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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Under §240.14a-12

Dynegy Inc.
(Name of Registrant as Specified in its Charter)

N/A
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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JOINT PROXY STATEMENT AND PROSPECTUS

MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT

January 25, 2018

To the Stockholders of Vistra Energy Corp. and the Stockholders of Dynegy Inc.:

The board of directors (the "Vistra Energy Board") of Vistra Energy Corp. ("Vistra Energy") and the board of directors (the "Dynegy Board") of Dynegy Inc. ("Dynegy") each has approved an Agreement and Plan of Merger, dated as of October 29, 2017 (the "Merger Agreement"), by and between Vistra Energy and Dynegy, pursuant to which Dynegy will, subject to certain regulatory approvals, stockholder approvals and other customary closing conditions, merge with and into Vistra Energy (the "Merger"), with Vistra Energy continuing as the surviving corporation. The combined company resulting from the Merger will retain the name "Vistra Energy Corp." and will continue to trade on the New York Stock Exchange (the "NYSE") under the symbol "VST".

Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger, each outstanding share of common stock, par value $0.01 per share, of Dynegy (the "Dynegy Common Stock") (other than those owned by Vistra Energy or any wholly owned subsidiary of Vistra Energy, or held in treasury by Dynegy or owned by any wholly owned subsidiary of Dynegy, which will be automatically cancelled and cease to exist) will be converted into the right to receive 0.652 newly issued, fully paid and nonassessable shares of common stock, par value $0.01 per share, of Vistra Energy (the "Vistra Energy Common Stock").

Vistra Energy and Dynegy will each hold a special meeting of its stockholders.

Vistra Energy's special meeting will be held at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201 on March 2, 2018, at 9:00 a.m., Central Time. At the Vistra Energy special meeting, the holders of Vistra Energy Common Stock will be asked (a) to consider and vote on a proposal to adopt the Merger Agreement (the "Merger Proposal"), (b) to consider and vote on a proposal to approve the issuance of Vistra Energy Common Stock to the Dynegy stockholders (the "Stock Issuance") in connection with the Merger as contemplated by the Merger Agreement (the "Stock Issuance Proposal") and (c) to consider and vote on a proposal to approve the adjournment of the Vistra Energy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal and the Stock Issuance Proposal (the "Vistra Energy Adjournment Proposal"). The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal, and "**FOR**" the Vistra Energy Adjournment Proposal.

Dynegy's special meeting will be held at the Chase Center, 601 Travis Street, Houston, Texas 77002 on March 2, 2018, at 10:00 a.m., Central Time. At the Dynegy special meeting, the holders of Dynegy Common Stock will be asked (i) to consider and vote on the Merger Proposal, (ii) to consider and vote in an advisory capacity on compensation payable to executive officers of Dynegy in connection with the Merger (the "Dynegy Compensation Proposal") and (iii) to consider and vote on a proposal to approve the adjournment of the Dynegy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal (the "Dynegy Adjournment Proposal"). The Dynegy Board unanimously recommends that holders of Dynegy Common Stock vote "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal.

This joint proxy statement and prospectus provides you with detailed information about the special meetings of Vistra Energy and Dynegy, the Merger Agreement, the Merger and the other transactions contemplated by the

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Merger Agreement, including the Stock Issuance. **A copy of the Merger Agreement is included as Annex A to this joint proxy statement and prospectus. Vistra Energy and Dynegy encourage you to read this joint proxy statement and prospectus, the Merger Agreement and the other annexes to this joint proxy statement and prospectus carefully and in their entirety. In particular, you should carefully consider the discussion in the section of this joint proxy statement and prospectus entitled "Risk Factors" beginning on page 35.**

Your vote is very important, regardless of the number of shares you own. The Merger cannot be completed unless stockholders of both Vistra Energy and Dynegy approve certain proposals related to the Merger.

Whether or not you plan to attend the Vistra Energy special meeting or the Dynegy special meeting, as applicable, please submit a proxy to vote your shares as promptly as possible to make sure that your shares are represented at the Vistra Energy special meeting or Dynegy special meeting, as applicable. Please note that the failure to vote your Vistra Energy Common Stock or Dynegy Common Stock, as applicable, is the equivalent of a vote against the Merger Proposal.

Thank you in advance for your continued support.

Sincerely,

Curtis A. Morgan
President and Chief Executive Officer
Vistra Energy Corp.

Robert C. Flexon
President and Chief Executive Officer
Dynegy Inc.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities regulatory agency has approved or disapproved of the securities to be issued in connection with the Merger or passed upon the adequacy or accuracy of this joint proxy statement and prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement and prospectus is dated January 25, 2018, and is first being mailed to the stockholders of Vistra Energy and the stockholders of Dynegy on or about January 29, 2018.

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VISTRA ENERGY

6555 Sierra Drive
Irving, Texas 75039

NOTICE OF SPECIAL MEETING TO VISTRA ENERGY STOCKHOLDERS
TO BE HELD ON MARCH 2, 2018

To the Stockholders of Vistra Energy:

A special meeting of stockholders of Vistra Energy Corp., a Delaware corporation ("Vistra Energy"), will be held at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201 on March 2, 2018, starting at 9:00 a.m., Central Time, for the following purposes:

1. to consider and vote on a proposal (the "Merger Proposal") to adopt the Agreement and Plan of Merger, dated as of October 29, 2017 (the "Merger Agreement"), by and between Vistra Energy and Dynegy Inc., a Delaware corporation ("Dynegy"), as it may be amended from time to time, a copy of which is attached as Annex A to the joint proxy statement and prospectus accompanying this notice, pursuant to which, among other things, Dynegy will merge with and into Vistra Energy, with Vistra Energy continuing as the surviving corporation (the "Merger");

2. to consider and vote on a proposal (the "Stock Issuance Proposal") to approve the issuance of shares of Vistra Energy Common Stock in connection with the Merger, as contemplated by the Merger Agreement (the "Stock Issuance"); and

3. to consider and vote on a proposal to approve the adjournment of the Vistra Energy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal and the Stock Issuance Proposal (the "Vistra Energy Adjournment Proposal").

Vistra Energy will transact no other business at the Vistra Energy special meeting or any adjournment or postponement thereof. These items of business are described in the enclosed joint proxy statement and prospectus. The Vistra Energy board of directors (the "Vistra Energy Board") has designated the close of business on January 19, 2018 as the record date for the purpose of determining the holders of shares of Vistra Energy's common stock, par value $0.01 per share (the "Vistra Energy Common Stock") who are entitled to receive notice of, and to vote at, the Vistra Energy special meeting and any adjournments or postponements of the special meeting, unless a new record date is fixed in connection with any adjournment or postponement of the special meeting. Only holders of record of Vistra Energy Common Stock at the close of business on the record date are entitled to notice of, and to vote at, the Vistra Energy special meeting and at any adjournment or postponement of the special meeting.

The Vistra Energy Board has (i) determined that it is in the best interest of Vistra Energy and the holders of Vistra Energy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Vistra Energy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Vistra Energy's consummation of the transactions contemplated thereby, including the Merger and the Stock Issuance, (iv) directed that the adoption of the Merger Agreement and the approval of the Stock Issuance be submitted to a vote at a meeting of the holders of Vistra Energy Common Stock and (v) recommended that the holders of Vistra Energy Common Stock adopt the Merger Agreement and approve the Stock Issuance. **The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "FOR" the Merger Proposal, "FOR" the Stock Issuance Proposal and "FOR" the Vistra Energy Adjournment Proposal.**

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Your vote is very important, regardless of the number of shares of Vistra Energy Common Stock you own. The Merger cannot be completed unless stockholders of both Vistra Energy and Dynegy approve certain proposals related to the Merger. Whether or not you plan to attend the Vistra Energy special meeting, please submit a proxy to vote your shares as promptly as possible to make sure that your shares are represented at the special meeting. Properly executed proxy cards with no instructions indicated on the proxy card will be voted "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal and "**FOR**" the Vistra Energy Adjournment Proposal. Even if you plan to attend the Vistra Energy special meeting in person, Vistra Energy requests that you complete, sign, date and return the enclosed proxy card in the accompanying envelope prior to the special meeting to ensure that your shares will be represented and voted at the special meeting if you are unable to attend.

You may also submit a proxy over the Internet using the Internet address on the enclosed proxy card or by telephone using the toll-free number on the enclosed proxy card. If you submit your proxy through the Internet or by telephone, you will be asked to provide the control number from the enclosed proxy card. If you are not a stockholder of record, but instead hold your shares in "street name" through a broker, bank, trust or other nominee, you must provide a proxy executed in your favor from your broker, bank, trust or other nominee in order to be able to vote in person at the special meeting.

If you do not vote on the Merger Proposal, it will have the same effect as a vote by you against the approval of the Merger Proposal.

If you attend the Vistra Energy special meeting, you may revoke your proxy and vote in person, even if you have previously returned your proxy card or submitted your proxy through the Internet or by telephone. If your Vistra Energy shares are held by a broker, bank, trust or other nominee, and you plan to attend the Vistra Energy special meeting, please bring to the special meeting your statement evidencing your beneficial ownership of your Vistra Energy shares. Please carefully review the instructions in the enclosed joint proxy statement and prospectus and the enclosed proxy card or the information forwarded by your broker, bank, trust or other nominee regarding each of these options.

January 25, 2018
Irving, Texas

By Order of the Vistra Energy Board

Cecily Small Gooch
Senior Vice President, Associate General Counsel, Chief Compliance Officer and Corporate Secretary
Vistra Energy Corp.

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601 Travis Street, Suite 1400
Houston, Texas 77002

NOTICE OF SPECIAL MEETING TO DYNEGY STOCKHOLDERS
TO BE HELD ON MARCH 2, 2018

To the Stockholders of Dynegy:

A special meeting of stockholders of Dynegy Inc., a Delaware corporation ("Dynegy"), will be held at the Chase Center, 601 Travis Street, Houston, Texas 77002 on March 2, 2018, starting at 10:00 a.m., Central Time, for the following purposes:

1. to consider and vote on a proposal (the "Merger Proposal") to adopt the Agreement and Plan of Merger (the "Merger Agreement"), dated as of October 29, 2017, by and between Vistra Energy Corp., a Delaware corporation ("Vistra Energy"), and Dynegy, as it may be amended from time to time, a copy of which is attached as Annex A to the joint proxy statement and prospectus accompanying this notice, pursuant to which, among other things, Dynegy will merge with and into Vistra Energy, with Vistra Energy continuing as the surviving corporation (the "Merger");

2. to consider and vote on a non-binding advisory vote on compensation payable to executive officers of Dynegy in connection with the Merger (the "Dynegy Compensation Proposal"); and

3. to consider and vote on a proposal to approve the adjournment of the Dynegy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal (the "Dynegy Adjournment Proposal").

Dynegy will transact no other business at the Dynegy special meeting or any adjournment or postponement thereof. These items of business are described in the enclosed joint proxy statement and prospectus. The Dynegy board of directors (the "Dynegy Board") has designated the close of business on January 19, 2018 as the record date for the purpose of determining the holders of shares of Dynegy's common stock, par value $0.01 per share (the "Dynegy Common Stock") who are entitled to receive notice of, and to vote at, the Dynegy special meeting and any adjournments or postponements of the special meeting, unless a new record date is fixed in connection with an adjournment or postponement of the special meeting. Only holders of record of Dynegy Common Stock at the close of business on the record date are entitled to notice of, and to vote at, the Dynegy special meeting and at any adjournment or postponement of the special meeting.

The Dynegy Board has unanimously (i) determined that it is in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Dynegy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy's consummation of the transactions contemplated thereby, including the Merger, (iv) directed that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (v) recommended that the holders of Dynegy Common Stock adopt the Merger Agreement. **The Dynegy Board unanimously recommends that holders of Dynegy Common Stock vote "FOR" the Merger Proposal, "FOR" the Dynegy Compensation Proposal and "FOR" the Dynegy Adjournment Proposal.**

Your vote is very important, regardless of the number of shares of Dynegy Common Stock you own. The Merger cannot be completed unless stockholders of both Vistra Energy and Dynegy approve certain proposals related to the Merger. Whether or not you plan to attend the Dynegy special meeting, please submit a proxy to vote your shares as promptly as possible to make sure that your shares are represented

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at the special meeting. Properly executed proxy cards with no instructions indicated on the proxy card will be voted "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal. Even if you plan to attend the Dynegy special meeting in person, Dynegy requests that you complete, sign, date and return the enclosed proxy card in the accompanying envelope prior to the special meeting to ensure that your shares will be represented and voted at the special meeting if you are unable to attend.

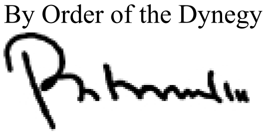
You may also submit a proxy over the Internet using the Internet address on the enclosed proxy card or by telephone using the toll-free number on the enclosed proxy card. If you submit your proxy through the Internet or by telephone, you will be asked to provide the control number from the enclosed proxy card. If you are not a stockholder of record, but instead hold your shares in "street name" through a broker, bank, trust or other nominee, you must provide a proxy executed in your favor from your broker, bank, trust or other nominee in order to be able to vote in person at the special meeting.

If you do not vote on the Merger Proposal, it will have the same effect as a vote by you against the approval of the Merger Proposal.

If you attend the Dynegy special meeting, you may revoke your proxy and vote in person, even if you have previously returned your proxy card or submitted your proxy through the Internet or by telephone. If your Dynegy shares are held by a broker, bank, trust or other nominee, and you plan to attend the Dynegy special meeting, please bring to the special meeting your statement evidencing your beneficial ownership of your Dynegy shares. Please carefully review the instructions in the enclosed joint proxy statement and prospectus and the enclosed proxy card or the information forwarded by your broker, bank, trust or other nominee regarding each of these options.

January 25, 2018
Houston, Texas

By Order of the Dynegy Board



Pat Wood III
Chairman of the Dynegy Board

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ADDITIONAL INFORMATION

This joint proxy statement and prospectus incorporates important business and financial information about Dynegy from other documents that are not included in or delivered with this joint proxy statement and prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement and prospectus by requesting them from Dynegy as follows:

MacKenzie Partners, Inc.
105 Madison Avenue
New York, NY 10016
Toll Free: (800) 322-2885
Email: proxy@mackenziepartners.com

or

601 Travis Street, Suite 1400
Houston, Texas 77002
Telephone: (713) 507-6466
Attention: Investor Relations

If you would like to request any of the Dynegy documents that are incorporated by reference into this joint proxy statement and prospectus, please do so by February 23, 2018 in order to receive them before the Vistra Energy special meeting and the Dynegy special meeting.

Investors may also consult Vistra Energy's or Dynegy's website for more information concerning the Merger and other related transactions described in this joint proxy statement and prospectus. Vistra Energy's website is www.vistraenergy.com. Dynegy's website is www.dynegy.com. Each company's public filings are also available at www.sec.gov. The information contained on Vistra Energy's and Dynegy's websites is not part of this joint proxy statement and prospectus. The references to Vistra Energy's and Dynegy's websites are intended to be inactive textual references only.

For more information, see "Where You Can Find More Information and Incorporation by Reference" beginning on page 309.

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ABOUT THIS JOINT PROXY STATEMENT AND PROSPECTUS

This joint proxy statement and prospectus, which forms part of a registration statement on Form S-4 (Registration Statement No. 333-222049) filed by Vistra Energy with the SEC constitutes a prospectus of Vistra Energy for purposes of the Securities Act of 1933, as amended (the "Securities Act"), with respect to the offering and sale of Vistra Energy Common Stock to be issued to holders of Dynegy Common Stock pursuant to the Merger Agreement, as such agreement may be amended or modified from time to time. This joint proxy statement and prospectus also constitutes a proxy statement for Vistra Energy and Dynegy, respectively, for purposes of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Delaware law. In addition, it constitutes a notice of special meeting to the Vistra Energy stockholders with respect to the Vistra Energy special meeting and a notice of special meeting to the Dynegy stockholders with respect to the Dynegy special meeting.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement and prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement and prospectus. This joint proxy statement and prospectus is dated January 25, 2018, and you should not assume that the information contained in, or incorporated by reference into, this joint proxy statement and prospectus is accurate as of any date other than that date (or, in the case of documents incorporated by reference, their respective dates). Neither the mailing of this joint proxy statement and prospectus to Vistra Energy's stockholders or Dynegy's stockholders nor the Stock Issuance pursuant to the Merger Agreement will create any implication to the contrary.

Certain industry and market data and other statistical information used throughout this joint proxy statement and prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources, including certain data published by ERCOT, the PUCT and NYMEX. Neither Vistra Energy nor Dynegy commissioned any of these publications, reports or other sources.

Some Vistra Energy-related data is also based on good faith estimates, which are derived from Vistra Energy's review of internal surveys, as well as the independent sources listed above. Industry publications, reports and other sources generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While Vistra Energy and Dynegy believe that each of these publications, reports and other sources is reliable, neither party has independently investigated or verified the information contained or referred to therein or makes any representation as to the accuracy or completeness of such information. Forecasts are particularly likely to be inaccurate, especially over long periods of time, and what assumptions were used in preparing such forecasts are often unknown. Statements regarding industry and market data and other statistical information used throughout this joint proxy statement involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

This joint proxy statement and prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement and prospectus regarding Vistra Energy has been provided by Vistra Energy and information contained in this joint proxy statement and prospectus regarding Dynegy has been provided by Dynegy.

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DEFINED TERMS

Unless stated otherwise, when the following terms and abbreviations appear in the text of this joint proxy statement and prospectus, they have the meanings indicated below:

Apollo Entities	collectively, certain affiliates of Apollo Management Holdings L.P.
Brookfield Entities	collectively, certain affiliates of Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P.
CAISO	the California Independent System Operator.
CCGT	combined cycle gas turbine.
CFTC	United States Commodity Futures Trading Commission.
Chapter 11 Cases	cases being heard in the US Bankruptcy Court for the District of Delaware (Bankruptcy Court) concerning voluntary petitions for relief under Chapter 11 of the US Bankruptcy Code (Bankruptcy Code) filed on April 29, 2014 by the Debtors. On the Plan Effective Date, the TCEH Debtors (together with the Contributed EFH Debtors) emerged from the Chapter 11 Cases.
CME	Chicago Mercantile Exchange.
CO_2	carbon dioxide.
Code	the Internal Revenue Code of 1986, as amended.
Contributed EFH Debtors	certain EFH Debtors that became subsidiaries of Vistra Energy on the Plan Effective Date.
CSAPR	Cross-State Air Pollution Rule issued by the EPA in July 2011.
Debtors	EFH Corp. and the majority of its direct and indirect subsidiaries, including EFIH, EFCH and TCEH but excluding the Oncor Ring-Fenced Entities. Prior to the Plan Effective Date, also included the TCEH Debtors and the Contributed EFH Debtors.
Delta Transaction	Dynegy's acquisition, completed on February 7, 2017, through Dynegy's indirect wholly owned subsidiary Atlas Power Finance, LLC, of the GSENA Thermal Assets from International Power S.A.
DGCL	Delaware General Corporation Law.
DIP Facility	TCEH's $3.375 billion debtor-in-possession financing facility, which was repaid in August 2016.
DIP Roll Facilities	TCEH's $4.250 billion debtor-in-possession and exit financing facilities, which was converted to the Vistra Operations Credit Facilities on the Plan Effective Date.
Dynegy	Dynegy Inc., and/or its subsidiaries, depending on context.
Dynegy Adjournment Proposal	the proposal to approve the adjournment of the Dynegy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal.
Dynegy Board	the board of directors of Dynegy.
Dynegy Common Stock	the common stock, par value $0.01 per share, of Dynegy.

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Dynegy Compensation Proposal	the non-binding advisory proposal to approve compensation arrangements for certain Dynegy executive officers in connection with the Merger Agreement, the Merger and the transactions contemplated by the Merger Agreement.
Dynegy Investor Rights Agreement	the investor rights agreement, dated as of February 8, 2017, by and between Dynegy and Terawatt, as amended on September 5, 2017.
Dynegy Stockholder Support Agreements	collectively, the Merger Support Agreement, dated as of October 29, 2017, by and between Vistra Energy and certain affiliates of Oaktree and the Merger Support Agreement, dated as of October 29, 2017, by and between Vistra Energy and Terawatt.
EFCH	Energy Future Competitive Holdings Company LLC, a direct, wholly owned subsidiary of EFH Corp. and, prior to the Plan Effective Date, the indirect parent of the TCEH Debtors, depending on context.
EFH Corp.	Energy Future Holdings Corp. and/or its subsidiaries, depending on context, whose major subsidiaries include Oncor and, prior to the Plan Effective Date, included the TCEH Debtors and the Contributed EFH Debtors.
EFH Debtors	EFH Corp. and its subsidiaries that are Debtors in the Chapter 11 Cases, including EFIH and EFIH Finance Inc., but excluding the TCEH Debtors and the Contributed EFH Debtors.
EFH Shared Services Debtors	collectively: (a) EFH Corporate Services; (b) Dallas Power and Light Company, Inc.; (c) EFH CG Holdings Company LP; (d) EFH CG Management Company LLC; (e) Lone Star Energy Company, Inc.; (f) Lone Star Pipeline Company, Inc.; (g) Southwestern Electric Service Company, Inc.; (h) Texas Electric Service Company, Inc.; (i) Texas Energy Industries Company, Inc.; (j) Texas Power and Light Company, Inc.; (k) Texas Utilities Company, Inc.; (l) Texas Utilities Electric Company, Inc.; and (m) TXU Electric Company, Inc.
EFIH	Energy Future Intermediate Holding Company LLC, a direct, wholly owned subsidiary of EFH Corp. and the direct parent of Oncor Holdings.
Emergence	emergence of the TCEH Debtors and the Contributed EFH Debtors from the Chapter 11 Cases as subsidiaries of a newly formed company, Vistra Energy, on the Plan Effective Date.
EPA	U.S. Environmental Protection Agency.
ERCOT	Electric Reliability Council of Texas, Inc., the ISO and the regional coordinator of various electricity systems within Texas.
Exchange Act	Securities Exchange Act of 1934, as amended.
Exchange Ratio	0.652 validly issued, fully paid and nonassessable shares of Vistra Energy Common Stock per share of Dynegy Common Stock.
Federal and State Income Tax Allocation Agreements	prior to the Plan Effective Date, EFH Corp. and certain of its subsidiaries (including EFCH, EFIH and TCEH, but not including Oncor Holdings and Oncor) were parties to a Federal and State Income Tax Allocation Agreement, executed in May 2012 but effective as of January 2010. The Agreement was rejected by the TCEH Debtors and the Contributed EFH Debtors on the Plan Effective Date.
FERC	U.S. Federal Energy Regulatory Commission.

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GAAP	generally accepted accounting principles.
GHG	greenhouse gas.
GSENA	GDF SUEZ Energy North America, Inc.
GSENA Thermal Assets	carved-out assets of GSENA that Dynegy acquired on February 7, 2017 pursuant to the Delta Transaction.
GW	gigawatt.
GWh	gigawatt-hours.
HSR Act	Hart-Scott-Rodino Antitrust Improvements Act of 1976.
IPH	IPH, LLC.
IPP	independent power producer.
IRS	U.S. Internal Revenue Service.
ISO	independent system operator.
ISO-NE	Independent System Operator New England.
LIBOR	London Interbank Offered Rate, an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.
load	demand to electricity.
Luminant	certain subsidiaries of Vistra Energy engaged in competitive market activities consisting of electricity generation and wholesale energy sales and purchases as well as commodity risk management, all largely in Texas.
market heat rate	heat rate is a measure of the efficiency of converting a fuel source to electricity. Market heat rate is the implied relationship between wholesale electricity prices and natural gas prices and is calculated by dividing the wholesale market price of electricity, which is based on the price offer of the marginal supplier in ERCOT (generally natural gas plants), by the market price of natural gas.
Merger	the proposed merger of Dynegy with and into Vistra Energy, with Vistra Energy as the surviving corporation.
Merger Agreement	the Agreement and Plan of Merger, dated as of October 29, 2017, by and between Vistra Energy and Dynegy, as it may be amended or modified from time to time, a copy of which is attached as Annex A to this joint proxy statement and prospectus.
Merger Proposal	the proposal by each of Vistra Energy and Dynegy to adopt the Merger Agreement.
MISO	Midcontinent Independent System Operator, Inc.
MMBtu	million British thermal units.
MW	megawatts.
MWh	megawatt-hours.
NERC	North American Electricity Reliability Corporation.
NO_x	nitrogen oxide.

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NYISO	New York Independent System Operator.
NY/NE	ISO-NE/NYISO.
NYMEX	New York Mercantile Exchange, a commodity derivatives exchange.
NYPSC	New York Public Service Commission.
NYSE	New York Stock Exchange.
NRC	U.S. Nuclear Regulatory Commission.
Oaktree Entities	collectively, certain affiliates of Oaktree Capital Management, L.P.
Oncor	Oncor Electric Delivery Company LLC, a direct, majority-owned subsidiary of Oncor Holdings and an indirect subsidiary of EFH Corp., that is engaged in regulated electricity transmission and distribution activities.
Oncor Holdings	Oncor Electric Delivery Holdings Company LLC, a direct, wholly owned subsidiary of EFIH and the direct majority owner of Oncor, and/or its subsidiaries, depending on context.
ORDC	Operating Reserve Demand Curve, pursuant to which wholesale electricity prices in the ERCOT real-time market increase automatically as available operating reserves decrease below defined threshold levels.
PJM	PJM Interconnection, LLC.
Plan Effective Date	October 3, 2016, the date the TCEH Debtors and the Contributed EFH Debtors completed their reorganization under the Bankruptcy Code and emerged from the Chapter 11 Cases.
Plan of Reorganization or Plan	Third Amended Joint Plan of Reorganization filed by the Debtors in August 2016 and confirmed by the Bankruptcy Court in August 2016 solely with respect to the TCEH Debtors and the Contributed EFH Debtors.
PPAs	power purchase agreements.
PrefCo	Vistra Preferred Inc.
PrefCo Preferred Stock Sale	as part of the Spin-Off, the contribution of certain of the assets of the Predecessor and its subsidiaries by a subsidiary of TEX Energy LLC to PrefCo in exchange for all of PrefCo's authorized preferred stock, consisting of 70,000 shares, par value $0.01 per share.
PUCT	Public Utility Commission of Texas.
PURA	Public Utility Regulatory Act.
RCT	Railroad Commission of Texas, which has oversight of lignite mining activity in Texas, among other things.
REP	retail electric provider.
RSU	restricted stock units.
RTO	Regional Transmission Organization.
S&P	Standard & Poor's Ratings (a credit rating agency).
SEC	U.S. Securities and Exchange Commission.
Securities Act	Securities Act of 1933, as amended.

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SG&A	selling, general and administrative.
Settlement Agreement	Amended and Restated Settlement Agreement among the Debtors, the Sponsor Group, settling TCEH first lien creditors, settling TCEH second lien creditors, settling TCEH unsecured creditors and the official committee of unsecured creditors of TCEH (collectively, the Settling Parties), approved by the Bankruptcy Court in December 2015.
SO_2	sulfur dioxide.
Spin-Off	the tax-free spin-off from EFH Corp. executed pursuant to the Plan of Reorganization on the Plan Effective Date by the TCEH Debtors and the Contributed EFH Debtors.
Sponsor Group	collectively, certain investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., TPG Global, LLC (together with its affiliates, TPG) and GS Capital Partners, an affiliate of Goldman, Sachs & Co., that have an ownership interest in Texas Energy Future Holdings Limited Partnership, a limited partnership controlled by the Sponsor Group, that owns substantially all of the common stock of EFH Corp.
Stock Issuance	the issuance of Vistra Energy Common Stock to holders of Dynegy Common Stock, in connection with the Merger, as contemplated by the Merger Agreement.
Stock Issuance Proposal	the proposal by Vistra Energy to approve the Stock Issuance.
Tax Matters Agreement	Tax Matters Agreement, dated as of the Plan Effective Date, by and among EFH Corp., EFIH, EFIH Finance Inc. and EFH Merger Co. LLC.
Tax Receivable Agreement	Tax Receivable Agreement, containing certain rights (TRA Rights) to receive payments from Vistra Energy related to certain tax benefits, including those it realized as a result of certain transactions entered into at Emergence.
TCEH or Predecessor	Texas Competitive Electric Holdings Company LLC, a direct, wholly owned subsidiary of EFCH, and, prior to the Plan Effective Date, the parent company of the TCEH Debtors, depending on context, that were engaged in electricity generation and wholesale and retail energy market activities, and whose major subsidiaries included Luminant and TXU Energy.
TCEH Debtors	the subsidiaries of TCEH that were Debtors in the Chapter 11 Cases.
TCEH Senior Secured Facilities	collectively, the TCEH First Lien Term Loan Facilities, TCEH First Lien Revolving Credit Facility and TCEH First Lien Letter of Credit Facility with a total principal amount of $22.616 billion. The claims arising under these facilities were discharged in the Chapter 11 Cases on the Plan Effective Date pursuant to the Plan of Reorganization.
TCEQ	Texas Commission on Environmental Quality.
Terawatt	Terawatt Holdings, LP, a Delaware limited partnership affiliated with Energy Capital Partners III, LLC.
TRA Payment	an amount payable in accordance with the Tax Receivable Agreement.
TWh	terawatt-hours.
TXU Energy	TXU Energy Retail Company LLC, a direct, wholly owned subsidiary of Vistra Energy that is a REP in competitive areas of ERCOT and is engaged in the retail sale of electricity to residential and business customers.

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U.S. or United States	United States of America.
Vistra Energy or Successor	Vistra Energy Corp., formerly known as TCEH Corp., and/or its subsidiaries, depending on context. On the Plan Effective Date, the TCEH Debtors and the Contributed EFH Debtors emerged from Chapter 11 and became subsidiaries of Vistra Energy Corp.
Vistra Energy Adjournment Proposal	the proposal to approve the adjournment of the Vistra Energy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal and the Stock Issuance Proposal.
Vistra Energy Board	the board of directors of Vistra Energy.
Vistra Energy Common Stock	the common stock, par value $0.01 per share, of Vistra Energy.
Vistra Energy Stockholder Support Agreement	the Merger Support Agreement, dated as of October 29, 2017, by and between Dynegy, the Apollo Entities, the Brookfield Entities and the Oaktree Entities, as it may be amended or modified from time to time.
Vistra Operations Credit Facilities	Vistra Operations Company LLC's $5.360 billion senior secured financing facilities.
VOLL	value of lost load.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to address briefly some commonly asked questions regarding the Merger Agreement, the Merger, the Stock Issuance and the other transactions contemplated by the Merger Agreement. Vistra Energy and Dynegy urge you to read carefully this entire joint proxy statement and prospectus, including the annexes and the other documents referred to or incorporated by reference into this joint proxy statement and prospectus, because the information in this section does not provide all of the information that might be important to you.

About the Merger

Q: What are the proposed transactions for which the holders of Vistra Energy Common Stock are being asked to vote?

A: The holders of Vistra Energy Common Stock are being asked to consider and vote on the Merger Proposal and the Stock Issuance Proposal. The approval of the Merger Proposal and the Stock Issuance Proposal by the holders of Vistra Energy Common Stock is a condition to the effectiveness of the Merger.

Q: What is the proposed transaction for which the holders of Dynegy Common Stock are being asked to vote?

A: The holders of Dynegy Common Stock are being asked to consider and vote on the Merger Proposal and the Dynegy Compensation Proposal. The approval of the Merger Proposal by the holders of Dynegy Common Stock is a condition to the effectiveness of the Merger.

Q: Why are Vistra Energy and Dynegy proposing the Merger?

A: The Vistra Energy Board and the Dynegy Board believe that the Merger will provide a number of significant potential strategic benefits and opportunities that will be in the best interests of their respective stockholders. To review the reasons for the Merger in greater detail, see "The Merger—Recommendation of the Vistra Energy Board and Its Reasons for the Merger" beginning on page 78 and "The Merger—Dynegy's Reasons for the Merger; Recommendation of the Dynegy Board" beginning on page 82.

Q: What happens if the market price of Vistra Energy Common Stock or Dynegy Common Stock changes before the closing of the Merger?

A: Changes in the market price of Vistra Energy Common Stock or the market price of Dynegy Common Stock at or prior to the effective time of the Merger will not change the number of shares of Vistra Energy Common Stock that holders of Dynegy Common Stock will receive because the Exchange Ratio is fixed at 0.652 shares of Vistra Energy Common Stock per share of Dynegy Common Stock.

Q: Are there any conditions to completion of the Merger?

A: Yes. In addition to the approval of the Merger Proposal and the Stock Issuance Proposal, as described herein, there are a number of conditions that must be satisfied or waived for the Merger to be consummated. For a description of all of the conditions to the Merger, see "The Merger Agreement—Conditions to Completion of the Merger" beginning on page 139.

For Vistra Energy Stockholders

Q: When and where is the Vistra Energy special meeting?

A: The special meeting of Vistra Energy stockholders will be held at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201 on March 2, 2018, starting at 9:00 a.m., Central Time.

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Q: What matters will be voted on at the Vistra Energy special meeting?

A: You will be asked to consider and vote on the following proposals:

- the Merger Proposal;
- the Stock Issuance Proposal; and
- the Vistra Energy Adjournment Proposal.

Vistra Energy will transact no other business at the Vistra Energy special meeting or any adjournment or postponement thereof.

Q: How does the Vistra Energy Board recommend that I vote on the proposals?

A: After careful consideration, the Vistra Energy Board (i) determined that it is in the best interest of Vistra Energy and the holders of Vistra Energy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Vistra Energy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Vistra Energy's consummation of the transactions contemplated thereby, including the Merger and the Stock Issuance, (iv) directed that the adoption of the Merger Agreement and the approval of the Stock Issuance be submitted to a vote at a meeting of the holders of Vistra Energy Common Stock and (v) recommended that the holders of Vistra Energy Common Stock adopt the Merger Agreement and approve the Stock Issuance. The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal and "**FOR**" the Vistra Energy Adjournment Proposal. For a more complete description of the recommendation of the Vistra Energy Board, see "The Merger—Recommendation of the Vistra Energy Board and Its Reasons for the Merger" beginning on page 78.

Q: What will happen to my shares of Vistra Energy Common Stock?

A: Nothing. You will continue to own the same shares of Vistra Energy Common Stock that you own prior to the effective time of the Merger. As a result of the Stock Issuance, however, the overall ownership percentage of the Vistra Energy stockholders in the combined company will be diluted.

Q: Do the Vistra Energy directors and executive officers have any interests in the Merger?

A: Yes. In connection with the consummation of the Merger, Vistra Energy's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of the stockholders of Vistra Energy generally. The Vistra Energy Board was aware of these interests and considered them, among other things, in reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, including the Stock Issuance. These interests are described in more detail in "The Merger—Interests of Vistra Energy's Directors and Executive Officers in the Merger" beginning on page 125.

Q: What constitutes a quorum?

A: Vistra Energy's bylaws provide that a majority of the voting power of the stock outstanding and entitled to vote at the Vistra Energy special meeting, present in person or represented by proxy, shall constitute a quorum at each meeting of Vistra Energy stockholders.

Q: What vote is required for holders of Vistra Energy Common Stock to approve the Merger Proposal?

A: Approval of the Merger Proposal will require the affirmative vote of the holders of a majority of the outstanding Vistra Energy Common Stock entitled to vote at the Vistra Energy special meeting, which is the only vote of holders of securities of Vistra Energy required for such approval. Only holders of Vistra Energy Common Stock at the close of business on the record date will be entitled to vote on the Merger Proposal.

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Q: What vote is required for Vistra Energy stockholders to approve the Stock Issuance Proposal?

A: Approval of the Stock Issuance Proposal by a majority of the votes cast on such proposal at the Vistra Energy special meeting, as required by Sections 312.03(b), 312.03(c) and 312.07 of the NYSE Listed Company Manual, is the only vote of holders of securities of Vistra Energy required for such approval. Only holders of Vistra Energy Common Stock at the close of business on the record date will be entitled to vote on the Stock Issuance Proposal.

Q: What vote is required for Vistra Energy stockholders to approve the Vistra Energy Adjournment Proposal?

A: Approval of the Vistra Energy Adjournment Proposal will require the affirmative vote of the holders of a majority of the Vistra Energy Common Stock present in person or represented by proxy and entitled to vote at the Vistra Energy special meeting, which is the only vote of holders of securities of Vistra Energy required for such approval. Only holders of Vistra Energy Common Stock at the close of business on the record date will be entitled to vote on the Vistra Energy Adjournment Proposal.

Q: How are votes counted?

A: For the Merger Proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." If you abstain or fail to return your proxy card, or fail to instruct your broker, bank, trust or other nominee to vote, it will have the same effect as a vote "**AGAINST**" the Merger Proposal.

For the Stock Issuance Proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." For purposes of the Stock Issuance Proposal, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Stock Issuance Proposal. Under the NYSE rules, an abstention from voting will be considered as a vote cast and, accordingly, will have the same effect as a vote "**AGAINST**" the Stock Issuance Proposal.

For the Vistra Energy Adjournment Proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." For purposes of the Vistra Energy Adjournment Proposal, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Vistra Energy Adjournment Proposal. An abstention from voting will have the same effect as a vote "**AGAINST**" the Vistra Energy Adjournment Proposal.

Properly executed proxy cards with no instructions indicated on the proxy card will be voted "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal and "**FOR**" the Vistra Energy Adjournment Proposal.

Q: Who is entitled to vote at the Vistra Energy special meeting?

A: All holders of Vistra Energy Common Stock as of the close of business on January 19, 2018, the record date for the Vistra Energy special meeting, are entitled to vote at the Vistra Energy special meeting, unless a new record date is fixed for any adjournment or postponement of the Vistra Energy special meeting. As of the record date, there were 428,425,233 issued and outstanding shares of Vistra Energy Common Stock. Each holder of record of Vistra Energy Common Stock on the record date is entitled to one vote per share.

Q: What happens if I sell my Vistra Energy Common Stock before the Vistra Energy special meeting?

A: The record date for the Vistra Energy special meeting is earlier than the date of the Vistra Energy special meeting. If you sell your shares of Vistra Energy Common Stock after Vistra Energy's record date but before the date of the Vistra Energy special meeting, you will retain any right to vote at the Vistra Energy special meeting.

Q: How do I submit a proxy or vote my shares?

A: You may submit your proxy either by telephone, through the Internet or by mailing the enclosed proxy card, or you may vote in person at the Vistra Energy special meeting. If you hold your shares in more than one account, please be sure to submit a proxy with respect to each proxy card you receive.

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To submit your proxy by telephone, dial the toll-free telephone number set forth on the enclosed proxy card using a touch tone phone and follow the recorded instructions. You will be asked to provide the control number from the enclosed proxy card.

To submit your proxy through the Internet, visit the website set forth on the enclosed proxy card. You will be asked to provide the control number from the enclosed proxy card.

Your proxy card will indicate the deadline for submitting proxies by telephone or through the Internet.

To submit your proxy by mail, complete, date and sign the enclosed proxy card and return it as promptly as practicable in the enclosed prepaid envelope. If you sign and return your proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal and "**FOR**" the Vistra Energy Adjournment Proposal.

Stockholders of record will be able to vote in person at the Vistra Energy special meeting. If you intend to vote in person, please bring proper identification, together with proof that you are a record owner of shares. If you are not a stockholder of record, but instead hold your shares in "street name" through a broker, bank, trust or other nominee, you must provide a proxy executed in your favor from your broker, bank, trust or other nominee in order to be able to vote in person at the Vistra Energy special meeting. For more information, please read the question and answer referencing "street name" shares below.

Q: If my shares are held in "street name" by my broker, bank, trust or other nominee, will my broker, bank, trust or other nominee vote my shares for me?

A: No. Unless you instruct your broker, bank, trust or other nominee to vote your shares held in street name, your shares will NOT be voted. If you hold your shares in a stock brokerage account or if your shares are held by a broker, bank, trust or other nominee (that is, in "street name"), you must provide your broker, bank, trust or other nominee with instructions on how to vote your shares. You should follow the procedures provided by your broker, bank, trust or other nominee regarding the voting of your shares.

Q: How can I revoke or change my vote?

