remand proceeding and has been directed by the Biden Administration to review this rule and others promulgated by the EPA during the Trump Administration. Prior to the vacatur and remand by the D. C. Circuit Court, states where we operate coal plants (Texas, Illinois and Ohio) had begun the development of their state plans to comply with the ACE rule. In addition, a number of federal court cases have been filed in recent years asserting damage claims related to GHG emissions, and the results in those proceedings could establish adverse precedent that might apply to companies (including us) that produce GHG emissions. We could be materially and adversely affected if new federal and / or state legislation or regulations are adopted to address global climate change that could require efforts that exceed or are more expensive than our currently planned initiatives or if we are subject to lawsuits for alleged damage to persons or property resulting from GHG emissions. Additionally, in January 2021, President Biden issued written notification to the United Nations of the U. S.' s intention to rejoin the Paris Agreement, effective in February 2021. Although the Paris Agreement does not create any binding obligations for nations to limit their GHG emissions, it does include pledges to voluntarily limit or reduce future emissions, and various corporations, investors and U. S. states and local governments have previously pledged to further the goals of the Paris Agreement. Additionally, the Biden Administration has directed certain agencies to submit a plan to the National Climate Task Force to achieve a carbon- pollution- free electricity sector by 2035. The Company' s plan to transition to clean power generation sources and reduce its GHG emissions may not be completed in this timeframe and we may not otherwise achieve our sustainability and emissions reduction targets as expected. Accordingly, we may be required to accelerate or change our targets, incur additional expenses, and / or adjust or cease certain operations as a result of newly implemented federal and / or state regulations to reduce future carbon emissions. Luminant' s mining operations are subject to RCT oversight. We currently own and operate, or are in the process of reclaiming, various surface lignite coal mines in Texas to provide fuel for our electricity generation facilities. We also own or lease, and are in the process of reclaiming, multiple waste- to- energy surface facilities in Pennsylvania. The RCT, which exercises broad authority to regulate reclamation activity, reviews on an ongoing basis whether Luminant is compliant with RCT rules and regulations and whether it has met all the requirements of its mining permits in Texas. Any new rules and regulations adopted by the RCT or the Department of Interior Office of Surface Mining, which also regulates mining activity nationwide, or any changes in the interpretation of existing rules and regulations, could result in higher compliance costs or otherwise adversely affect our financial condition or cause a revocation of a mining permit. Any revocation of a mining permit would mean that Luminant would no longer be allowed to mine lignite at the applicable mine to serve its generation facilities. Luminant' s lignite mining reclamation activity will require significant resources as existing and retired mining operations are reclaimed over the next several years. In conjunction with Luminant' s announcements in 2017 to retire several power generation assets and related mining operations, along with the continuous reclamation activity at its continuing mining operations for its mines related to the Oak Grove generation asset, Luminant is expected to spend a significant amount of money, internal resources and time to complete the required reclamation activities. For the next five years, Vistra is projected to spend approximately $ ~~234~~ **245** million (on a nominal basis) to achieve its mining reclamation objectives. We are involved in the ordinary course of business in a number of lawsuits involving, among other matters, employment, commercial, and environmental issues, and other claims for injuries and damages. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, ~~the amount of~~ potential losses. Based on these evaluations and estimates, when required by applicable accounting rules, we establish reserves and disclose the relevant litigation claims or legal proceedings, as appropriate. These evaluations and estimates are based on the information available to management at the time and involve a significant amount of judgment. Actual outcomes or losses may differ materially from current evaluations and estimates. The settlement or resolution of such claims or proceedings may have a material adverse effect on us. We use appropriate means to contest litigation threatened or filed against us, but the litigation environment poses a significant business risk. We are also involved in the ordinary course of business in regulatory investigations and other administrative proceedings, and we are exposed to the risk ~~that we may become the subject~~ of additional regulatory investigations or administrative proceedings. ~~While~~ **As** we ~~cannot predict~~ **adopt new technologies, like artificial intelligence (AI),** ~~the~~ **there is a risk that the content** ~~outcome of any regulatory investigation or administrative proceeding~~ , ~~any~~ **analyses, recommendations, or judgments that AI applications assist in producing are alleged to be deficient, inaccurate, biased, or infringe on other' s rights or property interests. Any** such regulatory investigation or administrative proceeding could result in us incurring ~~material~~ penalties and ~~/ or~~ other costs ~~and~~ **which may** have a ~~materially~~ -- **material** adverse effect on us. Our retail businesses, which each have REP certifications that are subject to review of the public utility commissions in the states in which we operate, are subject to changing state rules and regulations that could have a material impact on the profitability of our business. The competitiveness of our U. S. retail businesses partially depends on state regulatory policies that establish the structure, rules,

terms and conditions on which services are offered to retail customers. Specifically, the public utility commissions and / or the attorney generals of the various jurisdictions in which the Retail segment operates may at any time initiate an investigation into whether our retail operations comply with certain commission rules or state laws and whether we have met the requirements for REP certification, including financial requirements. These state policies and investigations, which can include controls on the retail rates our retail businesses can charge, the imposition of additional costs on sales, restrictions on our ability to obtain new customers through various marketing channels and disclosure requirements, investigations into whether our retail operations comply with certain commission rules or state laws and whether we have met the requirements for REP certification, including financial requirements, can affect the competitiveness of our retail businesses. Any removal or revocation of a REP certification would mean that we would no longer be allowed to provide electricity service to retail customers in the applicable jurisdiction, and such decertification could have a material adverse effect on us. Additionally, state or federal imposition of net metering or renewable portfolio standard programs can make it more or less expensive for retail customers to supplement