

NRG REMA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three Months Ended June 30, | |
|--|------------------------------------|-----------------------|
| | 2017 | 2016 |
| | (In thousands) | (In thousands) |
| Operating revenues: | | |
| Operating revenues | \$ 510 | \$ 688 |
| Operating revenues - affiliate | 54,899 | 40,797 |
| Other revenue | 2,935 | 2,835 |
| Total operating revenues | <u>58,344</u> | <u>44,320</u> |
| Operating costs and expenses: | | |
| Cost of operations | 33,677 | 32,666 |
| Cost of operations - affiliate | 12,936 | 7,887 |
| Facilities leases | 7,348 | 7,347 |
| Depreciation and amortization | 6,909 | 6,122 |
| General and administrative - affiliate | 10,488 | 9,239 |
| Total operating costs and expenses | <u>71,358</u> | <u>63,261</u> |
| Operating loss | <u>(13,014)</u> | <u>(18,941)</u> |
| Other income / (expense): | | |
| Interest expense | (239) | (333) |
| Interest expense - affiliate | (21,407) | (19,019) |
| Other income, net | 123 | 162 |
| Total other expense, net | <u>(21,523)</u> | <u>(19,190)</u> |
| Loss Before Income Taxes | <u>(34,537)</u> | <u>(38,131)</u> |
| Income tax benefit | 1,513 | - |
| Net Loss | <u>\$ (33,024)</u> | <u>\$ (38,131)</u> |

NRG REMA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

Six Months Ended June 30,

| | 2017 | 2016 |
|--|--------------------|--------------------|
| | (In thousands) | (In thousands) |
| Operating revenues: | | |
| Operating revenues | \$ 1,008 | \$ 1,473 |
| Operating revenues - affiliate | 108,194 | 87,012 |
| Other revenue | 5,870 | 5,670 |
| Total operating revenues | <u>115,072</u> | <u>94,155</u> |
| Operating costs and expenses: | | |
| Cost of operations | 67,695 | 67,674 |
| Cost of operations - affiliate | 23,969 | 15,691 |
| Facilities leases | 14,695 | 14,694 |
| Depreciation expense | 13,739 | 11,927 |
| General and administrative - affiliate | 21,079 | 19,052 |
| Total operating costs and expenses | <u>141,177</u> | <u>129,038</u> |
| Operating loss | <u>(26,105)</u> | <u>(34,883)</u> |
| Other (expense)/income: | | |
| Interest expense | (477) | (753) |
| Interest expense - affiliate | (42,283) | (38,315) |
| Other income, net | 212 | 307 |
| Total other expense, net | <u>(42,548)</u> | <u>(38,761)</u> |
| Loss Before Income Taxes | <u>(68,653)</u> | <u>(73,644)</u> |
| Income tax benefit | 1,513 | - |
| Net Loss | <u>\$ (67,140)</u> | <u>\$ (73,644)</u> |

NRG REMA, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)

| | June 30, 2017 | December 31, 2016 |
|--|----------------------|--------------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 94,144 | \$ 99,500 |
| Accounts receivable | 669 | 1,877 |
| Accounts receivable—affiliate | 15,491 | 21,147 |
| Inventory | 52,383 | 50,506 |
| Prepayments and other current assets | 41,713 | 41,628 |
| Total current assets | 204,400 | 214,658 |
| Property, plant and equipment: | | |
| In service | 410,877 | 406,835 |
| Under construction | 5,325 | 4,597 |
| Total property, plant and equipment | 416,202 | 411,432 |
| Less accumulated depreciation and amortization | (82,275) | (68,977) |
| Net property, plant and equipment | 333,927 | 342,455 |
| Other assets: | | |
| Intangible assets, net | 150 | 157 |
| Other noncurrent assets | 54,888 | 63,207 |
| Total other assets | 55,038 | 63,364 |
| Total assets: | \$ 593,365 | \$ 620,477 |
| Liabilities and Member's Deficit | | |
| Current liabilities: | | |
| Current portion of capital lease | \$ 335 | \$ 328 |
| Accounts payable | 13,834 | 19,183 |
| Subordinated accounts and interest payable, net - affiliate | 906,790 | 879,634 |
| Subordinated interest payable on subordinated note payable - affiliate | 348,539 | 323,271 |
| Accrued expenses and other current liabilities | 7,731 | 7,705 |
| Total current liabilities | 1,277,229 | 1,230,121 |
| Other noncurrent liabilities: | | |
| Long-term portion of capital lease | 1,366 | 1,535 |
| Out-of-market contracts | 135,057 | 140,647 |
| Other noncurrent liabilities | 47,920 | 49,241 |
| Subordinated note payable - affiliate: | 543,563 | 543,563 |
| Total noncurrent liabilities | 727,906 | 734,986 |
| Total liabilities: | 2,005,135 | 1,965,107 |
| Member's deficit: | | |
| Common stock; no par value (1,000 shares authorized, issued and outstanding) | - | - |
| Capital deficit | (1,134,428) | (1,134,428) |
| Accumulated deficit | (277,342) | (210,202) |
| Total member's deficit: | (1,411,770) | (1,344,630) |
| Total liabilities and member's deficit: | \$ 593,365 | \$ 620,477 |

NRG REMA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

| | Six months ended June 30, | |
|--|---------------------------|-------------|
| | 2017 | 2016 |
| | (In thousands) | |
| Cash flows from operating activities: | | |
| Net loss | \$ (67,140) | \$ (73,644) |
| Adjustments to reconcile net loss to net cash provided by operating activities | | |
| Depreciation expense | 13,739 | 11,927 |
| Accretion of asset retirement obligation | 1,434 | 1,651 |
| Amortization of intangible assets and out-of-market contracts | (5,583) | (5,596) |
| Changes in assets and liabilities: | | |
| Prepayments and other current assets | (85) | 3,162 |
| Accounts receivable and payable - affiliate | 5,656 | 2,797 |
| Subordinated accounts and interest payable, net - affiliate | 27,156 | 40,184 |
| Subordinated interest payable on subordinated note payable - affiliate | 25,268 | 25,408 |
| Other assets and liabilities | 3,275 | 8,809 |
| Net cash (used)/provided by operating activities | 3,720 | 14,698 |
| Cash flows from investing activities: | | |
| Capital expenditures | (8,907) | (57,480) |
| Net cash used by investing activities | (8,907) | (57,480) |
| Cash flows from financing activities: | | |
| Payments for capital lease | (169) | (162) |
| Net cash used by financing activities | (169) | (162) |
| Net decrease in cash and cash equivalents | (5,356) | (42,944) |
| Cash and cash equivalents, beginning of period | 99,500 | 191,894 |
| Cash and cash equivalents, end of period | \$ 94,144 | \$ 148,950 |