A: You may revoke your proxy at any time before the vote is taken at the Vistra Energy special meeting in any of the following ways:

- submitting a later proxy by telephone or through the Internet prior to the telephone or Internet voting deadline indicated on your proxy card;
- filing with the Corporate Secretary of Vistra Energy, before the taking of the vote at the Vistra Energy special meeting, a written notice of revocation bearing a later date than the proxy card you wish to revoke;
- duly executing a later dated proxy card relating to the same shares and delivering it to the Corporate Secretary of Vistra Energy before the taking of the vote at the Vistra Energy special meeting; or
- voting in person at the Vistra Energy special meeting.

Your attendance at the Vistra Energy special meeting does not automatically revoke your previously submitted proxy. If you have instructed your broker, bank, trust or other nominee to vote your shares, the options described above for revoking your proxy do not apply. Instead, you must follow the directions provided by your broker, bank, trust or other nominee to change your vote.

Q: Will a proxy solicitor be used?

A: Yes. Vistra Energy has engaged D.F. King & Co., Inc. to assist in the solicitation of proxies for the Vistra Energy special meeting, and Vistra Energy estimates it will pay D.F. King & Co., Inc. a fee of approximately $12,500, plus telecom charges and reimbursement for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation. Vistra Energy has also agreed to

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indemnify D.F. King & Co., Inc. against certain losses, costs and expenses. In addition to mailing proxy solicitation material, Vistra Energy's directors, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Vistra Energy's directors, officers or employees for such services.

Q: What else do I need to do now?

A: You are urged to read this joint proxy statement and prospectus carefully and in its entirety, including its annexes and the information incorporated by reference herein, and to consider how the Merger may affect you. Even if you plan to attend the Vistra Energy special meeting, please vote promptly.

For Dynegy Stockholders

Q: What will I receive for my Dynegy Common Stock in the Merger?

A: Under the terms of the Merger Agreement, you will receive 0.652 shares of Vistra Energy Common Stock for each share of Dynegy Common Stock owned by you immediately prior to the completion of the Merger.

Q: How will I receive the merger consideration if the Merger is completed?

A: For the Dynegy stockholders, you will receive a letter of transmittal with detailed written instructions for exchanging shares for the merger consideration. If you are not a stockholder of record, but instead hold your shares in "street name" through a broker, bank, trust or other nominee, you will receive instructions from your broker, bank, trust or other nominee as to how to effect the surrender of your "street name" shares in exchange for the merger consideration.

Q: When and where is the Dynegy special meeting?

A: The special meeting of Dynegy stockholders will be held at the Chase Center, 601 Travis Street, Houston, Texas 77002 on March 2, 2018, starting at 10:00 a.m., Central Time.

Q: What matters will be voted on at the Dynegy special meeting?

A: You will be asked to consider and vote on the following proposals:

- the Merger Proposal;
- the Dynegy Compensation Proposal; and
- the Dynegy Adjournment Proposal.

Dynegy will transact no other business at the Dynegy special meeting or any adjournment or postponement thereof.

Q: How does the Dynegy Board recommend that I vote on the proposals?

A: The Dynegy Board has unanimously (i) determined that it is in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Dynegy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy's consummation of the transactions contemplated thereby, including the Merger, (iv) directed that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (v) recommended that the holders of Dynegy Common Stock adopt the Merger Agreement. The Dynegy Board unanimously recommends that

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holders of Dynegy Common Stock vote "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal. For a more complete description of the recommendation of the Dynegy Board, see "The Merger —Dynegy's Reasons for the Merger; Recommendation of the Dynegy Board" beginning on page 82.

Q: Do the Dynegy directors and executive officers have any interests in the Merger?

A: Yes. In connection with the consummation of the Merger, Dynegy's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of the stockholders of Dynegy generally. The Dynegy Board was aware of these interests and considered them, among other things, in reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement. These interests are described in more detail in "The Merger—Interests of Dynegy's Directors and Executive Officers in the Merger" beginning on page 126.

Q: What constitutes a quorum?

A: Dynegy's bylaws provide that a majority of the outstanding shares entitled to vote at a meeting, represented in person or by proxy, shall constitute a quorum.

Q: What vote is required for Dynegy stockholders to approve the Merger Proposal?

A: Approval of the Merger Proposal will require the affirmative vote of the holders of a majority of the outstanding Dynegy Common Stock entitled to vote at the Dynegy special meeting, which is the only vote of holders of securities of Dynegy that is required to approve the Merger Proposal. Only holders of Dynegy Common Stock at the close of business on the record date will be entitled to vote on the Merger Proposal.

Q: What vote is required for Dynegy stockholders to approve the Dynegy Compensation Proposal?

A: Approval of the Dynegy Compensation Proposal, which is a non-binding, advisory vote, will require the affirmative vote of the holders of a majority of the Dynegy Common Stock present in person or represented by proxy and entitled to vote at the Dynegy special meeting, which is the only vote of holders of securities of Dynegy required for such approval. Only holders of Dynegy Common Stock at the close of business on the record date will be entitled to vote on the Dynegy Compensation Proposal.

Q: What vote is required for Dynegy stockholders to approve the Dynegy Adjournment Proposal?

A: Approval of the Dynegy Adjournment Proposal will require the affirmative vote of the holders of a majority of the Dynegy Common Stock present in person or represented by proxy and entitled to vote at the Dynegy special meeting, which is the only vote of holders of securities of Dynegy required for such approval. Only holders of Dynegy Common Stock at the close of business on the record date will be entitled to vote on the Dynegy Adjournment Proposal.

Q: How are votes counted?

A: For the Merger Proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." If you abstain or fail to return your proxy card, or fail to instruct your broker, bank, trust or other nominee to vote, it will have the same effect as a vote "**AGAINST**" the Merger Proposal.

For the Dynegy Compensation Proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." For purposes of the Dynegy Compensation Proposal, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Dynegy Compensation Proposal. An abstention from voting will have the same effect as a vote "**AGAINST**" the Dynegy Compensation Proposal.

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For the Dynegy Adjournment Proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." For purposes of the Dynegy Adjournment Proposal, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Dynegy Adjournment Proposal. An abstention from voting will have the same effect as a vote "**AGAINST**" the Dynegy Adjournment Proposal.

Properly executed proxy cards with no instructions indicated on the proxy card will be voted "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal.

Q: Who is entitled to vote at the Dynegy special meeting?

A: All holders of Dynegy Common Stock as of the close of business on January 19, 2018, the record date for the Dynegy special meeting, are entitled to vote at the Dynegy special meeting, unless a new record date is fixed for any adjournment or postponement of the Dynegy special meeting. As of the record date, there were 144,384,491 issued and outstanding shares of Dynegy Common Stock. Each holder of record of Dynegy Common Stock on the record date is entitled to one vote per share.

Q: What happens if I sell my Dynegy Common Stock before the Dynegy special meeting?

A: The record date for the Dynegy special meeting is earlier than the date of the Dynegy special meeting and the date that the Merger is expected to be completed. If you sell your Dynegy Common Stock after Dynegy's record date but before the date of the Dynegy special meeting, you will retain any right to vote at the Dynegy special meeting, but you will have transferred your right to receive the merger consideration. For Dynegy stockholders, in order to receive the merger consideration, you must hold your Dynegy Common Stock through completion of the Merger.

Q: How do I submit a proxy or vote my shares?

A: You may submit your proxy either by telephone, through the Internet or by mailing the enclosed proxy card, or you may vote in person at the Dynegy special meeting. If you hold your shares in more than one account, please be sure to submit a proxy with respect to each proxy card you receive.

To submit your proxy by telephone, dial the toll-free telephone number set forth on the enclosed proxy card using a touch tone phone and follow the recorded instructions. You will be asked to provide the control number from the enclosed proxy card.

To submit your proxy through the Internet, visit the website set forth on the enclosed proxy card. You will be asked to provide the control number from the enclosed proxy card.

Your proxy card will indicate the deadline for submitting proxies by telephone or through the Internet.

To submit your proxy by mail, complete, date and sign the enclosed proxy card and return it as promptly as practicable in the enclosed prepaid envelope. If you sign and return your proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal.

Stockholders of record will be able to vote in person at the Dynegy special meeting. If you intend to vote in person, please bring proper identification, together with proof that you are a record owner of shares. If you are not a stockholder of record, but instead hold your shares in "street name" through a broker, bank, trust or other nominee, you must provide a proxy executed in your favor from your broker, bank, trust or other nominee in order to be able to vote in person at the Dynegy special meeting. For more information, please read the question and answer referencing "street name" shares below.

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Q: If my shares are held in "street name" by my broker, bank, trust or other nominee, will my broker, bank, trust or other nominee vote my shares for me?

A: No. Unless you instruct your broker, bank, trust or other nominee to vote your shares held in street name, your shares will NOT be voted. If you hold your shares in a stock brokerage account or if your shares are held by a broker, bank, trust or other nominee (that is, in "street name"), you must provide your broker, bank, trust or other nominee with instructions on how to vote your shares. You should follow the procedures provided by your broker, bank, trust or other nominee regarding the voting of your shares.

Q: How can I revoke or change my vote?

A: You may revoke your proxy at any time before the vote is taken at the Dynegy special meeting in any of the following ways:

- submitting a later proxy by telephone or through the Internet prior to the telephone or Internet voting deadline indicated on your proxy card;
- filing with the Corporate Secretary of Dynegy, before the taking of the vote at the Dynegy special meeting, a written notice of revocation bearing a later date than the proxy card you wish to revoke;
- duly executing a later dated proxy card relating to the same shares and delivering it to the Corporate Secretary of Dynegy before the taking of the vote at the Dynegy special meeting; or
- voting in person at the Dynegy special meeting.

Your attendance at the Dynegy special meeting does not automatically revoke your previously submitted proxy. If you have instructed your broker, bank, trust or other nominee to vote your shares, the options described above for revoking your proxy do not apply. Instead, you must follow the directions provided by your broker, bank, trust or other nominee to change your vote.

Q: Will a proxy solicitor be used?

A: Yes. Dynegy has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Dynegy special meeting, and Dynegy estimates it will pay MacKenzie Partners, Inc. a fee of approximately $35,000 plus reimbursement for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation. Dynegy has also agreed to indemnify MacKenzie Partners, Inc. against certain losses, costs and expenses. In addition to mailing proxy solicitation material, Dynegy's directors, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Dynegy's directors, officers or employees for such services.

Q: What else do I need to do now?

A: You are urged to read this joint proxy statement and prospectus carefully and in its entirety, including its annexes and the information incorporated by reference herein, and to consider how the Merger affects you. Even if you plan to attend the Dynegy special meeting, please vote promptly.

For Both Vistra Energy Stockholders and Dynegy Stockholders

Q: When is the Merger expected to be completed?

A: Vistra Energy and Dynegy expect to complete the Merger by the end of the second quarter of 2018, although Vistra Energy and Dynegy cannot assure completion by any particular date, if at all. Because the Merger is subject to a number of conditions, including regulatory approvals and the approval of the Merger Proposal and the Stock Issuance Proposal by the requisite vote of the holders of Vistra Energy Common

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Stock and the approval of the Merger Proposal by the holders of Dynegy Common Stock, the exact timing of the Merger cannot be determined at this time and Vistra Energy and Dynegy cannot guarantee that the Merger will be completed at all.

Q: Following the Merger, what percentage of Vistra Energy Common Stock will the continuing Vistra Energy stockholders and former Dynegy stockholders own?

A: Following the completion of the Merger:

- continuing holders of Vistra Energy Common Stock are expected to own 79% of the combined company's fully diluted equity; and
- former holders of Dynegy Common Stock are expected to own the remaining 21% of the combined company's fully diluted equity.

Q: What happens if the Merger is not completed?

A: If the Merger Proposal and the Stock Issuance Proposal are not approved by holders of Vistra Energy Common Stock, if the Merger Proposal is not approved by holders of Dynegy Common Stock or if the Merger is not completed for any other reason, holders of Dynegy Common Stock will not have their Dynegy Common Stock exchanged for Vistra Energy Common Stock in connection with the Merger. Instead, each of Dynegy and Vistra Energy would remain a separate company. Under certain circumstances, Vistra Energy may be required to pay Dynegy a termination fee and/or an expense amount or Dynegy may be required to pay Vistra Energy a termination fee and/or expense amount, as described under "The Merger Agreement—Effect of Termination; Termination Fees and Expense Reimbursement" beginning on page 155.

Q: Am I entitled to exercise dissenters' or appraisal rights?

A: No. No dissenters' or appraisal rights will be available with respect to the Merger, the Stock Issuance or any of the other transactions contemplated by the Merger Agreement.

Q: Are there any risks associated with the Merger that I should consider in deciding how to vote?

A: Yes. A number of risks related to the Merger are discussed in this joint proxy statement and prospectus and described in the section entitled "Risk Factors" beginning on page 35.

Q: What are the material U.S. federal income tax consequences of the Merger to holders of Dynegy Common Stock?

A: Assuming that the Merger is completed as currently contemplated, Vistra Energy and Dynegy intend for the Merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. It is a condition to the obligation of Vistra Energy to complete the Merger that Vistra Energy receive the written opinion of Simpson Thacher & Bartlett LLP (or other Vistra Energy tax advisor reasonably satisfactory to Vistra Energy), dated as of the closing date, to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the obligation of Dynegy to complete the Merger that Dynegy receive the written opinion of Skadden, Arps, Slate, Meagher & Flom LLP (or other Dynegy tax advisor reasonably satisfactory to Dynegy), dated as of the closing date, to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Provided that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, a U.S. holder (as defined under "Material U.S. Federal Income Tax Consequences") of Dynegy Common Stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of Dynegy Common Stock for shares of Vistra Energy Common Stock in the Merger (other than gain or loss with respect to any cash received in lieu of a fractional share of Vistra Energy Common Stock).

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The particular consequences of the Merger to each Dynegy stockholder depend on such stockholder's particular facts and circumstances. Dynegy stockholders should consult their tax advisors to understand fully the consequences to them of the Merger given their specific circumstances. For more information, see "Material U.S. Federal Income Tax Consequences" beginning on page 161.

Q: How can I obtain additional information about Vistra Energy and Dynegy?

A: Vistra Energy and Dynegy each files annual, quarterly and current reports, proxy statements and other information with the SEC. Each company's filings with the SEC may be accessed on the Internet at http://www.sec.gov. Copies of the documents filed by Vistra Energy with the SEC will be available free of charge on Vistra Energy's website at www.vistraenergy.com or by contacting Vistra Energy Investor Relations at investor@vistraenergy.com or at (214) 812-0046. Copies of the documents filed by Dynegy with the SEC will be available free of charge on Dynegy's website at www.dynegy.com or by contacting Dynegy Investor Relations at ir@dynegy.com or at (713) 507-6466. The information provided on each company's website is not part of this joint proxy statement and prospectus and is not incorporated by reference into this joint proxy statement and prospectus. For a more detailed description of the information available and information incorporated by reference, please see "Where You Can Find More Information and Incorporation by Reference" on page 309.

Q: Who can answer my questions?

A: If you have any questions about the Merger, the Stock Issuance or the other matters to be voted on at the Vistra Energy special meeting or the Dynegy special meeting, how to submit your proxy, or need additional copies of this joint proxy statement and prospectus, the enclosed proxy card or voting instructions, you should contact Vistra Energy's and Dynegy's respective proxy solicitors, as follows:

If you are a Vistra Energy stockholder:	If you are a Dynegy stockholder:
D.F. King & Co., Inc. 48 Wall Street New York, NY 10005 Toll Free: (866) 406-2283 Email: vst@dfking.com	MacKenzie Partners, Inc. 105 Madison Avenue New York, NY 10016 Toll Free: (800) 322-2885 Email: proxy@mackenziepartners.com

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SUMMARY

The following summary highlights selected information in this joint proxy statement and prospectus and may not contain all the information that may be important to you with respect to the Merger Agreement, the Merger, the Vistra Energy special meeting or the Dynegy special meeting. Accordingly, you are encouraged to read this joint proxy statement and prospectus, including its annexes and the information incorporated by reference herein, carefully and in its entirety. Each item in this summary includes a page reference directing you to a more complete description of that topic. See also "Where You Can Find More Information and Incorporation by Reference" on page 309 of this joint proxy statement and prospectus.

The Companies

***Vistra Energy Corp.* (Page 180)**

Vistra Energy Corp.
6555 Sierra Drive
Irving, Texas 75039
Telephone: (214) 812-4600

Vistra Energy is a premier Texas-based energy company focused on the competitive energy and power generation markets through operation as the largest retailer and generator of electricity in the growing Texas market. Its integrated portfolio of competitive businesses consists primarily of TXU Energy and Luminant. TXU Energy sells retail electricity and value-added services (primarily through its market-leading TXU Energy™ brand) to approximately 1.7 million residential and business customers in Texas. Luminant generates and sells electricity and related products from its diverse fleet of generation facilities totaling approximately 13,600 MW of generation in Texas, including 2,300 MW fueled by nuclear power, 3,800 MW fueled by coal, and 7,500 MW fueled by natural gas, and is a large purchaser of renewable power including wind and solar-generated electricity. Vistra Energy is currently developing one of the largest solar facilities in Texas by capacity.

The Vistra Energy Common Stock is listed on the NYSE, trading under the symbol "VST".

Vistra Energy's principal executive offices are located at 6555 Sierra Drive, Irving, Texas 75039 and its telephone number is (214) 812-4600.

***Dynegy Inc.* (Page 177)**

Dynegy Inc.
601 Travis Street, Suite 1400
Houston, Texas 77002
Telephone: (713) 507-6400

Throughout the Northeast, Mid-Atlantic, Midwest, and Texas, Dynegy operates approximately 27,000 MWs of power generating facilities capable of producing enough energy to supply more than 22 million American homes. Dynegy generates power safely and responsibly for 1.2 million electricity customers who depend on that energy to grow and thrive.

The Dynegy Common Stock is listed on the NYSE, trading under the symbol "DYN".

Dynegy's principal executive offices are located at 601 Travis Street, Suite 1400, Houston, Texas 77002 and its telephone number is (713) 507-6400.

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The Combined Company Following the Merger **(Page 278)**

The combined company will retain the name “Vistra Energy Corp.” and will continue to be a Delaware corporation. The combined company is expected to serve approximately 240,000 commercial and industrial (C&I) customers and 2.7 million residential customers in five top retail states. The combined company is expected to own approximately 40 GW of installed generation capacity. Of that capacity, more than 60% will be natural gas-fueled, and 84% will be in the ERCOT, PJM, and ISO-NE competitive power markets.

The common stock of the combined company will continue to be listed on the NYSE, trading under the symbol “VST”.

The combined company’s principal executive offices will be located at 6555 Sierra Drive, Irving, Texas 75039.

The Merger (Page 64)

Subject to the terms and conditions of the Merger Agreement, Dynegy will merge with and into Vistra Energy, with Vistra Energy continuing as the surviving corporation.

Upon completion of the Merger, the continuing Vistra Energy stockholders will own 79% of the combined company’s fully diluted equity, and the former holders of Dynegy Common Stock will own the remaining 21%. Once the Merger is consummated, the combined company will retain the name “Vistra Energy Corp.” and will continue to be listed on the NYSE, trading under the symbol “VST”.

Recommendation of the Vistra Energy Board and Its Reasons for the Merger (Page 78)

At its meeting on October 29, 2017, after careful consideration, the Vistra Energy Board (i) determined that it is in the best interest of Vistra Energy and the holders of Vistra Energy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Vistra Energy’s execution, delivery and performance of the Merger Agreement in accordance with its terms and Vistra Energy’s consummation of the transactions contemplated thereby, including the Merger and the Stock Issuance, (iv) directed that the adoption of the Merger Agreement and the approval of the Stock Issuance be submitted to a vote at a meeting of the holders of Vistra Energy Common Stock and (v) recommended that the holders of Vistra Energy Common Stock adopt the Merger Agreement and approve the Stock Issuance.

Certain factors considered by the Vistra Energy Board in reaching its determination can be found in the section entitled “The Merger—Recommendation of the Vistra Energy Board and Its Reasons for the Merger.”

Dynegy’s Reasons for the Merger; Recommendation of the Dynegy Board (Page 82)

At its meeting on October 29, 2017, after careful consideration, the Dynegy Board unanimously (i) determined that it is in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Dynegy’s execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy’s consummation of the transactions contemplated thereby, including the Merger, (iv) directed that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (v) recommended that the holders of Dynegy Common Stock adopt the Merger Agreement.

Certain factors considered by the Dynegy Board in reaching its determination can be found in the section entitled “The Merger—Dynegy’s Reasons for the Merger; Recommendation of the Dynegy Board.”

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Opinion of Vistra Energy's Financial Advisor (Page 88)

Citigroup Global Markets Inc., which is referred to herein as "Citi," was retained by Vistra Energy to act as its financial advisor in connection with the Merger and to provide financial advice and assistance and, upon Vistra Energy's request, to render a financial opinion, in each case in connection therewith. The Vistra Energy Board selected Citi to act as its financial advisor based on Citi's qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in Vistra Energy's industry and its knowledge and understanding of the business and affairs of Dynegy. In connection with this engagement, Vistra Energy requested that Citi evaluate the fairness, from a financial point of view, of the Exchange Ratio of 0.652x provided for in the Merger Agreement. On October 29, 2017, at a meeting of the Vistra Energy Board, Citi rendered to the Vistra Energy Board (in its capacity as such) an oral opinion, which was subsequently confirmed by delivery of a written opinion, dated October 29, 2017, to the effect that, as of that date and based on and subject to the matters, considerations and limitations set forth in the opinion, Citi's work and other factors it deemed relevant, each as described in greater detail in the section titled "The Merger—Opinion of Vistra Energy's Financial Advisor," the Exchange Ratio of 0.652x provided for in the Merger Agreement was fair, from a financial point of view, to Vistra Energy.

The full text of Citi's written opinion, dated October 29, 2017, to the Vistra Energy Board, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to this joint proxy statement and prospectus as Annex B and is incorporated into this joint proxy statement and prospectus by reference in its entirety. You are encouraged to read the full text of Citi's written opinion in its entirety. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to the Vistra Energy Board (in its capacity as such) in connection with its evaluation of the Merger and was limited to the fairness, from a financial point of view, as of the date of the opinion, to Vistra Energy of the Exchange Ratio. Citi's opinion does not address any other aspects or implications of the Merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the proposed merger or any related matter. Citi's opinion does not address the underlying business decision of Vistra Energy to effect the Merger, the relative merits of the Merger as compared to any alternative business strategies that might exist for Vistra Energy or the effect of any other transaction in which Vistra Energy might engage.

For a summary of Citi's opinion and the methodology that Citi used to render its opinion, see the section entitled "The Merger—Opinion of Vistra Energy's Financial Advisor" beginning on page 88.

Opinions of Dynegy's Financial Advisors (Page 96)

Opinion of Morgan Stanley

Morgan Stanley & Co. LLC ("Morgan Stanley") was retained by Dynegy to act as its financial advisor in connection with the Merger and to provide financial advice and assistance and, upon Dynegy's request, to render a financial opinion, in each case in connection therewith. The Dynegy Board selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in Dynegy's industry and its knowledge and understanding of the business and affairs of Dynegy. On October 29, 2017, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the Dynegy Board to the effect that, as of that date, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in Morgan Stanley's written opinion, the Exchange Ratio pursuant to the Merger Agreement was fair, from a financial point of view, to the holders of shares of Dynegy Common Stock (other than the holders of the cancelled shares).

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The full text of the written opinion of Morgan Stanley delivered to the Dynegy Board, dated October 29, 2017, is attached as Annex C and incorporated into this joint proxy statement and prospectus by reference in its entirety. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Dynegy stockholders are urged to, and should, read the opinion carefully and in its entirety. Morgan Stanley's opinion is directed to the Dynegy Board and addresses only the fairness, from a financial point of view, of the Exchange Ratio pursuant to the Merger Agreement to the holders of shares of Dynegy Common Stock (other than the holders of the cancelled shares) as of the date of the opinion. Morgan Stanley's opinion did not address any other aspect of the Merger or other transactions contemplated by the Merger Agreement, including the price at which shares of Vistra Energy Common Stock might actually trade following consummation of the Merger or at any time, the relative merits of the Merger as compared to other business or financial strategies that might be available to Dynegy or the underlying business decision of Dynegy to enter into the Merger Agreement or proceed with any other transaction contemplated by the Merger Agreement. The opinion was not intended to, and does not, constitute advice or a recommendation to any holder of shares of Dynegy Common Stock or any holder of shares of Vistra Energy Common Stock as to how to vote at the stockholder's meetings to be held in connection with the Merger. The summary of Morgan Stanley's opinion set forth in this joint proxy statement and prospectus is qualified in its entirety by reference to the full text of Morgan Stanley's opinion.

For a summary of Morgan Stanley's opinion and the methodology that Morgan Stanley used to render its opinion, see the section entitled "The Merger—Opinions of Dynegy's Financial Advisors—Opinion of Morgan Stanley" beginning on page 96.

Opinion of PJT Partners

PJT Partners LP ("PJT Partners") was retained by Dynegy to act as its financial advisor in connection with the Merger and to provide financial advisory services and, upon Dynegy's request, to render its financial opinion to the Dynegy Board in connection therewith. The Dynegy Board selected PJT Partners to act as its financial advisor based on PJT Partners' qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in Dynegy's industry and its knowledge and understanding of the business and affairs of Dynegy. On October 29, 2017, PJT Partners rendered its oral opinion (which was subsequently confirmed in writing) to the Dynegy Board that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Exchange Ratio pursuant to the Merger Agreement was fair to the holders of Dynegy Common Stock (other than the holders of the cancelled shares and the Dynegy Principal Stockholders) from a financial point of view.

The full text of PJT Partners' written opinion delivered to the Dynegy Board, dated October 29, 2017, is attached as Annex D and incorporated into this joint proxy statement and prospectus by reference in its entirety. PJT Partners' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by PJT Partners in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. PJT Partners provided its opinion to the Dynegy Board, in its capacity as such, in connection with and for the purposes of its evaluation of the Merger only and PJT Partners' opinion is not a recommendation as to any action the Dynegy Board should take with respect to the Merger or any aspect thereof. The opinion does not constitute a recommendation to any Dynegy stockholder or Vistra Energy stockholder as to how any such stockholder should vote or act with respect to the Merger or any other matter. The summary of PJT Partners' opinion set forth in this joint proxy statement and prospectus is qualified in its entirety by reference to the full text of PJT Partners' opinion.

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For a summary of PJT Partners' opinion and the methodology that PJT Partners used to render its opinion, see the section entitled "The Merger—Opinions of Dynegy's Financial Advisors—Opinion of PJT Partners" beginning on page 107.

Interests of Vistra Energy's Directors and Executive Officers in the Merger (Page 125)

Vistra Energy's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of the stockholders of Vistra Energy generally. The Vistra Energy Board was aware of these interests and considered them, among other things, in reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, including the Stock Issuance, and in recommending that the Vistra Energy stockholders vote to approve the Merger Proposal and the Stock Issuance Proposal.

For additional detail about these interests, see "The Merger—Interests of Vistra Energy's Directors and Executive Officers in the Merger" beginning on page 125.

Interests of Dynegy's Directors and Executive Officers in the Merger (Page 126)

Dynegy's non-employee directors and executive officers have economic interests in the Merger that are different from, or in addition to, those of Dynegy's stockholders generally. The Dynegy Board was aware of and considered those interests, among other matters, in (i) determining that it is in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (ii) declaring entry into the Merger Agreement to be advisable, (iii) authorizing and approving Dynegy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy's consummation of the transactions contemplated thereby, including the Merger, (iv) directing that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (v) recommending that the holders of Dynegy Common Stock adopt the Merger Agreement.

For additional detail about these interests, see "The Merger—Interests of Dynegy's Directors and Executive Officers in the Merger" beginning on page 126.

Directors and Management of the Combined Company After the Merger (Page 132)

In connection with the consummation of the Merger, the board of directors of the combined company will be expanded to consist of eleven members, including: (i) eight of the directors of Vistra Energy and (ii) three of the directors of Dynegy immediately prior to the Merger (provided such directors are willing to serve on the board of the combined company). The eight directors of Vistra Energy are Curtis A. "Curt" Morgan, Gavin R. Baiera, Jennifer Box, Brian K. Ferraioli, Scott B. Helm, Jeff D. Hunter, Cyrus Madon and Geoffrey D. Strong. As of the date of this joint proxy statement and prospectus, it has not been determined which directors will be appointed from the Dynegy Board to the board of directors of the combined company. Effective as of closing of the Merger, the members of the management committee of the combined company will be Curtis A. "Curt" Morgan as President and Chief Executive Officer, James A. "Jim" Burke as Executive Vice President and Chief Operating Officer, Sara Graziano as Senior Vice President of Corporate Development and Strategy, J. William "Bill" Holden as Executive Vice President and Chief Financial Officer, Carrie Lee Kirby as Executive Vice President and Chief Administrative Officer, and Stephanie Zapata Moore as Executive Vice President and General Counsel.

The Merger Consideration and Exchange Ratio (Page 136)

At the closing of the Merger, each issued and outstanding share of Dynegy Common Stock, other than those owned by Vistra Energy or any wholly owned subsidiary of Vistra Energy, held in treasury by Dynegy or owned by any wholly owned subsidiary of Dynegy, will automatically be converted into the right to receive 0.652 shares of Vistra Energy Common Stock, except that cash will be paid in lieu of fractional shares.

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Treatment of Dynegy Stock Options, RSUs, Performance Stock Units and Phantom Stock Units **(Page 138)**

Upon completion of the Merger, each option to purchase shares of Dynegy Common Stock (each, a "Dynegy Stock Option") and each other equity-based award in respect of Dynegy Common Stock outstanding immediately prior to the completion of the Merger will generally automatically convert upon completion of the Merger into stock options and equity-based awards, respectively, with respect to Vistra Energy Common Stock, or, in the case of Dynegy performance share units (each, a "Dynegy PSU"), into the right to receive shares of Vistra Energy Common Stock, in each case, after giving effect to the Exchange Ratio.

Conditions to Completion of the Merger **(Page 139)**

Completion of the Merger is subject to various customary conditions, including, among others, (a) approval by the Vistra Energy stockholders of the Stock Issuance Proposal, (b) approval by the Vistra Energy stockholders and the Dynegy stockholders of the Merger Proposal, (c) receipt of all requisite regulatory approvals, which includes approvals of the Federal Energy Regulatory Commission ("FERC"), the Public Utility Commission of Texas ("PUCT") and the New York Public Service Commission ("NYPSC"), and the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), and (d) effectiveness of the registration statement for the shares of Vistra Energy Common Stock to be issued in the Merger, and the approval of the listing of such shares on the NYSE. Each party's obligation to consummate the Merger is also subject to certain additional customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) performance in all material respects by the other party of its obligations under the Merger Agreement and (iii) the receipt by such party of an opinion from its counsel to the effect that the Merger will qualify as a tax-free reorganization within the meaning of the Code. The consummation of the Merger is not conditioned on either party obtaining any financing.

Non-Solicitation of Alternative Acquisition Proposals **(Page 146)**

Pursuant to the Merger Agreement, prior to the consummation of the Merger, each of Vistra Energy and Dynegy has agreed, among other things, that it and its subsidiaries will not, and will cause its and its subsidiaries' respective officers, directors and employees not to, and will cause its and its subsidiaries' representatives not to and will not authorize or give permission to its subsidiaries' representatives to, directly or indirectly, (i) solicit, initiate, seek or knowingly encourage or facilitate the making, submission or announcement of any inquiry, discussion request, offer or proposal that constitutes or would reasonably be expected to lead to an alternative acquisition proposal (as defined in "The Merger Agreement—Non-Solicitation of Alternative Acquisition Proposals"), (ii) furnish any non-public information, or afford access to properties, books and records, to any third party in connection with or in response to, or that would be reasonably expected to lead to, an alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto, (iii) engage or participate in any discussions or negotiations with any third party with respect to, or that would be reasonably expected to lead to, an alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto, (iv) adopt or approve, an alternative acquisition proposal or (v) enter into any letter of intent or other agreement (other than a confidentiality agreement) providing for or related to, an alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto, subject to certain limited exceptions.

Prior to obtaining its stockholder approval, either Vistra Energy or Dynegy may furnish nonpublic information with respect to itself and its subsidiaries to the third party who made the alternative acquisition proposal, and may participate in discussions and negotiations regarding the alternative acquisition proposal, so long as it receives a bona fide, written alternative acquisition proposal from a third party that did not result from a breach of the non-solicitation provisions of the Merger Agreement noted above and certain other conditions are met, including that its board of directors, after consultation with a financial advisor and outside legal counsel,

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determines in good faith that the alternative acquisition proposal constitutes or would reasonably be expected to result in a superior offer (as defined in "The Merger Agreement—Non-Solicitation of Alternative Acquisition Proposals").

For more information regarding the non-solicitation obligations of the parties, see "The Merger Agreement—Non-Solicitation of Alternative Acquisition Proposals" beginning on page 146.

***Change of Board Recommendations or Termination of Merger Agreement for Superior Offer* (Page 148)**

Before obtaining its stockholder approval, the Vistra Energy Board or the Dynegy Board, as the case may be, may effect a change of recommendation and/or authorize Vistra Energy or Dynegy, respectively, to terminate the Merger Agreement under certain specified conditions to accept a bona fide alternative acquisition proposal that did not result from a breach of the non-solicitation provisions of the Merger Agreement, that has not been withdrawn, and that is reflected in a written definitive agreement that would be binding, subject to the terms and conditions of such written definitive agreement, on the applicable third party if executed and delivered by Vistra Energy or Dynegy, respectively, and the Vistra Energy Board or the Dynegy Board, respectively determines in good faith, after consultation with its financial advisor and outside legal counsel that the alternative acquisition proposal constitutes a superior offer (as defined in "The Merger Agreement—Change of Board Recommendations or Termination of Merger Agreement for Superior Offer") and that the failure to effect a change of recommendation or authorize the subject company to terminate the Merger Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law. Among other things, Vistra Energy or Dynegy, respectively, must provide the other party with prior written notice that its board of directors intends to effect a change of recommendation or authorize Vistra Energy or Dynegy, respectively, to terminate the Merger Agreement and provide a matching period of at least four business days prior to terminating the Merger Agreement.

For more information regarding a change of recommendation or a termination of the Merger Agreement for superior offer, see "The Merger Agreement—Change of Board Recommendations or Termination of Merger Agreement for Superior Offer" beginning on page 148.

Termination of the Merger Agreement, Termination Fees and Expense Amounts (Page 154)

The Merger Agreement contains certain termination rights for both Vistra Energy and Dynegy, including in specified circumstances in connection with an alternative acquisition proposal that has been determined to be a superior offer. Upon termination of the Merger Agreement, under specified circumstances (a) for a failure to obtain certain requisite regulatory approvals, Vistra Energy may be required to pay Dynegy a termination fee of $100 million, (b) in connection with a superior offer, the Vistra Energy Board effecting a change of its recommendation in favor of the Merger, a Vistra Energy breach of its non-solicitation obligations in any material respect, the Vistra Energy Board's failure to reaffirm its recommendation, Vistra Energy may be required to pay a termination fee to Dynegy of $100 million, and (c) in connection with a superior offer, the Dynegy Board effecting a change of its recommendation in favor of the Merger, a Dynegy breach of its non-solicitation obligations in any material respect, the Dynegy Board's failure to reaffirm its recommendation, Dynegy may be required to pay to Vistra Energy a termination fee of $87 million. In addition, if the Merger Agreement is terminated (i) because Vistra Energy's stockholders do not approve the Stock Issuance Proposal or do not approve the Merger Proposal, then Vistra Energy will be obligated to reimburse Dynegy for its reasonable out-of-pocket fees and expenses incurred in connection with the Merger Agreement, or (ii) because Dynegy's stockholders do not approve the Merger Proposal, then Dynegy will reimburse Vistra Energy for its reasonable out-of-pocket fees and expenses incurred in connection with the Merger Agreement, each of which is subject to a cap of $22 million. Such expense reimbursement may be deducted from the abovementioned termination fees, if ultimately payable.

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For more information regarding termination of the Merger Agreement, termination fees and expense amounts, see "The Merger Agreement—Termination of the Merger Agreement" beginning on page 154 and "The Merger Agreement—Effect of Termination; Termination Fees and Expense Reimbursement" beginning on page 155.

Regulatory Approvals Required to Complete the Merger (Page 132)

Required regulatory approvals include approvals of the FERC, the PUCT and the NYPSC, and the expiration or termination of the applicable waiting period under the HSR Act.

See "The Merger—Regulatory Approvals Required to Complete the Merger" beginning on page 132.

Litigation Relating to the Merger (Page 160)

In January 2018, a purported Dynegy stockholder filed a putative class action lawsuit in the United States District Court for the Southern Division of Texas, Houston Division, alleging that Dynegy, each member of the Dynegy Board and Vistra Energy violated federal securities laws by filing a Form S-4 Registration Statement in connection with the Merger that omits purportedly material information. The lawsuit seeks to enjoin the Merger and to have the Dynegy and Vistra Energy issue an amended Form S-4 or, alternatively, damages if the Merger closes without an amended Form S-4 having been filed. Vistra Energy and Dynegy believe that the claims asserted by the lawsuit are not valid and intend to vigorously defend against the allegations.

See "Litigation Relating to the Merger" beginning on page 160.

Material U.S. Federal Income Tax Consequences (Page 161)

Assuming that the Merger is completed as currently contemplated, Vistra Energy and Dynegy intend for the Merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. It is a condition to the obligation of Vistra Energy to complete the Merger that Vistra Energy receive the written opinion of Simpson Thacher & Bartlett LLP (or other Vistra Energy tax advisor reasonably satisfactory to Vistra Energy), dated as of the closing date, to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the obligation of Dynegy to complete the Merger that Dynegy receive the written opinion of Skadden, Arps, Slate, Meagher & Flom LLP (or other Dynegy tax advisor reasonably satisfactory to Dynegy), dated as of the closing date, to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Provided that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, a U.S. holder (as defined under "Material U.S. Federal Income Tax Consequences") of Dynegy Common Stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of Dynegy Common Stock for shares of Vistra Energy Common Stock in the Merger (other than gain or loss with respect to any cash received in lieu of a fractional share of Vistra Energy Common Stock).

You should read "Material U.S. Federal Income Tax Consequences" beginning on page 161 for a more complete discussion of the material U.S. federal income tax consequences of the Merger. The tax consequences of the Merger to you will depend on your particular facts and circumstances. **You should consult your tax advisor to determine the particular tax consequences of the Merger to you.**

The Vistra Energy Special Meeting (Page 164)

The special meeting of Vistra Energy stockholders will be held at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201 on March 2, 2018, starting at 9:00 a.m., Central Time.

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Proposals Submitted to the Vistra Energy Stockholders (Page 168)

Vistra Energy stockholders will be asked to consider and vote on the following proposals:

- the Merger Proposal;
- the Stock Issuance Proposal; and
- the Vistra Energy Adjournment Proposal.

Vistra Energy will transact no other business at the Vistra Energy special meeting or any adjournment or postponement thereof.

The Dynegy Special Meeting (Page 171)

The special meeting of Dynegy stockholders will be held at the Chase Center, 601 Travis Street, Houston, Texas 77002 on March 2, 2018, starting at 10:00 a.m., Central Time.

Proposals Submitted to the Dynegy Stockholders (Page 175)

Dynegy stockholders will be asked to consider and vote on the following proposals:

- the Merger Proposal;
- the Dynegy Compensation Proposal; and
- the Dynegy Adjournment Proposal.

Dynegy will transact no other business at the Dynegy special meeting or any adjournment or postponement thereof.

Listing of Vistra Energy Common Stock and Deregistration of Dynegy Common Stock (Page 135)

It is a condition to the completion of the Merger that the Vistra Energy Common Stock issuable in connection with the Merger be authorized for listing on the NYSE, subject to official notice of issuance.

After the Merger is completed, the Dynegy Common Stock will no longer be listed on the NYSE and will be deregistered under the Exchange Act.

Anticipated Accounting Treatment (Page 135)

Vistra Energy prepares its financial statements in accordance with GAAP. The Merger will be accounted for as a business combination by applying the acquisition method, with Vistra Energy considered as the acquirer for accounting purposes. For more information, see "The Merger—Anticipated Accounting Treatment" beginning on page 135.

No Appraisal Rights and Dissenters' Rights (Page 135)

No dissenters' or appraisal rights will be available with respect to the Merger, the Stock Issuance or any of the other transactions contemplated by the Merger Agreement.