or replace their reliance on grid power. Our retail businesses may have limited ability to influence development of these state rules, regulations and policies, and our business model may be more or less effective, depending on changes to the regulatory environment. Although we are the primary provider of our retail businesses' wholesale electricity supply requirements, our retail businesses purchase a portion of their supply requirements from third parties. As a result, the financial performance of our retail business depends on their ability to obtain adequate supplies of electric generation from third parties at prices below the prices they charge their customers. Consequently, our earnings and cash flows could be adversely affected in any period in which the retail businesses' wholesale electricity supply costs rise at a greater rate than the rates they charge to customers. The price of wholesale electricity supply purchases associated with the retail businesses' energy commitments can be different than that reflected in the rates charged to customers due to, among other factors: • varying supply procurement contracts used and the timing of entering into related contracts; • subsequent changes in the overall price of natural gas; • daily, monthly or seasonal fluctuations in the price of natural gas relative to the 12- month forward prices; • transmission constraints and the Company' s ability to move power to our customers; • out- of- market payments, uplifts, or other non- pass through charges, and • changes in ~~market~~ **Market** ~~heat~~ **Heat** ~~rate~~ **Rate** . The retail businesses' earnings and cash flows could also be adversely affected in any period in which their customers' actual usage of electricity significantly varies from the forecasted usage, which could occur due to, among other factors, ~~weather events,~~ transmission and distribution outages, demand- side management programs, competition and economic conditions, **or extreme weather events,** such as Winter Storm Uri in February 2021. We operate in a very competitive retail market **where** ~~and, as a result,~~ our retail operation faces significant competition for customers. We believe our brands are viewed favorably in ~~the~~ **these** ~~retail electricity~~ markets ~~in which we operate~~ , but despite our commitment to providing superior customer service and innovative products, customer sentiment toward our brands, including by comparison to our competitors' brands, depends on certain factors beyond our control. For example, competitor REPs may offer different products, lower electricity prices and other incentives, which, despite our long- standing relationship with many customers, may attract customers away from us. If we are unable to successfully compete with competitors in the retail market it is possible our retail customer counts could decline, which could have a material adverse effect on us. As we try to grow our retail business and operate our business strategy, we compete with various other REPs that may have certain advantages over us. For example, in new markets, our principal competitor for new customers may be the incumbent REP, which has the advantage of long- standing relationships with its customers, including well- known brand recognition. In addition to competition from the incumbent REP, we may face competition from a number of other energy service providers, other energy industry participants, or nationally branded providers of consumer products and services who may develop businesses that will compete with us. Some of these competitors or potential competitors may be larger than we are or have greater resources or access to capital than we have. ~~If~~ **Competitors may also incorporate AI into** ~~there~~ **their** ~~is inadequate potential margin in~~ **businesses, services, and products more quickly or more successfully than we do. In** retail ~~electricity~~ markets with substantial competition **,** ~~to overcome the adverse effect of relatively~~ high customer acquisition costs ~~in such markets,~~ **may outweigh the potential margin and** it may not be profitable for us to compete in these markets. Our retail operations rely on the infrastructure of local utilities or independent transmission system operators to provide electricity to, and to obtain information about, our customers. Any infrastructure failure could negatively impact customer satisfaction and could have a material adverse effect on us. The substantial majority of our retail operations depend on transmission and distribution facilities owned and operated by unaffiliated utilities to deliver the electricity that we sell to our customers. If transmission capacity is inadequate, our ability to sell and deliver electricity may be hindered and we may have to forgo sales or buy more expensive wholesale electricity than is available in the capacity- constrained area or, with respect to capacity performance in PJM and performance incentives in ISO- NE, we may be subject to significant penalties. For example, during some periods, transmission access is constrained in some areas of the Dallas- Fort Worth metroplex, where we have a significant number of customers. The cost to provide service to these customers may exceed the cost to provide service to other customers, resulting in lower operating margins. In addition, any infrastructure failure that interrupts or impairs delivery of electricity to our customers could negatively impact customer satisfaction with our service. Any of the foregoing could have a material adverse effect on us. **Our** ~~The operation of our~~ businesses ~~is subject to advanced persistent cyber- based security~~ **depend on the secure and reliable storage, processing and communication of electronic data and sophisticated computer hardware and software systems. Our information technology systems and infrastructure, and those of our vendors and suppliers, face constant** threats **that have in the past** and **could in the future compromise data confidentiality,** integrity **,** ~~risk. Attacks on our~~ - **or availability. While we have controls in place designed to protect our information technology (IT)** infrastructure ~~that~~ **, such breaches and threats are becoming increasingly sophisticated and complex, requiring the continuing evolution of our program. A** breach **or similar IT incident** ~~cyber / data security measures~~ could **interrupt normal** ~~expose us to significant liabilities, reputational damage, regulatory action, and disrupt~~ business operations **and affect our ability to use our generation assets, customer**