Comparison of Rights of Vistra Energy Stockholders and Dynegy Stockholders (Page 288)

Holders of Dynegy Common Stock will have different rights following the effective time of the Merger because they will hold Vistra Energy Common Stock instead of Dynegy Common Stock, and there are

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differences between the governing documents of Vistra Energy and Dynegy. For more information regarding the differences in rights of Vistra Energy stockholders and Dynegy stockholders, see “Comparison of Rights of Vistra Energy Stockholders and Dynegy Stockholders” beginning on page 288.

Summary of Risk Factors Related to the Merger (Page 35)

You should carefully consider the following important risks, together with all of the other information included in this joint proxy statement and prospectus and the risks related to the Merger and the related transactions described under the section “Risk Factors” beginning on page 35:

- The Merger is subject to a number of conditions which, if not satisfied or waived in a timely manner, would delay the Merger or adversely impact the ability of Vistra Energy and Dynegy to complete the Merger on the terms set forth in the Merger Agreement or at all.
- Failure to consummate the Merger as currently contemplated or at all could adversely affect the price of Vistra Energy Common Stock or Dynegy Common Stock and the future business and financial results of Vistra Energy or Dynegy.
- Vistra Energy and Dynegy will be subject to business uncertainties and contractual restrictions while the Merger is pending that could adversely affect their financial results.
- Because the market prices of shares of Vistra Energy Common Stock and shares of Dynegy Common Stock will fluctuate and the Exchange Ratio is fixed, the market value of the merger consideration at the date of the closing may vary significantly from the date the Merger Agreement was executed, the date of this joint proxy statement and prospectus and the dates of Vistra Energy’s special meeting and Dynegy’s special meeting.
- The Merger Agreement contains provisions that limit the ability of Vistra Energy and Dynegy to pursue alternatives to the Merger, which could discourage a potential competing acquirer of Vistra Energy or Dynegy from making a favorable alternative transaction proposal and, in certain circumstances, could require Vistra Energy to pay a termination fee to Dynegy or Dynegy to pay a termination fee to Vistra Energy.
- Holders of Vistra Energy Common Stock and Dynegy Common Stock will have a reduced ownership and voting interest in the combined company after the Merger and will exercise less influence over management of the combined company.
- The Merger will result in changes to the board of directors that may affect the strategy and operations of the combined company.
- If the Merger is not consummated by the End Date (which is April 29, 2019, unless extended pursuant to the terms of the Merger Agreement), Vistra Energy or Dynegy may terminate the Merger Agreement in certain circumstances.
- An adverse judgment in any litigation challenging the Merger may prevent the Merger from becoming effective or from becoming effective within the expected timeframe.
- The unaudited pro forma condensed combined consolidated financial information included elsewhere in this joint proxy statement and prospectus are not intended to be representative of the combined company’s results after the Merger, and accordingly, you have limited financial information on which to evaluate the combined company following the Merger.
- Following the Merger, the combined company may be unable to integrate Vistra Energy’s business and Dynegy’s business successfully and realize the anticipated synergies and other expected benefits of the Merger on the anticipated timeframe or at all.

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- The Merger will combine two companies that are currently affected by developments in the electric utility industry, including changes in regulation and increased competition. A failure to adapt to the changing regulatory environment after the Merger could adversely affect the stability of the combined company's earnings and could result in the erosion of its market positions, revenues and profits.
- Certain directors and executive officers of Vistra Energy and Dynegy have interests in the Merger that are different from, or in addition to, those of other Vistra Energy and Dynegy stockholders, which could have influenced their decisions to support or approve the Merger.
- The shares of Vistra Energy Common Stock to be received by Dynegy stockholders as a result of the Merger will have different rights from the shares of Dynegy Common Stock.
- The combined company will have a significant amount of indebtedness. As a result, it may be more difficult for the combined company to pay or refinance its debts or take other actions, and the combined company may need to divert its cash flow from operations to debt service payments.
- The terms of the credit agreements governing the combined company's two separate credit facilities will restrict its current and future operations, particularly the combined company's ability to respond to changes or to take certain actions.
- The combined company is expected to incur substantial expenses related to the Merger and the integration of Vistra Energy and Dynegy.

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Summary Selected Historical Consolidated Financial Information of Vistra Energy

On October 3, 2016, which Vistra Energy refers to as the Plan Effective Date, the Plan of Reorganization became effective with respect to the TCEH Debtors and the Contributed EFH Debtors, including TCEH (the "Predecessor"), which consummated their reorganization under the Bankruptcy Code and emerged from the Chapter 11 Cases. The following tables set forth the summary selected historical consolidated financial information for Vistra Energy (the "Successor") for periods subsequent to the Plan Effective Date and the Predecessor for periods prior to the Plan Effective Date. The financial statements of the Successor are not comparable to the financial statements of the Predecessor as those periods prior to the Plan Effective Date do not give effect to any adjustments to the carrying values of assets or amounts of liabilities that resulted from the Plan of Reorganization, and the related application of fresh-start reporting, which includes accounting policies implemented by Vistra Energy that may differ from the Predecessor. The selected historical consolidated financial information of the Successor as of September 30, 2017 and for the nine months ended September 30, 2017 and of the Predecessor for the nine months ended September 30, 2016 has been derived from Vistra Energy's unaudited historical condensed consolidated financial statements and related notes included elsewhere in this document. The selected historical consolidated financial data of the Successor as of December 31, 2016 and for the period from October 3, 2016 through December 31, 2016 and of the Predecessor as of December 31, 2015 and the period from January 1, 2016 through October 2, 2016 and for the year ended December 31, 2015 has been derived from Vistra Energy's historical audited consolidated financial statements and related notes included elsewhere in this document. The selected historical consolidated financial data of the Predecessor as of December 31, 2014, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012 has been derived from Vistra Energy's Predecessor's historical audited consolidated financial statements and related notes that are not included in this document. The selected historical consolidated financial data should be read in conjunction with Vistra Energy's audited consolidated financial statements and related notes and with Vistra Energy's unaudited condensed consolidated financial statements and related notes.

	Successor	Predecessor	Successor	Predecessor				
	Nine Months Ended September 30, 2017 (Unaudited)	Nine Months Ended September 30, 2016 (Unaudited)	Period from October 3, 2016 through December 31, 2016	Period from January 1, 2016 through October 2, 2016	Year Ended December 31, 2015	2014	2013	2012
	(in millions, except per share amounts)							
Operating revenues	$ 4,487	$ 3,973	$ 1,191	$ 3,973	$ 5,370	$ 5,978	$ 5,899	$ 5,636
Impairment of goodwill	$ —	$ —	$ —	$ —	$ (2,200)	$ (1,600)	$ (1,000)	$ (1,200)
Impairment of long-lived assets	$ —	$ —	$ —	$ —	$ (2,541)	$ (4,670)	$ (140)	$ —
Operating income (loss)	$ 658	$ 568	$ (161)	$ 568	$ (4,091)	$ (6,015)	$ (1,113)	$ (961)
Net income (loss)(a)	$ 325	$ (656)	$ (163)	$ 22,851	$ (4,677)	$ (6,229)	$ (2,197)	$ (2,948)
Cash provided by (used in) operating activities	$ 845	$ (196)	$ 81	$ (238)	$ 237	$ 444	$ (270)	$ (237)
Weighted average shares of common stock outstanding—basic and diluted	428	—	428	—	—	—	—	—
Net income (loss) per weighted average share of common stock outstanding—basic and diluted	$ 0.76	$ —	$ (0.38)	$ —	$ —	$ —	$ —	$ —
Dividends declared per share of common stock	$ —	$ —	$ 2.32	$ —	$ —	$ —	$ —	$ —

(a) Predecessor period from January 1, 2016 through October 2, 2016 includes net gains totaling $22.121 billion related to bankruptcy-related reorganization items including significant gains on extinguishing claims pursuant to the Plan of Reorganization.

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	Successor		Predecessor			
	As of September 30, 2017 (Unaudited)	As of December 31, 2016	As of December 31, 2015	2014	2013	2012
			(in millions)			
Balance Sheet Information:						
Total assets[(a)(b)]	$ 15,000	$ 15,167	$ 15,658	$ 21,343	$ 28,822	$32,969
Property, plant & equipment—net[(a)(b)]	$ 4,746	$ 4,443	$ 9,349	$ 12,288	$ 17,649	$18,556
Goodwill and intangible assets[(a)]	$ 4,756	$ 5,112	$ 1,331	$ 3,688	$ 5,669	$ 6,733
Borrowings, debt and pre-Petition notes, loans and other debt						
Borrowings under debtor-in-possession credit facilities[(c)]	$ —	$ —	$ 1,425	$ 1,425	$ —	$ —
Debt[(d)]	$ 4,540	$ 4,557	$ 3	$ 51	$ 26,146	$29,795
Pre-petition notes, loans and other debt reported as liabilities subject to compromise[(e)]	$ —	$ —	$ 31,668	$ 31,856	$ —	$ —
Borrowings under Predecessors credit facilities[(f)]	$ —	$ —	$ —	$ —	$ 2,054	$ 2,136
Total equity/membership interests	$ 6,935	$ 6,597	$(22,884)	$(18,209)	$(11,982)	$ (9,683)

(a) As of September 30, 2017 and December 31, 2016, amounts reflect the application of fresh-start reporting.
(b) Reflects impact of impairment charges for long-lived assets of $2.541 billion and $4.670 billion in the years ended December 31, 2015 and 2014, respectively.
(c) Borrowings under debtor-in-possession credit facilities are classified as noncurrent as of December 31, 2014 and due currently as of December 31, 2015.
(d) For all periods presented, excludes amounts with contractual maturity dates in the following twelve months.
(e) As of December 31, 2015 and 2014, includes both unsecured and under secured obligations incurred prior to the Petition Date, but excludes pre-petition obligations that were fully secured and other obligations that were allowed to be paid as ordered by the Bankruptcy Court. As of December 31, 2014, also excludes $702 million of deferred debt issuance and extension costs.
(f) Exclude borrowing under debtor-in-possession credit facilities.

Summary Selected Historical Consolidated Financial Information of Dynegy

The following tables set forth the summary selected historical consolidated financial information for Dynegy. The selected financial information presented below as of and for the nine months ended September 30, 2017 and 2016 and as of and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, was derived from, and is qualified by, reference to Dynegy's consolidated financial statements, including the notes thereto.

As a result of the application of fresh-start accounting as of October 1, 2012, following Dynegy's reorganization, the financial statements on or prior to October 1, 2012 are not comparable with the financial statements after October 1, 2012. References to "Successor" refer to Dynegy after October 1, 2012, after giving effect to the application of fresh-start accounting. References to "Predecessor" refer to Dynegy on or prior to October 1, 2012. The financial statements of the Successor are not comparable to the financial statements of the Predecessor as those periods prior to Dynegy's emergence from bankruptcy do not give effect to any adjustments to the carrying values of assets or amounts of liabilities that resulted from the reorganization, and the related

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application of fresh-start reporting, which includes accounting policies implemented by the Successor that may differ from the Predecessor.

The summary selected historical consolidated financial data should be read in conjunction with Dynegy's audited consolidated financial statements and related notes and with Dynegy's unaudited consolidated financial statements and related notes.

	Successor							Predecessor
	Nine Months Ended September 30, 2017(a) (Unaudited)	Nine Months Ended September 30, 2016 (Unaudited)	Year Ended December 31, 2016	2015(b)	2014	2013(c)	Period from October 2 through December 31, 2012	Period from January 1 through October 1, 2012
	(in millions, except per share amounts)							
Statements of Operations Data:								
Revenue	$ 3,848	$ 3,211	$ 4,318	$ 3,870	$2,497	$1,466	$ 312	$ 981
Impairments	$ (148)	$ (857)	$ (858)	$ (99)	$ —	$ —	$ —	$ —
Operating income (loss)	$ (173)	$ (674)	$ (640)	$ 64	$ (19)	$ (318)	$ (104)	$ 5
Bankruptcy reorganization items, net	$ 494	$ —	$ (96)	$ —	$ 3	$ (1)	$ (3)	$ 1,037
Interest expense	$ (478)	$ (449)	$ (625)	$ (546)	$ (223)	$ (97)	$ (16)	$ (120)
Net income (loss) attributable to Dynegy Inc.	$ 169	$ (1,060)	$(1,240)	$ 50	$ (273)	$ (356)	$ (107)	$ (32)
Basic earnings (loss) per share attributable to Dynegy Inc. common stockholders	$ 1.01	$ (8.54)	$ (9.78)	$ 0.22	$ (2.65)	$ (3.56)	$ (1.07)	N/A
Basic weighted-average shares outstanding (millions)	152	126	129	125	105	100	100	N/A
Cash Flow Data:								
Net cash provided by (used in) operating activities	$ 501	$ 728	$ 645	$ 94	$ 221	$ 173	$ (49)	$ (37)
Net cash provided by (used in) investing activities	$ (2,771)	$ (313)	$ (93)	$(6,368)	$ (107)	$ 141	$ (41)	$ 278
Net cash provided by (used in) financing activities	$ (955)	$ 2,584	$ 2,742	$ (265)	$6,126	$ (154)	$ (328)	$ (184)
Capital expenditures, acquisitions and investments	$ (3,378)	$ (337)	$ (293)	$(6,379)	$ (125)	$ 138	$ (41)	$ 193

(a) Dynegy's September 30, 2017 financial statements only reflect the impacts of the Delta Transaction subsequent to February 7, 2017.

(b) Dynegy's 2015 financial statements only reflect the impacts of the EquiPower and Duke Midwest Acquisitions subsequent to April 1, 2015 and April 2, 2015, respectively.

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(c) Dynegy completed the acquisition of New Ameren Energy Resources, LLC effective December 2, 2013.

	As of September 30, 2017 (Unaudited)	As of December 31,				
		2016	2015	2014	2013	2012
		(in millions)				
Balance Sheet Data:						
Current assets	$ 1,704	$ 2,987	$ 1,932	$ 2,664	$1,682	$1,043
Current liabilities	$ 867	$ 916	$ 809	$ 678	$ 718	$ 347
Property, plant and equipment, net	$ 8,929	$ 7,121	$ 8,347	$ 3,255	$3,315	$3,022
Total assets	$ 12,007	$13,053	$11,459	$11,154	$5,264	$4,535
Long-term debt (including current portion)(a)(b)	$ 8,747	$ 8,979	$ 7,209	$ 7,028	$1,965	$1,415
Total equity	$ 1,984	$ 2,039	$ 2,919	$ 3,023	$2,207	$2,503

(a) The year ended December 31, 2016 includes a $2.0 billion seven-year Tranche C Term Loan related to the Delta Transaction. The year ended December 31, 2014 includes $5.1 billion related to Dynegy's notes issued on October 27, 2014.

(b) As a result of the Genco Chapter 11 Bankruptcy case, Dynegy reclassified approximately $825 million in long-term debt to liabilities subject to compromise in their consolidated balance sheet.

Summary Selected Unaudited Pro Forma Condensed Combined Consolidated Financial Information **(Page 312)**

The following tables set forth summary selected unaudited pro forma condensed combined consolidated financial information which combines the condensed consolidated financial information of Vistra Energy and Dynegy as of and for the nine months ended September 30, 2017 and for the year ended December 31, 2016 after giving effect to (a) the Merger as if it had occurred on January 1, 2016, (b) the reorganization transactions contemplated by the Plan of Reorganization of TCEH and the application of fresh-start reporting for the emerged entity, Vistra Energy, and (c) Dynegy's 2017 acquisition of the GSENA Thermal Assets and related financing transactions. The summary unaudited pro forma condensed combined consolidated financial information is provided for illustrative purposes only and does not purport to represent what the combined company's actual condensed combined consolidated results of operations or condensed combined consolidated financial position would have been had the adjustments occurred on the dates assumed, nor is it necessarily indicative of future condensed combined consolidated results of operations or condensed combined consolidated financial position. Pursuant to applicable rules for preparing unaudited pro forma condensed combined consolidated financial statements, the below financial information and the pro forma condensed combined consolidated financial statements included later in this document do not include any impacts from cost savings and margin enhancements that Vistra Energy anticipates achieving as part of the Merger.

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This information is only a summary and should be read in conjunction with "Risk Factors—Risks Related to the Merger", "Summary Selected Historical Consolidated Financial Information of Vistra Energy", "Summary Selected Historical Consolidated Financial Information of Dynegy", "Comparative Historical and Unaudited Pro Forma Combined Per Share Information" and "Unaudited Pro Forma Condensed Combined Consolidated Financial Information", which are included elsewhere in this document. Among other things, the pro forma financial statements included in "Unaudited Pro Forma Condensed Combined Consolidated Financial Information" provide more detailed information regarding the basis of presentation for, and the adjustments and assumptions underlying, the information in the following tables.

	Nine Months Ended September 30, 2017	Year Ended December 31, 2016
	(in millions, except per share amounts)	
Pro Forma Condensed Combined Consolidated Statement of Income Information:		
Operating revenues	$ 8,542	$ 10,501
Operating income (loss)	$ 471	$ (215)
Net income (loss) attributable to common stockholders	$ 306	$ (806)
Net income (loss) per weighted average share of common stock outstanding—basic	$ 0.57	$ (1.50)
Net income (loss) per weighted average share of common stock outstanding—diluted	$ 0.56	$ (1.50)

	As of September 30, 2017
	(in millions)
Pro Forma Condensed Combined Consolidated Balance Sheet Information:	
Cash and cash equivalents	$ 1,667
Property, plant and equipment	$ 13,983
Total assets	$ 27,829
Long-term debt, including amounts due currently	$ 13,831
Total liabilities	$ 19,108
Total equity	$ 8,721

***Comparative Per Share Market Price and Dividend Information* (Page 296)**

Since May 10, 2017, Vistra Energy Common Stock has been listed on the NYSE under the symbol "VST". Upon Emergence and through May 9, 2017, Vistra Energy Common Stock was listed on the OTCQX US under the symbol "VSTE". Dynegy Common Stock is listed on the NYSE under the symbol "DYN".

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The following table presents closing prices for Vistra Energy Common Stock and Dynegy Common Stock on October 27, 2017, the last trading day before the public announcement of the Merger, and January 19, 2018, the latest practicable trading date before the date of this document. The table also presents the equivalent market value per share of Dynegy Common Stock as determined by multiplying the closing prices of shares of Vistra Energy Common Stock on October 27, 2017 and January 19, 2018 by the Exchange Ratio of 0.652x provided for in the Merger Agreement.

	Vistra Energy Common Stock	Dynegy Common Stock	Equivalent Per Share of Dynegy Common Stock
October 27, 2017	$ 20.30	$ 11.22	$ 13.24
January 19, 2018	$ 19.49	$ 12.59	$ 12.71

The market prices of Vistra Energy Common Stock and Dynegy Common Stock will fluctuate between the date of this document and the completion of the Merger.

The following table sets forth the per share high and low sales prices and per share cash dividends declared for Vistra Energy Common Stock and Dynegy Common Stock for the periods presented.

	Vistra Energy Common Stock			Dynegy Common Stock		
	High	Low	Cash Dividends Declared	High	Low	Cash Dividends Declared
2018						
First quarter (through January 19, 2018)	$19.56	$17.95	$ —	$12.62	$11.53	$ —
2017						
Fourth quarter	$20.49	$17.24	$ —	$12.49	$ 9.09	$ —
Third quarter	$18.70	$15.88	$ —	$ 9.93	$ 7.38	$ —
Second quarter	$16.86	$14.59	$ —	$ 9.12	$ 5.93	$ —
First quarter	$17.95	$15.36	$ —	$10.42	$ 6.96	$ —
2016						
Fourth quarter	$16.40	$13.60	$ 2.32	$13.38	$ 7.34	$ —
Third quarter				$18.09	$12.04	$ —
Second quarter				$21.51	$14.16	$ —
First quarter				$14.37	$ 7.43	$ —
2015						
Fourth quarter				$23.70	$10.02	$ —
Third quarter				$30.07	$19.68	$ —
Second quarter				$34.16	$29.25	$ —

Because the Exchange Ratio will not be adjusted for changes in the market price of either Vistra Energy Common Stock or Dynegy Common Stock, the market value of the Vistra Energy Common Stock that holders of Dynegy Common Stock will have the right to receive on the date the Merger is completed may vary significantly from the market value of the Vistra Energy Common Stock that holders of Dynegy Common Stock would receive if the Merger were completed on the date of this joint proxy statement and prospectus. As a result, you should obtain recent market prices of Vistra Energy Common Stock and Dynegy Common Stock prior to voting your shares. See "Risk Factors—Risks Related to the Merger" beginning on page 35.

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Comparative Historical and Unaudited Pro Forma Condensed Combined Consolidated Per Share Financial Information **(Page 297)**

The following table sets forth historical per share information for Vistra Energy and Dynegy, summary unaudited pro forma condensed combined consolidated per share information for Vistra Energy giving effect to the Merger and equivalent pro forma per share information of Dynegy based on the Exchange Ratio of 0.652x provided for in the Merger Agreement. The following information assumes the Merger was completed on January 1, 2016 for pro forma combined earnings per share purposes and September 30, 2017 for book value per share purposes. The following information should be read in conjunction with "Unaudited Pro Forma Condensed Combined Consolidated Financial Information" included elsewhere in this document.

	Vistra Energy		Dynegy	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent(a)(d)
Nine Months Ended September 30, 2017:				
Basic earnings (loss) per share of common stock	$ 0.76	$ 0.57	$ 0.50	$ 0.37
Diluted earnings (loss) per share of common stock	$ 0.76	$ 0.56	$ 0.48	$ 0.37
Cash dividends declared per share of common stock	$ —	$ —	$ —	$ —
Book value per share of common stock(b)	$ 16.22	$ 16.25	$ 15.14	$ 10.60
Year Ended December 31, 2016(c):				
Basic earnings (loss) per share of common stock	$ (0.02)	$ (1.50)	$ (9.79)	$ (0.98)
Diluted earnings (loss) per share of common stock	$ (0.02)	$ (1.50)	$ (9.79)	$ (0.98)
Cash dividends declared per share of common stock	$ 2.32	$ 2.32	$ —	$ 1.51

(a) The pro forma equivalent per share amounts were calculated by multiplying the pro forma combined per share amounts by the Exchange Ratio of 0.652x provided for in the Merger Agreement.

(b) Historical book value per share amounts were calculated by dividing total equity by the number of outstanding shares of Vistra Energy Common Stock or Dynegy Common Stock, as applicable. Pro forma book value per share amounts were calculated by dividing pro forma combined total equity by the pro forma combined number of shares of Vistra Energy Common Stock that would have been outstanding as of September 30, 2017.

(c) Vistra Energy's historical per share amounts are for the Successor period from October 3, 2016 through December 31, 2016.

(d) The cash dividend declared per share of common stock represents an equivalent per share amount as if the share participated in the dividend declared in the year ended December 31, 2016.

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RISK FACTORS

In addition to other information included elsewhere in this joint proxy statement and prospectus and in the annexes to this joint proxy statement and prospectus, including the matters addressed in the section entitled “Cautionary Statement Regarding Forward-Looking Statements” beginning on page 61, you should carefully consider the following risk factors in deciding whether to vote for the proposals set forth in this joint proxy statement and prospectus. You should also read and consider the other information in this joint proxy statement and prospectus and the other documents incorporated by reference into this joint proxy statement and prospectus. Please also see “Where You Can Find More Information and Incorporation by Reference” on page 309.

Risks Related to the Merger

The Merger is subject to a number of conditions which, if not satisfied or waived in a timely manner, would delay the Merger or adversely impact the ability of Vistra Energy and Dynegy to complete the Merger on the terms set forth in the Merger Agreement or at all.

The completion of the Merger is subject to the satisfaction or waiver of a number of conditions. For example, before the Merger may be completed, both Vistra Energy stockholders and Dynegy stockholders must approve the Merger Proposal. In addition, various filings must be made with the FERC and certain other regulatory, antitrust and other authorities in the United States, including the PUCT, the NYPSC, the U.S. Department of Justice (“DOJ”) and the Federal Trade Commission (“FTC”). These governmental authorities may impose conditions on the completion, or require changes to the terms, of the Merger, including restrictions or conditions on the business, operations or financial performance of the combined company following completion of the Merger. These conditions or changes, including potential litigation brought in connection with the Merger, could have the effect of delaying completion of the Merger or imposing additional costs on or limiting the revenues of the combined company following the Merger, or could cause the combined company not to realize the anticipated benefits of the Merger, any of which could have a material adverse effect on the financial condition, results of operations and cash flows of the combined company and/or cause either Dynegy or Vistra Energy to abandon the Merger. These conditions or changes could also have the effect of causing the Merger to be consummated on terms different than those contemplated by the Merger Agreement or causing the Merger to fail to be consummated.

If Vistra Energy and Dynegy are unable to complete the Merger, they still will incur and will remain liable for significant transaction costs, including legal, accounting, filing, printing and other costs relating to the Merger. Also, depending upon the reasons for not completing the Merger, Vistra Energy may be required to pay Dynegy a termination fee of $100 million or reimburse its expenses up to $22 million, or Dynegy may be required to pay Vistra Energy a termination fee of $87 million or reimburse its expenses up to $22 million. For more information on the termination fees and/or expenses potentially payable by Vistra Energy and Dynegy, see “The Merger Agreement—Termination of the Merger Agreement.” If such a termination fee is payable, the payment of this fee could have a material adverse effect on the financial condition, results of operations and cash flows of Vistra Energy or Dynegy, as applicable.

Failure to consummate the Merger as currently contemplated or at all could adversely affect the price of Vistra Energy Common Stock or Dynegy Common Stock and the future business and financial results of Vistra Energy or Dynegy.

The completion of the Merger is subject to the satisfaction or waiver of a number of conditions. Vistra Energy and Dynegy cannot guarantee when or if these conditions will be satisfied or that the Merger will be successfully completed. If the Merger is not consummated, or is consummated on different terms than as contemplated by the Merger Agreement, Vistra Energy and Dynegy could be adversely affected and subject to a variety of risks associated with the failure to consummate the Merger, or to consummate the Merger as contemplated by the Merger Agreement, including:

- Vistra Energy stockholders and Dynegy stockholders may be prevented from realizing the anticipated potential benefits of the Merger;

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- the market price of Vistra Energy Common Stock or Dynegy Common Stock could decline significantly;
- reputational harm due to the adverse public perception of any failure to successfully complete the Merger;
- under certain circumstances, Vistra Energy may be required to pay Dynegy a termination fee of up to $100 million or reimburse its expenses up to $22 million, or Dynegy may be required to pay Vistra Energy a termination fee of up to $87 million or reimburse its expenses up to $22 million; and
- the attention of Vistra Energy's and Dynegy's management and employees may be diverted from their day-to-day business and operational matters and Vistra Energy's and Dynegy's relationships with their customers and suppliers may be disrupted as a result of efforts relating to attempting to consummate the Merger.

Any delay in the consummation of the Merger, any uncertainty about the consummation of the Merger on terms other than those contemplated by the Merger Agreement and any failure to consummate the Merger could adversely affect the business, financial results and stock price of Vistra Energy and/or Dynegy.

Vistra Energy and Dynegy will be subject to business uncertainties and contractual restrictions while the Merger is pending that could adversely affect their financial results.

Uncertainty about the effect of the Merger on employees, customers and suppliers may have an adverse effect on Vistra Energy's and/or Dynegy's business. These uncertainties may impair each company's ability to attract, retain and motivate key personnel until the Merger is completed and for a period of time thereafter, and could cause customers, suppliers and others that deal with Vistra Energy and/or Dynegy to seek to change existing business relationships.

If, despite Vistra Energy's and Dynegy's retention and recruiting efforts, key employees depart or prospective employees fail to accept employment with them for any reason, including because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company, the operations and financial results of Vistra Energy and/or Dynegy could be affected.

The pursuit of the Merger and the preparation for the integration of Dynegy into Vistra Energy may place a significant burden on management and internal resources. The diversion of management attention away from ongoing business concerns and any difficulties encountered in the transition and integration process could affect the business, and financial condition, results of operations and cash flows of Vistra Energy and/or Dynegy.

In addition, Vistra Energy and Dynegy are restricted under the Merger Agreement, without obtaining the other party's consent, from taking certain other specified actions until the Merger occurs or the Merger Agreement terminates. These restrictions may prevent Vistra Energy and Dynegy from pursuing otherwise attractive business opportunities and making other changes to their businesses prior to completion of the Merger or termination of the Merger Agreement.

Because the market prices of shares of Vistra Energy Common Stock and shares of Dynegy Common Stock will fluctuate and the Exchange Ratio is fixed, the market value of the merger consideration at the date of the closing may vary significantly from the date the Merger Agreement was executed, the date of this joint proxy statement and prospectus and the dates of Vistra Energy's special meeting and Dynegy's special meeting.

Upon completion of the Merger, subject to certain exceptions, each outstanding share of Dynegy Common Stock will be converted into the right to receive 0.652 of a share of Vistra Energy Common Stock. The number of shares of Vistra Energy Common Stock to be issued pursuant to the Merger Agreement for each share of Dynegy Common Stock is fixed and will not change to reflect changes in the market price of Vistra Energy

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Common Stock or Dynegy Common Stock. Because the Exchange Ratio is fixed, the market value of the Vistra Energy Common Stock issued in connection with the Merger and/or the Dynegy Common Stock surrendered in connection with the Merger may be significantly higher or lower than the values of those shares on the date the Merger Agreement was signed, the date of this joint proxy statement and prospectus, the dates of Vistra Energy's special meeting and Dynegy's special meeting to consider the Merger Proposal or other earlier dates. Stock price changes may result from market assessment of the likelihood that the Merger will be completed, changes in the business, operations or prospects of Vistra Energy or Dynegy prior to or following the Merger, litigation or regulatory considerations, general business, market, industry or economic conditions and other factors both within and beyond the control of Vistra Energy and Dynegy. Neither Vistra Energy nor Dynegy is permitted to terminate the Merger Agreement because of changes in the market price of either company's common stock.

The Merger Agreement contains provisions that limit the ability of Vistra Energy and Dynegy to pursue alternatives to the Merger, which could discourage a potential competing acquirer of Vistra Energy or Dynegy from making a favorable alternative transaction proposal and, in certain circumstances, could require Vistra Energy to pay a termination fee to Dynegy or Dynegy to a pay a termination fee to Vistra Energy.

Under the Merger Agreement, Vistra Energy and Dynegy are restricted from entering into alternative transactions to the Merger. Unless and until the Merger Agreement is terminated, subject to specified exceptions, Vistra Energy and Dynegy are restricted from soliciting, initiating, seeking or knowingly encouraging or facilitating, or engaging in any discussions or negotiations with any person regarding, any alternative proposal or any inquiry, proposal or indication of interest that would reasonably be expected to lead to an alternative proposal. While the Vistra Energy Board and the Dynegy Board are permitted to change their respective recommendations to stockholders prior to the applicable special meeting under certain circumstances, namely if one party to the Merger Agreement is in receipt of an unsolicited superior proposal or a certain unforeseeable, material intervening event has occurred, before that party's board of directors changes its recommendation to stockholders in such circumstances, it must give the other party the opportunity to make a revised proposal. Vistra Energy and Dynegy may terminate the Merger Agreement and enter into an agreement with respect to an unsolicited superior proposal only if specified conditions have been satisfied, including compliance with the provisions of the Merger Agreement restricting solicitation of alternative proposals and requiring payment of a termination fee in certain circumstances. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Vistra Energy or Dynegy from considering or proposing such an acquisition, even if such third party were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the Merger, or could result in a potential competing acquirer proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances. As a result of these restrictions, Vistra Energy and Dynegy may not be able to enter into an agreement with respect to a more favorable alternative transaction without incurring potentially significant liabilities in respect of the Merger.

If the Merger Agreement is terminated because the Vistra Energy Board changes its recommendation to stockholders or Vistra Energy enters into a definitive agreement for an unsolicited superior proposal, Vistra Energy will be required to pay Dynegy a termination fee of $100 million. If the Merger Agreement is terminated because the Dynegy Board changes its recommendation to stockholders or Dynegy enters into a definitive agreement for an unsolicited superior proposal, Dynegy will be required to pay Vistra Energy a termination fee of $87 million. For more information on the termination fees and/or expenses potentially payable by Vistra Energy and Dynegy, see "The Merger Agreement—Termination of the Merger Agreement." If such a termination fee is payable, the payment of this fee could have a material adverse effect on the financial condition, results of operations and cash flows of Vistra Energy or Dynegy, as applicable.

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Holders of Vistra Energy Common Stock and Dynegy Common Stock will have a reduced ownership and voting interest in the combined company after the Merger and will exercise less influence over management of the combined company.

Upon completion of the Merger, continuing holders of Vistra Energy Common Stock are expected to own 79% of the combined company's fully diluted equity and former holders of Dynegy Common Stock are expected to own the remaining 21% of the combined company's fully diluted equity. Stockholders of Vistra Energy and Dynegy currently have the right to vote for their respective boards of directors and on other matters affecting the applicable company. When the Merger occurs, each Dynegy stockholder will receive 0.652 shares of Vistra Energy Common Stock per share of Dynegy Common Stock, resulting in a percentage ownership of the combined company that is smaller than the Dynegy stockholders' percentage ownership of Dynegy prior to the Merger. Correspondingly, each Vistra Energy stockholder will remain a stockholder in Vistra Energy with a percentage ownership of the combined company that is smaller than the stockholder's percentage ownership of Vistra Energy prior to the Merger. As a result of these reduced ownership percentages, current stockholders of Vistra Energy and Dynegy may have less influence on the management and policies of the combined company than they now have with respect to Vistra Energy and Dynegy, respectively, on a standalone basis.

The Merger will result in changes to the board of directors that may affect the strategy and operations of the combined company.

In connection with the consummation of the Merger, the board of directors of the combined company will be expanded to consist of eleven members, which is expected to be comprised of all eight members of the Vistra Energy Board and three members from the Dynegy Board (provided such directors are willing to serve on the board of the combined company). This new composition of the board of directors may affect the combined company's business strategy and operating decisions following the completion of the Merger.

If the Merger is not consummated by the End Date, Vistra Energy or Dynegy may terminate the Merger Agreement in certain circumstances.

Either Vistra Energy or Dynegy may terminate the Merger Agreement under certain circumstances, including, if the Merger has not been consummated by the End Date (which is April 29, 2019, unless extended pursuant to the terms of the Merger Agreement). However, this termination right will not be available to a party if that party failed to perform or comply in all material respects with its obligations under the Merger Agreement and that failure was the principal cause of the failure to consummate the Merger by such date.

An adverse judgment in any litigation challenging the Merger may prevent the Merger from becoming effective or from becoming effective within the expected timeframe.

It is possible that Vistra Energy stockholders or Dynegy stockholders may file lawsuits challenging the Merger or the other transactions contemplated by the Merger Agreement, which may name Vistra Energy, the Vistra Energy Board, Dynegy and/or the Dynegy Board as defendants. The outcome of such lawsuits cannot be assured, including the amount of costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation of these claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the Merger on the agreed-upon terms, such an injunction may delay the consummation of the Merger in the expected timeframe, or may prevent the Merger from being consummated altogether. Whether or not any plaintiff's claim is successful, this type of litigation may result in significant costs and divert management's attention and resources, which could adversely affect the operation of Vistra Energy's and Dynegy's business.

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The unaudited pro forma condensed combined consolidated financial information included elsewhere in this joint proxy statement and prospectus are not intended to be representative of the combined company's results after the Merger, and accordingly, you have limited financial information on which to evaluate the combined company following the Merger.

The unaudited pro forma condensed combined consolidated financial information included elsewhere in this joint proxy statement and prospectus has been presented for informational purposes only and is not intended to be indicative of the financial position or results of operations that actually would have occurred had the Merger been completed as of the dates indicated, nor is it indicative of the future operating results or financial position of the combined company following the Merger. The unaudited pro forma condensed combined consolidated financial information does not reflect future events that may occur after the Merger. The unaudited pro forma condensed combined consolidated financial information presented elsewhere in this joint proxy statement and prospectus is based in part on certain assumptions regarding the Merger that Vistra Energy and Dynegy believe are reasonable under the circumstances. Neither Vistra Energy nor Dynegy can assure you that the assumptions will prove to be accurate over time.

Following the Merger, the combined company may be unable to integrate Vistra Energy's business and Dynegy's business successfully and realize the anticipated synergies and other expected benefits of the Merger on the anticipated timeframe or at all.

The Merger involves the combination of two companies that currently operate as independent public companies. The combined company expects to benefit from certain cost savings and operating efficiencies, some of which will take time to realize. The combined company will be required to devote significant management attention and resources to the integration of Vistra Energy's and Dynegy's business practices and operations. The potential difficulties the combined company may encounter in the integration process include the following:

- the inability to successfully combine Vistra Energy's and Dynegy's businesses in a manner that permits the combined company to achieve the cost savings anticipated to result from the Merger, which would result in the anticipated benefits of the Merger not being realized in the timeframe currently anticipated or at all;
- the complexities associated with integrating personnel from the two companies;
- 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 Merger;
- 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 Merger and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the combined company's management, the disruption of the combined company's ongoing business or inconsistencies in its operations, services, standards, controls, policies and procedures, any of which could adversely affect the combined company's ability to maintain relationships with operators, vendors and employees, to achieve the anticipated benefits of the Merger, or could otherwise materially and adversely affect its business and financial results.

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The Merger will combine two companies that are currently affected by developments in the electric utility industry, including changes in regulation and increased competition. A failure to adapt to the changing regulatory environment after the Merger could adversely affect the stability of the combined company's earnings and could result in the erosion of its market positions, revenues and profits.

Because Vistra Energy, Dynegy and their respective subsidiaries are regulated in the U.S. at the federal level and in several states, the two companies have been and will continue to be affected by legislative and regulatory developments. After the Merger, the combined company and/or its subsidiaries will be subject in the U.S. to extensive federal regulation as well as to state regulation in the states in which the combined company will operate. The costs and burdens associated with complying with these regulatory jurisdictions may have a material adverse effect on the combined company. Moreover, potential legislative changes, regulatory changes or otherwise may create greater risks to the stability of the combined company's earnings generally. If the combined company is not responsive to these changes, it could suffer erosion in market position, revenues and profits as competitors gain access to its service territories.

Certain directors and executive officers of Vistra Energy and Dynegy have interests in the Merger that are different from, or in addition to, those of other Vistra Energy and Dynegy stockholders, which could have influenced their decisions to support or approve the Merger.

Vistra Energy and Dynegy stockholders should recognize that certain directors and executive officers of Vistra Energy and Dynegy have interests in the Merger that differ from, or that are in addition to, their interests as stockholders of Vistra Energy and Dynegy. These interests include, among others, continued service as a director or an executive officer of the combined company, the accelerated vesting of certain equity awards and/or severance benefits as a result of termination of employment in connection with the Merger. These interests, among others, may influence the directors and executive officers of Vistra Energy and/or Dynegy to approve and/or recommend Merger-related proposals. The Vistra Energy Board and the Dynegy Board were aware of and considered these interests at the time each approved the Merger Agreement. See "The Merger—Interests of Vistra Energy's Directors and Executive Officers in the Merger" beginning on page 125 and "The Merger—Interests of Dynegy's Directors and Executive Officers in the Merger" beginning on page 126.

The shares of Vistra Energy Common Stock to be received by Dynegy stockholders as a result of the Merger will have different rights from the shares of Dynegy Common Stock.

Upon completion of the Merger, Dynegy stockholders will become Vistra Energy stockholders and their rights as stockholders will be governed by Vistra Energy's certificate of incorporation and bylaws. Certain of the rights associated with Vistra Energy Common Stock are different from the rights associated with Dynegy Common Stock. Please see "Comparison of Rights of Vistra Energy Stockholders and Dynegy Stockholders" beginning on page 288 for a discussion of the different rights associated with Vistra Energy Common Stock.

The combined company will have a significant amount of indebtedness. As a result, it may be more difficult for the combined company to pay or refinance its debts or take other actions, and the combined company may need to divert its cash flow from operations to debt service payments.

The combined company will have substantial indebtedness following completion of the Merger. In addition, subject to the limits contained in the documents governing such indebtedness, the combined company may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If the combined company does so, the risks related to its high level of debt could intensify. The amount of such indebtedness could have material adverse consequences for the combined company, including:

- hindering its ability to adjust to changing market, industry or economic conditions;
- limiting its ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms or to fund future working capital, capital expenditures, acquisitions or emerging businesses or other general corporate purposes;

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- limiting the amount of free cash flow available for future operations, acquisitions, dividends, stock repurchases or other uses;
- making it more vulnerable to economic or industry downturns, including interest rate increases; and
- placing it at a competitive disadvantage compared to less leveraged competitors.

Moreover, to respond to competitive challenges, the combined company may be required to raise substantial additional capital to execute its business strategy. The combined company's ability to arrange additional financing will depend on, among other factors, its financial position and performance, as well as prevailing market conditions and other factors beyond its control. Even if the combined company is able to obtain additional financing, its credit ratings could be adversely affected, which could raise its borrowing costs and limit its future access to capital and its ability to satisfy its obligations under its indebtedness.

The terms of the credit agreements governing the combined company's two separate credit facilities will restrict its current and future operations, particularly the combined company's ability to respond to changes or to take certain actions.

The combined company is expected to operate under two separate credit facilities, each with its own set of restrictive covenants. These restrictive covenants may limit the combined company's ability to engage in acts that may be in the combined company's long-term best interest, including restrictions on its ability to enter into intercompany business and financial transactions and arrangements, and therefore may prevent the combined company from fully realizing the potential benefits of the Merger. Additionally, the combined company's ability to comply with the financial and other covenants contained in its debt instruments may be affected by changes in economic or business conditions or other events beyond its control.

A breach of the covenants and restrictions under the credit agreements governing the combined company's credit facilities could result in an event of default under the applicable indebtedness. If the combined company experiences such a default, it may be required to take actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing all or part of its existing debt, or seeking additional equity capital. The combined company may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the combined company to meet its scheduled debt service obligations. As a result of these restrictions, the combined company may be:

- limited in how it conducts its business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or take advantage of new business opportunities.

These restrictions may affect the combined company's ability to grow in accordance with its strategy. In addition, the combined company's financial results, its substantial indebtedness and credit ratings could adversely affect the availability and terms of its financing.

The combined company is expected to incur substantial expenses related to the Merger and the integration of Vistra Energy and Dynegy.

The combined company is expected to incur substantial expenses in connection with the Merger and the integration of Vistra Energy and Dynegy. There are a large number of processes, policies, procedures, operations, technologies and systems at each company that must be integrated, including purchasing, accounting and finance, sales, payroll, pricing, revenue management, commercial operations, risk management, marketing and employee benefits. While Vistra Energy and Dynegy have assumed that a certain level of expenses would be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses.

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Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the Merger, and the amount and timing of such charges are uncertain at present.

Risks Related to Vistra Energy

Vistra Energy's revenues, results of operations and operating cash flows generally are negatively impacted by decreases in market prices for electricity.

Vistra Energy is not guaranteed any rate of return on capital investments in its businesses. Vistra Energy conducts integrated power generation and retail electricity activities, focusing on power generation, wholesale electricity sales and purchases, retail sales of electricity and services to end users and commodity risk management. Its 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, Vistra Energy does have a wholesale power position that exceeds the overall load requirements of its retail business and is subject to wholesale power price moves. As a result, Vistra Energy's revenues, results of operations and operating cash flows depend in large part upon wholesale market prices for electricity, natural gas, uranium, lignite, coal, fuel and transportation in its regional market and other competitive markets and upon prevailing retail electricity rates, which may be impacted by, among other things, actions of regulatory authorities. Market prices may fluctuate substantially over relatively short periods of time. Demand for electricity can fluctuate dramatically, creating periods of substantial under- or over-supply. Over-supply can also occur as a result of the construction of new power plants, as Vistra Energy has observed in recent years. During periods of over-supply, electricity prices might be depressed. Also, at times there may be 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.

Some of the fuel for Vistra Energy's generation facilities is purchased under short-term contracts. Fuel costs (including diesel, natural gas, lignite, coal and nuclear fuel) may be volatile, and the wholesale price for electricity may not change at the same rate as changes in fuel costs. In addition, it purchases and sells natural gas and other energy related commodities, and volatility in these markets may affect costs incurred in meeting obligations.

Volatility in market prices for fuel and electricity may result from, among other factors:

- volatility in natural gas prices;
- volatility in ERCOT market heat rates;
- volatility in coal and rail transportation prices;
- volatility in nuclear fuel and related enrichment and conversion services;
- severe or unexpected weather conditions, including 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 or other commodity markets;
- transmission or transportation disruptions, constraints, inoperability or inefficiencies;
- availability of competitively priced alternative energy sources or storage;
- changes in market structure and liquidity;

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- changes in the manner in which Vistra Energy operates its facilities, including curtailed operation due to market pricing, environmental, safety or other factors;
- changes in generation efficiency;
- outages or otherwise reduced output from its generation facilities or those of its competitors;
- the addition of new electric capacity, including the construction of new power plants;
- its creditworthiness and liquidity and the willingness of fuel suppliers and transporters to do business with it;
- changes in the credit risk or payment practices of market participants;
- changes in production and storage levels of natural gas, lignite, coal, uranium, diesel and other refined products;
- natural disasters, wars, sabotage, terrorist acts, embargoes and other catastrophic events; and
- federal, state and local energy, environmental and other regulation and legislation.

All of Vistra Energy's generation facilities are currently located in the ERCOT market, a market with limited interconnections to other markets. The price of electricity in the ERCOT market is typically set by natural gas-fueled generation facilities, with wholesale electricity prices generally tracking increases or decreases in the price of natural gas. A substantial portion of its supply volumes in 2016 and the nine months ended September 30, 2017 were produced by its nuclear-, lignite- and coal-fueled generation assets. Natural gas prices have generally trended downward since mid- 2008 (from $11.12 per MMBtu in mid-2008 to $3.11 per MMBtu for the average settled price for the year ended December 31, 2017). Furthermore, in recent years, natural gas supply has outpaced demand primarily as a result of development and expansion of hydraulic fracturing in natural gas extraction, and the supply/demand imbalance has resulted in historically low natural gas prices. Because Vistra Energy's baseload generating units and a substantial portion of its load following generating units are nuclear-, lignite- and coal-fueled, Vistra Energy's results of operations and operating cash flows have been negatively impacted by the effect of low natural gas prices on wholesale electricity prices without a significant decrease in its operating cost inputs. Various industry experts expect this supply/demand imbalance to persist for a number of years, thereby depressing natural gas prices for a long-term period. As a result, the financial results from, and the value of, Vistra Energy's generation assets could remain depressed or could materially decrease in the future unless natural gas prices rebound materially.

Wholesale electricity prices also track ERCOT market heat rates, which can be affected by a number of factors, including generation availability and the efficiency of the marginal supplier (generally natural gas-fueled generation facilities) in generating electricity. Vistra Energy's market heat rate exposure is impacted by changes in the availability of generating resources, such as additions and retirements of generation facilities, and the mix of generation assets in ERCOT. For example, increasing renewable (wind and solar) generation capacity generally depresses market heat rates. Additionally, construction of more efficient generation capacity also depresses market heat rates. Decreases in market heat rates decrease the value of all of Vistra Energy's generation assets because lower market heat rates generally result in lower wholesale electricity prices. Even though market heat rates have generally increased over the past several years, wholesale electricity prices have declined due to the greater effect of falling natural gas prices. As a result, the financial results from, and the value of, Vistra Energy's nuclear-, lignite- and coal-fueled generation assets could significantly decrease in profitability and value and its financial condition and results of operations may be negatively impacted if ERCOT market heat rates decline.

Vistra Energy recently announced the retirement of its Big Brown, Sandow and Monticello units. A sustained decrease in the financial results from, or the value of, Vistra Energy's generation units ultimately could result in the retirement or idling of certain other generation units. In recent years, Vistra Energy has operated certain of its lignite- and coal-fueled generation assets only during parts of the year that have higher electricity demand and, therefore, higher related wholesale electricity prices.

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Vistra Energy's assets or positions cannot be fully hedged against changes in commodity prices and market heat rates, and hedging transactions may not work as planned or hedge counterparties may default on their obligations.

Vistra Energy's hedging activities do not fully protect it against the risks associated with changes in commodity prices, most notably electricity and natural gas prices, because of the expected useful life of its generation assets and the size of its position relative to the duration of available markets for various hedging activities. Generally, commodity markets that Vistra Energy participate in to hedge its exposure to ERCOT electricity prices and heat rates have limited liquidity after two to three years. Further, Vistra Energy's ability to hedge its 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 Vistra Energy has unhedged positions, fluctuating commodity prices and/or market heat rates can materially impact its results of operations, cash flows, liquidity and financial condition, either favorably or unfavorably.

To manage its financial exposure related to commodity price fluctuations, Vistra Energy routinely enters 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, Vistra Energy routinely utilizes fixed-price forward physical purchase and sale contracts, futures, financial swaps and option contracts traded in over-the-counter markets or on exchanges. Although Vistra Energy devotes a considerable amount of time and effort to the establishment of risk management procedures, as well as the ongoing review of the implementation of these procedures, the procedures in place may not always function as planned and cannot eliminate all the risks associated with these activities. For example, Vistra Energy hedges the expected needs of its wholesale and retail customers, but unexpected changes due to weather, natural disasters, consumer behavior, market constraints or other factors could cause it 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, risk management decisions may have a material adverse effect on Vistra Energy.

Based on economic and other considerations, Vistra Energy may not be able to, or it may decide not to, hedge the entire exposure of its operations from commodity price risk. To the extent Vistra Energy does not hedge against commodity price risk and applicable commodity prices change in ways adverse to it, Vistra Energy could be materially and adversely affected. To the extent Vistra Energy does hedge against commodity price risk, those hedges may ultimately prove to be ineffective.

With the tightening of credit markets that began in 2008 and the 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, particularly in the ERCOT electricity market. Notably, participation by financial institutions and other intermediaries (including investment banks) in such markets has declined. Extended declines in market liquidity could adversely affect Vistra Energy's ability to hedge its financial exposure to desired levels.

To the extent Vistra Energy engages in hedging and risk management activities, it is exposed to the credit risk that counterparties that owe it money, energy or other commodities as a result of these activities will not perform their obligations to Vistra Energy. Should the counterparties to these arrangements fail to perform, Vistra Energy could be forced to enter into alternative hedging arrangements or honor the underlying commitment at then-current market prices. In such event, Vistra Energy could incur losses or forgo expected gains in addition to amounts, if any, already paid to the counterparties. ERCOT market participants are also exposed to risks that another ERCOT market participant may default on its obligations to pay ERCOT for electricity or services taken, in which case such costs, to the extent not offset by posted security and other protections available to ERCOT, may be allocated to various non-defaulting ERCOT market participants, including Vistra Energy.

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Vistra Energy's results of operations and financial condition could be materially and adversely affected if energy market participants continue to construct additional generation facilities (i.e., new-build) in ERCOT despite relatively low power prices in ERCOT and such additional generation capacity results in a reduction in wholesale power prices.

Given the overall attractiveness of ERCOT and certain tax benefits associated with renewable energy, among other matters, energy market participants have continued to construct new generation facilities *(i.e.,* new-build) in ERCOT despite relatively low wholesale power prices. If this market dynamic continues, Vistra Energy's results of operations and financial condition could be materially and adversely affected if such additional generation capacity results in an over-supply of electricity in ERCOT that causes a reduction in wholesale power prices in ERCOT.

Vistra Energy's 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 Vistra Energy may be unable to access capital on favorable terms or at all in the future, which could have a material adverse effect on Vistra Energy. Vistra Energy currently maintains non-investment grade credit ratings that could negatively affect its ability to access capital on favorable terms or result in higher collateral requirements, particularly if its credit ratings were to be downgraded in the future.

Vistra Energy's businesses are capital intensive. In general, Vistra Energy relies on access to financial markets and credit facilities as a significant source of liquidity for its capital requirements 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 Vistra Energy's liquidity and its ability to meet its obligations or sustain and grow its businesses and could increase capital costs and collateral requirements, any of which could have a material adverse effect on Vistra Energy.

Vistra Energy's 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 ERCOT or general United States power markets;
- regulatory developments;
- changes in interest rates;
- a deterioration, or perceived deterioration, of its creditworthiness, enterprise value or financial or operating results;
- a reduction in Vistra Energy's or its applicable subsidiaries' credit ratings;
- its level of indebtedness and compliance with covenants in its debt agreements;
- a deterioration of the creditworthiness or bankruptcy of one or more lenders or counterparties under its credit facilities that affects the ability of such lender(s) to make loans to Vistra Energy;
- security or collateral requirements;
- general credit availability from banks or other lenders for Vistra Energy and its industry peers;
- investor confidence in the industry and in Vistra Energy and the ERCOT wholesale electricity market;
- volatility in commodity prices that increases credit requirements;
- a material breakdown in its risk management procedures;
- the occurrence of changes in its businesses;

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- disruptions, constraints, or inefficiencies in the continued reliable operation of its generation facilities; and
- changes in or the operation of provisions of tax and regulatory laws.

In addition, Vistra Energy currently maintains non-investment grade credit ratings. As a result, Vistra Energy may not be able to access capital on terms (financial or otherwise) as favorable as companies that maintain investment grade credit ratings or Vistra Energy may be unable to access capital at all at times when the credit markets tighten. In addition, its non-investment grade credit ratings may result in counterparties requesting collateral support (including cash or letters of credit) in order to enter into transactions with Vistra Energy.

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 Energy or any of its subsidiaries, including the issuance of additional debt, could result in a temporary or permanent downgrade in its credit ratings.

The Vistra Operations Credit Facilities impose restrictions on it and any failure to comply with these restrictions could have a material adverse effect on Vistra Energy.

The Vistra Operations Credit Facilities contain restrictions that could adversely affect Vistra Energy by limiting its ability to plan for, or react to, market conditions or to meet its capital needs and could result in an event of default under the Vistra Operations Credit Facilities. The Vistra Operations Credit Facilities contain events of default customary for financings of this type. If Vistra Energy fails to comply with the covenants in the Vistra Operations Credit Facilities and is unable to obtain a waiver or amendment, or a default exists and is continuing, the lenders under such agreements could give notice and declare outstanding borrowings thereunder immediately due and payable. Any such acceleration of outstanding borrowings could have a material adverse effect on Vistra Energy.

Certain of Vistra Energy's obligations are required to be secured by letters of credit or cash, which increase its costs. If Vistra Energy is unable to provide such security, it may restrict its ability to conduct its business, which could have a material adverse effect on Vistra Energy.

Vistra Energy undertakes certain hedging and commodity activities and enters 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 Vistra Energy defaults on its obligations. Vistra Energy currently uses margin deposits, prepayments and letters of credit as credit support for commodity procurement and risk management activities. Future cash collateral requirements may increase based on the extent of its involvement in standard contracts and movements in commodity prices, and also based on its credit ratings and the general perception of creditworthiness in the markets in which Vistra Energy operate. In the case of commodity arrangements, the amount of such credit support that must be provided 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 its being required to provide cash collateral and letters of credit in very large amounts. The effectiveness of Vistra Energy's strategy may be dependent on the amount of collateral available to enter into or maintain these contracts, and liquidity requirements may be greater than it anticipates or will be able to meet. Without a sufficient amount of working capital to post as collateral, Vistra Energy may not be able to manage price volatility effectively or to implement its strategy. An increase in the amount of letters of credit or cash collateral required to be provided to its counterparties may have a material adverse effect on Vistra Energy.

Vistra Energy may not be able to complete future acquisitions or successfully integrate future acquisitions into its business, which could result in unanticipated expenses and losses.

As part of Vistra Energy's growth strategy, it has pursued acquisitions and may continue to do so. Vistra Energy's ability to continue to implement this component of its growth strategy will be limited by its ability to

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identify appropriate acquisition or joint venture candidates and its financial resources, including available cash and access to capital. Any expense incurred in completing acquisitions or entering into joint ventures, the time it takes to integrate an acquisition or Vistra Energy's failure to integrate acquired businesses successfully could result in unanticipated expenses and losses. Furthermore, Vistra Energy may not be able to fully realize the anticipated benefits from any future acquisitions or joint ventures it may pursue. In addition, the process of integrating acquired operations into its existing operations may result in unforeseen operating difficulties and expenses and may require significant financial resources that would otherwise be available for the execution of its business strategy.

Vistra Energy may be responsible for U.S. federal and state income tax liabilities that relate to the PrefCo Preferred Stock Sale and Spin-Off.

Pursuant to the Tax Matters Agreement, the parties thereto have agreed to take certain actions and refrain from taking certain actions in order to preserve the intended tax treatment of the Spin-Off and to indemnify the other parties to the extent a breach of such covenant results in additional taxes to the other parties. If Vistra Energy breaches such a covenant (or, in certain circumstances, if its stockholders or creditors of its Predecessor take or took certain actions that result in the intended tax treatment of the Spin-Off not to be preserved), Vistra Energy may be required to make substantial indemnification payments to the other parties to the Tax Matters Agreement.

The Tax Matters Agreement also allocates the responsibility for taxes for periods prior to the Spin-Off between EFH Corp. and Vistra Energy. For periods prior to the Spin-Off, (i) Vistra Energy is generally required to reimburse EFH Corp. with respect to any taxes paid by EFH Corp. that are attributable to Vistra Energy and (ii) EFH Corp. is generally required to reimburse Vistra Energy with respect to any taxes paid by Vistra Energy that are attributable to EFH Corp.

Vistra Energy is also required to indemnify EFH Corp. against certain taxes in the event the IRS or another taxing authority successfully challenges the amount of gain relating to the PrefCo Preferred Stock Sale or the amount or allowance of EFH Corp.'s net operating loss deductions.

Vistra Energy's indemnification obligations to EFH Corp. are not limited by any maximum amount. If Vistra Energy is required to indemnify EFH Corp. or such other persons under the circumstances set forth in the Tax Matters Agreement, Vistra Energy may be subject to substantial liabilities.

Vistra Energy is required to pay the holders of TRA Rights for certain tax benefits, which amounts are expected to be substantial.

On the Plan Effective Date, Vistra Energy entered into the Tax Receivable Agreement with American Stock Transfer & Trust Company, LLC, as the transfer agent. Pursuant to the Tax Receivable Agreement, Vistra Energy issued beneficial interests in the rights to receive payments under the Tax Receivable Agreement (the "TRA Rights") to the first lien creditors of its Predecessor to be held in escrow for the benefit of the first lien creditors of its Predecessor entitled to receive such TRA Rights under the Plan of Reorganization. Vistra Energy's pro forma financial statements included elsewhere in this joint proxy statement and prospectus reflect a liability of $708 million related to these future payment obligations. This amount is based on certain assumptions as described more fully in the notes to the pro forma financial statements, including assumptions on the current corporate tax rates remaining unchanged, and the actual payments made under the Tax Receivable Agreement could materially exceed this estimate.

The Tax Receivable Agreement provides for the payment by Vistra Energy 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 Vistra Energy and its subsidiaries actually realize as a result of its 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

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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 it as a result of payments under the Tax Receivable Agreement. The amount and timing of any payments under the Tax Receivable Agreement will vary depending upon a number of factors, including the amount and timing of the taxable income Vistra Energy generates in the future and the tax rate then applicable, its use of loss carryovers and the portion of its payments under the Tax Receivable Agreement constituting imputed interest.

Although Vistra Energy is not aware of any issue that would cause the IRS to challenge the tax benefits that are the subject of the Tax Receivable Agreement, recipients of the payments under the Tax Receivable Agreement will not be required to reimburse Vistra Energy for any payments previously made if such tax benefits are subsequently disallowed. As a result, in such circumstances, Vistra Energy could make payments under the Tax Receivable Agreement that are greater than its actual cash tax savings and may not be able to recoup those payments, which could adversely affect its liquidity.

Because Vistra Energy is a holding company with no operations of its own, its ability to make payments under the Tax Receivable Agreement is dependent on the ability of its subsidiaries to make distributions to it. To the extent that Vistra Energy is unable to make payments under the Tax Receivable Agreement because of the inability of its subsidiaries to make distributions to it for any reason, such payments will be deferred and will accrue interest until paid, which could adversely affect Vistra Energy's results of operations and could also affect its liquidity in periods in which such payments are made.

The payments Vistra Energy will be required to make under the Tax Receivable Agreement could be substantial.

Vistra Energy may be required to make an early termination payment to the holders of TRA Rights under the Tax Receivable Agreement.

The Tax Receivable Agreement provides that, in the event that Vistra Energy breaches any of its material obligations under the Tax Receivable Agreement, or upon certain mergers, asset sales, or other forms of business combination or certain other changes of control, the transfer agent under the Tax Receivable Agreement may treat such event as an early termination of the Tax Receivable Agreement, in which case Vistra Energy 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, Vistra Energy could be required to make a lump sum payment under the Tax Receivable Agreement before it can realize any actual cash tax savings and such lump sum payment could be greater than its future actual cash tax savings.

The aggregate amount of these accelerated payments could be materially more than Vistra Energy's estimated liability for payments made under the Tax Receivable Agreement set forth in its pro forma financial statements. Based on this estimation, Vistra Energy's obligations under the Tax Receivable Agreement could have a substantial negative impact on its liquidity.

Vistra Energy is potentially liable for U.S. income taxes of the entire EFH Corp. consolidated group for all taxable years in which Vistra Energy was a member of such group.

Prior to the Spin-Off, EFH Corporate Services Company, EFH Properties Company and certain other subsidiary corporations were included in the consolidated U.S. federal income tax group of which EFH Corp. was the common parent (the "EFH Corp. Consolidated Group"). In addition, pursuant to the private letter ruling from the IRS that Vistra Energy received in connection with the Spin-Off, Vistra Energy will be considered a member of the EFH Corp. Consolidated Group immediately prior to the Spin-Off. Under U.S. federal income tax laws, any corporation that is a member of a consolidated group at any time during a taxable year is severally liable for the group's entire U.S. federal income tax liability for the entire taxable year. In addition, entities that are disregarded for U.S. federal income tax purposes may be liable as successors under common law theories or under certain regulations to the extent corporations transferred assets to such entities or merged or otherwise consolidated into such entities, whether under state law or purely as a matter of U.S. federal income tax law. Thus, notwithstanding any contractual rights to be reimbursed or indemnified by EFH Corp. pursuant to the Tax Matters Agreement, to the extent EFH Corp. or other members of the EFH Corp. Consolidated Group fail to make any U.S. federal income tax payments required of them by law in respect of taxable years for which Vistra Energy or any subsidiary noted above was a member of the EFH Corp. Consolidated Group, Vistra Energy or such subsidiary may be liable for the shortfall. At such time, Vistra Energy may not have sufficient cash on hand to satisfy such payment obligation.

Vistra Energy's ability to claim a portion of depreciation deductions may be limited for a period of time.

Under the Code, a corporation's ability to utilize certain tax attributes, including depreciation, may be limited following an ownership change if the corporation's overall asset tax basis exceeds the overall fair market value of its assets (after making certain adjustments). The Spin-Off resulted in an ownership change for Vistra Energy and it is expected that the overall tax basis of Vistra Energy's assets may have exceeded the overall fair market value of its assets at such time. As a result, there may be a limitation on Vistra Energy's ability to claim a portion of its depreciation deductions for a five-year period. This limitation could have a material impact on its tax liabilities and on its obligations under the Tax Receivable Agreement. In addition, any future ownership change of Vistra Energy following Emergence could likewise result in additional limitations on its ability to use certain tax attributes existing at the time of any such ownership change and have an impact on its tax liabilities and on its obligations under the Tax Receivable Agreement.

Vistra Energy's businesses are subject to ongoing complex governmental regulations and legislation that have impacted, and may in the future impact, its businesses, results of operations, liquidity and financial condition.

Vistra Energy's 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. Although Vistra Energy attempts to comply with changing legislative and regulatory requirements, there is a risk that Vistra Energy will fail to adapt to any such changes successfully or on a timely basis.

Vistra Energy's businesses are subject to numerous state and federal laws (including PURA, the Federal Power Act, the Atomic Energy Act, the Public Utility Regulatory Policies Act of 1978, the Clean Air Act ("CAA"), the Energy Policy Act of 2005 and the Dodd-Frank Wall Street Reform and Consumer Protection Act), changing governmental policy and regulatory actions (including those of the PUCT, the NERC, the TRE, the RCT, the TCEQ, the FERC, the MSHA, the EPA, the NRC and CFTC and the rules, guidelines and protocols of ERCOT 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 and environmental matters. Vistra Energy, along with other market participants, are subject to electricity pricing constraints and market behavior and other competition-related rules and regulations under PURA that are administered by the PUCT and ERCOT. Changes in, revisions to, or reinterpretations of, existing laws and regulations may have a material adverse effect on Vistra Energy. Further, in the future, Vistra Energy could expand its business, through acquisitions or otherwise, to geographic areas outside of Texas and the ERCOT market (e.g. such as through the Merger). Such expansion would subject it to additional state regulatory requirements that could have material adverse effect on Vistra Energy.

The Texas Legislature meets every two years. The next regular legislative session is scheduled to begin in January 2019. However, at any time the governor of Texas may convene a special session of the legislature.

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During any regular or special session, bills may be introduced that, if adopted, could materially and adversely affect its businesses, results of operations, liquidity and financial condition.

Vistra Energy is required to obtain, and to comply with, government permits and approvals.

Vistra Energy is 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 Vistra Energy's operations and electricity sales or the curtailment of its delivery of electricity to its customers and may subject it to penalties and other sanctions. Although various regulators routinely renew existing permits and licenses, renewal of Vistra Energy's 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.

Vistra Energy's inability to procure and comply with the permits and licenses required for its operations, or the cost to Vistra Energy of such procurement or compliance, could have a material adverse effect on Vistra Energy. In addition, new environmental legislation or regulations, if enacted, or changed interpretations of existing laws, may cause routine maintenance activities at Vistra Energy's facilities to need to be changed in order to avoid violating applicable laws and regulations or elicit claims that historical routine maintenance activities at its facilities violated applicable laws and regulations. In addition to the possible imposition of fines in the case of any such violations, Vistra Energy may be required to undertake significant capital investments in emissions control technology and obtain additional operating permits or licenses, which could have a material adverse effect on Vistra Energy.

Vistra Energy's cost of compliance with existing and new environmental laws could have a material adverse effect on Vistra Energy.

Vistra Energy is subject to extensive environmental regulation by governmental authorities, including the EPA and the TCEQ. Vistra Energy may incur significant additional costs beyond those currently contemplated to comply with these regulatory requirements. If Vistra Energy fails to comply with these regulatory requirements, it could be subject to 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 Vistra Energy or its facilities, and future changes in environmental laws and regulations could occur, including potential regulatory and enforcement developments related to air emissions, 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 Vistra Energy.

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 Vistra Energy's existing generation facilities or its ability to cost-effectively develop new generation facilities. There is no assurance that the currently installed emissions control equipment at Vistra Energy's lignite, coal and/or natural gas-fueled generation facilities will satisfy the requirements under any future EPA or TCEQ regulations. Some of the recent regulatory actions and proposed actions, such as the EPA's Regional Haze Federal Implementation Plans (FIP) for reasonable progress and best available retrofit technology (BART), could require Vistra Energy to install significant additional control equipment, resulting in potentially material costs of compliance for its generation units, including capital expenditures, higher operating and fuel costs and potential production curtailments if the rules take effect as proposed or finalized. These costs could have a material adverse effect on Vistra Energy.

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Vistra Energy 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 Vistra Energy fails to obtain, maintain or comply with any such approval or if an approval is retroactively disallowed or adversely modified, the operation of its 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 Vistra Energy.

In addition, Vistra Energy may be responsible for any on-site liabilities associated with the environmental condition of facilities that it has acquired, leased or developed, regardless of when the liabilities arose and whether they are now known or unknown. In connection with certain acquisitions and sales of assets, Vistra Energy may obtain, or be required to provide, indemnification against certain environmental liabilities. Another party could, depending on the circumstances, assert an environmental claim against Vistra Energy or fail to meet its indemnification obligations to Vistra Energy.

Vistra Energy 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 Vistra Energy is subject to lawsuits for alleged damage to persons or property resulting from GHG emissions.

There is a concern nationally and internationally about global climate change and how GHG emissions, such as CO_2, contribute to global climate change. Over the last several years, the United States Congress has considered and debated, and President Obama's administration previously discussed, 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. The EPA has also finalized regulations under the CAA Act to limit CO_2 emissions from existing generating units, referred to as the Clean Power Plan. While currently the subject of a legal challenge, if implemented as finalized, the Clean Power Plan would require the closure of a significant number of coal-fueled electric generating units nationwide and in Texas. 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 it) that produce GHG emissions. Vistra Energy could be materially and adversely affected if new federal and/or state legislation or regulations are adopted to address global climate change, if the Clean Power Plan is implemented as finalized or if Vistra Energy is subject to lawsuits for alleged damage to persons or property resulting from GHG emissions.

The availability and cost of emission allowances could adversely impact Vistra Energy's costs of operations.

Vistra Energy is required to maintain, through either allocations or purchases, sufficient emission allowances for SO_2 and NO_x to support its operations in the ordinary course of operating its power generation facilities. These allowances are used to meet the obligations imposed on Vistra Energy by various applicable environmental laws. If Vistra Energy's operational needs require more than its allocated allowances, Vistra Energy may be forced to purchase such allowances on the open market, which could be costly. If Vistra Energy is unable to maintain sufficient emission allowances to match its operational needs, Vistra Energy may have to curtail its operations so as not to exceed its available emission allowances, or install costly new emission controls. As Vistra Energy uses the emission allowances that it has 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 Vistra Energy's costs of operations in the affected markets.

Luminant's mining operations are subject to RCT oversight.

Vistra Energy currently owns and operates through Luminant 11 surface lignite coal mines in Texas to provide fuel for its electricity generation facilities. The RCT, which exercises broad authority to regulate

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reclamation activity, reviews on an ongoing basis whether Luminant is compliant with RCT rules and regulations and whether it has met all of the requirements of its mining permits. 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 Vistra Energy's 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. In addition, Luminant's mining reclamation obligations are secured by a first lien on its assets which is pari passu with the Vistra Operations Credit Facilities (but which would be paid first, up to $975 million, upon any liquidation of Vistra Operations Company LLC's ("Vistra Operations") assets). The RCT could, at any time, require that Luminant's mining reclamation obligations be secured by cash or letters of credit in lieu of such first lien. Any failure to provide any such cash or letter of credit collateral could result in Luminant no longer being able to mine lignite. Any such event could have a material adverse effect on Vistra Energy.

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 recent announcements 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 and Martin Lake generation assets, 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 Energy is projected to spend up to $400 million (on a nominal basis) to achieve its reclamation objectives across all of its mining operations.

Litigation, legal proceedings, regulatory investigations or other administrative proceedings could expose Vistra Energy to significant liabilities and reputation damage that could have a material adverse effect on Vistra Energy.

Vistra Energy is 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. Vistra Energy evaluates 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, Vistra Energy establishes reserves and discloses 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 Vistra Energy. Vistra Energy uses appropriate means to contest litigation threatened or filed against it, but the litigation environment poses a significant business risk.

Vistra Energy is also involved in the ordinary course of business in regulatory investigations and other administrative proceedings, and Vistra Energy is exposed to the risk that it may become the subject of additional regulatory investigations or administrative proceedings. While Vistra Energy cannot predict the outcome of any regulatory investigation or administrative proceeding, any such regulatory investigation or administrative proceeding could result in it incurring material penalties and/or other costs and have a materially adverse effect on Vistra Energy.

The REP certification of Vistra Energy's retail operation is subject to PUCT review.

The PUCT may at any time initiate an investigation into whether Vistra Energy's retail operation complies with certain PUCT rules and whether it has met all of the requirements for REP certification, including financial requirements. Any removal or revocation of a REP certification would mean that Vistra Energy would no longer be allowed to provide electricity service to retail customers. Such decertification could have a material adverse

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effect on Vistra Energy. Moreover, any capital or other expenditures that Vistra Energy is required by the PUCT to undertake in order to achieve or maintain any such compliance could also have a material adverse effect on Vistra Energy.

Vistra Energy's 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.

Vistra Energy operates in a very competitive retail market and, as a result, its retail operation faces significant competition for customers. Vistra Energy believes its TXU Energy™ brand is viewed favorably in the retail electricity markets in which it operates, but despite Vistra Energy's commitment to providing superior customer service and innovative products, customer sentiment toward its brand, including by comparison to its competitors' brands, depends on certain factors beyond its control. For example, competitor REPs may offer lower electricity prices and other incentives, which, despite Vistra Energy's long-standing relationship with many customers, may attract customers away from it. If Vistra Energy is unable to successfully compete with competitors in the retail market it is possible its retail customer counts could continue to decline, which could have a material adverse effect on Vistra Energy.

As Vistra Energy tries to grow its retail business and operate its business strategy, Vistra Energy competes with various other REPs that may have certain advantages over it. For example, in new markets, Vistra Energy's 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, Vistra Energy 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 Vistra Energy. Some of these competitors or potential competitors may be larger than Vistra Energy is or have greater resources or access to capital than Vistra Energy has. If there is inadequate potential margin in retail electricity markets with substantial competition to overcome the adverse effect of relatively high customer acquisition costs in such markets, it may not be profitable for Vistra Energy to compete in these markets.

Vistra Energy's retail operations rely on the infrastructure of local utilities or independent transmission system operators to provide electricity to, and to obtain information about, its customers. Any infrastructure failure could negatively impact customer satisfaction and could have a material adverse effect on Vistra Energy.

Vistra Energy's retail operations depend on transmission and distribution facilities owned and operated by unaffiliated utilities to deliver the electricity that Vistra Energy sells to its customers. If transmission capacity is inadequate, its ability to sell and deliver electricity may be hindered and Vistra Energy may have to forgo sales or buy more expensive wholesale electricity than is available in the capacity-constrained area. For example, during some periods, transmission access is constrained in some areas of the Dallas-Fort Worth metroplex, where Vistra Energy has 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 Vistra Energy's customers could negatively impact customer satisfaction with its service. Any of the foregoing could have a material adverse effect on Vistra Energy.

Vistra Energy may suffer material losses, costs and liabilities due to ownership and operation of the Comanche Peak nuclear generation facility.

Vistra Energy owns and operates a nuclear generation facility in Glen Rose, Texas (the "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, cyber/data security or other problems;

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- 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;
- the costs of storing and maintaining spent nuclear fuel at Vistra Energy's on-site dry cask storage facility;
- terrorist or cyber/data security attacks and the cost to protect 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.

The prolonged unavailability of the Comanche Peak Facility could have a material adverse effect on Vistra Energy's 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, including potential regulation as a result of the NRC's ongoing analysis and response to the effects of the natural disaster on nuclear generation facilities in Japan in 2010, as well as any extension of Vistra Energy's 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 United States 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 Vistra Energy's reputation. Any such resulting liability from a nuclear accident could exceed Vistra Energy's 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 significant risks that could adversely affect Vistra Energy's results of operations, liquidity and financial condition.

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, operator error, lack of sufficient

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capital to maintain the facilities, the dependence on a specific fuel source 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 Vistra Energy's facilities were constructed many years ago. In particular, older generating equipment, even if maintained 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 its 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 acts and other catastrophic events and (d) the passage of time and normal wear and tear. Further, Vistra Energy's ability to successfully and timely complete routine maintenance or other capital projects at its existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, Vistra Energy could be subject to additional costs or losses and write downs of its investment in the project.

Vistra Energy 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 natural disasters or terrorist or cyber/data security attacks). The unexpected requirement of large capital expenditures could have a material adverse effect on Vistra Energy.

In addition, if any of Vistra Energy's generation facilities experiences unplanned outages, whether because of equipment breakdown or otherwise, Vistra Energy may be required to procure replacement power at spot market prices in order to fulfill contractual commitments. If Vistra Energy does not have adequate liquidity to meet margin and collateral requirements, Vistra Energy 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 Vistra Energy.

Vistra Energy's employees, contractors, customers and the general public may be exposed to a risk of injury due to the nature of its operations.

Vistra Energy's employees and contractors work in, and customers and the general public may be exposed to, potentially dangerous environments at or near its operations. As a result, employees, contractors, customers and the general public are at risk for serious injury, including loss of life. Significant examples of such risks include nuclear accidents, dam failure, gas explosions, mine area collapses and other dangerous incidents.

The occurrence of any one of these events may result in Vistra Energy 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. Vistra Energy maintains an amount of insurance protection that Vistra Energy considers adequate, but Vistra Energy cannot provide any assurance that its insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which Vistra Energy may be subject and, even if Vistra Energy does have insurance coverage for a particular circumstance, Vistra Energy may be subject to a large deductible and maximum cap. Further, due to rising insurance costs and changes in the insurance markets, Vistra Energy cannot provide any assurance that its 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 Vistra Energy.

Vistra Energy may be materially and adversely affected by the effects of extreme weather conditions and seasonality.

Vistra Energy may be materially affected by weather conditions and its businesses may fluctuate substantially on a seasonal basis as the weather changes. In addition, Vistra Energy could be subject to the effects

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of extreme weather conditions, including sustained cold or hot temperatures, hurricanes, storms or other natural disasters, which could stress its generation facilities and result in outages, destroy its 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 Vistra Energy foregoing sales of electricity and lost revenue. Similarly, an extreme weather event might affect the availability of generation and transmission capacity, limiting Vistra Energy's ability to source or deliver power where it is needed or limit its ability to source fuel for its plants (including due to damage to rail or natural gas pipeline infrastructure). Additionally, extreme weather may result in unexpected increases in customer load, requiring Vistra Energy's retail operation to procure additional electricity supplies at wholesale prices in excess of customer sales prices for electricity. These conditions, which cannot be reliably predicted, could have adverse consequences by requiring Vistra Energy to seek additional sources of electricity when wholesale market prices are high or to sell excess electricity when market prices are low, which could have a material adverse effect on Vistra Energy.

Changes in technology or increased electricity conservation efforts may reduce the value of Vistra Energy's generation facilities and may otherwise have a material adverse effect on Vistra Energy.

Technological advances have improved, and are likely to continue to improve, for existing and alternative methods to produce and store power, including gas turbines, wind turbines, fuel cells, micro turbines, photovoltaic (solar) cells, batteries and concentrated solar thermal devices, along with improvements in traditional technologies. Such technological advances have reduced, and are expected to continue to reduce, the costs of power production or storage to a level that will enable these technologies to compete effectively with traditional generation facilities. Consequently, the value of Vistra Energy's more traditional generation assets could be significantly reduced as a result of these competitive advances, which could have a material adverse effect on Vistra Energy. 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 facilities become a more cost-effective option for ERCOT customers, Vistra Energy's 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 in ERCOT as a result of such efforts would significantly reduce the value of Vistra Energy's generation assets. Certain regulatory and legislative bodies have introduced or are considering requirements and/or incentives to reduce power consumption. Effective power conservation by its 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 Vistra Energy. Furthermore, Vistra Energy may incur increased capital expenditures if Vistra Energy is required to increase investment in conservation measures.

Attacks on Vistra Energy's infrastructure that breach cyber/data security measures could expose it to significant liabilities and reputation damage and disrupt business operations, which could have a material adverse effect on Vistra Energy.

Much of Vistra Energy's information technology infrastructure is connected (directly or indirectly) to the internet. There have been numerous attacks on government and industry information technology systems through the internet that have resulted in material operational, reputation and/or financial costs. While Vistra Energy has controls in place designed to protect its infrastructure and Vistra Energy is not aware of any significant breaches in the past, a breach of cyber/data security measures that impairs its information technology infrastructure could disrupt normal business operations and affect its ability to control its generation assets, access retail customer information and limit communication with third parties. Any loss of confidential or proprietary data through a

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breach could adversely affect Vistra Energy's reputation, expose it to material legal or regulatory claims and impair its ability to execute its business strategy, which could have a material adverse effect on Vistra Energy.

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 the Energy Policy Act of 2005, the FERC can impose penalties (up to $1 million per day, per violation) for failure to comply with mandatory electric reliability standards, including standards to protect the power system against potential disruptions from cyber/data and physical security breaches.