information, or communication systems , which could have a material adverse effect on us. **Potential disruptions from cyber /** ~~Numerous functions affecting the efficient operation of our businesses are dependent on the secure and reliable storage, processing and communication of electronic~~ data and **physical security** ~~the use of sophisticated computer hardware and software systems and much of our information technology infrastructure is connected (directly or indirectly) to the internet. Our information technology systems and infrastructure, and those of our vendors and suppliers, are susceptible to threats which could compromise confidentiality, integrity or availability. While we have controls in place designed to protect our infrastructure, such~~ breaches ~~and threats are becoming increasingly sophisticated and complex, requiring continuing evolution of our program. Any such breach, disruption or similar event that impairs our information technology infrastructure could disrupt normal business operations and affect our ability~~ to ~~control our generation assets, maintain confidentiality, availability and integrity of our restricted data, access retail customer information and limit communication with third parties, which could have a material adverse effect on us. As part of the continuing development of new and modified reliability standards, the FERC has approved changes to its Critical Infrastructure Protection reliability standards and has established standards for assets identified as~~ " critical cyber assets ~~.~~ " ~~Under~~ **that interrupt** the **delivery** ~~Energy Policy Act~~ of ~~2005,~~ **power to** the ~~FERC can impose~~ **Bulk Electric System could incur** penalties ~~(~~ **of** up to $ 1 million per ~~day, per~~ violation ~~)~~ for failure to comply with mandatory electric reliability standards **by FERC under** ~~, including standards to protect~~ the **Energy Policy Act of 2005** ~~power system against potential disruptions from cyber / data and physical security breaches~~ . Further, our retail business requires us to **regularly** access, collect, store **,** and transmit **customer data, including** sensitive customer data ~~in the ordinary course of business~~ . **New** ~~Concerns about data privacy and data protection have led to increased regulation and other actions that could impact our businesses and changes in~~ data privacy and data protection laws and regulations **, increased enforcement, and other government actions could impact** ~~or~~ **our** ~~any~~ **businesses and** failure to comply with **them** ~~such laws and regulations~~ could adversely affect our business and financial results. Our retail business may need to provide **access to customer data, including** sensitive customer data **,** to ~~vendors~~ **third parties** and service providers ~~who require access to this information in order~~ to provide services, such as call center operations **. Under new data protection laws** , ~~to~~ **in certain circumstances, Vistra could incur liability for a third- party or service provider' s misuse or loss of** the **data** ~~retail business~~ . Although we take precautions to protect our infrastructure, we have been, and will likely continue to be, subject to attempts at phishing and other cybersecurity intrusions. International conflict increases the risk of state- sponsored cyber threats and escalated use of cybercriminal and cyber- espionage activities. In particular, the current geopolitical climate has further escalated cybersecurity risk, with various government agencies, including the **Federal Bureau of Investigation (FBI) and the** U. S. Cybersecurity & Infrastructure Security Agency, issuing warnings of increased cyber threats, particularly for U. S. critical infrastructure. ~~While~~ **As of the date of this report,** the Company has not ~~experienced~~ **identified** a cyber / data event causing any material operational, reputational or financial impact **. However** , we recognize the growing threat within the general marketplace and our industry, ~~and~~ **especially as generative AI becomes more widely used by threat actors.** ~~there~~ **There** is no assurance that we will be able to prevent any such impacts in the future. ~~If~~ **In the event of** a material **cyber** breach ~~of our information technology systems were to occur~~ , ~~the~~ critical operational capabilities ~~and~~ **to support our generation, commercial, or retail operations could be disrupted or lost. Additionally, customer, confidential, or proprietary data could be compromised, misused, or inappropriately disclosed. If critical operational capabilities or data were impacted, it could adversely affect our** reputation ~~of our business may be adversely affected~~ , **diminish** customer confidence ~~may be diminished~~ , ~~and~~ **expose us to legal or regulatory claims, impair** our business **strategy, or impact** ~~may be subject to substantial legal or~~ **our results** ~~regulatory scrutiny and claims, any~~ of **operation or financial condition,** which **could** ~~may contribute to potential legal or regulatory actions against the Company, loss of customers and otherwise~~ have a material adverse effect on us. **Our** ~~Any loss or disruption of critical operational capabilities to support our generation, commercial or retail operations, loss of customers, or loss of confidential or proprietary data through a breach, unauthorized access, disruption, misuse or disclosure could adversely affect our reputation, expose us to material legal or regulatory claims and impair our ability to execute our business strategy, which could have a material adverse effect on us. In addition, we may experience increased capital and operating costs to implement increased security for our information technology infrastructure. We cannot provide any assurance that such events and impacts will not be material in the future, and our~~ efforts to deter, identify **,** and mitigate future breaches may require additional **,** significant capital **and operating costs** and may not be successful. We may suffer material losses, costs and liabilities due to operation risks, regulatory risks, and the risk of nuclear accidents arising from the ownership and operation of the Comanche Peak nuclear generation facility. We own and operate a nuclear generation facility in Glen Rose, Texas (Comanche Peak Facility). The ownership and operation of a nuclear generation facility involves certain risks. These risks include: • unscheduled outages or unexpected costs due to equipment, mechanical, structural, cybersecurity, insider threat, third- party compromise or other problems; • inadequacy or lapses in maintenance protocols; • the impairment of reactor operation and safety systems due to human error or force majeure; • the costs of, and liabilities relating to, storage, handling, treatment, transport, release, use and disposal of radioactive materials; • the costs of procuring nuclear fuel, including impacts from restrictions on imports from Russia or China **(see Item 7. Management' s Discussion and Analysis of Financial Condition, and Results of Operations – Significant Activities and Events, and Items Influencing Future Performance – Macroeconomic Conditions)** ; • the costs of storing and maintaining spent nuclear fuel at our on- site dry cask storage facility; • terrorist or cybersecurity attacks by nation- states or other threat actors and the cost to protect and recover against any such attack; • the impact of a natural disaster; • limitations on the amounts and types of insurance coverage commercially available; and • uncertainties with respect to the technological and financial aspects of modifying or decommissioning nuclear facilities at the end of their useful lives. Any prolonged unavailability of the Comanche Peak Facility could have a material adverse effect on our results of operation, cash flows, financial position and reputation. The following are among the more significant related risks: • Operational Risk — Operations at any generation facility could degrade to the point where the facility would have to be shut down. If such

degradations were to occur at the Comanche Peak Facility, the process of identifying and correcting the causes of the operational downgrade to return the facility to operation could require significant time and expense, resulting in both lost revenue and increased fuel and purchased power expense to meet supply commitments. Furthermore, a shut- down or failure at any other nuclear generation facility could cause regulators to require a shut- down or reduced availability at the Comanche Peak Facility. • Regulatory Risk — The NRC may modify, suspend or revoke licenses and impose civil penalties for failure to comply with the Atomic Energy Act, the regulations under it or the terms of the licenses of nuclear generation facilities. Unless extended, as to which no assurance can be given, the NRC operating licenses for the two licensed operating units at the Comanche Peak Facility will expire in 2030 and 2033, respectively. Changes in regulations by the NRC, as well as any extension of our operating licenses, could require a substantial increase in capital expenditures or result in increased operating or decommissioning costs. • Nuclear Accident Risk — Although the safety record of the Comanche Peak Facility and other nuclear generation facilities generally has been very good, accidents and other unforeseen problems have occurred both in the U. S. and elsewhere. The consequences of an accident can be severe and include loss of life, injury, lasting negative health impacts and property damage. Any accident, or perceived accident, could result in significant liabilities and damage our reputation. Any such resulting liability from a nuclear accident could exceed our resources, including insurance coverage, and could ultimately result in the suspension or termination of power generation from the Comanche Peak Facility. The operation and maintenance of power generation facilities and related mining operations involve many risks, including, as applicable, start- up risks, breakdown or failure of facilities, equipment or processes, operator error, lack of sufficient capital to maintain the facilities, the dependence on a specific fuel source, the ability to timely obtain parts for equipment repairs, the inability to transport our product to our customers in an efficient manner due to the lack of transmission capacity or the impact of unusual or adverse weather conditions or other natural events, or terrorist attacks, as well as the risk of performance below expected levels of output, efficiency or reliability, the occurrence of any of which could result in substantial lost revenues and / or increased expenses. A significant number of our facilities were constructed many years ago. Older ~~generating~~ **generation** equipment, even if maintained or refurbished in accordance with good engineering practices, may require significant capital expenditures to operate at peak efficiency or reliability. The risk of increased maintenance and capital expenditures arises from (a) increased starting and stopping of generation equipment due to the volatility of the competitive generation market and the prospect of continuing low wholesale electricity prices that may not justify sustained or year- round operation of all our generation facilities, (b) any unexpected failure to generate power, including failure caused by equipment breakdown or unplanned outage (whether by order of applicable governmental regulatory authorities, the impact of weather events or natural disasters or otherwise), (c) damage to facilities due to storms, natural disasters, wars, terrorist or ~~cyber / data security~~ **cybersecurity** ~~acts~~ **attacks** , including nation-state attacks or organized ~~cyber~~ **cybercrime** and other catastrophic events and (d) the passage of time and normal wear and tear. Further, our ability to successfully and timely complete routine maintenance or other capital projects at our existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, we could be subject to additional costs or losses and write downs of our investment in the project. We cannot be certain of the level of capital expenditures that will be required due to changing environmental and safety laws and regulations (including changes in the interpretation or enforcement thereof), needed facility repairs ~~and unexpected events (such as environmental impacts, natural disasters or terrorist or cyber / data security attacks)~~ . The unexpected requirement of large capital expenditures could have a material adverse effect on us. Moreover, if we significantly modify a unit, we may be required to install the best available control technology or to achieve the lowest achievable emission rates as such terms are defined under the new source review provisions of the CAA, which would likely result in substantial additional capital expenditures. In addition, unplanned outages at any of our generation facilities, whether because of equipment breakdown or otherwise, typically increase our operation and maintenance expenses and may reduce our revenues as a result of selling fewer MWh or non- performance penalties or require us to incur significant costs as a result of running one of our higher cost units or to procure replacement power at spot market prices in order to fulfill contractual commitments. If we do not have adequate liquidity to meet margin and collateral requirements, we may be exposed to significant losses, may miss significant opportunities and may have increased exposure to the volatility of spot markets, which could have a material adverse effect on us. Further, our inability to operate our generation facilities efficiently, manage capital expenditures and costs, and generate earnings and cash flows from our asset- based businesses could have a material adverse effect on our results of operations, financial condition or cash flows. While we maintain insurance, obtain warranties from vendors and obligate contractors to meet certain performance levels, the proceeds of such insurance, warranties or performance guarantees may not be adequate to cover our lost revenues, increased expenses or liquidated damages payments should we experience equipment breakdown or non- performance by contractors or vendors. Operation of power generation facilities involves significant risks and hazards customary to the power industry that could have a material adverse effect on our revenues and results of operations, and we may not have adequate insurance to cover these risks and hazards. Our employees, contractors, customers and the general public may be exposed to a risk of injury due to the nature of our operations. Power generation involves hazardous activities, including acquiring, transporting and unloading fuel, operating large pieces of equipment and delivering electricity to transmission and distribution systems. In addition to natural risks such as extreme weather, earthquake, flood, lightning, hurricane and wind, other human- made hazards, such as nuclear accidents, dam failure, gas or other explosions, mine area collapses, fire, structural collapse, machinery failure and other dangerous incidents are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment, contamination of, or damage to, the environment and suspension of operations. Further, our employees and contractors work in, and customers and the general public may be exposed to, potentially dangerous environments at or near our operations. As a result, employees, contractors, customers and the general public are at risk for serious injury, including loss of life. The occurrence of any one of these events may result in us being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental cleanup costs, personal