Further, Vistra Energy's retail business requires access to sensitive customer data in the ordinary course of business. Examples of sensitive customer data are names, addresses, account information, historical electricity usage, expected patterns of use, payment history, credit bureau data, credit and debit card account numbers, drivers' license numbers, social security numbers and bank account information. Vistra Energy's retail business may need to provide sensitive customer data to vendors and service providers who require access to this information in order to provide services, such as call center operations, to the retail business. If a significant breach were to occur, the reputation of its retail business may be adversely affected, customer confidence may be diminished, and Vistra Energy's retail business may be subject to substantial legal or regulatory claims, any of which may contribute to the loss of customers and have a material adverse effect on Vistra Energy.

The loss of the services of Vistra Energy's key management and personnel could adversely affect its ability to successfully operate its businesses.

Vistra Energy's future success will depend on its ability to continue to attract and retain highly qualified personnel. Vistra Energy competes for such personnel with many other companies, in and outside of its industry, government entities and other organizations. Vistra Energy may not be successful in retaining current personnel or in hiring or retaining qualified personnel in the future. Its failure to attract highly qualified new personnel or retain highly qualified existing personnel could have an adverse effect on Vistra Energy's ability to successfully operate its businesses.

Vistra Energy could be materially and adversely impacted by strikes or work stoppages by its unionized employees.

As of December 31, 2017, Vistra Energy had 1,628 employees covered by collective bargaining agreements. Such collective bargaining agreements expired on March 31, 2017, but remain effective pursuant to evergreen provisions unless and until terminated on prior notice by either party. Vistra Energy is currently negotiating new collective bargaining agreements with all three of its local unions. In the event that its union employees strike, participate in a work stoppage or slowdown or engage in other forms of labor strife or disruption, Vistra Energy would be responsible for procuring replacement labor or it could experience reduced power generation or outages. Vistra Energy's ability to procure such labor is uncertain. Strikes, work stoppages or the inability to negotiate future collective bargaining agreements on favorable terms or at all could have a material adverse effect on Vistra Energy.

Vistra Energy is a holding company and its ability to obtain funds from its subsidiaries is structurally subordinated to existing and future liabilities and preferred equity of its subsidiaries.

Vistra Energy is a holding company that does not conduct any business operations of its own. As a result, Vistra Energy's cash flows and ability to meet its obligations are largely dependent upon the operating cash flows of Vistra Energy's subsidiaries and the payment of such operating cash flows to Vistra Energy in the form of dividends, distributions, loans or otherwise. These subsidiaries are separate and distinct legal entities from Vistra Energy and have no obligation (other than any existing contractual obligations) to provide Vistra Energy with funds to satisfy its obligations. Any decision by a subsidiary to provide Vistra Energy with funds to satisfy

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its obligations, including those under the Tax Receivable Agreement, 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 Energy.

Vistra Energy may not pay any dividends on its common stock in the future.

Vistra Energy has no present intention to pay cash dividends on its common stock. Any determination to pay dividends to holders of its common stock in the future will be at the sole discretion of the Vistra Energy Board and will depend upon many factors, including Vistra Energy's historical and anticipated financial condition, cash flows, liquidity and results of operations, capital requirements, market conditions, its growth strategy and the availability of growth opportunities, contractual prohibitions and other restrictions with respect to the payment of dividends, applicable law and other factors that the Vistra Energy Board deems relevant.

A small number of stockholders could be able to significantly influence Vistra Energy's business and affairs.

The three largest groups of stockholders of Vistra Energy, affiliates of Apollo Management Holdings L.P. (collectively, the "Apollo Entities"), affiliates of Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P. (collectively, the "Brookfield Entities"), and affiliates of Oaktree Capital Management, L.P. (collectively, the "Oaktree Entities," and together with the Apollo Entities and the Brookfield Entities, the "Vistra Energy Principal Stockholders"), all of which were first lien creditors of its Predecessor prior to Emergence, collectively currently own approximately 39% of Vistra Energy Common Stock outstanding. Large holders such as the Vistra Energy Principal Stockholders may be able to affect matters requiring approval by holders of Vistra Energy Common Stock, including the election of directors and the approval of any strategic transactions. The Vistra Energy Principal Stockholders entered into the Vistra Energy Stockholder Support Agreement in connection with the Merger pursuant to which they have agreed, subject to certain circumstances, to vote their shares of Vistra Energy Common Stock in favor of the Merger Proposal and the Stock Issuance Proposal. See "Agreements Related to the Merger—The Merger Support Agreements" beginning on page 158 for more information. Furthermore, pursuant to the terms of Stockholders Agreements entered into with each of the Vistra Energy Principal Stockholders, each Vistra Energy Principal Stockholder is entitled to designate one director to serve on the Vistra Energy Board as a Class III director for so long as it beneficially owns, in the aggregate, at least 22,500,000 shares of Vistra Energy Common Stock. It is expected that each Vistra Energy Principal Stockholder will own enough equity in the combined company that each will still have a representative on the combined company's board of directors. See "Information About Vistra Energy—Certain Relationships and Related Party Transactions—Stockholder's Agreements" beginning on page 273 for more information.

Conflicts of interest may arise because some members of the Vistra Energy Board are representatives of the Vistra Energy Principal Stockholders.

The Vistra Energy Principal Stockholders could invest in entities that directly or indirectly compete with Vistra Energy. As a result of these relationships, when conflicts arise between the interests of the Vistra Energy Principal Stockholders or their affiliates and the interests of other stockholders, members of the Vistra Energy Board that are representatives of the Vistra Energy Principal Stockholders may not be disinterested. Neither the Vistra Energy Principal Stockholders nor the representatives of the Vistra Energy Principal Stockholders on the Vistra Energy Board, by the terms of the Vistra Energy certificate of incorporation, are required to offer Vistra Energy any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it to their other affiliates, unless such opportunity is expressly offered to them solely in their capacity as members of the Vistra Energy Board.

Additionally, pursuant to the Oaktree Letter Agreement described in "Agreements Related to the Merger—The Oaktree Letter Agreement" beginning on page 158, affiliates of Oaktree commit to use commercially reasonable efforts to divest a portion of their shares of Vistra Energy Common Stock or Dynegy Common Stock,

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but are not obligated to consummate such divestment other than at prices per share of Dynegy Common Stock or Vistra Energy Common Stock determined from time to time in Oaktree's sole and absolute discretion to be adequate. The Vistra Energy Stockholder Support Agreement provides that if affiliates of Oaktree have not sold the number of shares of Vistra Energy Common Stock or Dynegy Common Stock contemplated in the Oaktree Letter Agreement, then Dynegy will purchase shares of Dynegy Common Stock from such affiliates of Oaktree so that the target ownership level is met. Such purchase will be consummated immediately prior to the closing of the Merger and will be for a cash purchase price of $13.24 per share.

Vistra Energy is unable to take certain actions because such actions could jeopardize the intended tax treatment of the Spin-Off, and such restrictions could be significant.

The Tax Matters Agreement prohibits Vistra Energy from taking certain actions that could reasonably be expected to undermine the intended tax treatment the Spin-Off or to jeopardize the conclusions of the IRS private letter ruling Vistra Energy received in connection with the Spin-Off or opinions of counsel received by Vistra Energy or EFH Corp. In particular, for two years after the Spin-Off, Vistra Energy may not:

- cease the active conduct of its business;
- cease to hold certain assets;
- voluntarily dissolve or liquidate;
- merge or consolidate with any other person in a transaction that does not qualify as a reorganization under Section 368(a) of the Code;
- redeem or otherwise repurchase (directly or indirectly) any of its equity interests other than pursuant to an open market stock repurchase program that satisfies the requirements in the Tax Matters Agreement; or
- directly or indirectly acquire any of the PrefCo Preferred Stock.

Nevertheless, Vistra Energy is permitted to take any of the actions described above if (a) it obtains written consent from EFH Corp., (b) such action or transaction is described in or otherwise consistent with the facts in the private letter ruling Vistra Energy obtained from the IRS in connection with the Spin- Off, (c) Vistra Energy obtains a supplemental private letter ruling from the IRS or (d) Vistra Energy obtains an unqualified opinion of a nationally recognized law or accounting firm that is reasonably acceptable to EFH Corp. that the action will not affect the intended tax treatment of the Spin-Off.

The covenants and other limitations with respect to the Tax Matters Agreement may limit Vistra Energy's ability to undertake certain transactions that would otherwise be value-maximizing.

Provisions in the certificate of incorporation and bylaws and the Tax Receivable Agreement might discourage, delay or prevent a change in control of Vistra Energy or changes in its management and therefore depress the market price of Vistra Energy Common Stock.

The certificate of incorporation and bylaws of Vistra Energy, and the Tax Receivable Agreement contain provisions that could depress the market price of Vistra Energy Common Stock by acting to discourage, delay or prevent a change in control of Vistra Energy or changes in its management that stockholders may deem advantageous. These provisions are in its bylaws:

- authorize the issuance of "blank check" preferred stock that the Vistra Energy Board could issue to increase the number of outstanding shares to discourage a takeover attempt;
- create a classified board of directors;
- prohibit stockholder action by written consent, and require that all stockholder actions be taken at a meeting of stockholders;

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- provide that the Vistra Energy Board is expressly authorized to make, amend or repeal its bylaws; and
- establish advance notice requirements for nominations for elections to the Vistra Energy Board or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, the Tax Receivable Agreement provides that upon certain mergers, asset sales or other forms of business combination or certain other changes of control, the transfer agent under the Tax Receivable Agreement may treat such event as an early termination of the Tax Receivable Agreement, in which case Vistra Energy would be required to make a lump-sum payment under the Tax Receivable Agreement, which could be significant. This payment obligation may discourage potential buyers from acquiring Vistra Energy.

Risks Related to Dynegy

Dynegy is, and will continue to be, subject to the risks described in Part I, Item 1A in Dynegy's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and the risks described in Part II, Item IA in Dynegy's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, as filed with the SEC and incorporated by reference into this joint proxy statement and prospectus. See "Where You Can Find More Information and Incorporation by Reference" on page 309.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement and prospectus and the annexes to this joint proxy statement and prospectus contain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act.

These forward-looking statements are predictions and generally can be identified by use of statements that include phrases such as “may,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “target,” “goal,” “plan,” “should,” “will,” “predict,” “potential,” “likely,” or other words, phrases or expressions of similar import, or the negative or other words or expressions of similar meaning, and statements regarding the anticipated consequences and benefits of the Merger or the other transactions contemplated by the Merger Agreement or the future financial condition, results of operations and business of Vistra Energy, Dynegy or the combined company.

Without limiting the generality of the preceding sentence, certain information contained in the sections “The Merger—Background of the Merger,” “The Merger—The Recommendation of the Vistra Energy Board and Its Reasons for the Merger,” “The Merger—Dynegy’s Reasons for the Merger; Recommendation of the Dynegy Board,” “The Merger—Certain Vistra Energy Unaudited Prospective Financial Information,” and “The Merger—Certain Dynegy Unaudited Prospective Financial Information” constitute forward-looking statements.

The management teams of each of Vistra Energy and Dynegy base these forward-looking statements on particular assumptions that they have made in light of their industry experience, as well as their perception of historical trends, current conditions, expected future developments and other factors that they believe are appropriate under the circumstances. The forward-looking statements are necessarily estimates reflecting the judgment of Vistra Energy’s and Dynegy’s respective management teams and involve a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict or beyond Vistra Energy’s and Dynegy’s control, which may cause actual results, performance, or achievements of Vistra Energy, Dynegy or the combined company to be materially different from those expressed or implied by the forward-looking statements. In addition to other factors and matters contained in this joint proxy statement and prospectus, including those disclosed under “Risk Factors” beginning on page 35, these forward-looking statements are subject to risks, uncertainties and other factors, including, among others:

- the ability to obtain the required stockholder approvals to consummate the Merger and the issuance of the issuance of the Vistra Energy Common Stock;
- the timing of, and the conditions imposed by, regulatory approvals required for the Merger, as described under “The Merger—Regulatory Approvals Required to Complete the Merger” beginning on page 132;
- the satisfaction or waiver of other conditions in the Merger Agreement;
- the risk that the Merger or the other transactions contemplated by the Merger Agreement may not be completed in the time frame expected by the parties or at all;
- changes in the trading prices of Vistra Energy’s and Dynegy’s Common Stock;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement and that a termination under certain circumstances could require Vistra Energy to pay Dynegy or Dynegy to pay Vistra Energy a termination fee and/or expense amount, as described under “The Merger Agreement—Effect of Termination; Termination Fees and Expense Reimbursement” beginning on page 155;
- the risk that the pendency of the Merger could adversely affect Vistra Energy’s and Dynegy’s respective businesses and operations, including on Vistra Energy’s and Dynegy’s relationships with their respective customers and their operating results and businesses generally (including the diversion of management time on transaction-related issues);

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- the ability of the combined company to successfully integrate Vistra Energy's business and Dynegy's business and realize the anticipated cost savings, operational efficiencies and other expected benefits of the Merger on the anticipated timeframe or at all;
- the outcome of current and future litigation, including any legal proceedings that may be instituted against Vistra Energy, Dynegy or others related to the Merger;
- events or circumstances that undermine confidence in the financial markets or otherwise have a broad impact on financial markets, such as the sudden instability or collapse of large financial institutions or other significant corporations, terrorist attacks, natural or man-made disasters, or threatened or actual armed conflicts;
- risks related to indebtedness, including unanticipated increases in financing and other costs and concentration of credit risks;
- the availability, terms and ability to effectively deploy short-term and long-term capital;
- changes in business and growth strategies;
- the dependence on third parties for key services and the ability to hire and retain highly skilled managerial, investment, financial and operational personnel;
- performance of information technology systems;
- the adequacy of cash reserves and working capital;
- financial and operating covenants contained in credit facilities, indentures and other financing arrangements that could restrict the business and investment activities;
- effects of derivative and hedging transactions;
- actions and initiatives of the U.S., state and municipal governments and changes to governments' policies that impact the economy generally and, more specifically, the energy market;
- changes in governmental regulations, tax laws and rates, and similar matters and increases in insurance costs;
- actions of ratings agencies, including with respect to the Merger;
- regulatory proceedings or inquiries; and
- other risks detailed in this joint proxy statement and prospectus (including with respect to Vistra Energy and the combined company) and in filings made by Dynegy with the SEC, including Dynegy's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and Dynegy's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017, which are incorporated by reference into this joint proxy statement and prospectus. See also "Where You Can Find More Information and Incorporation by Reference" on page 309.

Although each of Vistra Energy and Dynegy believe that the assumptions underlying the forward-looking statements made by it contained herein are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements included in this joint proxy statement and prospectus will prove to be accurate. As you read and consider the information in this joint proxy statement and prospectus, you are cautioned to not place undue reliance on these forward-looking statements. These statements are not guarantees of performance or results and speak only as of the date of this joint proxy statement and prospectus, in the case of forward looking statements contained in this joint proxy statement and prospectus, or the dates of the documents incorporated by reference or attached as annexes to this joint proxy statement and prospectus, in the case of forward-looking statements made in those documents. Neither Vistra Energy nor Dynegy undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information or developments, future events, or otherwise, except as required by law.

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In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by Vistra Energy, Dynegy or any other person that the results or conditions described in such statements or the objectives and plans of Vistra Energy, Dynegy or the combined company will be achieved.

All forward-looking statements, expressed or implied, included in this joint proxy statement and prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Vistra Energy, Dynegy or persons acting on their behalf may issue.

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THE MERGER

The following is a summary of the material facts about the Merger. This summary does not purport to be complete and may not contain all of the information about the Merger that is important to you. The summary of the material terms of the Merger below and elsewhere in this joint proxy statement and prospectus is qualified in its entirety by the Merger Agreement, which is attached to this joint proxy statement and prospectus as Annex A and which constitutes part of this joint proxy statement and prospectus. You are urged to read this joint proxy statement and prospectus, including the Merger Agreement, carefully and in its entirety for a more complete understanding of the Merger.

General

Subject to the terms and conditions of the Merger Agreement, Dynegy will merge with and into Vistra Energy with Vistra Energy continuing as the surviving corporation. Dynegy stockholders will receive the merger consideration described below under "The Merger Agreement—Effect of the Merger on Capital Stock" beginning on page 136.

Background of the Merger

The Dynegy Board has met from time to time during the two-year period preceding the execution and delivery of the Merger Agreement to discuss and review Dynegy's strategic goals and alternatives as part of an ongoing evaluation of Dynegy's businesses and strategic planning with a view towards enhancing Dynegy stockholder value. As part of these reviews, the Dynegy Board has considered remaining as a stand-alone entity and potential strategic alternatives. Similarly, since Vistra Energy's emergence from bankruptcy on October 3, 2016, the Vistra Energy Board has met on an ongoing basis to review and consider Vistra Energy's goals, its positioning in the market, the competitive landscape and potential strategic alternatives in light of these factors.

In early December 2015, Robert Flexon, Dynegy's chief executive officer, met with a director of a publicly traded strategic company, which is referred to as Company A. During the meeting, Mr. Flexon and the Company A director discussed a potential combination of Dynegy and Company A, and the Company A director told Mr. Flexon that he should contact Company A's chief executive officer to discuss a potential combination transaction.

The Dynegy Board met on December 9, 2015 with members of Dynegy senior management in attendance, to discuss a potential stock-for-stock combination of Dynegy and Company A. The Dynegy Board directed Mr. Flexon to contact Company A's chief executive officer and tell him that the Dynegy Board thought that, under the right terms, there could be benefits to a potential combination with Company A.

Later on December 9, 2015, Mr. Flexon held a telephone call with Company A's chief executive officer and told him that the Dynegy Board thought that, under the right terms, there could be benefits to a potential stock-for-stock combination with Company A.

Mr. Flexon and Company A's chief executive officer met on December 22, 2015 to discuss each company's preliminary views of a potential combination transaction. In addition, Mr. Flexon and Company A's chief executive officer agreed that the parties should enter into a mutual confidentiality agreement.

On January 18, 2016, Dynegy and Company A entered into a mutual confidentiality agreement. The confidentiality agreement subjected each of Dynegy and Company A to a standstill obligation regarding the other party but permitted each party to submit a confidential, non-public proposal for a negotiated transaction to the other party.

Following execution of the mutual confidentiality agreement, Dynegy and Company A conducted preliminary due diligence regarding a potential combination transaction. Discussions between the two companies

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did not progress beyond preliminary stages, and Dynegy turned its focus to the acquisition of Engie S.A.'s U.S. fossil generation portfolio, which eventually was publicly announced on February 25, 2016.

On November 11, 2016, the chief executive officer of Company A called Mr. Flexon and told him that Company A wanted to restart discussions with Dynegy about a potential stock-for-stock combination of the two companies. Company A's chief executive officer told Mr. Flexon that Company A's board of directors supported a combination transaction and was interested in paying an unspecified control premium for Dynegy.

The Dynegy Board met on November 22, 2016 with members of Dynegy senior management present. Mr. Flexon described his recent discussion with Company A's chief executive officer, and the Dynegy Board discussed a potential combination with Company A, including a discussion of achievable synergies of the combined company following the potential combination transaction. Following discussion, the Dynegy Board directed Mr. Flexon to inform Company A's chief executive officer that Dynegy would be willing to explore a combination transaction with Company A but that the Dynegy Board would be focused on achievable synergies necessary to make a combination transaction attractive to Dynegy.

Following the Dynegy Board meeting, Mr. Flexon called Company A's chief executive officer and informed him that Dynegy would be willing to explore a combination transaction with Company A but that Dynegy would focus on the combined company's ability to achieve synergies.

Thereafter, into January 2017, Dynegy senior management held preliminary discussions with senior management of Company A regarding a potential transaction, and each of Dynegy and Company A conducted financial and operational due diligence, including an analysis of the amount of synergies expected from a combination of Dynegy and Company A. However, the discussions did not progress beyond preliminary stages because the Dynegy Board determined that Dynegy and Company A had different views about the total amount of achievable synergies of the combined company. The parties did not exchange valuations or make purchase price or exchange ratio proposals for a potential business combination.

The Vistra Energy Board met on January 24, 2017, and Curt Morgan, Vistra Energy's chief executive officer, and Sara Graziano, Vistra Energy's senior vice president of corporate development and strategy, presented materials regarding possible strategic combinations with Dynegy or another publicly traded company, referred to as Company B.

The Vistra Energy Board met again on March 7, 2017, and Vistra Energy senior management led a discussion of various potential strategic alternatives both inside and outside ERCOT and presented to the Vistra Energy Board information regarding the different power markets involved in such potential strategic alternatives. Mr. Morgan and Stephanie Moore, Vistra Energy's executive vice president and general counsel, discussed with the Vistra Energy Board certain processes to be observed in its consideration of a combination transaction to ensure that all corporate formalities and fiduciary duties would be satisfied. After discussion, the Vistra Energy Board authorized Mr. Morgan to call Mr. Flexon and the chief executive officer of Company B to hold preliminary and exploratory discussions about a potential combination transaction with Dynegy and Company B, respectively.

In early March 2017, Mr. Morgan had a call with Mr. Flexon and informed him that the Vistra Energy Board was interested in evaluating a potential combination transaction with Dynegy. Mr. Morgan and Mr. Flexon agreed to meet in person to discuss such a potential transaction. On March 20, 2017, Mr. Morgan and Mr. Flexon met in person where they discussed their preliminary views about a potential combination transaction. At the meeting, Mr. Morgan and Mr. Flexon had a general discussion about such a potential transaction, including potential achievable synergies of the combined company and the overall economic value for each company. Each chief executive officer expressed interest in exploring a potential combination transaction.

The Vistra Energy Board met on March 22, 2017, and Mr. Morgan discussed possible strategic combinations and provided the Vistra Energy Board with details regarding the outcome and status of his

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preliminary and exploratory discussions with Mr. Flexon and the chief executive officer of Company B. Based on this status report, the Vistra Energy Board determined that Vistra Energy should enter into a confidentiality agreement with Dynegy. Discussions with Company B never progressed further than very preliminary discussions and the parties did not enter into a confidentiality agreement regarding a potential combination or other transaction.

The Dynegy Board met on March 24, 2017 with members of Dynegy senior management and Skadden, Arps, Slate, Meagher & Flom LLP, outside counsel to Dynegy (which is referred to as Skadden) in attendance. Mr. Flexon described for the Dynegy Board his call and meeting with Mr. Morgan, and the Dynegy Board discussed a potential combination with Vistra Energy, including that a key component of value to Dynegy stockholders would be the achievable synergies of the combined company following a combination transaction. Skadden summarized the Dynegy Board's fiduciary duties regarding, and a potential framework for conducting, a transaction process with Vistra Energy. The Dynegy Board determined that Dynegy should enter into a confidentiality agreement with Vistra Energy.

On March 27, 2017, Dynegy and Vistra Energy executed a mutual confidentiality agreement. The confidentiality agreement subjected each of Dynegy and Vistra Energy to a customary standstill obligation regarding the other party but permitted each party to submit a confidential, non-public proposal for a negotiated transaction to the other party.

On March 29, 2017, Mr. Flexon and Carolyn Burke, Dynegy's executive vice president of strategy & administration, held a conference call with Mr. Morgan and Ms. Graziano. They discussed the initial due diligence process, including that it should focus on transaction structure, achievable synergies of the combined company following a combination transaction and review of regulatory approvals that may be required in connection with a potential combination.

Throughout the rest of March, April and May 2017, Dynegy and Vistra Energy conducted preliminary structuring (including with respect to regulatory approvals), financial and operational due diligence regarding a potential combination, including analyzing the achievable synergies of the combined company following a combination transaction.

On April 6, 2017, representatives of Vistra Energy (including Ms. Moore and Ms. Graziano), Dynegy (including Catherine James, Dynegy's executive vice president and general counsel), Kirkland & Ellis LLP (which is referred to as Kirkland & Ellis) (then outside counsel to Vistra Energy) and Skadden held a conference call to discuss potential transaction structures for a combination between Vistra Energy and Dynegy.

The Dynegy Board met on April 12, 2017 with members of Dynegy senior management and representatives of Morgan Stanley and PJT Partners (which are referred to collectively as the Dynegy financial advisors), Skadden and Lazard Freres & Co. LLC (which is referred to as Lazard) in attendance. At the direction of the Dynegy Board, representatives of each of the Dynegy financial advisors and Lazard presented a preliminary valuation analysis of Dynegy (without giving effect to any potential strategic combinations), and Mr. Flexon updated the Dynegy Board regarding Dynegy's ongoing due diligence of a potential combination with Vistra Energy. Lazard did not represent Dynegy in connection with the Merger due to conflict issues.

The Vistra Energy Board met on April 18, 2017, and Vistra Energy senior management provided the Vistra Energy Board with an update regarding Vistra Energy's due diligence regarding, and further analysis to be performed with respect to, a potential combination with Dynegy. After further discussing the potential benefits and risks to Vistra Energy stockholders of a combination with Dynegy, the Vistra Energy Board authorized Vistra Energy senior management to continue due diligence and discussions with Dynegy regarding a possible combination.

On April 20, 2017, representatives of Vistra Energy (including Ms. Moore), Dynegy (including Ms. James), Kirkland & Ellis and Skadden held a conference call to discuss the required regulatory approvals for a combination of Vistra Energy and Dynegy.

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On April 24, 2017, representatives of Dynegy (including Mr. Flexon, Ms. Burke and Clint Freeland, Dynegy's chief financial officer) met with representatives of Vistra Energy (including Mr. Morgan, Ms. Graziano and William Holden, Vistra Energy's chief financial officer) in New York City. During the meeting, Dynegy and Vistra Energy discussed the results of each party's preliminary due diligence regarding achievable synergies in a combination transaction.

On May 12, 2017, representatives of Dynegy (including Mr. Flexon, Ms. Burke and Mr. Freeland) held a conference call with representatives of Vistra Energy (including Mr. Morgan, Ms. Graziano and Mr. Holden). During the meeting, Dynegy and Vistra Energy reviewed additional due diligence that the parties had conducted regarding achievable synergies of the combined company in a combination transaction, and Dynegy and Vistra Energy agreed to conduct further due diligence regarding a potential combination transaction.

The Vistra Energy Board met on May 16, 2017, and Vistra Energy senior management led a discussion regarding the potential strategic combination transaction with Dynegy as well as potential standalone strategic opportunities in ERCOT. The Vistra Energy Board then discussed the timing of these potential transactions and the required regulatory approvals for such transactions. The Vistra Energy Board encouraged senior management to continue their due diligence efforts regarding a potential combination transaction with Dynegy.

The Dynegy Board met on May 17, 2017 with members of Dynegy senior management in attendance. The Dynegy Board discussed a potential combination with Vistra Energy, and Dynegy senior management updated the Dynegy Board on financial and operational due diligence conducted on Vistra Energy to date, including expected synergies from a combination. The Dynegy Board directed Dynegy senior management to prepare relative valuations between Dynegy and Vistra Energy. In addition, the Dynegy Board directed Dynegy senior management to continue analyzing the synergies achievable following a combination transaction; however, the Dynegy Board determined that Vistra Energy would need to submit a written transaction proposal before Dynegy would engage in any negotiations about a potential combination. The Dynegy Board also discussed other strategic alternatives, with a focus on capital allocation and deleveraging.

After the closing of trading on the NYSE on May 18, 2017, *The Wall Street Journal* published an article reporting that Vistra Energy had approached Dynegy about a potential combination transaction, which article is referred to as the Market Rumor. Later on May 18, 2017, after consulting with internal and external legal counsel, Mr. Morgan had several communications with members of the Vistra Energy Board to discuss the Market Rumor and the significant impact it had on the sale price of Dynegy Common Stock. On the morning of May 19, 2017, the Vistra Energy Board had a call with Mr. Morgan and Ms. Graziano to discuss the same, and the Vistra Energy Board determined that Mr. Morgan should call Mr. Flexon to communicate that Vistra Energy would cease pursuing a potential combination transaction with Dynegy at that time given the significant impact of the Market Rumor. Later on May 19, 2017, Mr. Morgan called Mr. Flexon and told him that, in light of the significant impact of the Market Rumor, the Vistra Energy Board had decided to cease pursuing a potential combination transaction with Dynegy at that time.

The Vistra Energy Board met on July 10, 2017. Vistra Energy senior management led a discussion regarding potential strategic opportunities, including both large-scale acquisitions and smaller asset transaction, both inside and outside of ERCOT and timing issues related to such opportunities. Mr. Morgan and Ms. Graziano also discussed reengaging on a potential strategic combination with Dynegy. The Vistra Energy Board expressed support for reengaging in discussions with Dynegy to further evaluate the synergies achievable following a combination transaction with Dynegy and authorized Mr. Morgan to communicate to Mr. Flexon the Vistra Energy Board's desire to restart negotiations.

On July 14, 2017, Mr. Morgan called Mr. Flexon and told him that the Vistra Energy Board was interested in restarting discussions with Dynegy about a potential combination transaction. Mr. Morgan requested that he and Mr. Flexon meet in person to discuss a potential combination transaction on July 18, 2017.

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Mr. Morgan and Ms. Graziano met with Mr. Flexon and Mr. Freeland in person on July 18, 2017 in Austin, Texas. During the meeting, Mr. Flexon informed Mr. Morgan that Dynegy would not restart discussions for a potential combination transaction unless Vistra Energy submitted a written transaction proposal.

The Vistra Energy Board met on July 27, 2017 with members of Vistra Energy senior management and a representative of Citi present, and Mr. Morgan and the Vistra Energy Board discussed the merits of a potential combination transaction with Dynegy, including potential achievable synergies of the combined company, diversification into capacity markets, obtaining a platform for non-ERCOT retail growth, geographic and weather diversification and other considerations. Mr. Holden and Ms. Graziano discussed with the Vistra Energy Board financial aspects of a potential combination with Dynegy. Following those discussions, the Vistra Energy Board authorized Mr. Morgan to send a letter to Mr. Flexon proposing a potential combination transaction based upon an 81%–19% fully diluted ownership split between current Vistra Energy stockholders and current Dynegy stockholders, respectively.

On July 28, 2017, Mr. Morgan sent Mr. Flexon a non-binding letter proposing a combination of Vistra Energy and Dynegy, with the current stockholders of Vistra Energy and Dynegy owning 81% and 19% of the combined company, respectively, on a fully diluted basis.

The Dynegy Board met on July 29, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. Skadden reviewed with the Dynegy Board its fiduciary duties in connection with a potential combination with Vistra Energy. At the direction of the Dynegy Board, representatives of Morgan Stanley presented its view of public market perspectives regarding the independent power producer sector, including that investors were generally concerned with highly leveraged independent power producer capital structures and preferred an integrated business model combining generation and retail. Representatives of Morgan Stanley also presented its view that there likely would be a significant delay before the trading price of Dynegy Common Stock reflected Dynegy's current deleveraging plan. In addition, representatives of Morgan Stanley presented that a combination of Dynegy and Vistra Energy could reduce leverage, increase the combined company's market capitalization and replicate an integrated business model. At the direction of the Dynegy Board, each of the Dynegy financial advisors then presented a preliminary valuation analysis of Dynegy. The Dynegy Board discussed the July 28, 2017 letter from Mr. Morgan, including the potential benefits from a combination with Vistra Energy (such as the realization of significant synergies). The Dynegy Board determined that it needed to review stand-alone valuations of Dynegy and Vistra Energy before considering further a potential combination with Vistra Energy. The Dynegy Board also discussed that Dynegy was preparing to launch and close a notes offering and a tender offer to repurchase certain of its outstanding notes in August 2017, and the Dynegy Board concluded that Dynegy would not be in a position to consider Vistra Energy's letter at that time given the pendency of Dynegy's proposed notes offering and related tender offer at then-favorable rates.

On August 2, 2017, Mr. Morgan called Mr. Flexon and inquired about the status of the Dynegy Board's consideration of Vistra Energy's July 28, 2017 proposal. Mr. Flexon responded that he had reviewed the letter with the Dynegy Board and that he and the Dynegy Board had determined that first focusing on launching and completing the notes offering and related tender offer was the appropriate course of action for Dynegy stockholders at that time given the then-available favorable rates that Dynegy could obtain for its proposed notes offering.

The Dynegy Board met on August 9, 2017 with members of Dynegy senior management and representatives of Skadden and a global management consulting firm (referred to as Consulting Firm A) in attendance. Skadden reviewed with the Dynegy Board its fiduciary duties in connection with considering a potential combination with Vistra Energy. Mr. Flexon reviewed with the Dynegy Board Dynegy senior management's perspective of the independent power producer sector, noting that investors were concerned with highly leveraged independent power producer capital structures and favored integrated business models combining generation and retail. Mr. Flexon added his view that strategic combinations in the independent power producer sector had resulted in

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significant cost savings and would continue to be important drivers of a company's performance. In addition, Mr. Flexon discussed with the Dynegy Board Dynegy senior management's outlook of the regulatory environment for each of the independent system operators in which Dynegy operated, including that Dynegy senior management saw a number of regulatory challenges. At the direction of the Dynegy Board, representatives of Consulting Firm A then presented the preliminary results of its cost management study (referred to as the Cost Management Study), focusing on substantial overall improvement opportunities, primarily in Dynegy's generation, procurement and capital activities. The representatives of Consulting Firm A noted that, although the improvement opportunities were compelling, they were, in many cases, linked to commodity prices and required multi-year implementations. The Dynegy Board then reviewed and discussed Dynegy senior management's preliminary stand-alone valuation analyses of Dynegy (both with and without the impact of the Cost Management Study) and Vistra Energy.

The Vistra Energy Board met on August 10, 2017 with members of Vistra Energy senior management present. Ms. Moore reviewed with the Vistra Energy Board its fiduciary duties in connection with considering a potential combination transaction with Dynegy. Mr. Morgan and Ms. Graziano updated the Vistra Energy Board on the status of discussions with Dynegy regarding a potential combination transaction, including providing an update of management forecasts, an analysis of achievable synergies, a review of specific material generation units owned by Dynegy, impacts to Vistra Energy's credit metrics, an evaluation of potential benefits and risks to Vistra Energy stockholders of a transaction with Dynegy and comparisons to alternative strategic opportunities. The Vistra Energy Board discussed the status of the potential combination transaction and encouraged Mr. Morgan to contact Mr. Flexon seeking a response to Vistra Energy's July 28, 2017 letter.

On August 12, 2017, Mr. Morgan called Mr. Flexon to inform him of the Vistra Energy Board's request that Dynegy formally respond to Vistra Energy's July 28, 2017 letter. Mr. Flexon communicated to Mr. Morgan that the Dynegy Board was planning to meet at the end of August to more fully consider the letter and that the Dynegy Board would expect to formally respond to Vistra Energy's July 28, 2017 letter after such meeting. On August 22, 2017, Mr. Flexon called Mr. Morgan and informed him that such Dynegy Board meeting had been scheduled for August 28, 2017 and confirmed that the Dynegy Board would formally respond to Vistra Energy's July 28, 2017 letter promptly after such meeting.

The Dynegy Board met on August 28, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. Dynegy senior management presented its preliminary analysis of the stand-alone valuations of Dynegy and Vistra Energy and the pro forma valuation of the combined company. In addition, Mr. Flexon reviewed with the Dynegy Board that Consulting Firm A had identified significant EBITDA improvement opportunities, annual cost savings and one-time savings across operations and management and capital expenditures. The Dynegy Board discussed with Mr. Flexon Dynegy's stand-alone five-year strategy, including deleveraging, increasing operational efficiencies, diversifying its generation portfolio and creating an integrated business model. Mr. Flexon noted that growth in Dynegy's retail business would be the primary driver of creating an integrated business model. The Dynegy Board discussed with Mr. Flexon Dynegy senior management's preliminary valuation analyses of Dynegy on a stand-alone basis and of the combined company. Dynegy senior management's preliminary valuation analysis of the combined company included a sensitivity analysis based on the Dynegy stockholders owning between 19% and 21% of the combined company. After discussion, the Dynegy Board concluded that the 81%–19% ownership split offered by Vistra Energy in its July 28, 2017 letter was not acceptable. The Dynegy Board then discussed with Dynegy senior management and Skadden how to respond to such letter.

On August 31, 2017, senior management of Dynegy provided a copy of the Cost Management Study to the senior management of Vistra Energy for its review.

The Dynegy Board met on September 1, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. At the direction of the Dynegy Board, each of the Dynegy financial advisors presented a (1) preliminary stand-alone valuation analysis of

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Dynegy, including a sensitivity analysis based on the Cost Management Study, (2) preliminary stand-alone valuation analysis of Vistra Energy and (3) preliminary valuation analysis of the combined company, including a sensitivity analysis based on Dynegy stockholders owning between 19% and 23% of the combined company. Representatives of Morgan Stanley also discussed with the Dynegy Board that synergies were critical to the value of a combination transaction to Dynegy stockholders and that the combined company would have an improved operational and risk profile relative to Dynegy. Representatives of PJT Partners also discussed with the Dynegy Board benefits of a combination with Vistra Energy that would not be reasonably available to Dynegy on a stand-alone basis, including scale, synergies, improved leverage, an integrated business model and a potential uplift in valuation multiples. The Dynegy Board, Dynegy senior management and representatives of each of the Dynegy financial advisors discussed further the potential benefits of a combination with Vistra Energy, the likely Dynegy stockholder response to a combination transaction and a response to Mr. Morgan's July 28, 2017 letter. The Dynegy Board then directed Mr. Flexon to respond to Vistra Energy, proposing a combination transaction with a 77%–23% ownership split.

Following the Dynegy Board meeting, on September 1, 2017, Mr. Flexon and Mr. Morgan had a telephone call to discuss the Dynegy Board's proposal. Later that day, Mr. Flexon sent Mr. Morgan a non-binding letter proposing a combination of Vistra Energy and Dynegy with a 77%–23% ownership split.

The Vistra Energy Board met on September 8, 2017 with members of Vistra Energy senior management present, and discussed Dynegy's September 1, 2017 letter to Vistra Energy proposing a 77%–23% ownership split. Mr. Morgan discussed the status of the potential combination of Vistra Energy and Dynegy, as well as its potential risks and merits. Members of Vistra Energy senior management then discussed with the Vistra Energy Board the timing of diligence, negotiation and consummation of the potential combination transaction. Following that discussion, Mr. Holden led a discussion regarding financial aspects of the potential combination, including resulting indicative pro forma metrics, credit profile and liquidity. Ms. Moore next discussed the potential structure, terms and conditions and approvals related to the potential combination transaction. Mr. Morgan then discussed various strategic alternatives to the potential combination transaction. After discussion, the Vistra Energy Board authorized Mr. Morgan to send a letter to Dynegy proposing an 80%–20% ownership split.

On September 10, 2017, Mr. Flexon and Mr. Morgan had a telephone call to discuss the Vistra Energy Board's response to Dynegy's letter dated September 1, 2017. Later that day, Mr. Morgan sent Mr. Flexon a letter proposing a combination of Vistra Energy and Dynegy with an 80%–20% ownership split.

Ms. Graziano contacted Ms. Burke on September 11, 2017 to coordinate further due diligence efforts between Vistra Energy and Dynegy.

The Dynegy Board met on September 13, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. The Dynegy Board discussed with Dynegy senior management and the representatives of the Dynegy financial advisors the proposed ownership split in Mr. Morgan's September 10, 2017 letter, as well as the potential benefits from a combination of Vistra Energy and Dynegy. After discussion, the Dynegy Board concluded that it would support pursuing a combination transaction with Vista Energy in which Dynegy stockholders owned at least 21% of the combined company on a fully diluted basis but directed Mr. Flexon to respond to Vistra Energy with a proposed 78%–22% ownership split.

Later on September 13, 2017, Mr. Flexon sent Mr. Morgan a non-binding letter proposing a combination of Vistra Energy and Dynegy with a 78%–22% ownership split.

The Vistra Energy Board met on September 14, 2017 with members of Vistra Energy senior management present, and Mr. Morgan updated the Vistra Energy Board regarding Dynegy's September 13th letter. The Vistra Energy Board discussed the proposed 78%–22% ownership split and authorized Mr. Morgan to propose a 79.5%–20.5% ownership split.

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On September 14, 2017, Mr. Morgan and Mr. Flexon had a call in which they discussed the Vistra Energy Board's reaction to the letter from Dynegy dated September 13, 2017 and exchanged views regarding a possible path forward. Mr. Morgan conveyed the Vistra Energy Board's offer of a 79.5%–20.5% ownership split, and Mr. Flexon countered with a proposal for a 79%–21% ownership split.