injury and property damage and fines and / or penalties. We maintain an amount of insurance protection that we consider adequate, but we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject and, even if we do have insurance coverage for a particular circumstance, we may be subject to a large deductible and maximum cap. A successful claim for which we are not fully insured could hurt our financial results and materially harm our financial condition. Further, due to rising insurance costs and changes in the insurance markets, including increasing pressure on firms that provide insurance to companies that own and operate fossil fuel generation, we cannot provide any assurance that our insurance coverage will continue to be available at all or at rates or on terms similar to those presently available. Any losses not covered by insurance could have a material adverse effect on our financial condition, results of operations or cash flows. We have been and may in the future be materially and adversely affected by obligations to comply with federal and state regulations, laws, and other legal requirements that govern the operations, assessments, storage, closure, corrective action, disposal and monitoring relating to CCR. As a result of electricity produced for decades at coal- fueled power plants in Illinois, Texas and Ohio, we manage large amounts of CCR material in surface impoundments. In addition to the federal requirements under the CCR rule, CCR surface impoundments will continue to be regulated by existing state laws, regulations and permits, as well as additional legal requirements that may be imposed in the future. These federal and state laws, regulations and other legal requirements may require or result in additional expenditures, increased operating and maintenance costs and / or result in closure of certain power ~~generating~~ **generation** facilities, which could affect the results of operations, financial position and cash flows of the Company. We have recognized ARO related to these CCR- related requirements. As the closure and CCR management work progresses and final closure plans and corrective action measures are developed and approved at each site, the scope and complexity of work and the amount of CCR material could be greater than current estimates and could, therefore, materially impact earnings through increased compliance expenditures. The EPA has been directed by the Biden Administration to review a number of environmental rules adopted by the EPA during the Trump Administration, including the CCR rule, the ELG rule, the ACE rule and the particulate matter (PM) and NAAQS rules. All of these rules may significantly and adversely impact our existing coal fleet and may lead to accelerated plant closure timeframes. In addition, the **new GHG rule** expected ~~replacement~~ to **be finalized this year and** the ~~ACE~~ **PM2. 5 NAAQS** rule ~~and~~ **released this year along with other** NAAQS ~~also~~ **that may be issued in the future** have the potential to adversely impact our **natural** gas- fired units. The EPA is reviewing applications submitted by us to extend closure deadlines for many of our CCR impoundments. The scope and cost of that closure work could increase significantly based on new or potential requirements imposed by the EPA or state agencies, including the EPA' s interpretations on requirements for closure of CCR units. There is no assurance that our current assumptions for closure activities will be accepted by the EPA **or state agencies** . If ponds must be closed sooner than anticipated, plant closures timeframes may be accelerated. The availability and cost of emission allowances could adversely impact our costs of operations. We are required to maintain, through either allocations or purchases, sufficient emission allowances for SO2, CO2 and NOX to support our operations in the ordinary course of operating our power generation facilities. These allowances are used to meet the obligations imposed on us by various applicable environmental laws. If our operational needs require more than our allocated allowances, we may be forced to purchase such allowances on the open market, which could be costly. If we are unable to maintain sufficient emission allowances to match our operational needs, we may have to curtail our operations so as not to exceed our available emission allowances or install costly new emission controls. As we use the emission allowances that we have purchased on the open market, costs associated with such purchases will be recognized as operating expense. If such allowances are available for purchase, but only at significantly higher prices, the purchase of such allowances could materially increase our costs of operations in the affected markets. We have been and may in the future be materially ~~and adversely affected by the effects of extreme weather conditions and seasonality. We have been and may in the future be materially~~ affected by weather conditions and our businesses may fluctuate substantially on a seasonal basis as the weather changes. In addition, we are subject to the effects of extreme weather conditions, including sustained or extreme cold or hot temperatures, hurricanes, floods, droughts, storms, fires, earthquakes or other natural disasters, which could stress our generation facilities and grid reliability, limit our ability to procure adequate fuel supply, or result in outages, damage or destroy our assets and result in casualty losses that are not ultimately offset by insurance proceeds, and could require increased capital expenditures or maintenance costs, including supply chain costs. Moreover, an extreme weather event could cause disruption in service to customers due to downed wires and poles or damage to other operating equipment, which could result in us foregoing sales of electricity and lost revenue. Similarly, certain extreme weather events have previously affected, and may in the future, affect, the availability of generation and transmission capacity, limiting our ability to source or deliver power where it is needed or limit our ability to source fuel for our plants, including due to damage to rail or natural gas pipeline infrastructure. Additionally, extreme weather has resulted, and may in the future result, in (i) unexpected increases in customer load, requiring our retail operation to procure additional electricity supplies at wholesale prices in excess of customer sales prices for electricity, (ii) the failure of equipment at our generation facilities, (iii) a decrease in the availability of, or increases in the cost of, fuel sources, including natural gas, diesel and coal, or (iv) unpredictable curtailment of customer load by the applicable ISO / RTO in order to maintain grid reliability, resulting in the realization of lower wholesale prices or retail customer sales. For example, Winter Storm Uri in February 2021 had a material impact on our results of operations. Additionally, climate change may produce changes in weather or other environmental conditions, including temperature or precipitation levels, and thus may impact consumer demand for electricity. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods, and other climatic events, could disrupt our operations and cause us to incur significant costs to prepare for or respond to these effects. Weather conditions, which cannot be reliably predicted, could have adverse consequences by requiring us to seek additional sources of electricity when wholesale market prices are high or to sell excess electricity when market prices are low, as well as significantly limiting the supply of, or increasing the cost of our fuel supply, each of which could have a material