The Dynegy Board then met on September 14, 2017 with members of Dynegy senior management and representatives of Skadden in attendance. The Dynegy Board discussed Mr. Flexon's call with Mr. Morgan and re-affirmed that it would support pursuing a combination transaction with a 79%–21% ownership split.

The Vistra Energy Board met on September 15, 2017 with members of Vistra Energy senior management present, and Mr. Morgan updated the Vistra Energy Board regarding his September 14, 2017 call with Mr. Flexon. After discussion, the Vistra Energy Board expressed support for accepting Dynegy's proposal of a 79%–21% ownership split and authorized Mr. Morgan to confirm with Mr. Flexon its agreement to proceed with negotiations for a combination of Vistra Energy and Dynegy based on a 79%–21% ownership split. The Vistra Energy Board also asked Mr. Morgan to request that Dynegy execute an exclusivity agreement.

On September 17, 2017, Mr. Morgan sent Mr. Flexon a letter stating that the Vistra Energy Board agreed to a 79%–21% ownership split. In the letter, Mr. Morgan requested that Dynegy execute an exclusivity agreement.

Later on September 17, 2017, representatives of Vistra Energy (including Ms. Moore), Dynegy (including Ms. James), Simpson Thacher & Bartlett LLP, outside counsel to Vistra Energy (which is referred to as Simpson Thacher), and Skadden, Citi and Morgan Stanley held a conference call to discuss potential transaction structures for the combination. During the call, the parties agreed that the best transaction structure for a combination transaction would be the direct merger of Dynegy into Vistra Energy, with Vistra Energy surviving the merger.

On September 18, 2017, Ms. Moore sent Ms. James a draft exclusivity agreement, proposing that Dynegy and Vistra Energy enter into exclusive negotiations with one another through November 30, 2017. On September 21, 2017, following discussions among Ms. Moore, Ms. James, Simpson Thacher and Skadden, Vistra Energy and Dynegy agreed not to execute an exclusivity arrangement at that time and to focus on diligence and negotiation of a definitive merger agreement.

Later on September 21, 2017, at the Vistra Energy Board's request, Mr. Flexon sent Mr. Morgan an email confirming that Dynegy was willing to consider and negotiate a combination with Vistra Energy based on a 79%–21% ownership split.

On September 22, 2017, Simpson Thacher sent Dynegy and Skadden an initial draft of the Merger Agreement. For the remainder of September through October 29, 2017, Vistra Energy and Simpson Thacher, on the one hand, and Dynegy and Skadden, on the other hand, exchanged drafts, and negotiated the terms, of the Merger Agreement. During this period, each company conducted further due diligence on the other company, including with respect to financial, operational, tax, environmental, legal and regulatory compliance, litigation, capital structure, human resources and labor matters.

The Dynegy Board met on September 26, 2017 with representatives of the Dynegy financial advisors and Skadden in attendance. Skadden reviewed again with the Dynegy Board its fiduciary duties in connection with a potential combination transaction with Vistra Energy. In addition, Skadden reviewed with the Dynegy Board certain relationship disclosures provided by the Dynegy financial advisors. At the direction of the Dynegy Board, representatives of each of the Dynegy financial advisors presented an analysis of other strategic companies and financial sponsors that may be interested in a transaction with Dynegy. Each of the representatives of the Dynegy financial advisors advised the Dynegy Board that, at such time, given the facts and circumstances then available to each of them, it was unlikely that any strategic company or financial sponsor would be interested in pursuing a transaction with Dynegy that would be as favorable to Dynegy stockholders as a combination with Vistra Energy with a 79%–21% ownership split. The Dynegy Board discussed the presentations with the representatives of the

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Dynegy financial advisors and Dynegy senior management and concluded that it was unlikely that any strategic company or financial sponsor would be interested in pursuing a transaction with Dynegy that would be as favorable to Dynegy stockholders as the proposed combination with Vistra Energy. However, the Dynegy Board directed Mr. Flexon to contact Company A to gauge Company A's interest in a strategic transaction with Dynegy. In addition, during the meeting, Skadden summarized for the Dynegy Board the key issues raised by the September 22, 2017 draft of the Merger Agreement, including that (1) the draft Merger Agreement did not address the composition of the combined company's board of directors, (2) the draft Merger Agreement did not include a "go shop" right for Dynegy, (3) the draft Merger Agreement did not propose an amount for each party's respective termination fee if its board of directors changed its recommendation or terminated the Merger Agreement in response to a superior proposal, which termination fee is referred to as a fiduciary out termination fee, and (4) the draft Merger Agreement included a narrow scope of the governmentally imposed conditions that Vistra Energy would be required to accept in order to obtain required regulatory approvals, which requirements are referred to as the burdensome effect requirements.

On September 28, 2017, Mr. Flexon met with a director of Company A, and they discussed renewed discussions about a potential combination between Dynegy and Company A. The Company A director told Mr. Flexon that he would discuss a potential combination transaction with Company A's full board of directors.

The Vistra Energy Board met on September 29, 2017 with members of Vistra Energy senior management and representatives from Simpson Thacher in attendance. Simpson Thacher led a discussion with the Vistra Energy Board regarding the fiduciary duties of directors in merger and acquisition transactions. Representatives from Simpson Thacher and Ms. Moore also discussed with the Vistra Energy Board the significant terms and conditions of the draft Merger Agreement sent to Dynegy and Skadden, including the scope of burdensome effect requirements, the anticipated amount of the fiduciary out termination fee, and their expectation that in further negotiations Dynegy would likely propose a "go shop" right and that Vistra Energy have the obligation to pay Dynegy a termination fee if the Merger Agreement is terminated under certain circumstances related to the failure to obtain required regulatory approvals, which termination is referred to as a regulatory failure termination fee.

On October 3, 2017, Skadden sent Vistra Energy and Simpson Thacher a revised draft of the Merger Agreement, which, among other changes, (1) added a "go shop" right for Dynegy, (2) contemplated that the Vistra Energy Principal Stockholders would enter into support agreements with respect to the proposed transaction, (3) broadened the burdensome effect requirements and (4) included a regulatory failure termination fee.

On October 4, 2017, Mr. Flexon discussed with Company A's chief executive officer Mr. Flexon's September 28, 2017 conversation with the Company A director. Following this conversation, Company A did not respond to Dynegy about a potential combination transaction.

On October 5, 2017, Mr. Flexon, Pat Wood III, the chairman of the Dynegy Board, and two other members of the Dynegy Board —Hillary Ackermann and Paul Barbas—met with Vistra Energy Board members Geoffrey Strong and Cyrus Madon in New York City to discuss governance issues of the combined company.

On October 10, 2017, Simpson Thacher sent Dynegy and Skadden a revised draft of the Merger Agreement, which, among other changes, (1) deleted Dynegy's "go shop" right, (2) narrowed the burdensome effect requirements and (3) deleted the regulatory failure termination fee.

The Dynegy Board met on October 11, 2017 with members of Dynegy senior management and representatives of Skadden in attendance. Dynegy senior management updated the Dynegy Board on the status of due diligence regarding a potential combination transaction with Vistra Energy. Skadden then discussed with the Dynegy Board the issues raised by Simpson Thacher's October 10, 2017 draft of the Merger Agreement, including (1) the deletions of Dynegy's "go shop" right and the regulatory failure termination fee, (2) the

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narrowing of the burdensome effect requirements and (3) the scope of Vistra Energy's and Dynegy's respective "no shop" covenants.

The Vistra Energy Board met on October 12, 2017 with members of Vistra Energy senior management, representatives of Simpson Thacher and Enoch Kever (outside PUCT regulatory counsel for Vistra Energy) in attendance, and discussed the required regulatory approvals from the PUCT and other regulators in connection with the proposed combination.

On October 13, 2017, representatives of Vistra Energy (including Ms. Moore and Ms. Graziano), Dynegy (including Ms. James), Simpson Thacher and Skadden held a conference call to discuss the open issues in the Merger Agreement, including (1) the scope of the burdensome effect requirements and the inclusion of a regulatory failure termination fee and (2) the scope of Vistra Energy's and Dynegy's respective "no shop" covenants. Simpson Thacher explained that Vistra Energy did not intend to enter into a merger agreement with a "go shop" provision.

In addition, on October 13, 2017, Skadden sent Simpson Thacher an initial draft of the merger support agreement that Dynegy expected to enter into with the Vistra Energy Principal Stockholders, which merger support agreement is referred to as the Vistra Energy Stockholder Support Agreement, and asked Simpson Thacher to forward the draft to the Vistra Energy Principal Stockholders' respective counsel. Over the next two weeks and through October 29, 2017, Dynegy and Skadden, on the one hand, and the Vistra Energy Principal Stockholders and their respective counsel, on the other hand, exchanged drafts and negotiated the terms of the Vistra Energy Stockholder Support Agreement.

Also, on October 13, 2017, Mr. Flexon and Mr. Wood communicated regarding Dynegy and Mr. Flexon entering into an amendment to Mr. Flexon's current employment agreement to extend the term of Mr. Flexon's employment with Dynegy for an additional year to April 30, 2019, which amendment is referred to as the Flexon Employment Agreement Amendment.

On October 15, 2017, Skadden sent Vistra Energy and Simpson Thacher a revised draft of the Merger Agreement, which, among other changes, (1) broadened the burdensome effect requirements, (2) reinstated the regulatory failure termination fee, (3) omitted the "go-shop" provision and (4) proposed a Dynegy fiduciary out termination fee equal to 2% of the implied aggregate equity value of the Merger to Dynegy stockholders.

On October 18 and 19, 2017, representatives of Vistra Energy (including Mr. Morgan, Ms. Graziano and Ms. Moore), Dynegy (including Mr. Flexon, Ms. Burke, and Ms. James), Simpson Thacher and Skadden met at Simpson Thacher's offices in New York City. At the meeting, the parties discussed open issues in the Merger Agreement, including (1) the scope of the burdensome effect requirements and the inclusion of a regulatory failure termination fee, (2) the size of each party's fiduciary out termination fee and (3) the scope of Vistra Energy's and Dynegy's respective "no shop" covenants.

The Vistra Energy Board met on October 20, 2017 with members of Vistra Energy senior management and representatives of Simpson Thacher in attendance. Vistra Energy senior management led the Vistra Energy Board in a discussion of the financial and operational due diligence findings with respect to the proposed combination with Dynegy. Ms. Moore and representatives of Simpson Thacher led a discussion with the Vistra Energy Board regarding the current status of negotiation of the Merger Agreement, including the scope of the burdensome effect requirements, the inclusion of a regulatory failure termination fee and the size of each party's fiduciary out termination fee. The Vistra Energy Board authorized senior management and Vistra Energy's advisors to continue negotiating the proposed combination transaction with Dynegy.

On October 20, 2017, Simpson Thacher sent Dynegy and Skadden a revised draft of the Merger Agreement. The revised draft included a regulatory failure termination fee and proposed $87 million as the amount of such termination fee, as well as the amount of each party's fiduciary out termination fee. In addition, among other changes, the revised draft narrowed the burdensome effect requirements.

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On October 22, 2017 and October 24, 2017, Simpson Thacher sent Skadden initial drafts of the merger support agreements that Vistra Energy expected to enter into with the Dynegy Principal Stockholders, which merger support agreements are referred to collectively as the Dynegy Stockholder Support Agreements, and asked Skadden to forward the draft to the Dynegy Principal Stockholders' respective counsel. Over the next week and through October 29, 2017, Vistra Energy and Simpson Thacher, on the one hand, and the Dynegy Principal Stockholders and their respective counsel, on the other hand, exchanged drafts, and negotiated the terms of the Dynegy Stockholder Support Agreements.

The Dynegy Board met on October 24, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. Dynegy senior management updated the Dynegy Board regarding the status of due diligence, and the Dynegy Board reviewed and discussed with Dynegy senior management the Dynegy Management Projections. The Dynegy Board then discussed with Dynegy senior management and Skadden the required regulatory approvals for the Merger and the parties' strategy for obtaining those approvals. Skadden then summarized the terms of the current drafts of the Merger Agreement and the Vistra Energy Stockholder Support Agreement. During that summary, Skadden explained that key issues remained open, including (1) the scope of the burdensome effect requirements and (2) the size of the regulatory failure termination fee and the parties' respective fiduciary out termination fees. Following discussion, the Dynegy Board directed Dynegy senior management and Skadden to send a revised draft of the Merger Agreement to Vistra Energy and Simpson Thacher reflecting the Dynegy Board's positions on the open issues. At the direction of the Dynegy Board, representatives of each of the Dynegy financial advisors then presented their preliminary respective financial analyses with respect to an assumed exchange ratio of 0.6525 shares of Vistra Energy Common Stock per each share of Dynegy Common Stock. The Dynegy Board then met in an executive session of independent directors without the presence of Dynegy senior management. During the executive session, the Dynegy Board discussed the proposed Flexon Employment Agreement Amendment.

Also on October 24, 2017, Vistra Energy and Dynegy sent their respective disclosure schedules to the Merger Agreement to the other party, and through October 29, 2017, Vistra Energy and Dynegy exchanged drafts of the disclosure schedules to the Merger Agreement.

Later on October 24, 2017, Skadden sent Vistra Energy and Simpson Thacher a revised draft of the Merger Agreement, which, among other changes, (1) increased each of the regulatory failure termination fee and Vistra Energy's fiduciary out termination fee to $100 million and (2) broadened the burdensome effect requirements.

On October 25, 2017, senior management of Vistra Energy and Dynegy agreed that the exchange ratio necessary to result in the agreed 79%–21% fully diluted ownership split was 0.653 shares of Vistra Energy Common Stock per each share of Dynegy Common Stock.

During trading hours on the NYSE on October 25, 2017, *The Wall Street Journal* published an article reporting that Vistra Energy and Dynegy were in advanced talks to combine and could announce a deal as early as the following week.

In addition, on October 25, 2017, Simpson Thacher sent Dynegy and Skadden a response to Skadden's revised draft of the Merger Agreement. That response accepted the increase in the regulatory failure termination fee and Vistra Energy fiduciary out termination fee to $100 million. In addition, the response narrowed the burdensome effect requirements.

Later on October 25, 2017, representatives of Vistra Energy (including Ms. Moore and Ms. Graziano), Dynegy (including Ms. James), Simpson Thacher and Skadden held multiple conference calls to discuss the open issues in the Merger Agreement.

The Vistra Energy Board met on October 26, 2017 with members of Vistra Energy senior management and representatives of Simpson Thacher and Citi in attendance. Representatives of Simpson Thacher reviewed with

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the Vistra Energy Board its fiduciary duties in connection with proposed combination transaction with Dynegy. Vistra Energy senior management and representatives of Simpson Thacher led a discussion with the Vistra Energy Board regarding the current status of negotiation of the Merger Agreement, including the scope of the burdensome effect requirements, the inclusion of a regulatory failure termination fee and the size of each party's fiduciary out termination fee. Ms. Graziano and Mr. Morgan presented to the Vistra Energy Board an update of Vistra Energy's financial projections and synergy analyses. Representatives of Citi, in their capacity as financial advisors to Vistra Energy, presented to the Vistra Energy Board its preliminary discussion materials that provided a summary of Citi's financial analysis of the proposed combination. The Vistra Energy Board authorized senior management and Vistra Energy's advisors to continue negotiating the proposed combination transaction.

On October 26, 2017, Simpson Thacher sent Dynegy and Skadden a summary of the Vistra Energy Board's position on the open issues in the Merger Agreement, including on the burdensome effect requirements. In addition, the summary stated that the Vistra Energy Board proposed that the combined company's board of directors consist of ten members, with two of those members being current members of the Dynegy Board.

The Dynegy Board met on October 27, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. The Dynegy Board discussed with Dynegy senior management, representatives of the Dynegy financial advisors and Skadden the Vistra Energy Board's positions on the open issues in the Merger Agreement and directed Dynegy senior management and Skadden to send the Dynegy Board's response to Vistra Energy and Simpson Thacher.

Following the Dynegy Board meeting, on October 27, 2017, Mr. Flexon called Mr. Morgan and informed him of the Dynegy Board's position on the open issues in the Merger Agreement, and Skadden sent the Dynegy Board's response to Simpson Thacher and Vistra Energy. The response included the following Dynegy Board positions:

(1) the burdensome effect requirements should be broader than those proposed by Vistra Energy;

(2) in connection with Vistra Energy and Dynegy obtaining the required regulatory approvals for the Merger, Oaktree should agree at signing to sell a sufficient number of shares of Vistra Energy Common Stock or Dynegy Common Stock prior to the effective time of the Merger so that, as of the effective time of the Merger, it would own less than 10% of the combined company, which obligation is referred to as the Oaktree Sell-Down; and

(3) the combined company's board of directors should consist of eleven members, with three of those members being current members of the Dynegy Board.

The Vistra Energy Board met on October 28, 2017 with members of Vistra Energy senior management and representatives of Simpson Thacher and Enoch Kever in attendance. Vistra Energy senior management discussed the open issues in the Merger Agreement, including the following:

(1) the scope of the burdensome effect requirements;

(2) the terms of the Oaktree Letter Agreement and the Vistra Energy Stockholder Support Agreement (including the Oaktree Sell-Down and a requirement that, if Oaktree was unable to sell a sufficient number of shares of Vistra Energy Common Stock or Dynegy Common Stock prior to the effective time of the Merger to complete the Oaktree Sell-Down, Dynegy would repurchase from Oaktree a sufficient number of shares of Dynegy Common Stock so that Oaktree would own less than 10% of the combined company as of the effective time of the Merger, which repurchase obligation is referred to as the Dynegy Backstop); and

(3) the size and composition of the combined company's board of directors.

After the Vistra Energy Board meeting on October 28, 2017, Mr. Morgan called Mr. Flexon and informed him of the Vistra Energy Board's and Oaktree's positions on the open issues, including the following positions:

(1) Vistra Energy would not agree to broaden the scope of the burdensome effect requirements;

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(2) Oaktree would agree to use commercially reasonable efforts to consummate the Oaktree Sell-Down, subject to the Dynegy Backstop; and

(3) the combined company's board of directors would consist of eleven members, with three of those members being current members of the Dynegy Board.

Later on October 28, 2017, the Dynegy Board met with members of Dynegy senior management and Skadden in attendance. Mr. Flexon updated the Dynegy Board regarding his earlier call with Mr. Morgan on the Vistra Energy Board's current positions. The Dynegy Board discussed those positions, including the Oaktree Sell-Down and Dynegy Backstop with Dynegy senior management and Skadden in the context of the risks associated with the Merger and the rationale for entering into the Merger Agreement, and the Dynegy Board determined that the Vistra Energy Board's current positions were acceptable.

Following the Dynegy Board meeting, on October 28, 2017, representatives of Vistra Energy (including Ms. Moore), Dynegy (including Ms. James), Oaktree, Simpson Thacher, Skadden and Paul, Weiss, Rifkind, Wharton & Garrison LLP, Oaktree's outside counsel, held a conference call to discuss the parameters and documentation of the Oaktree Sell-Down and the Dynegy Backstop.

Also on October 28, 2017, senior management of Vistra Energy and Dynegy agreed that the exchange ratio necessary to result in the agreed 79%–21% fully diluted ownership split should be changed to 0.652 shares of Vistra Energy Common Stock per each share of Dynegy Common Stock due to a recent decrease in the number of fully diluted shares of Vistra Energy Common Stock.

The parties worked through the rest of October 28, 2017 and October 29, 2017, to finalize (1) the Merger Agreement, (2) the disclosure schedules to the Merger Agreement, (3) the Vistra Energy Stockholder Support Agreement, which includes the Dynegy Backstop, (4) the Oaktree Letter Agreement, which includes the Oaktree Sell-Down, (5) the Terawatt Support Agreement and (6) the Oaktree Support Agreement.

The Vistra Energy Board met during the afternoon on October 29, 2017 with members of Vistra Energy senior management and representatives of Simpson Thacher and Citi in attendance. Oaktree's representative on the Vistra Energy Board recused herself from considering and approving the proposed combination to avoid any appearance of a conflict due to Oaktree's ownership of both Vistra Energy Common Stock and Dynegy Common Stock and the terms and conditions of the Oaktree Sell-Down and the Dynegy Backstop. Thereafter, Mr. Morgan provided the Vistra Energy Board with an update of the status of negotiation of the Merger Agreement, including that Dynegy had accepted the terms of the Vistra Energy Board's October 28th counterproposal and that an agreement in principal existed between the parties. At the request of the Vistra Energy Board, Citi presented its financial analysis of the potential transaction summarized below under "The Merger—Opinion of Vistra Energy's Financial Advisor" and delivered its oral opinion, which was subsequently confirmed by delivery of a written opinion dated October 29, 2017, to the effect that, as of that date and based on and subject to the matters, considerations and limitations set forth in Citi's opinion, Citi's work and other factors Citi deemed relevant, the exchange ratio of 0.652x provided for by the Merger Agreement was fair, from a financial point of view, to Vistra Energy. The full text of Citi's written opinion to the Vistra Energy Board, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to this joint proxy statement and prospectus as Annex B and is incorporated into this joint proxy statement and prospectus by reference in its entirety. After further discussion, the Vistra Energy Board voted with all directors in favor, other than the Oaktree representative on the Vistra Energy Board, who abstained, to adopt resolutions (1) determining that it is in the best interest of Vistra Energy and the holders of Vistra Energy Common Stock to enter into the Merger Agreement, (2) declaring entry into the Merger Agreement to be advisable, (3) authorizing and approving Vistra Energy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Vistra Energy's consummation of the transactions contemplated thereby, including the Merger and the Stock Issuance, (4) directing that the adoption of the Merger Agreement and the approval of the Stock Issuance be submitted to a

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vote at a meeting of the holders of Vistra Energy Common Stock and (5) recommending that the holders of Vistra Energy Common Stock adopt the Merger Agreement and approve the Stock Issuance. In addition, the Vistra Energy Board approved the terms of, and Vistra Energy's entry into, the Dynegy Stockholder Support Agreements.

The Dynegy Board met during the evening on October 29, 2017 with members of Dynegy senior management and representatives of the Dynegy financial advisors and Skadden in attendance. The Dynegy Board discussed with Dynegy senior management the rationale for the parties agreeing to an exchange ratio of 0.652 shares of Vistra Energy Common Stock per each share of Dynegy Common Stock instead of the 0.653x exchange ratio that had been agreed on October 25, 2017. Skadden reviewed with the Dynegy Board certain relationship disclosures previously provided by the Dynegy financial advisors. At the direction of the Dynegy Board, representatives of each of the Dynegy financial advisors presented their financial analyses with respect to the proposed exchange ratio of 0.652 shares of Vistra Energy Common Stock per each share of Dynegy Common Stock (which presentations had been shared with the Dynegy Board prior to the meeting). At the request of the Dynegy Board, representatives of Morgan Stanley delivered its oral opinion, which was subsequently confirmed by delivery of a written opinion dated October 29, 2017, that, as of that date and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by representatives of Morgan Stanley as set forth in the Morgan Stanley Fairness Opinion (as defined in "The Merger—Opinions of Dynegy's Financial Advisors—Opinion of Morgan Stanley"), the Exchange Ratio pursuant to the Merger Agreement was fair from a financial point of view to the Dynegy stockholders (other than the holders of the cancelled shares). The Morgan Stanley Fairness Opinion is more fully described in the full text of the Morgan Stanley Fairness Opinion attached hereto as Annex C and is incorporated by reference into this joint proxy statement and prospectus in its entirety. The Morgan Stanley Fairness Opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley in rendering the Morgan Stanley Fairness Opinion. At the request of the Dynegy Board, representatives of PJT Partners rendered its oral opinion (which was subsequently confirmed in writing) to the Dynegy Board that, as of the date thereof and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Exchange Ratio pursuant to the Merger Agreement was fair to the holders of Dynegy Common Stock (other than the holders of the cancelled shares and the Dynegy Principal Stockholders) from a financial point of view. The PJT Partners written opinion is more fully described in the full text of such opinion attached hereto as Annex C and is incorporated by reference into this joint proxy statement and prospectus in its entirety. The PJT Partners written opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by PJT Partners in rendering such opinion. After further discussion, the Dynegy Board unanimously voted to adopt resolutions (1) determining that it was in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (2) declaring entry into the Merger Agreement to be advisable, (3) authorizing and approving Dynegy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy's consummation of the transactions contemplated thereby, including the Merger, (4) directing that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (5) recommending that the holders of Dynegy Common Stock adopt the Merger Agreement. In addition, the Dynegy Board approved the terms of, and Dynegy's entry into, the Vistra Energy Stockholder Support Agreement. The Dynegy Board then met in an executive session of only independent directors, without the presence of Dynegy senior management, and approved the Flexon Employment Agreement Amendment.

Following the Dynegy Board meeting, (1) Dynegy and Mr. Flexon executed and delivered the Flexon Employment Agreement Amendment, (2) Vistra Energy and Dynegy executed and delivered the Merger Agreement, (3) Dynegy and the Vistra Energy Principal Stockholders executed and delivered the Vistra Energy Stockholder Support Agreement, (4) Vistra Energy and Oaktree executed the Oaktree Letter Agreement, (5) Vistra Energy and the Dynegy Principal Stockholders executed the Dynegy Stockholder Support Agreements.

Prior to the open of trading on the New York Stock Exchange on October 30, 2017, Vistra Energy and Dynegy issued a joint press release announcing their entry into the Merger Agreement.

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Recommendation of the Vistra Energy Board and Its Reasons for the Merger

The Vistra Energy Board reviewed and considered the terms of the Merger and the Merger Agreement and, at a meeting on October 29, 2017, (i) determined that it is in the best interest of Vistra Energy and the holders of Vistra Energy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Vistra Energy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Vistra Energy's consummation of the transactions contemplated thereby, including the Merger and the Stock Issuance, (iv) directed that the adoption of the Merger Agreement and the approval of the Stock Issuance be submitted to a vote at a meeting of the holders of Vistra Energy Common Stock and (v) recommended that the holders of Vistra Energy Common Stock adopt the Merger Agreement and approve the Stock Issuance.

In evaluating the Merger Agreement and the transactions contemplated thereby, including the Stock Issuance Proposal, the Vistra Energy Board consulted with Vistra Energy's management, as well as Vistra Energy's legal and financial advisors and other consultants and, in reaching its determinations, considered a variety of factors with respect to the Merger and the other transactions contemplated by the Merger Agreement, including the factors listed below.

Strategic Considerations

The Vistra Energy Board considered a number of factors pertaining to the strategic rationale for the Merger, including the following.

- *Value Creation.* The Vistra Energy Board considered that the Merger is projected to achieve approximately $350 million in annual run-rate EBITDA value enhancement by streamlining general and administrative costs, implementing fleet-wide efficient operating practices, driving procurement efficiencies, and eliminating other duplicative costs. Vistra Energy estimates the full run-rate of EBITDA value enhancement will be achieved in approximately 12 months following the completion of the Merger. In addition, the combined company is expected to benefit from approximately $65 million (after tax) of incremental annual run-rate free cash flow benefits from balance sheet and capital expenditure efficiencies. Finally, the combined company is expected to benefit from the utilization of approximately $2.0–2.5 billion of legacy Dynegy federal tax net operating losses with an estimated net present value of approximately $500–600 million. The Vistra Energy Board considered both the aggregate potential value that is expected to result from the Merger, as well as the fact that the numerous opportunities to create value mitigate the risk that any particular opportunity to create value will not be realized.
- *Increased Scale and Market Diversification*. The Vistra Energy Board considered the fact that Vistra Energy currently only operates in ERCOT and that the Merger would result in a combined company that is expected to have significant scale in a number of key markets in the United States, including markets outside of ERCOT. As a result, the Vistra Energy Board considered that the Merger is expected to result in a combined company with greater wholesale and retail electricity market diversification. The combined company is projected to have approximately 40 GW of installed generation capacity. On a standalone basis, all of Vistra Energy's current generation capacity is located in ERCOT. Following the Merger, approximately 46% of the combined company's capacity would be located in ERCOT and approximately 54% would be located outside of ERCOT, including key markets in PJM and ISO-NE. Achieving this greater scale and balance among the geographic areas and markets in which Vistra Energy operates is expected to promote increased efficiency and financial flexibility, as well as decrease the combined company's potential exposure to regional market swings or any particular adverse event, including weather-related events.
- *Rebalanced Asset Portfolio*. The Vistra Energy Board considered that the Merger is expected to increase the combined company's fuel diversification in the combined generation fleet compared to Vistra Energy on a stand-alone basis. Dynegy's asset portfolio mix is predominantly gas-based, which

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currently constitutes approximately 65% of Dynegy's overall generation capacity compared to Vistra Energy's 54%, and the Merger is expected to result in approximately 61% of the combined company's total generation capacity coming from gas, approximately 32% from coal and approximately 6% from nuclear. Reweighting the combined company's portfolio toward fuel-advantaged combined-cycle generation in key markets should improve operational efficiency and flexibility and reduce the impact of volatility in power and commodity prices.

- *Knowledge of Vistra Energy and Dynegy*. The Vistra Energy Board took into account its knowledge of Vistra Energy's business, operations, financial condition, earnings and prospects, and of Dynegy's business, operations, financial condition, earnings and prospects, taking into account the results of Vistra Energy's due diligence review of Dynegy. In particular, the Vistra Energy Board focused on the quality and mix of Dynegy's assets, the compatibility of the two companies' operations and opportunities for synergies and future growth.

Financial Considerations

The Vistra Energy Board considered a number of factors pertaining to the financial rationale for the Merger, including the following.

- *Earnings and Cash Flow*. The Vistra Energy Board considered that the Merger is expected to be accretive to earnings and cash flow after factoring in the accretive EBITDA and cash flow opportunities described above under "—Value Creation."
- *Credit Profile (Balance Sheet and Liquidity)*. The Vistra Energy Board considered that, similar to Vistra Energy on a standalone basis, the combined company is expected to have a favorable credit profile, including a strong balance sheet and liquidity profile. This is due to the combined company's anticipated significant cash flow generation capability, greater operating scale and anticipated lower overall risk profile resulting from increased geographic and fuel diversification following the Merger. As a result, similar to Vistra Energy on a standalone basis, the Vistra Energy Board considered that the combined company should be able to access the lending and capital markets, if and when needed, to meet its capital and other requirements.
- *Financial Terms of the Merger*. The Vistra Energy Board reviewed the financial terms of the Merger, including the tax-free nature of the all-stock transaction; the value of the merger consideration based on the Exchange Ratio relative to the then-current market prices and historical trading prices of Vistra Energy Common Stock and Dynegy Common Stock; the fact that the Merger does not necessitate the need for any refinancing of indebtedness; and the fact that legacy stockholders of Vistra Energy will own 79% of the common stock of the combined company on a fully diluted basis following the closing of the Merger.
- *Enhancement of Equity Market Profile*. The Vistra Energy Board considered that the combined company will have a larger market capitalization, which is expected to improve and diversify the investor base and should increase the liquidity of its publicly traded common stock.

Other Considerations

The Vistra Energy Board considered a number of other factors pertaining to the rationale for the Merger, including the following.

- *Due Diligence*. The Vistra Energy Board considered the scope of the due diligence investigation of Dynegy conducted by Vistra Energy's management and outside advisors, and the results of that investigation. The Vistra Energy Board also considered the historical financial performance of Dynegy.
- *Recommendation by Management*. The Vistra Energy Board considered Vistra Energy management's recommendation in favor of the Merger Proposal and the Stock Issuance Proposal.

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- *Opinion of Vistra Energy's Financial Advisor*. The Vistra Energy Board considered the opinion of Citi, dated October 29, 2017, to the Vistra Energy Board as to the fairness, from a financial point of view and as of the date of the opinion, to Vistra Energy of the Exchange Ratio provided for in the Merger, which opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken as more fully described below under the heading "—Opinion of Vistra Energy's Financial Advisor" beginning on page 88.
- *Terms of the Merger Agreement*. The Vistra Energy Board considered the terms of the Merger Agreement, including the representations, warranties, obligations and rights of the parties under the Merger Agreement, the conditions to each party's obligations to complete the Merger, and the circumstances in which each party is permitted to terminate the Merger Agreement. See "The Merger Agreement" beginning on page 136. In particular, the Vistra Energy Board noted the following terms of the Merger Agreement:
  - *Stockholder Approval*. The fact that the Vistra Energy stockholders would have an opportunity to vote on the adoption of the Merger Agreement.
  - *Ability to Fulfill Fiduciary Duties*. The fact that, although the Merger Agreement prohibits Vistra Energy from soliciting or engaging in discussions regarding any transaction to acquire Vistra Energy during the pendency of the Merger, the Merger Agreement allows the Vistra Energy Board to engage in discussions with respect to, and provide information in connection with, a bona fide proposal to acquire Vistra Energy that the Vistra Energy Board determines constitutes or is reasonably expected to result in a superior offer. In addition, the Merger Agreement allows the Vistra Energy Board to change or withdraw its recommendation with respect to the Merger Proposal in the event a superior offer is received or certain material developments or changes in circumstances occur after the execution of the Merger Agreement, and even to terminate the Merger Agreement in order to accept a superior offer to acquire Vistra Energy if, in any of these cases, the Vistra Energy Board determines that a failure to change its recommendation or terminate the Merger Agreement, as applicable, would be inconsistent with the exercise of its fiduciary duties under applicable law, subject to compliance with the terms and conditions of the Merger Agreement, including the payment by Vistra Energy of a termination fee of $100 million to Dynegy if the Merger Agreement is terminated under certain circumstances. See "The Merger Agreement—Effect of Termination; Termination Fees and Expense Reimbursement" beginning on page 155. While these provisions could have the effect of discouraging transaction proposals, these provisions would not preclude such proposals, and the Vistra Energy Board determined that the size of the termination fee payable by Vistra Energy is reasonable in light of the size and benefits of the Merger and not preclusive of a superior offer, if one were to emerge.
  - *Burdensome Effect*. The fact that Vistra Energy has a right not to complete the Merger in the event of a "burdensome effect" imposed in connection with obtaining regulatory approvals, subject to payment of a $100 million termination fee.
- *Stockholder Support Agreements*. The Vistra Energy Board considered the commitments made by the Vistra Energy Principal Stockholders to vote for and otherwise support the Merger and the other transactions contemplated by the Merger Agreement.
- *Impact of the Merger on Communities and Combined Headquarters*. The Vistra Energy Board considered the expected impact of the Merger on the communities served by Vistra Energy and the location of the combined company's headquarters in Irving, Texas.
- *Complementary Cultures and Goals*. The Vistra Energy Board considered its view that the corporate cultures and goals of Vistra Energy and Dynegy are compatible, in that both companies are committed to reliability, customer satisfaction, safety and diligent stewardship of economic, human and environmental resources.

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Potential Risks of the Merger

The Vistra Energy Board also considered potential risks and other negative factors concerning the Merger in connection with its deliberations of the proposed transaction, including the following:

- *Fixed Exchange Ratio*. The Vistra Energy Board considered that the Merger Agreement provides for a fixed exchange ratio and thus the Exchange Ratio will not change based on changes in the trading prices of Vistra Energy Common Stock or Dynegy Common Stock or changes in the business performance or financial results of Vistra Energy or Dynegy. Accordingly, if the value of Dynegy's businesses declines relative to the value of Vistra Energy's businesses prior to completion of the Merger, Dynegy stockholders' percentage ownership in the combined company may exceed Dynegy's relative contribution to the combined company. However, the Vistra Energy Board determined that the method for determining the Exchange Ratio was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of Vistra Energy and Dynegy and the historic trading prices of Vistra Energy Common Stock and Dynegy Common Stock. The Vistra Energy Board also noted the inclusion in the Merger Agreement of certain structural protections, such as Vistra Energy's right to not complete the Merger in the event of a material adverse effect with respect to Dynegy.

- *Regulatory Approvals*. The Vistra Energy Board considered that there are regulatory approvals required to complete the Merger and a risk that the applicable governmental authorities may seek to impose unfavorable terms or conditions on the required approvals or not provide a required regulatory approval. The Vistra Energy Board also considered the potential length of the regulatory approval process. The Vistra Energy Board also considered the fact that Vistra Energy must pay Dynegy a termination fee of $100 million in connection with the termination of the Merger Agreement due to failure to obtain the required regulatory approvals or if Vistra Energy elects not to consummate the Merger because a regulatory approval would include any condition or undertaking that would impose a "burdensome effect" on the combined company. See the section entitled, "The Merger Agreement—Conditions to Completion of the Merger" beginning on page 139 for a description of these matters.

- *Failure to Close*. The Vistra Energy Board considered the risks and contingencies relating to the announcement and pendency of the Merger and risks and costs to Vistra Energy if the closing of the Merger is not timely consummated, or if the Merger does not close at all, including the potential impact on the relationships between Vistra Energy and its employees, customers, suppliers and other third parties, as well as the potential impact on the trading price of Vistra Energy Common Stock. Additionally, there is the possibility that the Merger may not be completed, or that completion may be unduly delayed, for reasons beyond the control of Vistra Energy and/or Dynegy.

- *Restrictions on Interim Operations*. The Vistra Energy Board considered the provisions of the Merger Agreement that impose certain restrictions on the operations of Vistra Energy until completion of the Merger. For further information, see "The Merger Agreement—Conduct of Business Prior to Closing" beginning on page 143.

- *Transaction Costs and Integration*. The Vistra Energy Board considered the substantial costs that will be incurred by both Vistra Energy and Dynegy in connection with the Merger, including legal fees, financial advisory fees, and the significant costs and expenses associated with integrating two businesses of this size. There are also risks and challenges inherent in the combination of two businesses, operations and workforces, including the attendant risks that the anticipated cost savings and synergies and other benefits sought to be obtained from the Merger might not be achieved in the time frame contemplated or to the degree anticipated or at all.

- *Diversion of Focus*. The Vistra Energy Board considered the risk that management focus, employee attention and resources for other strategic opportunities, as well as employee attention to operational matters, could be diverted for an extended period of time while the parties work to complete the Merger and integration process.

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- *Employment Matters*. The Vistra Energy Board considered the risk of losing key Dynegy employees during the pendency of the Merger and thereafter and appropriate steps to retain such employees.
- *Corporate Governance*. The Vistra Energy Board considered the composition of the board of directors and management of the combined company and the potential for disagreement among directors and executive officers selected from two different organizations.
- *Dynegy Business Risks*. The Vistra Energy Board considered certain risks inherent in Dynegy's business and operations.
- *Other Risks Considered*. The Vistra Energy Board also considered the types and nature of the risks described under the section entitled "Risk Factors" beginning on page 35, and the matters described under "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 61.

The foregoing discussion of factors considered by the Vistra Energy Board is not intended to be exhaustive but instead includes material factors considered by the Vistra Energy Board. In view of the wide variety of factors considered in connection with its evaluation of the Merger and the complexity of these matters, the Vistra Energy Board did not consider it practical, nor did it attempt, to quantify, rank or otherwise assign relative weights to the different factors it considered in reaching its decision. In addition, individual members of the Vistra Energy Board may have given different weight to different factors.

The Vistra Energy Board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather the Vistra Energy Board conducted an overall review of the factors described above, including discussions with the senior management team and outside legal and financial advisors and other consultants.

Dynegy's Reasons for the Merger; Recommendation of the Dynegy Board

In evaluating the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, the Dynegy Board consulted with Dynegy senior management and Dynegy's financial and legal advisors, and in recommending that Dynegy stockholders approve the Merger Proposal, the Dynegy Board considered a number of factors, risks and uncertainties, and a substantial amount of information, including the factors, risks and uncertainties set forth below.

Factors, Risks and Uncertainties

Dynegy Prospects

- The current public market for shares of Dynegy Common Stock, including the following factors, all of which have negatively affected the price of shares of Dynegy Common Stock and other publicly traded independent power producers:
  - that uncertainty about regulatory, commodity prices and electricity market dynamics affecting the independent power producer industry has caused traditional investors in the sector to lose confidence in the potential for growth, which has resulted in lower valuation multiples for independent power producers, including Dynegy; and
  - that the limited number of publicly traded companies in the independent power producer industry and the decline in the total investible market capitalization of companies in the sector are impediments to traditional long term investors continuing to invest in the industry.
- Dynegy's current and historical business, financial condition, results of operations, competitive position, strategic options, capital requirements and prospects, and the nature of the industry and regulatory environment in which Dynegy competes, including:
  - that the energy commodities sector generally and U.S. energy (power) market, and in particular the independent power producer industry, continue to face a challenging environment; and

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  - Dynegy's current strategic plan (including its plan to strengthen its balance sheet and credit metrics by improving earnings via its earnings and cost improvement project, intrinsic growth of its retail business and identification and pursuit of extrinsic growth opportunities, and long-term allocation of capital to renewable opportunities that provide the appropriate risk adjusted returns), and prospects (including Dynegy's current and projected debt leverage profile) if Dynegy were to remain a stand-alone publicly traded company, and the potential impact of those factors on the trading price of shares of Dynegy Common Stock (which cannot be quantified numerically).