adverse effect on our business, results of operations, financial condition and liquidity. We face risks related to epidemics, outbreaks or other public health events that are outside of our control, and could significantly disrupt our operations and adversely affect our financial condition. The global or national outbreak of an illness or other communicable disease, or any other public health crisis ~~, such as COVID- 19,~~ may cause disruptions to our business and operational plans, as a result of a number of factors, including (a) a protracted slowdown of broad sectors of the economy, (b) changes in demand or supply for commodities, (c) significant changes in legislation or regulatory policy to address the pandemic (including prohibitions on certain marketing channels, moratoriums or conditions on disconnections or limits or restrictions on late fees), (d) reduced demand for electricity (particularly from commercial and industrial customers), (e) increased late or uncollectible customer payments, (f) negative impacts on the health of our workforce, (g) a deterioration of our ability to ensure business continuity (including increased vulnerability to cyber and other information technology risks as a result of a significant portion of our workforce continuing to work from home), and (h) the inability of the Company' s contractors, suppliers, and other business partners to fulfill their contractual obligations. **Changes in technology, increased electricity conservation efforts, or energy sustainability efforts may reduce the value of our business, introduce new or emerging risks, and may otherwise have a material adverse effect on us. If we cannot adopt technological developments on a timely basis, demand for our services may decline, or we may face challenges in implementing or evolving our business strategy. Significant technological changes continue to impact our industry. To grow and remain competitive, we will need to adapt to changes in available technology like generative AI, continually invest in our assets, increase generation capacity, increase our use of renewable technologies, enhance our existing offerings, and introduce new offerings to meet our current and potential customers' changing service demands. Competitors may incorporate AI into their businesses, services, and products more quickly or more successfully than we do. Adopting new and sophisticated technologies may result in implementation issues, such as scheduling and supplier delays, unexpected or increased costs, technological constraints, regulatory issues, customer dissatisfaction, and other issues that could cause delays in launching new technological capabilities, which in turn could result in significant costs or reduce the anticipated benefits of the upgrades. As we adopt new technologies, like AI, there is a risk that the content, analyses, recommendations, or judgments that AI applications assist in producing are alleged to be deficient, inaccurate, biased, or infringe on other' s rights or property interests. Our new services could fail to retain or gain acceptance in the marketplace, or costs associated with these services could be higher than anticipated. As such, our adoption of technology or failure to adopt technology could have a material adverse effect on our business, brand, financial condition, business strategy, and operating results.** Technological advances have improved, and are likely to continue to improve, for existing and alternative methods to produce and store power, including **natural** gas turbines, wind turbines, fuel cells, hydrogen, micro turbines, photovoltaic (solar) cells, batteries and concentrated solar thermal devices, along with improvements in traditional technologies. Such technological advances may be superior to, or may not be compatible with, some of our existing technologies, investments and infrastructure, and may require us to make significant expenditures to remain competitive, and have resulted, and are expected to continue to reduce the costs of power production or storage, which may result in the obsolescence of certain of our operating assets. Consequently, the value of our more traditional generation assets could be significantly reduced as a result of these competitive advances, which could have a material adverse effect on us and our future success will depend, in part, on our ability to anticipate and successfully adapt to technological changes, to offer services and products that meet customer demands and evolving industry standards. In addition, changes in technology have altered, and are expected to continue to alter, the channels through which retail customers buy electricity (i. e., self- generation or distributed- generation facilities). To the extent self- generation or distributed generation facilities become a more cost- effective option for customers, our financial condition, operating cash flows and results of operations could be materially and adversely affected. Technological advances in demand- side management and increased conservation efforts have resulted, and are expected to continue to result, in a decrease in electricity demand. A significant decrease in electricity demand as a result of such efforts would significantly reduce the value of our generation assets. Certain regulatory and legislative bodies have introduced or are considering requirements and / or incentives to reduce power consumption. Effective power conservation by our customers could result in reduced electricity demand or significantly slow the growth in such demand. Any such reduction in demand could have a material adverse effect on us. Furthermore, we may incur increased capital expenditures if we are required to increase investment in conservation measures. Additionally, increased governmental and consumer focus on energy sustainability efforts, including desire for, or incentives related to, the development, implementation and usage of low- carbon technology, may result in decreased demand for the traditional generation technologies that we currently own and operate. We may potentially be affected by emerging technologies that may over time affect change in capacity markets and the energy industry overall including distributed generation and clean technology. Some of these emerging technologies are shale gas production, distributed renewable energy technologies, energy efficiency, broad consumer adoption of electric vehicles, distributed generation and energy storage devices. Additionally, large-scale cryptocurrency mining is becoming increasingly prevalent in certain markets, including ERCOT, and many of these cryptocurrency mining facilities are" behind- the- meter." Such emerging technologies could affect the price of energy, levels of customer- owned generation, customer expectations and current business models and make portions of our electric system power supply and transmission and / or distribution facilities obsolete prior to the end of their useful lives. These emerging technologies may also affect the financial viability of utility counterparties and could have significant impacts on wholesale market prices, which could ultimately have a material adverse effect on our financial condition, results of operations and cash flows could be materially adversely affected. The loss of the services of our **"** key **"** management and personnel could adversely affect our ability to successfully operate our businesses. Our future success will depend on our ability to continue to attract and retain highly qualified personnel. We compete for such personnel with many other companies, in and outside of our industry, government entities and other organizations. **Potential** ~~We may not be successful in retaining current personnel or in hiring or~~

~~retaining qualified personnel in the future. Further, we are facing an increasingly competitive market for hiring and retaining skilled employees in certain skill areas, which is exacerbated by the effects of the COVID- 19 pandemic and increased acceptance of hiring remote working employees by our competitors and other companies. Difficulties~~ **difficulties** in attracting and retaining highly qualified **,** skilled employees ~~may~~ **could** restrict our ability to adequately support our business needs and / or result in increased personnel costs. In addition, effective succession planning is important to our long- term success. Failure to timely and effectively ensure transfer of knowledge and smooth transitions involving senior management and other key personnel could hinder our strategic planning and execution. We could be materially and adversely impacted by strikes or work stoppages by our unionized employees. As of December 31, ~~2022~~ **2023** , we had approximately 1, ~~295~~ **200** employees covered by collective bargaining agreements. The terms of all current collective bargaining agreements covering represented personnel engaged in lignite mining operations, lignite-, coal-, natural gas- and nuclear- fueled generation operation, as well as some battery operations, expire on various dates between March ~~2023~~ **2024** and ~~August~~ **March** ~~2025~~ **2028** , but remain effective thereafter unless and until terminated by either party. In the event that our union employees strike, participate in a work stoppage or slowdown or engage in other forms of labor strife or disruption, we would be responsible for procuring replacement labor or we could experience reduced power generation or outages. We have in place strike contingency plans that address the procurement of replacement labor. Strikes, work stoppages or the inability to negotiate current or future collective bargaining agreements on favorable terms or at all could have a material adverse effect on us. Vistra is a holding company and its ability to obtain funds from its subsidiaries is structurally subordinated to existing and future liabilities of its subsidiaries. Vistra is a holding company that does not conduct any business operations of its own. As a result, Vistra' s cash flows and ability to meet its obligations are largely dependent upon the operating cash flows of Vistra' s subsidiaries and the payment of such operating cash flows to Vistra in the form of dividends, distributions, loans or otherwise. These subsidiaries are separate and distinct legal entities from Vistra and have no obligation (other than any existing contractual obligations) to provide Vistra with funds to satisfy its obligations. Any decision by a subsidiary to provide Vistra with funds to satisfy its obligations, including those under the TRA, whether by dividends, distributions, loans or otherwise, will depend on, among other things, such subsidiary' s results of operations, financial condition, cash flows, cash requirements, contractual prohibitions and other restrictions, applicable law and other factors. The deterioration of income from, or other available assets of, any such subsidiary for any reason could limit or impair its ability to pay dividends or make other distributions to Vistra. Evolving expectations from stakeholders, including investors, on ESG issues, including climate change and sustainability matters, and erosion of stakeholder trust or confidence could influence actions or decisions about our company and our industry and could adversely affect our business, operations, financial results or stock price. Companies across all industries are facing evolving expectations or increasing scrutiny from stakeholders related to their approach to ESG matters. For Vistra, climate change, safety and stakeholder relations remain primary focus areas, and changing expectations of our practices and performance across these and other ESG areas may impose additional costs or create exposure to new or additional risks. Our operations, projects and growth opportunities require us to have strong relationships with key stakeholders, including local communities and other groups directly impacted by our activities, as well as governments and government agencies, investor advocacy groups, certain institutional investors, investment funds and others which are increasingly focused on ESG practices. Certain financial institutions have announced policies to presently or in the future cease investing or to divest investments in companies that derive any or a specified portion of their income from, or have any or a specified portion of their operations in, **coal and / or other** fossil fuels. While we are strategically focused on successfully adapting to the energy transition and strongly committed to our ESG practices and performance (including transparency and accountability thereof), our plans to transition to clean power generation sources and reduce our carbon footprint may not be completed in the timeframe and we may not achieve our targets as expected, which could impact stakeholder trust and confidence. Any such erosion of stakeholder trust and confidence, evolving expectations from stakeholders on such ESG issues, and such parties' resulting actions or decisions about our company and our industry could have negative impacts on our business, operations, financial results, and stock price, including: • negative stakeholder sentiment toward us and our industry, including concerns over environmental or sustainability matters and potential changes in federal and state regulatory actions related thereto; • loss of business or loss of market share, including to competitors who do not have any, or comparable amounts, of operations involving fossil fuels; • loss of ability to secure growth opportunities; • the inability to, or increased difficulties and costs of, obtaining services, materials, or insurance from third parties; • reductions in our credit ratings or increased costs of, or limited access to, capital; • delays in project execution; • legal action; • inability or limitations on ability to receive applicable government subsidies, or competitors with smaller or no fossil operations receiving subsidies for which we are not eligible, or in larger amounts; • increased regulatory oversight; • loss of ability to obtain and maintain necessary approvals and permits from governments and regulatory agencies on a timely basis and on acceptable terms; • impediments on our ability to acquire or renew rights- of- way or land rights on a timely basis and on acceptable terms; • changing investor sentiment regarding investment in the power and utilities industry or our company; • restricted access to and cost of capital; and • loss of ability to hire and retain top talent. **The** ~~In November 2018, we announced that the~~ Board ~~had~~ **has** adopted a dividend program which we initiated in the first quarter of 2019. Each dividend under the program will be subject to declaration by the Board and, thus, may be subject to numerous factors in existence at the time of any such declaration including, but not limited to, prevailing market conditions, our results of operations, financial condition and liquidity, contractual prohibitions and other restrictions with respect to the payment of dividends. There is no assurance that the Board will declare, or that we will pay, any dividends on our common stock in the future. **The** ~~In October 2021, our~~ Board **has** approved a share repurchase program ~~under which up to~~ **in an aggregate authorized amount of** $ ~~2~~ **5** . **75** ~~0 billion of our outstanding common stock may be repurchased. In August 2022, our Board authorized an incremental $ 1. 25 billion for repurchases to bring the total authorized under the share repurchase program to $ 3. 25~~ billion. Under this share repurchase program or any other future share repurchase programs, we may make share repurchases through a variety of methods, including open share market purchases or privately negotiated