- The prospective risks associated with Dynegy continuing as a stand-alone publicly traded company, including the risks and uncertainties with respect to (1) achieving its growth, operating cash flow and profitability targets in light of the current and foreseeable market conditions, including the risks and uncertainties in the U.S. and the global economy generally and the power industry specifically, (2) general market conditions and volatility, including the performance of broad-based stock market indices and exchanges, and (3) risks and uncertainties described in the "risk factors" set forth in Dynegy's Form 10-K for the fiscal year ended December 31, 2016.

Prospects of the Combined Company

- Based on information available as of the date of the Merger Agreement, the Merger will result in a combined company with an implied pro forma equity value greater than $10 billion and an enterprise value greater than $20 billion.
- The combined company is expected to achieve approximately $350 million in annual run-rate EBITDA enhancements and approximately $65 million (after tax) in annual run-rate free cash flow benefits from balance sheet and capital expenditure efficiencies.
- With approximately $14 billion of adjusted EBITDA expected to be generated between 2018 and 2022, the combined company is expected to achieve approximately $5.5 billion in excess capital, to be available for capital allocation through 2022, with an emphasis on achieving 3 times gross debt to EBITDA by year-end 2019.
- The combined company is expected to benefit from $2.0–2.5 billion of legacy Dynegy Net Operating Loss Carryforwards with an estimated net present value of approximately $500–600 million.
- The combined company would have a stronger financial profile that is expected to facilitate faster long-term earnings growth due to a stronger balance sheet (including a better debt leverage profile), a more flexible capital structure, and projected robust cash flows that should position the combined company for expanded growth reinvestments, increased return of capital to stockholders and an enhanced platform to pursue potential M&A opportunities.
- The combined company is projected to have pro forma liquidity of approximately $3.9 billion as of April 30, 2018 and gross debt to EBITDA declining to the combined company's targeted 3 times by year-end 2019 (with net debt to EBITDA of 2.6 times by year-end 2019).
- The combined company is projected to create the lowest-cost integrated power company in the industry and to position the combined company as the leading integrated retail and generation platform throughout key competitive power markets in the United States, serving approximately 240,000 commercial and industrial customers and 2.7 million residential customers in five top retail states, with estimated retail sales of 75 TWh in 2018.
- The Merger enables Dynegy to accelerate its strategic plan to transition to an integrated business model, combining generation and retail, which would be difficult to achieve in a short period of time, on a stand-alone basis.

Financial Terms; Certainty of Value

- The Exchange Ratio (0.652 shares of Vistra Energy Common Stock per each share of Dynegy Common Stock) represents an implied price of $13.24 per share of Dynegy Common Stock, based on

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the closing sale price of Vistra Energy Common Stock on the NYSE on October 27, 2017, the last full trading day prior to the date of the Merger Agreement, which is a premium of approximately 82% over the closing sale price per share of Dynegy Common Stock on the NYSE of $7.26 on May 18, 2017, the last full trading day prior to the publication of an article in *The Wall Street Journal* reporting that Vistra Energy had approached Dynegy about a potential combination transaction.

- The Dynegy Board's belief that the Exchange Ratio is more favorable to Dynegy stockholders than the risk-adjusted potential value that might result from the strategic alternatives reasonably available to Dynegy (including the alternative of remaining a stand-alone publicly traded company and other strategic alternatives that might be pursued by Dynegy, such as strategic business combinations, acquisitions of other businesses by Dynegy and dispositions of certain business segments of Dynegy).
- The Exchange Ratio resulted from extensive negotiations between the parties.
- It is expected that, immediately following the effective time of the Merger, former holders of Dynegy Common Stock will own approximately 21% of the combined company's fully diluted equity.
- The opinion of Morgan Stanley to the Dynegy Board to the effect that, as of the date thereof and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in Morgan Stanley's written opinion, the Exchange Ratio pursuant to the Merger Agreement was fair, from a financial point of view, to the holders of shares of Dynegy Common Stock (other than the holders of the cancelled shares).
- The financial presentation of PJT Partners and its opinion that, as of the date thereof and based upon and subject to the qualifications, limitations and assumptions set forth therein, the Exchange Ratio pursuant to the Merger Agreement was fair to the Dynegy stockholders (other than the holders of the cancelled shares and the Dynegy Principal Stockholders) from a financial point of view.

Strategic Alternatives

- The Dynegy Board reviewed strategic alternatives available to Dynegy, including potential transactions with other counterparties, including Company A.
- Dynegy senior management and financial advisor perspectives that potential counterparties to other alternative strategic alternative transactions, including strategic companies and financial sponsors, would either not be interested or capable of pursuing such transactions on terms as favorable as the transaction with Vistra Energy.
- Following publicly reported rumors regarding a potential combination of Dynegy and Vistra Energy, no party indicated to Dynegy that it was interested in a possible merger or other strategic transaction with Dynegy.

Certain Terms of the Merger Agreement

- The fact that the Dynegy stockholders would have an opportunity to vote on the adoption of the Merger Agreement.
- Although the closing of the Merger is subject to regulatory approval, including U.S. antitrust approval, FERC approval, PUCT approval and NYPSC approval, the Dynegy Board believes that the parties will be able to obtain all required regulatory approvals and, in the event (1) the parties are unable to obtain all required regulatory approvals (other than with respect to the NYPSC approval), (2) the terms and conditions of such approvals, individually or in the aggregate, impose a specified burdensome effect (as defined in the Merger Agreement) and Vistra Energy elects not to consummate the Merger as a result, or (3) Vistra Energy breaches its obligations with respect to obtaining required regulatory approvals and the Merger Agreement is terminated in certain circumstances, Vistra Energy must pay Dynegy a termination fee of $100 million;

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- Vistra Energy will be required to pay Dynegy a termination fee of $100 million in the event the Merger Agreement is terminated (1) due to the Vistra Energy Board changing its recommendation in favor of the Merger or (2) in order for Vistra Energy to enter into a definitive agreement for a superior transaction.
- Vistra Energy is obligated to reimburse Dynegy for certain fees and expenses up to $22 million in the event Vistra Energy stockholders do not approve the Merger Proposal or the Stock Issuance Proposal.
- The Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, with the result that a U.S. holder of Dynegy Common Stock generally would not recognize any gain or loss upon receipt of Vistra Energy Common Stock solely in exchange for Dynegy Common Stock in the Merger, except with respect to cash received in lieu of fractional shares of Vistra Energy Common Stock.
- The governance provisions of the Merger Agreement specify that immediately after the effective time of the Merger, the board of directors of the combined company will be comprised of eleven members, with three of those members being current members of the Dynegy Board.
- There is no third-party consent condition to the closing of the Merger.
- Dynegy is permitted to seek specific performance remedies to cause Vistra Energy to perform its obligations under the Merger Agreement, including its obligation to close the Merger after the satisfaction or waiver of all applicable closing conditions.
- The end date under the Merger Agreement, after which Dynegy or Vistra Energy, subject to specified exceptions, may terminate the Merger Agreement, allows for sufficient time to close the Merger.
- The Dynegy Principal Stockholders entered into the Dynegy Stockholder Support Agreements. Pursuant to such merger support agreements, each of the Dynegy Principal Stockholders agreed to vote its shares of Dynegy Common Stock, as applicable, to approve the Merger Proposal. The Dynegy Stockholder Support Agreements will automatically terminate upon the earliest to occur of (i) a change of recommendation by the Dynegy Board, (ii) the termination of the Merger Agreement in accordance with its terms or (iii) the effective time of the Merger.

Dynegy No-Shop Provisions

- Prior to obtaining Dynegy stockholder approval of the Merger Proposal, Dynegy is restricted from soliciting transactions from third parties as an alternative to the Merger. However, Dynegy may furnish information with respect to Dynegy and its subsidiaries to, or enter into discussions and negotiations with, third parties in connection with a written competing proposal that does not result from a breach of Dynegy's non-solicitation obligations if the Dynegy Board determines in good faith (after consultation with a financial advisor and outside legal counsel) that such competing proposal constitutes or would reasonably be expected to result in a superior proposal.
- Subject to compliance with the terms of the Merger Agreement, in response to the receipt of a written superior proposal that does not result from a breach of Dynegy's non-solicitation obligations, the Dynegy Board may change its recommendation to Dynegy stockholders that they vote "FOR" the Merger Proposal or authorize Dynegy to terminate the Merger Agreement if the Dynegy Board determines in good faith (after consultation with outside legal counsel) that the failure to make such change in recommendation or to authorize such termination would be inconsistent with the Dynegy Board's fiduciary duties under applicable law, subject to a four-business-day "match right" that would allow Vistra Energy to match a superior proposal, and which will renew for two additional business days upon any material revisions to the terms of the superior proposal.
- Subject to compliance with the terms of the Merger Agreement, in response to certain developments that materially improves the business, assets or operations of Dynegy and its subsidiaries, taken as a

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whole, that was not known to the Dynegy Board or reasonably foreseeable as of the date of the Merger Agreement, the Dynegy Board may change its recommendation to Dynegy stockholders that they vote "FOR" the Merger Proposal if the Dynegy Board determines in good faith (after consultation with outside legal counsel) that the failure to make such change in recommendation would be inconsistent with the Dynegy Board's fiduciary duties under applicable law, subject to a four-business-day "match right" that would allow Vistra Energy to improve the terms of the Merger Agreement to Dynegy.

- The structure of the transaction as a merger allows sufficient time for a third party to make a superior proposal if it desires to do so.
- The Dynegy Board's consideration of the foregoing provisions in the context of other strategic alternatives available to Dynegy, including hypothetical strategic transactions with parties other than Vistra Energy, and the Dynegy financial advisors' presentations regarding the likelihood that such parties would be interested in pursuing any such strategic transaction, and publicly reported rumors regarding a strategic transaction between Dynegy and Vistra Energy.
- The Dynegy Board's belief, in light of the foregoing context, that it was unlikely that any third party would make a competing proposal to acquire Dynegy. Further, the Dynegy Board believes that the no-shop provisions were reasonable in light of such context, consistent with non-solicitation provisions in comparable transactions, and not preclusive of other offers.
- The Merger Agreement requires Dynegy to pay Vistra Energy a termination fee of $87,000,000, or approximately 4% of the implied equity value and approximately 1% of the implied enterprise value of Dynegy based on the Exchange Ratio as of the date of the Merger Agreement, if Vistra Energy terminates the Merger Agreement because the Dynegy Board changes its recommendation to Dynegy stockholders or if Dynegy terminates the Merger Agreement to enter into a definitive agreement for a superior proposal, which the Dynegy Board believes is reasonable in light of the circumstances (including the context discussed above, the overall terms of the Merger Agreement and the amount of such termination fee being consistent with fees in comparable transactions and not preclusive of other offers).

Risks, Uncertainties and Other Factors Weighing Negatively Against the Merger

- The Exchange Ratio is fixed and will not change based on changes in the trading prices of Vistra Energy Common Stock or Dynegy Common Stock or changes in the business performance or financial results of Vistra Energy or Dynegy. Accordingly, if the value of Dynegy's businesses increases relative to the value of Vistra Energy's businesses prior to completion of the Merger, Dynegy stockholders' percentage ownership in the combined company may be less than Dynegy's relative contribution to the combined company. However, the Dynegy Board determined that the method for determining the Exchange Ratio was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of Vistra Energy and Dynegy and the historic trading prices of Vistra Energy Common Stock and Dynegy Common Stock. The Dynegy Board also noted the inclusion in the Merger Agreement of certain structural protections, such as the Dynegy Board's right to change its recommendation in the event of certain unforeseeable developments or changes in circumstances that materially improve Dynegy's and its subsidiaries' business, assets or operations, taken as a whole.
- The risk that the Merger will be delayed or will not be completed, including the risk that the required U.S. antitrust approval, FERC approval, PUCT approval or NYPSC approval for the Merger may not be obtained.
- The risk that, as a condition to granting a required regulatory approval, a governmental entity may impose conditions that materially change the expected financial position, assets or results of operations of the combined company after the effective time of the Merger.

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- The potential loss of value to Dynegy stockholders and the potential negative impact on the financial position, operations and prospects of Dynegy if the Merger is delayed or is not completed for any reason.
- The risk, if the Merger is not consummated, that the pendency of the Merger could affect adversely the relationship of Dynegy and its subsidiaries with their respective regulators, customers, employees, suppliers, agents and others with whom they have business dealings.
- Vistra Energy may furnish information with respect to Vistra Energy and its subsidiaries to, or enter into discussions and negotiations with, third parties in connection with a written competing proposal that does not result from a breach of Vistra Energy's non-solicitation obligations if the Vistra Energy Board determines in good faith (after consultation with a financial advisor and outside legal counsel) that such competing proposal constitutes or would reasonably be expected to result in a superior proposal.
- Subject to compliance with the terms of the Merger Agreement, in response to the receipt of a written superior proposal that does not result from a breach of Vistra Energy's non-solicitation obligations, the Vistra Energy Board may change its recommendation to Vistra Energy stockholders that they approve the Merger Proposal or authorize Vistra Energy to terminate the Merger Agreement if the Vistra Energy Board determines in good faith (after consultation with a financial advisor and outside legal counsel) that the failure to make such change in recommendation or to authorize such termination would be inconsistent with the Vistra Energy Board's fiduciary duties under applicable law, subject to a four business day "match right" that would allow Dynegy to match a superior proposal, and which will renew for two additional business days upon any material revisions to the terms of the superior proposal.
- Subject to compliance with the terms of the Merger Agreement, in response to certain developments that materially improves the business, assets or operations of Vistra Energy and its subsidiaries, taken as a whole, that was not known to the Vistra Energy Board or reasonably foreseeable as of the date of the Merger Agreement, the Vistra Energy Board may change its recommendation to Vistra Energy stockholders that they approve the Merger Proposal if the Vistra Energy Board determines in good faith (after consultation with a financial advisor and outside legal counsel) that the failure to make such change in recommendation would be inconsistent with the Vistra Energy Board's fiduciary duties under applicable law, subject to a four business day "match right" that would allow Dynegy to improve the terms of the Merger Agreement to Vistra Energy.
- The terms of the Merger Agreement that restrict the conduct of Dynegy's businesses prior to completion of the Merger, which may delay or prevent Dynegy from undertaking business opportunities that may arise prior to completion of the Merger and the resultant risk if the Merger is not consummated.
- The substantial costs to be incurred in connection with the Merger, including (1) the substantial management time and effort required to close the Merger and the related disruption to Dynegy's day-to-day operations during the interim period between execution of the Merger Agreement and the closing, (2) the expenses arising from potential litigation and (3) transaction expenses arising from the Merger.
- The challenges inherent in combining the businesses, operations and workforces of Dynegy and Vistra Energy.
- The number of Dynegy directors on the board of directors of the combined company will represent less than half of the members of the combined company's board of directors.
- Forecasts of future results of operations and benefits are necessarily estimates based on assumptions, the risk of not realizing anticipated benefits and cost savings between Dynegy and Vistra Energy and the potential risk that other anticipated benefits might not be realized.

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- The risk that Dynegy may be required to reimburse Vistra Energy for certain fees and expenses up to $22 million if Dynegy stockholders do not approve the Merger Proposal.
- The absence of appraisal rights for Dynegy stockholders.
- The Dynegy Board also was apprised of certain interests in the Merger of Dynegy's directors and executive officers that may be different from, or in addition to, the interests of Dynegy stockholders generally. These interests include (1) the continued service of certain directors of Dynegy as directors of Vistra Energy, (2) the treatment of equity incentive awards, including acceleration of vesting under Dynegy PSUs upon consummation of the Merger and the potential for accelerated vesting of other awards upon a qualifying termination of employment following the Merger, (3) the potential for enhanced severance benefits for executive officers upon a qualifying termination of employment following the Merger and (4) the interests of Dynegy's directors and officers in continued indemnification and insurance coverage that will be provided by the surviving corporation following the effective time of the Merger pursuant to the terms of the Merger Agreement.

Other Considerations

- The Dynegy Board's fiduciary duties in light of the foregoing.
- The resolutions approving the Merger Agreement were unanimously approved by the Dynegy Board, which is comprised of a majority of independent directors and not employees of Dynegy or any of its subsidiaries and which retained and received advice from Dynegy's outside legal counsel and financial advisors.

Conclusion

The Dynegy Board unanimously believes that, overall, the potential benefits of the Merger to Dynegy stockholders outweigh the risks and uncertainties of the Merger.

The foregoing discussion of factors considered by the Dynegy Board is not intended to be exhaustive but instead includes material factors considered by the Dynegy Board. In light of the variety of factors considered in connection with its evaluation of the Merger, including the factors set forth above and other factors, the Dynegy Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Dynegy Board applied his or her own personal business judgment to the process and may have given different weight to different factors. The Dynegy Board did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Dynegy Board based its recommendation on the totality of the information presented.

Opinion of Vistra Energy's Financial Advisor

Citigroup Global Markets Inc., which is referred to herein as Citi, was retained by Vistra Energy to act as its financial advisor in connection with the Merger and to provide financial advice and assistance and, upon Vistra Energy's request, to render a financial opinion, in each case in connection therewith. The Vistra Energy Board selected Citi to act as its financial advisor based on Citi's qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in Vistra Energy's industry and its knowledge and understanding of the business and affairs of Dynegy. In connection with this engagement, Vistra Energy requested that Citi evaluate the fairness, from a financial point of view, of the Exchange Ratio of 0.652x provided for in the Merger Agreement. On October 29, 2017, at a meeting of the Vistra Energy Board, Citi rendered to the Vistra Energy Board (in its capacity as such) an oral opinion, which was subsequently confirmed by delivery of a written opinion, dated October 29, 2017, to the effect that, as of that date and based on and subject to the matters, considerations and limitations set forth in the opinion, Citi's work and other factors it deemed relevant, each as described in greater detail below, the Exchange Ratio of 0.652x provided for in the Merger Agreement was fair, from a financial point of view, to Vistra Energy.

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The full text of Citi's written opinion, dated October 29, 2017, to the Vistra Energy Board, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to this joint proxy statement and prospectus as Annex B and is incorporated into this joint proxy statement and prospectus by reference in its entirety. You are encouraged to read the full text of Citi's written opinion in its entirety. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to the Vistra Energy Board (in its capacity as such) in connection with its evaluation of the Merger and was limited to the fairness, from a financial point of view, as of the date of the opinion, to Vistra Energy of the Exchange Ratio. Citi's opinion does not address any other aspects or implications of the Merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the proposed Merger or any related matter. Citi's opinion does not address the underlying business decision of Vistra Energy to effect the Merger, the relative merits of the Merger as compared to any alternative business strategies that might exist for Vistra Energy or the effect of any other transaction in which Vistra Energy might engage. The following is a summary of Citi's opinion and the methodology that Citi used to render its opinion.

In arriving at its opinion, Citi, among other things:

- reviewed a draft, dated October 29, 2017, of the Merger Agreement;
- held discussions with certain senior officers, directors and other representatives and advisors of Vistra Energy concerning the businesses, operations and prospects of Vistra Energy and Dynegy;
- examined certain publicly available business and financial information relating to Vistra Energy and Dynegy as well as certain financial forecasts and other information and data relating to Vistra Energy and Dynegy which were provided to Citi by the management of Vistra Energy, including financial forecasts related to Vistra Energy and Dynegy, that Citi was directed to use in connection with its analysis and its opinion, which are referred to herein as the Forecasts, and information relating to the potential pro forma financial effects and operational benefits, including streamlining of costs and operational, capital structure and capital expenditure efficiencies, anticipated by the management of Vistra Energy to result from the Merger (including the amount, timing and achievability thereof), which are referred to herein as the Merger Benefits;
- reviewed the financial terms of the Merger as set forth in the Merger Agreement in relation to, among other things: current and historical market prices and trading volumes of Vistra Energy Common Stock and Dynegy Common Stock, the historical and projected earnings and other operating data of Vistra Energy and Dynegy, and the capitalization and financial condition of Vistra Energy and Dynegy;
- considered, to the extent publicly available, the financial terms of certain other transactions that Citi considered relevant in evaluating the Merger;
- analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Vistra Energy and Dynegy;
- evaluated certain potential pro forma financial effects of the Merger on Vistra Energy; and
- conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of the management of Vistra Energy that they were not aware of any relevant information that had been omitted or that remained undisclosed to Citi. With respect to the Forecasts and the Merger Benefits, Citi was advised by the management of Vistra Energy that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management

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of Vistra Energy as to the future financial performance of Vistra Energy and Dynegy, the potential pro forma financial effects and operational benefits, including streamlining of costs and operational, capital structure and capital expenditure efficiencies, anticipated to result from the Merger (including the amount, timing and achievability thereof) and the other matters covered thereby and assumed, with the consent of the Vistra Energy Board, that the financial results (including the potential pro forma financial effects and operational benefits, including streamlining of costs and operational, capital structure and capital expenditure efficiencies, anticipated to result from the Merger) reflected in the Forecasts and the Merger Benefits would be realized in the amounts and at the times projected. In addition, Citi relied, at the direction of the Vistra Energy Board, upon the assessments of the management of Vistra Energy, as to, among other things, (i) the potential impact on Vistra Energy and Dynegy of certain market, competitive, cyclical and other trends and developments in and prospects for, and governmental, regulatory and legislative matters relating to or otherwise affecting, the merchant power generation industry, including assumptions of the management of Vistra Energy as to, among other things, future commodity, capacity markets, wholesale and retail energy prices, operational, maintenance and production costs, transmission capacity and demand for energy commodities reflected in the financial forecasts and other information and data utilized in Citi's analysis or otherwise relevant for purposes of its opinion, which are subject to significant volatility and which, if different than as assumed, could have a material impact on its analyses and opinion and (ii) existing and future commercial relations, agreements and arrangements of Vistra Energy and Dynegy. Citi assumed, with the consent of the Vistra Energy Board, that there would be no developments with respect to any such matters that would have an adverse effect on Vistra Energy and Dynegy or the Merger or that otherwise would be meaningful in any respect to its analyses or opinion.

Citi also assumed, with the consent of the Vistra Energy Board, that the Merger would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third-party approvals, consents and releases for the Merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Vistra Energy, Dynegy or the contemplated benefits of the Merger that would be material to Citi's analysis or opinion. Representatives of Vistra Energy advised Citi, and Citi assumed, that the final terms of the Merger Agreement would not vary in any material respect from those set forth in the draft Citi reviewed. Citi also assumed, with the consent of the Vistra Energy Board, that, for U.S. federal income tax purposes, the Merger would be treated as a tax-free reorganization under the provisions of Section 368(a) of the Code. Citi did not express any opinion as to what the value of the Vistra Energy Common Stock actually would be when issued pursuant to the Merger or the price at which the Vistra Energy Common Stock will trade at any time. Citi did not make and it was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Vistra Energy or Dynegy nor did it make any physical inspection of the properties or assets of Vistra Energy or Dynegy. Citi also did not express any view as to, and its opinion does not address, the underlying business decision of Vistra Energy to effect the Merger, the relative merits of the Merger as compared to any alternative business strategies or transactions that might exist for Vistra Energy or the effect of any other transaction in which Vistra Energy might engage. Citi expressed no view as to, and its opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Merger, or any class of such persons, relative to the Exchange Ratio. Citi's opinion was necessarily based upon information available to it, and financial, stock market and other conditions and circumstances existing, as of the date of its opinion. The issuance of Citi's opinion was authorized by Citi's fairness opinion committee.

In preparing its opinion, Citi performed a variety of financial, comparative and other analyses, including those described below. The summary of these analyses is not a complete description of Citi's opinion or the analyses underlying, and factors considered in connection with, Citi's opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Citi arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion. Accordingly, Citi

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believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying such analyses and its opinion.

In its analyses, Citi considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Vistra Energy and Dynegy. No company, business or transaction used in those analyses as a comparison is identical or directly comparable to Vistra Energy, Dynegy or the Merger and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments reviewed or transactions analyzed.

The estimates contained in Citi's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold or acquired. Accordingly, the estimates used in, and the results derived from, Citi's analyses are inherently subject to substantial uncertainty.

Citi was not requested to, and it did not, recommend the Exchange Ratio. The type and amount of consideration payable in the Merger was determined through negotiations between Vistra Energy and Dynegy and the decision to enter into the Merger was solely that of the Vistra Energy Board. Citi's opinion was only one of many factors considered by the Vistra Energy Board in its evaluation of the Merger and should not be viewed as determinative of the views of the Vistra Energy Board or Vistra Energy's management with respect to the Merger or the consideration payable in the Merger.

The following is a summary of the material financial analyses presented to the Vistra Energy Board in connection with the delivery of Citi's opinion. Some of these analyses included public information that had been updated to the latest available information as of the time of the presentation and which were presented orally to the Vistra Energy Board at its meeting on October 29, 2017. The financial analyses summarized below include information presented in tabular format. In order to fully understand Citi's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Citi's financial analyses.

For purposes of the financial analyses described below, (i) the term "EBITDA" means earnings before interest, taxes, depreciation and amortization; (ii) the term "EV/EBITDA" means enterprise value to one year forward EBITDA multiple; (iii) the term "NOL" means net operating loss; (iv) the term "current share price" means the closing share price on October 27, 2017, the last trading day before the proposed merger was announced, (v) the term "pre-leak share price" means the closing share price on October 20, 2017, the last trading day before the week of October 23, 2017, when rumors of the transaction re-emerged, including a *The Wall Street Journal* article published on October 25, 2017, reporting advanced merger negotiations between Vistra Energy and Dynegy, and (vi) the term "unaffected share price" means the closing share price on May 18, 2017, the last trading day before *The Wall Street Journal* published an article reporting potential merger negotiations between Vistra Energy and Dynegy. In calculating implied exchange ratio reference ranges as reflected in the financial analyses described below, Citi (i) divided the low-end of the approximate implied equity value per share reference ranges derived for Dynegy from such analyses by the high-end of the approximate implied equity value per share reference ranges derived for Vistra Energy from such analyses in order to calculate the low-end of the implied exchange ratio reference ranges and (ii) divided the high-end of the approximate implied equity value per share reference ranges derived for Dynegy from such analyses by the low-end of the approximate

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implied equity value per share reference ranges derived for Vistra Energy from such analyses in order to calculate the high-end of the implied exchange ratio reference ranges.

Discounted Cash Flow Analysis

Citi performed a discounted cash flow analysis of each of Vistra Energy and Dynegy in which Citi calculated the estimated present value of the standalone unlevered free cash flows that Vistra Energy and Dynegy were forecasted to generate during calendar year 2018 through calendar year 2023, based on the Forecasts.

With respect to Citi's discounted cash flow analysis of Vistra Energy, unlevered free cash flow was calculated based on the Forecasts by taking EBITDA and subtracting depreciation and amortization to derive "EBIT,"; subtracting from EBIT illustrative income taxes on EBIT and TRA payments; adding back depreciation and amortization; subtracting capital expenditures; and adjusting for changes in working capital and the impact of the announced retirements of Vistra Energy's Big Brown, Sandow and Monticello units. Citi calculated terminal enterprise values for Vistra Energy by applying illustrative EV/EBITDA multiples ranging from 8.0x to 9.0x to estimates of Vistra Energy's EBITDA for calendar year 2023, as reflected in the Forecasts. Citi derived the range of EV/EBITDA multiples based on its professional judgment taking into account the average of the EV/EBITDA multiples of Calpine Corporation (based on Calpine's unaffected equity value per share as of May 10, 2017 when rumors of a potential sale emerged) and NRG Energy Inc. (based on pro forma NRG Energy Inc. for full transformational plan as announced by NRG Energy Inc. on July 12, 2017), publicly traded companies in the merchant generation industry. The forecasted unlevered free cash flows for Vistra Energy for calendar years 2018 through 2023 and the derived range of terminal enterprise values were then discounted to present values, as of January 1, 2018, using discount rates ranging from 6.7% to 7.6%, which Citi derived based on estimates of Vistra Energy's weighted average cost of capital. The present values of the unlevered free cash flows and the range of derived terminal enterprise values were then adjusted for projected cash, preferred equity and debt balances as of December 31, 2017, to derive a range of implied equity values for Vistra Energy. Citi then divided the range of implied equity values for Vistra Energy by the total number of fully diluted shares outstanding of Vistra Energy calculated using information provided by Vistra Energy management, to derive approximate implied per share equity value reference ranges of $16.74 to $19.76 for Vistra Energy.

With respect to Citi's discounted cash flow analysis of Dynegy, unlevered free cash flow was calculated based on the Forecasts by taking EBITDA and subtracting depreciation and amortization to derive "EBIT,"; subtracting from EBIT illustrative income taxes on EBIT; adding back depreciation and amortization; subtracting capital expenditures; and subtracting certain other expenses including asset retirement obligations, pension, environmental capital projects and uprate investments. Citi calculated terminal enterprise values for Dynegy by applying illustrative EV/EBITDA multiples ranging from 8.0x to 9.0x to estimates of each of Dynegy's EBITDA for calendar year 2023, as reflected in the Forecasts. Citi derived the range of EV/EBITDA multiples based on its professional judgment taking into account the average of the EV/EBITDA multiples of Calpine Corporation (based on Calpine's unaffected equity value per share as of May 10, 2017 when rumors of a potential sale emerged) and NRG Energy Inc. (based on pro forma NRG Energy Inc. for full transformational plan as announced by NRG Energy Inc. on July 12, 2017), publicly traded companies in the merchant generation industry. The unlevered free cash flows for Dynegy for calendar years 2018 through 2023, the derived range of terminal enterprise values and estimates of Dynegy's NOL usage through 2041 on a stand-alone basis from its NOL as reflected in the Forecasts, were then discounted to present values, as of January 1, 2018, using discount rates ranging from 7.0% to 7.7%, which Citi derived based on estimates of Dynegy's weighted average cost of capital. The present values of the unlevered free cash flows, the range of derived terminal enterprise values and estimated usage of Dynegy's NOLs were then adjusted for projected cash, non-controlling interest and debt balances as of December 31, 2017, to derive a range of implied equity values for Dynegy. Citi then divided the range of implied equity values for Dynegy by the total number of fully diluted shares outstanding of Dynegy, calculated using information provided by Dynegy management, to derive approximate implied per share equity value reference ranges of $11.45 to $17.82 for Dynegy.

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Utilizing the approximate implied per share equity value reference ranges derived for Vistra Energy and Dynegy described above, Citi calculated the following implied exchange ratio reference range, as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement:

Implied Exchange Ratio Reference Range
0.579x – 1.065x

Citi noted that the above exchange ratio reference range implied an overall range of contributed equity values by Vistra Energy and Dynegy to Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, of approximately 70.0% to 81.0%, in the case of Vistra Energy, and approximately 30.0% to 19.0%, in the case of Dynegy, as compared to the ownership of holders of Vistra Energy Common Stock, and the ownership of holders of Dynegy Common Stock, in Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, implied by the Exchange Ratio, of 79.0% and 21.0%, respectively.

Sum-of-the-Parts Analysis

Citi performed a sum-of-the-parts analysis to calculate an approximate implied per share equity value reference range for Vistra Energy based on separate valuations for Vistra Energy's different generation power plants and its retail business conducted through TXU Energy Retail Company LLC ("TXU Energy"), as follows:

- Generation power plants, valued by applying a $276/kW weighted average multiple based on select precedent transactions in the ERCOT region (11,347 MW), Vistra Energy management's expected cost to build the Upton Solar 2 power plant (180 MW) and Wall Street analyst research value for the Comanche Peak nuclear power plant (2,300 MW); and
- Retail business of TXU Energy, valued by applying 2018 EV/EBITDA multiple of 8.5x derived based on Wall Street analyst research to Vistra Energy management's estimated 2018 EBITDA for TXU Energy as reflected in the Forecasts.

In performing the sum-of-the-parts analysis Citi performed a sensitivity analysis of the valuation of Vistra Energy's power plant assets by applying a sensitivity range of +/- 5% to the implied multiple of $276/kW applied to those assets in the aggregate (based on the individual kW multiples described above) and a sensitivity range of +/- 0.5x to the 2018 EV/EBITDA multiple of 8.5x applied to TXU Energy's estimated EBITDA for calendar year 2018. Enterprise values were adjusted for projected cash, preferred equity and debt balances as of December 31, 2017. Based on this analysis and the assumptions and methodologies described above, Citi derived an approximate implied per share equity value reference range for Vistra Energy of $17.07 to $19.78 per share, with a mid-point of $18.43 per share.

Citi also performed a sum-of-the-parts analysis to calculate an approximate implied per share equity value reference range for Dynegy based on separate valuations for Dynegy's power plants in the different electricity markets, its retail business and its NOLs, as follows:

- Generation power plants, valued by applying a $345/kW weighted average multiple based on select precedent transactions in the following regions: PJM (10,871 MW), ISO-NE (3,518 MW), ERCOT (4,529 MW), NYISO (1,212 MW), CAISO (1,185 MW), IPH (3,563 MW) and MISO (1,323 MW);
- Retail business, valued by applying a 2018 EV/EBITDA multiple of 6.5x, derived based on EV/EBITDA multiple for Calpine's acquisition of Noble Americas Energy Solutions in 2016, to Vistra Energy management's estimated 2018 EBITDA for Dynegy's retail business as reflected in the Forecasts; and
- NOLs, valued based on projected NOL usage through 2041 as reflected in the Forecasts discounted to present value, as of January 1, 2018, using a 7.4% discount rate, which Citi derived based on Dynegy's weighted average cost of capital.

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In performing the sum-of-the-parts analysis Citi also performed a sensitivity analysis of the valuation of Dynegy's power plant assets by applying a sensitivity range of +/- 5% to the implied multiple of $345/kW applied to those assets in the aggregate (based on the individual kW multiples described above) and a sensitivity range of +/- 0.5x to the 2018 EV/EBITDA multiple of 6.5x applied to the estimated EBITDA from the Dynegy retail business for calendar year 2018. Enterprise values were adjusted for projected cash, non-controlling interest and debt balances as of December 31, 2017. Based on this analysis and the assumptions and methodologies described above, Citi derived an approximate implied per share equity value reference range for Dynegy of $10.34 to $15.77 per share, with a mid-point of $13.05 per share.

Utilizing the approximate implied per share equity value reference ranges derived for Vistra Energy and Dynegy described above, Citi calculated the following implied exchange ratio reference range, as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement:

Implied Exchange Ratio Reference Range
0.523x – 0.924x

Citi noted that the above exchange ratio reference range implied an overall range of contributed equity values by Vistra Energy and Dynegy to Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, of approximately 73.0% to 82.0%, in the case of Vistra Energy, and approximately 27.0% to 18.0%, in the case of Dynegy, as compared to the ownership of holders of Vistra Energy Common Stock, and the ownership of holders of Dynegy Common Stock in Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, implied by the Exchange Ratio of 79.0% and 21.0%, respectively.

Illustrative Value Creation Analysis

Citi performed an illustrative value creation analysis in which Citi observed the impact of the proposed merger on the equity value of Vistra Energy shares owned by Vistra Energy stockholders by calculating and comparing illustrative per share equity values for Vistra Energy on a standalone basis and Vistra Energy on a pro forma basis giving effect to the consummation of the proposed transaction, as of December 31 of each of calendar years 2017 through 2022. For purposes of this analysis, Citi calculated enterprise values by applying illustrative EV/EBITDA multiples to estimates of Vistra Energy's EBITDA for each calendar year, on a standalone basis and on a pro forma basis giving effect to the consummation of the proposed transaction, as reflected in the Forecasts, assuming, per Vistra Energy's management guidance, debt paydown during calendar years 2017 through 2022 with a target gross debt to EBITDA multiple of 3.0x, and with respect to Vistra Energy on a standalone basis, minimum cash balance of $1,000 million and excess cash paid out in dividend each year. Enterprise values were adjusted for projected cash, preferred equity and debt balances as of December 31 of each calendar year, to derive implied equity values. With respect to Vistra Energy on a standalone basis, Citi divided the implied equity values by the total number of fully diluted shares outstanding of Vistra Energy calculated using information provided by Vistra Energy management, and also added estimates of cumulative dividends per share for each calendar year, to derive approximate implied per share equity values for Vistra Energy on a standalone basis as of December 31 of each of calendar years 2017 through 2022. With respect to Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, Citi multiplied the resulting equity values for each calendar year by 79%, representing the ownership of holders of Vistra Energy Common Stock in Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, and divided by the total number of fully diluted shares outstanding of Vistra Energy calculated as described above to derive approximate implied per share equity values for Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, as of December 31 of each of calendar years 2017 through 2022.

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The results of these analyses are provided in the table below:

	2017	2018	2019	2020	2021	2022
Per Share Equity Value—Vistra Energy Pro Forma for Merger	$22.32	$28.17	$29.48	$29.38	$29.85	$32.70
Per Share Equity Value—Vistra Energy Standalone	$19.03	$20.74	$21.93	$23.09	$24.06	$25.19
Implied Value Creation	$ 3.29	$ 7.43	$ 7.54	$ 6.29	$ 5.79	$ 7.51

Relative Contributions Analysis

Citi performed a relative contribution analysis in which Citi observed the relative contributions of Vistra Energy and Dynegy to Vistra Energy, on a pro forma basis giving effect to the consummation of the proposed transaction, based on the following metrics: (i) implied equity values based on current share prices, pre-leak share prices and unaffected share prices of Vistra Energy Common Stock and Dynegy Common Stock and equity values implied by the proposed merger based on Vistra Energy's pre-leak share price; (ii) Vistra Energy's and Dynegy's estimated EBITDA for calendar years 2018 through 2023; (iii) Vistra Energy's and Dynegy's estimated pre-tax unlevered free cash flow for calendar years 2018 through 2023; and (iv) Vistra Energy's and Dynegy's estimated pre-tax levered free cash flow for calendar years 2018 through 2023. Financial data of Vistra Energy and Dynegy was based on the Forecasts. Vistra Energy's pre-tax unlevered free cash flow reflected deduction for TRA Payments. Implied ownership based on EBITDA and pre-tax unlevered free cash flow, was adjusted for year-end 2017 expected leverage, based on pre-leak enterprise value builds. This analysis indicated an implied relative equity ownership of holders of Vistra Energy Common Stock in Vistra Energy, on a pro forma basis giving effect to the proposed transaction, based on the financial metrics described above ranging from 54.8% to 86.5%, and an implied exchange ratio ranging from 2.022x to 0.383x.

Certain Informational Factors

Citi also observed certain additional factors that were not considered part of Citi's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other factors, the following:

- undiscounted publicly available Wall Street research analysts' price targets for Vistra Energy Common Stock and Dynegy Common Stock, which indicated standalone price targets for Vistra Energy Common Stock and Dynegy Common Stock of $19.00 to $22.00 per share and $7.00 to $18.00 per share, respectively, and an implied exchange ratio reference range of 0.318x to 0.947x as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement; and
- the historical prices of Vistra Energy Common Stock and Dynegy Common Stock during the 52-week period ended October 27, 2017, which indicated a 52-week low to high per share price range for Vistra Energy Common Stock and Dynegy Common Stock of $13.60 to $20.49 and $5.93 to $11.22, respectively, and an implied exchange ratio reference range of 0.289x to 0.825x as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement.

Miscellaneous

In connection with the Merger, Citi and Vistra Energy executed an engagement letter on October 12, 2017. Under the terms of Citi's engagement, Vistra Energy has agreed to pay Citi an aggregate fee of $19 million, of which $1.5 million was payable upon delivery of its opinion and the remainder is payable contingent on consummation of the Merger. In addition, Vistra Energy has agreed to reimburse Citi for its expenses and to indemnify Citi against certain liabilities arising out of its engagement.