transactions. The timing and amount of repurchases, if any, will depend on factors such as the stock price, economic and market conditions, and corporate and regulatory requirements. Any failure to repurchase shares after we have announced our intention to do so may negatively impact our reputation, investor confidence and the price of our common stock. Holders of our preferred stock may have interests and rights that are different from our common stockholders. We are permitted under our certificate of incorporation to issue up to 100, 000, 000 shares of preferred stock. We can issue shares of our preferred stock in one or more series and can set the terms of the preferred stock without seeking any further approval from our common stockholders. Any preferred stock that we issue may rank ahead of our common stock in terms of dividend priority or liquidation premiums and may have greater voting rights than our common stock, which could dilute the value of our common stock to current stockholders and could adversely affect the market price of our common stock. As of December 31, ~~2022~~ **2023** , 1, 000, 000 shares of Series A Preferred Stock ~~and~~ **,** 1, 000, 000 shares of Series B **Preferred Stock, and 476, 081 shares of Series C** Preferred Stock were issued and outstanding. The Preferred Stock represents a perpetual equity interest in the Company and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date; provided, the Company may redeem the Preferred Stock at the specified times (or upon certain specified events) at the applicable redemption price set forth in the certificate of designation of each of the Series A Preferred Stock ~~and~~ **,** Series B **Preferred Stock, and Series C** Preferred Stock, respectively (Certificates of Designation). The Preferred Stock is not convertible into or exchangeable for any other securities of the Company. Upon the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, after payment or provision for payment of the debts and other liabilities of the Company, the holders of Preferred Stock will be entitled to receive, pro rata and in preference to the holders of any other capital stock, an amount per share equal to $ 1, 000 plus accrued and unpaid dividends thereon, if any. Unless we have received the affirmative vote or consent of the holders of at least two- thirds of the outstanding Series A Preferred Stock ~~and~~ **,** the holders of at least two- thirds of the outstanding Series B Preferred Stock **and the holders of at least two- thirds of the outstanding Series C Preferred Stock** , **each** voting as a separate class, we may not adopt any amendment to our certificate of incorporation (including the applicable Certificates of Designation) that would have a material adverse effect on the powers, preferences, duties, or special rights of such series of Preferred Stock, subject to certain exceptions. In addition, unless we have received the affirmative vote or consent of the holders of at least two- thirds of the outstanding Series A Preferred Stock ~~and~~ **,** the holders of at least two- thirds of the outstanding Series B **Preferred Stock and the holders of at least two- thirds of the outstanding Series C** Preferred Stock, voting as a class together with the holders of any parity securities upon which like voting rights have been conferred and are exercisable, we may not: (i) create or issue any senior securities, (ii) create or issue any parity securities (including any additional Preferred Stock) if the cumulative dividends payable on the outstanding Preferred Stock (or parity securities, if applicable) are in arrears; (iii) create or issue any additional Preferred Stock or any parity securities with an aggregate liquidation preference, together with the issued and outstanding Preferred Stock and any parity securities that are then outstanding, of greater than $ 2. 5 billion, and (iv) engage in any Transaction that results in a Covered Disposition (as such terms are defined in the Certificates of Designation). In addition, holders of the Preferred Stock are entitled to receive, when, as, and if declared by our Board, semi- annual cash dividends on the Preferred Stock, which are cumulative from the applicable initial issuance date of the Preferred Stock and payable in arrears, and unless full cumulative dividends have been or contemporaneously are being paid or declared on the Preferred Stock, we may not (i) declare or pay any dividends on any junior securities, including our common stock, or (ii) redeem or repurchase any parity securities or junior securities, subject to limited exceptions set forth in the Certificates of Designation. There is no assurance that the Board will declare, or that we will pay, any dividends on our Preferred Stock in the future. The holders of Preferred Stock (along with any parity securities then outstanding with similar rights) are entitled to elect two additional directors in the event any dividends on Preferred Stock are in arrears for three or more semi- annual dividend periods (whether or not consecutive), and such directors may have competing and different interests to those elected by our common stockholders. The dividend rate for the Series A Preferred Stock from and including the initial issuance date of October 15, 2021 until the first reset date of October 15, 2026 will be 8. 0 % per annum of the $ 1, 000 liquidation preference per share of Series A Preferred Stock. The dividend rate for the Series B Preferred Stock from and including the initial issuance date of December 10, 2021 until the first reset date of December 15, 2026 will be 7. 0 % per annum of the $ 1, 000 liquidation preference per share of Series B Preferred Stock. **The dividend rate for the Series C Preferred Stock from and including the initial issuance date of December 29, 2023 until the first reset date of January 15, 2029 will be 8. 875 % per annum of the $ 1, 000 liquidation preference per share of Series C Preferred Stock.** On and after the first reset date of the Series A Preferred Stock, the dividend rate on the Series A Preferred Stock for each subsequent five- year period (each, a Reset Period) will be adjusted based upon the applicable Treasury rate, plus a spread of 6. 93 % per annum; provided that the applicable Treasury rate for each Reset Period will not be lower than 1. 07 %. On and after the first reset date of the Series B Preferred Stock, the dividend rate on the Series B Preferred Stock for each Reset Period will be adjusted based upon the applicable Treasury rate, plus a spread of 5. 74 % per annum; provided that the applicable Treasury rate for each Reset Period will not be lower than 1. 26 %. **On and after the first reset date of the Series C Preferred Stock, the dividend rate on the Series C Preferred Stock for each Reset Period will be adjusted based upon the applicable Treasury rate, plus a spread of 5. 045 % per annum; provided that the applicable Treasury rate for each Reset Period will not be lower than 3. 830 %.** In the event that the Company does not exercise its option to redeem all the shares of Preferred Stock within 120 days after the first date on which a Change of Control Trigger Event (as defined in the Certificate of Designation) occurs, the then- applicable dividend rate for the Preferred Stock will be increased by 5. 00 %.