Citi and its affiliates in the past have provided, and currently are providing and in the future may provide, investment banking services to Vistra Energy unrelated to the proposed merger, for which services Citi and such

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affiliates have received compensation, including, without limitation, during the two-year period prior to the date of its written opinion, having acted as joint lead arranger in connection with certain term loan credit facilities of Vistra Energy, for which Citi received $1.1 million. Citi and its affiliates in the past have provided, and currently are providing and in the future may provide, services to EFH Corp., Vistra Energy's parent company until October 2016, unrelated to the proposed merger, for which services Citi and such affiliates have received compensation, including, without limitation, during the two-year period prior to the date of its written opinion, having acted or acting as lead arranger, administrative agent and/or bookrunner in connection with certain term loan and other credit facilities of EFH Corp, for which Citi received $30.1 million. In the ordinary course of its business, Citi and its affiliates may actively trade or hold the securities of Vistra Energy, Dynegy, EFH Corp. and their respective affiliates for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Vistra Energy, Dynegy, EFH Corp. and their respective affiliates.

Vistra Energy selected Citi to act as its financial advisor in connection with the Merger based on Citi's reputation and experience. Citi is an internationally recognized investment banking firm that regularly engages in the valuation of businesses and their securities in connection with transactions and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes.

Opinions of Dynegy's Financial Advisors

Opinion of Morgan Stanley

Morgan Stanley was retained by Dynegy to act as its financial advisor in connection with the Merger and to provide financial advice and assistance and, upon Dynegy's request, to render a financial opinion, in each case in connection therewith. The Dynegy Board selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation, its knowledge of and involvement in recent transactions in Dynegy's industry and its knowledge and understanding of the business and affairs of Dynegy. On October 29, 2017, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the Dynegy Board to the effect that, as of that date, and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in Morgan Stanley's written opinion, the Exchange Ratio pursuant to the Merger Agreement was fair, from a financial point of view, to the holders of shares of Dynegy Common Stock (other than the holders of the cancelled shares).

The full text of the written opinion of Morgan Stanley delivered to the Dynegy Board, dated October 29, 2017, is attached as Annex C and incorporated into this joint proxy statement and prospectus by reference in its entirety. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Morgan Stanley in rendering its opinion. Dynegy stockholders are urged to, and should, read the opinion carefully and in its entirety. Morgan Stanley's opinion is directed to the Dynegy Board and addresses only the fairness, from a financial point of view, of the Exchange Ratio pursuant to the Merger Agreement to the holders of shares of Dynegy Common Stock (other than the holders of the cancelled shares) as of the date of the opinion. Morgan Stanley's opinion did not address any other aspect of the Merger or other transactions contemplated by the Merger Agreement, including the price at which shares of Vistra Energy Common Stock might actually trade following consummation of the Merger or at any time, the relative merits of the Merger as compared to other business or financial strategies that might be available to Dynegy or the underlying business decision of Dynegy to enter into the Merger Agreement or proceed with any other transaction contemplated by the Merger Agreement. The opinion was not intended to, and does not, constitute advice or a recommendation to any holder of shares of Dynegy Common Stock or any holder of shares of Vistra Energy Common Stock as to how to vote at the stockholder's meetings to be held

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in connection with the Merger. The summary of Morgan Stanley's opinion set forth in this joint proxy statement and prospectus is qualified in its entirety by reference to the full text of Morgan Stanley's opinion.

For purposes of rendering its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of Dynegy and Vistra Energy, respectively;
- reviewed certain internal financial statements and other financial and operating data concerning Dynegy and Vistra Energy, respectively;
- reviewed the Dynegy Management Projections prepared by the management of Dynegy;
- reviewed information relating to certain strategic, financial and operational benefits anticipated from the Merger, prepared by the managements of Dynegy and Vistra Energy, respectively;
- discussed the past and current operations and financial condition and the prospects of Dynegy, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, with senior executives of Dynegy;
- reviewed the pro forma impact of the Merger on Vistra Energy's cash flow, consolidated capitalization and certain financial ratios of Vistra Energy;
- reviewed the reported prices and trading activity for the Dynegy Common Stock and the Vistra Energy Common Stock;
- compared the financial performance of Dynegy and Vistra Energy and the prices and trading activity of the Dynegy Common Stock and the Vistra Energy Common Stock with that of certain other publicly traded companies that Morgan Stanley deemed to be comparable with Dynegy and Vistra Energy, respectively, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions that Morgan Stanley deemed to be comparable;
- reviewed the Merger Agreement and certain related documents in the form of drafts as of October 28, 2017; and
- performed such other analyses, reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to Morgan Stanley by Dynegy and Vistra Energy, and formed a substantial basis for Morgan Stanley's opinion. With respect to the Dynegy Management Projections, including information relating to certain strategic, financial and operational benefits anticipated from the Merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best then-currently available estimates and judgments of the management of Dynegy of the future financial performance of Dynegy and Vistra Energy. Morgan Stanley relied upon, without independent verification, the assessment by the managements of Dynegy and Vistra Energy of: (i) the strategic, financial and other benefits expected to result from the Merger; (ii) the timing and risks associated with the integration of Dynegy and Vistra Energy; (iii) their ability to retain key employees of Dynegy and Vistra Energy, respectively; and (iv) the validity of, and risks associated with, Dynegy's and Vistra Energy's existing and future technologies, intellectual property, products, services and business models. In addition, Morgan Stanley assumed that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement draft dated October 28, 2017 without any waiver, amendment or delay of any material terms or conditions, including, among other things, that the Merger will be treated as a tax-free reorganization pursuant to the Section 368(a) of the Code, and that the definitive Merger Agreement will not differ in any material

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respect from such draft furnished to Morgan Stanley. Morgan Stanley has assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Merger. Morgan Stanley is not a legal, tax, or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Dynegy and Vistra Energy and their legal, tax, or regulatory advisors with respect to legal, tax, or regulatory matters. Morgan Stanley expresses no opinion with respect to the fairness of the amount or nature of the compensation to any of Dynegy's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of Dynegy Common Stock in the Merger. Morgan Stanley has not made any independent valuation or appraisal of the assets or liabilities of Dynegy and Vistra Energy, nor was Morgan Stanley furnished with any such valuations or appraisals. Morgan Stanley's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, October 29, 2017. Events occurring after October 29, 2017 may affect Morgan Stanley's opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

In arriving at its opinion, Morgan Stanley was not authorized to solicit and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction, involving Dynegy, nor did Morgan Stanley negotiate with any of the parties which expressed interest to Morgan Stanley in the possible acquisition of Dynegy or certain of its constituent businesses.

Summary of Financial Analyses

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with the preparation of its opinion. The following summary is not a complete description of Morgan Stanley's opinion or the financial analyses performed and factors considered by Morgan Stanley in connection with its opinion, nor does the order of analyses described represent the relative importance or weight given to those analyses. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Morgan Stanley, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. The analyses listed in the tables and described below must be considered as a whole; considering any portion of such analyses and of the factors, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Morgan Stanley's opinion. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 24, 2017, which was the last trading day prior to news reports speculating about an impending transaction involving Dynegy and Vistra Energy, and is not necessarily indicative of current market conditions.

In performing the financial analysis summarized below and arriving at its opinion, Morgan Stanley used and relied upon the Dynegy Management Projections, including the Dynegy Market Case Projections, the Dynegy Market + Earnings & Cost Improvement Case Projections and the Vistra Energy Stand-Alone Projections. For more information, please see the section of this joint proxy statement and prospectus captioned "—Certain Unaudited Prospective Forward Information Prepared by Dynegy." In addition, Morgan Stanley analyzed certain financial projections based on Wall Street research reports and referred to in this joint proxy statement and prospectus as IBES.

Analyses Related to Dynegy

Comparable Companies Analysis

Morgan Stanley performed a comparable companies analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley reviewed and compared publicly available financial information and consensus equity analyst research estimates for Dynegy

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with comparable publicly available financial information and consensus equity analyst research estimates for Dynegy and Vistra Energy. For reference only and not as a component of its fairness analysis, Morgan Stanley observed publicly available financial information and metrics for Dynegy (as adjusted in the Dynegy Market Case Projections), Vistra Energy (with nuclear fuel amortization subtracted from estimated EBITDA), Calpine Corporation and NRG Energy, Inc. (on an adjusted basis, based on expected Net Debt, and expected EBITDA guidance provided by NRG Energy, Inc. in its publicly available investor presentation related to its transformation plan). The metrics for Dynegy as adjusted in the Dynegy Market Case Projections and Vistra Energy with nuclear fuel amortization subtracted from estimated EBITDA were not used as a component in Morgan Stanley's fairness analysis given that these metrics are based on non-public information and such adjustments are not generally available to or commonly utilized by public investors. The metrics for Calpine Corporation and NRG Energy, Inc. reflect specific publicly announced strategic initiatives and were therefore also not included in Morgan Stanley's fairness analysis.

The foregoing companies were chosen based on Morgan Stanley's knowledge of the industry and because such companies have businesses that may be considered similar to Dynegy's. Although none of such companies are identical or directly comparable to Dynegy, these companies are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of its analysis Morgan Stanley considered similar to those of Dynegy. The foregoing summary and underlying financial analyses involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the values of the companies to which Dynegy was compared. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Dynegy, including, among other things, the impact of competition on the business of Dynegy and the industry generally, regulatory changes, movements in commodity prices, industry growth and the absence of any adverse material change in the financial condition and prospects of Dynegy or the industry or in the financial markets in general.

For purposes of this analysis, Morgan Stanley analyzed:

- the ratio of aggregate value ("AV") (calculated as the market value of equity plus total debt plus leases plus preferred stock plus minority interest less cash) to estimated EBITDA (calculated as revenues less fuel costs less operating and maintenance expenses less sales, general and administrative expenses plus certain other cash flow items) based on the Dynegy Market Case Projections (the "AV / EBITDA Ratio"), for each of calendar year 2018 ("2018E AV / EBITDA Ratio") and calendar year 2019 ("2019E AV / EBITDA Ratio"); and
- the estimated free cash flow yield (calculated as the midpoint of adjusted free cash flow based upon guidance provided by management of each of Dynegy and Vistra Energy divided by their respective market capitalizations) for calendar year 2017 ("2017E FCF Yield").

Results of the analysis were presented as indicated in the following table:

Company Name	2018E AV / EBITDA	2019E AV / EBITDA	2017E FCF Yield
Dynegy	6.9x	7.6x	24.6%
Vistra Energy	7.8x	8.1x	9.9%

Based on this analysis and its professional judgment, Morgan Stanley selected representative ranges of the 2018E AV / EBITDA Ratio, 2019E AV / EBITDA Ratio and 2017E FCF Yield and applied these ranges to Dynegy's estimated EBITDA for each of the calendar years 2018 and 2019 and Dynegy's estimated free cash flow for calendar year 2017, respectively. For calendar year 2018, estimated EBITDA for Dynegy is projected to be $1,468 million in the Dynegy Market Case Projections and $1,441 million from IBES. For calendar year 2019, estimated EBITDA for Dynegy is projected to be $1,338 million in the Dynegy Market Case Projections and $1,300 million from IBES. For calendar year 2017, estimated free cash flow is projected to be $400 million based

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upon Dynegy management's guidance. Based on the number of outstanding shares of Dynegy Common Stock on a fully diluted basis and as provided by Dynegy's management, the analysis indicated the following implied value per share ranges for Dynegy Common Stock, each rounded to the nearest $0.25:

Metric	Reference Range	Implied Value Per Share of the Dynegy Common Stock
IBES		
2018E AV / EBITDA	6.5x – 7.5x	$7.00 – $15.25
2019E AV / EBITDA	7.0x – 7.5x	$ 5.50 – $9.25
Dynegy Market Case Projections		
2018E AV / EBITDA	6.5x – 7.5x	$8.00 – $16.25
2019E AV / EBITDA	7.0x – 7.5x	$7.00 – $10.75
2017E FCF Yield	15% – 25%	$9.00 – $15.00

Discounted Cash Flow Analysis

Morgan Stanley performed a discounted cash flow analysis, which is designed to provide an implied value of an asset using estimates of the future unlevered free cash flows generated by the asset, taking into consideration the time value of money with respect to those future cash flows by calculating their "present value." The "unlevered free cash flows" refers to a calculation of the future cash flows generated by an asset without including in such calculation any debt servicing costs. "Present value" refers to the current value of the future cash flows generated by the asset, and is obtained by discounting those cash flows back to the present using a discount rate that takes into account macro-economic assumptions and estimates of risk, the opportunity cost of capital and other appropriate factors. "Terminal value" refers to the present value of all future cash flows generated by the asset for periods beyond the projection period.

Morgan Stanley used estimates and extrapolations from the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections for purposes of the discounted cash flow analysis, as more fully described below. First, Morgan Stanley calculated the estimated unlevered free cash flows for Dynegy (calculated as EBITDA, less (i) estimated taxes, (ii) capital expenditures, (iii) asset retirement obligations, (iv) pension costs, (v) adjustments to long term service agreements and (vi) certain other cash flow adjustments based on guidance from Dynegy's management) for the calendar years 2018 through 2021 using information contained in the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections. Morgan Stanley's calculation of estimated unlevered free cash flows for Dynegy differed from the Dynegy Management Projections in that it excludes the impact of net operating losses ("NOLs"), which Morgan Stanley valued separately based on guidance from Dynegy's management. Morgan Stanley then calculated terminal values for Dynegy by applying terminal multiples of 7.0x to 8.0x, which range was selected based on Morgan Stanley's professional judgment and experience, to Dynegy's estimated terminal year EBITDA, which was estimated based upon the average of estimated EBITDA for the calendar years 2020 and 2021 as provided by Dynegy's management less the sum of estimated environmental capital expenditures and asset retirement obligations for the period 2022 onward discounted to the terminal year of 2022, as provided by Dynegy's management. The cash flows and terminal values were discounted to present values using discount rates ranging from 4.7% to 5.5%, which range of discount rates were selected upon the application of Morgan Stanley's professional judgment and experience, to reflect Dynegy's estimated weighted average cost of capital. Dynegy's estimated weighted average cost of capital was derived by taking into account certain Dynegy-specific metrics, including Dynegy's capital structure, the cost of long-term debt, the estimated cost of equity as derived by the application of the Capital Asset Pricing Model, an assumed tax rate, as well as certain financial metrics for the financial markets generally. Morgan Stanley then calculated the amount of NOLs that Dynegy's management forecasted would be utilized for the calendar years 2018 through the expiration or utilization of the NOLs, whichever event occurred first. The NOLs were discounted to present values using equity discount rates ranging from 6.9% to 11.9%, which range of discount rates were selected upon the application of Morgan Stanley's

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professional judgment and experience, to reflect Dynegy's estimated cost of equity. Morgan Stanley determined the value of the NOLs to range from $1.38 to $2.27 per share in the Dynegy Market Case and from $3.48 to $5.12 per share in the Dynegy Market + Earnings & Cost Improvement Case. The range of discount rates was derived by the application of the Capital Asset Pricing Model, which takes into account certain Dynegy-specific metrics, including the projected beta, as well as certain financial metrics for the financial markets generally. Morgan Stanley then derived a range of aggregate values for Dynegy by adding the ranges of present values of cash flows, NOLs and terminal values. Morgan Stanley then subtracted from such range of aggregate values the amount of Dynegy's net debt to derive a range of equity values for Dynegy. Morgan Stanley then divided the range of equity values by the number of fully diluted outstanding shares of Dynegy Common Stock calculated using the treasury stock method to derive a range of equity values per share. This analysis indicated the following range, each rounded to the nearest $0.25:

Metric	Implied Value Per Share of the Dynegy Common Stock
Dynegy Market Case Projections	$ 2.00 – $9.00
Dynegy Market + Earnings & Cost Improvement Case Projections	$ 10.25 – $18.50

Precedent Transactions Analysis

For reference only and not as a component of its fairness analysis, Morgan Stanley performed a precedent transactions analysis, which is designed to imply a value of a company based on publicly available financial information of selected transactions that share some characteristics with the Merger. In addition, Morgan Stanley reviewed the take private transactions for Calpine Corporation by Energy Capital Partners and Talen Energy Corporation by Riverstone Holdings, but these transactions were not included as part of Morgan Stanley's fairness analysis because the consideration in those transactions was all cash.

Precedent Premia. Morgan Stanley reviewed the premia paid for select all-stock transactions with equity values between $1 billion to $2 billion involving U.S. companies between January 1, 2014 and October 27, 2017, the last trading day prior to announcement of the Merger, involving transactions that Morgan Stanley judged to be similar in certain respects to the Merger or aspects thereof based on Morgan Stanley's professional judgment and experience.

For each transaction included in this analysis, Morgan Stanley noted the implied premium to the target company's thirty trading day average closing share price prior to announcement. The following is a list of the transactions reviewed:

Date Announced	Acquiror	Target
January 23, 2017	Pinnacle Financial Partners, Inc.	BNC Bancorp
July 21, 2016	F.N.B. Corporation	Yadkin Financial Corporation
April 28, 2016	First Cash Financial Services, Inc.	Cash America International, Inc.
December 7, 2015	BBCN Bancorp, Inc.	Wilshire Bancorp, Inc.
June 4, 2015	OPKO Health, Inc.	Bio-Reference Laboratories, Inc.
March 9, 2015	Arconic Inc.	RTI International Metals, Inc.
October 1, 2014	Enterprise Products Partners L.P.	Oiltanking Partners, L.P.
February 21, 2014	Brookdale Senior Living Inc.	Emeritus Corporation

Based on the foregoing results and Morgan Stanley's professional judgment and experience, Morgan Stanley applied the 25th percentile and 75th percentile of the range of premia for the precedent transactions to the price of the shares of Dynegy Common Stock to derive a range of equity values per share. The results of the

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analysis were presented for certain of the selected transactions, rounded to the nearest $0.25, as indicated in the following table:

Precedent Premia (25th to 75th percentile)	Implied Present Value Per Share
3.4% - 51.3%	$9.50 - $14.00

Morgan Stanley also observed the premium paid in NRG Energy, Inc.'s acquisition of GenOn Energy, Inc. announced on July 23, 2012 and applied this premium to the price of the shares of Dynegy Common Stock to derive an implied equity value per share, rounded to the nearest $0.25, of $11.50.

Precedent Multiple. Morgan Stanley observed the AV / EBITDA Ratio for the NRG Energy, Inc. and GenOn Energy, Inc. transaction for fiscal years 2012 and 2013 as 9.2x and 6.2x, respectively. Morgan Stanley applied these multiples to Dynegy's estimated EBITDA from IBES for each of the calendar years 2017 and 2018. Dynegy's estimated EBITDA for calendar years 2017 and 2018 from IBES are projected to be $1,215 million and $1,441 million, respectively. Morgan Stanley then calculated implied equity value per share of Dynegy Common Stock, rounded to the nearest $0.25, as follows:

Metric	AV /EBITDA Multiple	Implied Present Value Per Share
2017 AV / EBITDA Ratio	9.2x	$ 17.25
2018 AV / EBITDA Ratio	6.2x	$ 4.50

No company or transaction utilized in the precedent transactions analysis is identical to Dynegy or the Merger. In evaluating the precedent transactions, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, market and financial conditions and other matters, which are beyond Dynegy's control, including, among other things, the impact of competition on Dynegy's business or the industry generally, regulatory changes, movements in commodity prices, industry growth and the absence of any adverse material change in Dynegy's financial condition or the industry or in the financial markets in general, which could affect the aggregate value, equity value and premium paid of the transactions to which they are being compared.

Equity Research Analysts' Price Targets. For reference only and not as a component of its fairness analysis, Morgan Stanley reviewed and analyzed the public market trading price targets as of May 18, 2017, which was the day that news reports first speculated about an impending transaction involving Dynegy and Vistra Energy, for the shares of Dynegy Common Stock prepared and published by six equity research analysts. The range of analyst price targets for Dynegy Common Stock discounted one year to present value using a 9.4% discount rate, selected by Morgan Stanley based on the application of its professional judgment and experience to reflect the midpoint of Dynegy's cost of equity, was $4.50 to $13.75, rounded to the nearest $0.25. The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for Dynegy Common Stock, and these estimates are subject to uncertainties.

Historical Trading Range. For reference only and not as a component of its fairness analysis, Morgan Stanley reviewed the historical trading range of shares of Dynegy Common Stock for the last 12 months and observed a range of $5.75 and $12.25, rounded to the nearest $0.25.

Analyses Related to Vistra Energy

Comparable Companies Analysis

Morgan Stanley performed a comparable companies analysis, which attempts to provide an implied value of a company by comparing it to similar companies that are publicly traded. Morgan Stanley reviewed and compared publicly available financial information and consensus equity analyst research estimates for Vistra

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Energy with comparable publicly available financial information and consensus equity analyst research estimates for Dynegy and Vistra Energy. For reference only and not as a component of its fairness analysis, Morgan Stanley observed publicly available financial information and metrics for Dynegy (as adjusted in the Dynegy Market Case Projections), Vistra Energy (with nuclear fuel amortization subtracted from estimated EBITDA), Calpine Corporation and NRG Energy, Inc. (on an adjusted basis, based on expected Net Debt, and expected EBITDA guidance provided by NRG Energy, Inc. in its publicly available investor presentation related to its transformation plan). The metrics for Dynegy as adjusted in the Dynegy Market Case Projections and Vistra Energy with nuclear fuel amortization subtracted from estimated EBITDA were not used as a component in Morgan Stanley's fairness analysis given that these metrics are based on non-public information and such adjustments are not generally available to or commonly utilized by public investors. The metrics for Calpine Corporation and NRG Energy, Inc. reflect specific publicly announced strategic initiatives and were therefore also not included in Morgan Stanley's fairness analysis.

The foregoing companies were chosen based on Morgan Stanley's knowledge of the industry and because such companies have businesses that may be considered similar to Vistra Energy's. Although none of such companies are identical or directly comparable to Vistra Energy, these companies are publicly traded companies with operations and/or other criteria, such as lines of business, markets, business risks, growth prospects, maturity of business and size and scale of business, that for purposes of its analysis Morgan Stanley considered similar to those of Vistra Energy. The foregoing summary and underlying financial analyses involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the values of the companies to which Vistra Energy was compared. In evaluating comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of Vistra Energy, including, among other things, the impact of competition on the business of Vistra Energy and the industry generally, regulatory changes, movements in commodity prices, industry growth and the absence of any adverse material change in the financial condition and prospects of Vistra Energy or the industry or in the financial markets in general.

Results of the analysis were presented as indicated in the following table:

Company Name	2018E AV / EBITDA	2019E AV / EBITDA	2017E FCF Yield
Dynegy	6.9x	7.6x	24.6%
Vistra Energy	7.8x	8.1x	9.9%

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Based on this analysis and its professional judgment, Morgan Stanley selected representative ranges of the 2018E AV / EBITDA Ratio, 2019E AV / EBITDA Ratio and 2017E FCF Yield and applied these ranges to Vistra Energy's estimated EBITDA for each of calendar years 2018 and 2019 and Vistra Energy's estimated free cash flow for calendar year 2017, respectively. For calendar year 2018, estimated EBITDA for Vistra Energy is projected to be $1,363 million in the Vistra Energy Stand-Alone Projections and $1,425 million from IBES. For calendar year 2019, estimated EBITDA for Vistra Energy is projected to be $1,329 million in the Vistra Energy Stand-Alone Projections and $1,380 million from IBES. For calendar year 2017, estimated free cash flow is projected to be $835 million based upon the midpoint of Vistra Energy management's publicly available guidance. Based on the number of outstanding shares of Vistra Energy Common Stock on a fully diluted basis and as provided by Vistra Energy's management, the analysis indicated the following implied value per share ranges for Vistra Energy Common Stock, each rounded to the nearest $0.25:

Metric	Reference Range	Implied Value Per Share of the Vistra Energy Common Stock
IBES		
2018E AV / EBITDA	7.0x – 8.0x	$ 17.25 – $20.50
2019E AV / EBITDA	7.0x – 8.0x	$ 16.50 – $19.75
Vistra Energy Stand-Alone Projections		
2018E AV / EBITDA	7.0x – 8.0x	$ 16.25 – $19.25
2019E AV / EBITDA	7.0x – 8.0x	$ 15.50 – $18.75
2017E FCF Yield	10% – 15%	$ 12.75 – $19.25

Discounted Cash Flow Analysis

Morgan Stanley performed a discounted cash flow analysis, which is designed to provide an implied value of an asset using estimates of the future unlevered free cash flows generated by the asset, taking into consideration the time value of money with respect to those future cash flows by calculating their present value. Morgan Stanley used estimates and extrapolations from the Vistra Energy Stand-Alone Projections for purposes of the discounted cash flow analysis, as more fully described below. First, Morgan Stanley calculated the estimated unlevered free cash flows of Vistra Energy (calculated as EBITDA, less (i) taxes and (ii) capital expenditures based on guidance from Dynegy's management) for the calendar years 2018 through 2021 using information contained in the Vistra Energy Stand-Alone Projections. Morgan Stanley then calculated terminal values for Vistra Energy by applying terminal multiples of 7.0x to 8.0x, which range was selected based on Morgan Stanley's professional judgment and experience, to Vistra Energy's estimated terminal year EBITDA, which was estimated based upon the average of estimated EBITDA for the calendar years 2020 and 2021 as provided by Dynegy's management, less the sum of estimated asset retirement obligations for the period 2022 onward discounted to the terminal year of 2022, as provided by Dynegy's management. The cash flows and terminal values were discounted to present values using discount rates ranging from 4.6% to 6.0%, which range of discount rates were selected upon the application of Morgan Stanley's professional judgment and experience, to reflect Vistra Energy's estimated weighted average cost of capital, which was derived by taking into account certain Vistra Energy-specific metrics, including Vistra Energy's capital structure, the cost of long-term debt, the estimated cost of equity as derived by the application of the Capital Asset Pricing Model, an assumed tax rate, as well as certain financial metrics for the financial markets generally. Morgan Stanley then separately calculated the present value of the net tax benefits accrued to Vistra Energy for the calendar years 2018 through the full utilization of the benefit per the Tax Receivable Agreement, dated as of October 3, 2016, between TEX Energy LLC and American Stock Transfer & Trust Company, LLC. The Tax Receivable Agreement benefits were discounted to present value using equity discount rates ranging from 5.5 % to 7.5%, which range of discount rates were selected upon the application of Morgan Stanley's professional judgment and experience, to reflect Vistra Energy's estimated cost of equity, and derived by the application of the Capital Asset Pricing Model, which takes into account certain Vistra Energy-specific metrics, including the projected beta, as well as certain financial metrics for the financial markets generally. Morgan Stanley then derived a range of aggregate values for

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Vistra Energy by adding the ranges of present values of cash flows, Tax Receivable Agreement benefits and terminal values. Morgan Stanley then subtracted from such range of aggregate values the amount of Vistra Energy's net debt to derive a range of equity values for Vistra Energy. Morgan Stanley then divided the range of equity values by the number of fully diluted outstanding shares of Vistra Energy Common Stock calculated using the treasury stock method to derive a range of equity values per share, rounded to the nearest $0.25, of $15.50 to $19.00.

Equity Research Analysts' Price Targets. For reference only and not as a component of its fairness analysis, Morgan Stanley reviewed and analyzed the public market trading price targets for the shares of Vistra Energy Common Stock prepared and published by four equity research analysts. The range of analyst price targets for Vistra Energy Common Stock discounted one year to present value using a 6.5% discount rate, selected by Morgan Stanley based on the application of its professional judgment and experience to reflect the midpoint of Vistra Energy's cost of equity, rounded to the nearest $0.25, was $17.75 to $20.25. The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for Vistra Energy Common Stock, and these estimates are subject to uncertainties.

Historical Trading Range. For reference only and not as a component of its fairness analysis, Morgan Stanley reviewed the historical trading range of shares of Vistra Energy Common Stock for the period between May 10, 2017, Vistra Energy's initial public offering, and October 24, 2017 and observed a range, rounded to the nearest $0.25, of $14.75 and $19.75.

Pro Forma Analyses

Relative Implied Exchange Ratio Analysis

Using the implied per share reference ranges for Dynegy and Vistra Energy indicated in the respective comparable companies analyses and discounted cash flow analyses described above, Morgan Stanley calculated ranges of implied exchange ratios of Dynegy Common Stock to Vistra Energy Common Stock. For reference only and not as a component of its fairness analysis, Morgan Stanley calculated implied exchange ratios of Dynegy Common Stock to Vistra Energy Common Stock based upon the equity research analysts' price targets and historical trading ranges described above. This implied exchange ratio analysis indicated the following implied exchange ratio reference ranges as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement:

Implied Exchange Ratio	Low	High
2018E AV / EBITDA – IBES	0.3415x	0.8841x
2018E AV / EBITDA – Dynegy Market Case Projections	0.4156x	1.0000x
2019E AV / EBITDA – IBES	0.2785x	0.5606x
2019E AV / EBITDA – Dynegy Market Case Projections	0.3733x	0.6935x
2017E FCF Yield	0.4675x	1.1765x
Discounted Cash Flow Analysis – Dynegy Market Case Projections	0.1053x	0.5806x
Discounted Cash Flow Analysis – Dynegy Market + Earnings & Cost Improvement Case Projections	0.5395x	1.1935x
Equity Research Analysts' Price Targets	0.2222x	0.7746x
Historical Trading Range	0.2911x	0.8305x

Illustrative Value Creation

Based on publicly available information and estimates from Dynegy's management, Morgan Stanley provided an illustrative value creation overview that compared the implied equity value of Dynegy on a standalone basis with the implied equity value for the *pro forma* combined company after the Merger.

To derive the implied equity value of the *pro forma* combined company, Morgan Stanley selected a representative range of the 2018E AV / EBITDA Ratio for the *pro forma* combined company based on its

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professional judgment and experience and applied this range to the sum of Dynegy's and Vistra Energy's estimated EBITDA for the calendar year 2018. For calendar year 2018, estimated EBITDA for Dynegy and Vistra Energy were projected to be $1,468 million and $1,363 million, respectively per the Dynegy Market Case Projections and the Vistra Energy Stand-Alone Projections. Morgan Stanley then added to the resulting amount the annual run-rate EBITDA synergies of $225 million, which excludes the Earnings & Cost Improvement-related EBITDA synergies, and $350 million, which includes the Earnings & Cost Improvement-related EBITDA synergies. Morgan Stanley then calculated a range of implied equity values for the *pro forma* combined company by subtracting the *pro forma* combined company's projected net debt as of December 31, 2017 and divided the results by the *pro forma* number of outstanding shares of the *pro forma* combined company. This analysis resulted in an implied equity value for Dynegy's stockholders stake in the pro forma combined company of $13.94 to $21.26 per share of Dynegy Common Stock based on a 2018E AV / EBITDA Ratio range of 7.3x, which is the estimated weighted average 2018 AV / EBITDA multiple for the combined company as weighted by aggregate value, to 9.0x, which is the estimated 2018 AV / EBITDA multiple of NRG Energy, Inc. based on public trading data and publicly available information.

General

In connection with the review of the Merger by the Dynegy Board, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Morgan Stanley's view of the actual value of Dynegy or Vistra Energy.

In performing its analyses, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, regulatory, economic, market and financial conditions and other matters, which are beyond the control of Dynegy and Vistra Energy. These include, among other things, the impact of competition on the businesses of Dynegy and Vistra Energy and the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of Dynegy, Vistra Energy and the industry, and in the financial markets in general. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Morgan Stanley conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the Exchange Ratio pursuant to the Merger Agreement to the holders of shares of Dynegy Common Stock (other than the holders of the cancelled shares), and in connection with the delivery of its opinion, dated October 29, 2017, to the Dynegy Board. Morgan Stanley's opinion did not address any other aspect of the Merger or related transactions. The Exchange Ratio pursuant to the Merger Agreement was determined through arm's-length negotiations between Dynegy and Vistra Energy and was approved by the Dynegy Board. Morgan Stanley acted as financial advisor to the Dynegy Board during these negotiations but did not, however, recommend any specific exchange ratio to Dynegy or the Dynegy Board, nor opine that any specific exchange ratio constituted the only appropriate exchange ratio for the Merger.

Morgan Stanley's opinion and its presentation to the Dynegy Board was one of many factors taken into consideration by the Dynegy Board in deciding to consider, approve and declare the advisability of the Merger Agreement and the transactions contemplated thereby and to recommend the adoption of the Merger Agreement by the holders of shares of Dynegy Common Stock. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Dynegy Board with respect to the Exchange Ratio pursuant to the

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Merger Agreement or of whether the Dynegy Board would have been willing to agree to a different exchange ratio. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

Dynegy retained Morgan Stanley based on Morgan Stanley's qualifications, experience and expertise and its familiarity with Dynegy. Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Its securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of Dynegy, Vistra Energy, Apollo Global Management ("Apollo"), Oaktree Capital Management ("Oaktree") and Brookfield Asset Management Inc. ("Brookfield"), each of which are significant stockholders of Vistra Energy, as well as certain majority controlled affiliates and portfolio companies of each (together with Apollo, Oaktree and Brookfield, the "Vistra Energy Related Parties") or any other company, or any currency or commodity, that may be involved in the Merger, or any related derivative instrument.

Under the terms of its engagement letter dated October 23, 2017, Morgan Stanley provided Dynegy financial advisory services and a financial opinion, described in this section and attached to this joint proxy statement and prospectus as Annex C, in connection with the Merger, and Dynegy has agreed to pay Morgan Stanley a fee of $22 million for its financial advisory services, 33% of which was paid upon execution of the Merger Agreement, 33% of which is contingent upon Dynegy stockholder approval of the Merger Proposal, and 34% of which is contingent upon the closing of the Merger. Dynegy has also agreed to reimburse Morgan Stanley for its reasonable out-of-pocket expenses incurred from time to time in connection with this engagement. In addition, Dynegy has agreed to indemnify Morgan Stanley and its affiliates, its and their respective officers, directors, employees and agents and each other person, if any, controlling Morgan Stanley or any of its affiliates, against any losses, claims, damages or liabilities, relating to, arising out of or in connection with Morgan Stanley's engagement and to reimburse certain expenses relating to such indemnity.

In the two years prior to the date of its opinion, Morgan Stanley has provided financial advisory and financing services for Dynegy, Vistra Energy and the Vistra Energy Related Parties and has received fees in connection with such services in the ranges of approximately $20 million to $25 million, approximately $10 million to $15 million and approximately $20 million to $25 million, respectively. Morgan Stanley may also seek to provide financial advisory and financing services to Dynegy, Vistra Energy and the Vistra Energy Related Parties and their respective affiliates in the future and would expect to receive fees for the rendering of these services.

Opinion of PJT Partners

Dynegy has retained PJT Partners to act as Dynegy's financial advisor in connection with the Merger. On October 29, 2017, at a meeting of the Dynegy Board held to evaluate the Merger, PJT Partners rendered its oral opinion (which was subsequently confirmed in writing) to the Dynegy Board that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the Exchange Ratio pursuant to the Merger Agreement was fair to the holders of Dynegy Common Stock (other than the holders of the shares of Dynegy Common Stock cancelled pursuant to the Merger Agreement and the Dynegy Principal Stockholders) from a financial point of view.

The full text of PJT Partners' written opinion delivered to the Dynegy Board, dated October 29, 2017, is attached as Annex D and incorporated into this joint proxy statement and prospectus by reference in its entirety. PJT Partners' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by PJT Partners in rendering its

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opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of PJT Partners' opinion and the methodology that PJT Partners used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion. PJT Partners provided its opinion to the Dynegy Board, in its capacity as such, in connection with and for the purposes of its evaluation of the Merger only and PJT Partners' opinion is not a recommendation as to any action the Dynegy Board should take with respect to the Merger or any aspect thereof. The opinion does not constitute a recommendation to any Dynegy stockholder or Vistra Energy stockholder as to how any such stockholder should vote or act with respect to the Merger or any other matter. The summary of PJT Partners' opinion set forth in this joint proxy statement and prospectus is qualified in its entirety by reference to the full text of PJT Partners' opinion.

In arriving at its opinion, PJT Partners, among other things:

- reviewed certain publicly available information concerning the businesses, financial conditions and operations of Dynegy and Vistra Energy;
- reviewed certain internal information concerning the business, financial condition and operations of Dynegy prepared and furnished to PJT Partners by the management of Dynegy;
- reviewed certain internal financial analyses, estimates and forecasts relating to Dynegy, including the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections, that were prepared by or at the direction of, approved and furnished to PJT Partners by the management of Dynegy;
- reviewed the net operating loss utilization projections of Dynegy that were prepared, approved and furnished to PJT Partners by the management of Dynegy (the "Dynegy NOL Projections");
- reviewed certain financial analyses, estimates and forecasts relating to Vistra Energy, including the Vistra Energy Stand-Alone Projections, that were prepared, approved and furnished to PJT Partners by the management of Dynegy;
- reviewed certain estimates relating to the fiscal year end 2017 capital structure of Vistra Energy furnished to PJT Partners by the management of Dynegy and at the direction of the management of Dynegy used such estimates in PJT Partners' analysis;
- held discussions with the management of Dynegy concerning, among other things, their evaluation of the Merger and Dynegy's and Vistra Energy's respective businesses, operating and regulatory environments, financial conditions, prospects and strategic objectives;
- reviewed the expectations of the management of Dynegy with respect to the pro forma impact of the Merger on the future financial performance of the combined company, including cost savings and operating, financing and tax synergies (the "Expected Synergies"), and other strategic benefits expected by the management of Dynegy to result from the Merger;
- reviewed certain estimates relating to the utilization of the pro forma net operating losses and certain other tax attributes of the surviving corporation following the Merger prepared by Dynegy's accountants and approved and furnished to PJT Partners by the management of Dynegy (the "Pro Forma Tax Projections");
- reviewed the historical market prices and trading activity for the shares of Dynegy Common Stock and Vistra Energy Common Stock;
- compared certain publicly available financial and stock market data for Dynegy and Vistra Energy with similar information for certain other companies that PJT Partners deemed to be relevant;
- reviewed the publicly available financial terms of certain other business combination transactions that PJT Partners deemed to be relevant;
- reviewed a draft, dated October 29, 2017, of the Merger Agreement; and

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- performed such other financial studies, analyses and investigations, and considered such other matters, as PJT Partners deemed necessary or appropriate for purposes of rendering its opinion.

In preparing its opinion, with the consent of Dynegy, PJT Partners relied upon and assumed the accuracy and completeness of the foregoing information and all other information discussed with or reviewed by it, without independent verification thereof. PJT Partners assumed, with the consent of Dynegy, that the Dynegy Market Case Projections, the Dynegy Market + Earnings & Cost Improvement Case Projections, the Vistra Energy Stand-Alone Projections and all other financial analyses, estimates and forecasts provided to PJT Partners by the management of Dynegy were reasonably prepared in accordance with industry practice and represent, as of the date of PJT Partners' opinion, the best estimates and judgments of the management of Dynegy (subject, in each case, to the assumptions set forth therein) as to the businesses and operations and future financial performance of Dynegy and Vistra Energy. PJT Partners assumed, with the consent of Dynegy, that the estimates of the tax effects set forth in the Dynegy NOL Projections and the Pro Forma Tax Projections were reasonable and that the net operating losses and other tax attributes described therein would be utilized in accordance with such estimates. PJT Partners assumed, with the consent of Dynegy, that the amounts and timing of the Expected Synergies were reasonable and that the Expected Synergies would be realized in accordance with such estimates. With the consent of Dynegy, PJT Partners assumed no responsibility for and expressed no opinion as to the Dynegy Market Case Projections, the Dynegy Market + Earnings & Cost Improvement Case Projections, the Vistra Energy Stand-Alone Projections, the Dynegy NOL Projections, the Expected Synergies, the assumptions upon which any of the foregoing were based or any other financial analyses, estimates and forecasts provided to PJT Partners by the management of Dynegy. With the consent of Dynegy, PJT Partners also assumed that there were no material changes in the assets, financial condition, results of operations, businesses or prospects of each of Dynegy or Vistra Energy since the respective dates of the last financial statements made available to PJT Partners, other than as may be reflected in the Dynegy Market Case Projections, the Dynegy Market + Earnings & Cost Improvement Case Projections or the Vistra Energy Stand-Alone Projections. PJT Partners further relied, with the consent of Dynegy, upon the assurances of the management of Dynegy that they were not aware of any facts that would make the information and projections provided by them inaccurate, incomplete or misleading.

PJT Partners was not asked to undertake, and did not undertake, an independent verification of any information provided to or reviewed by it, nor was it furnished with any such verification, and it did not assume any responsibility or liability for the accuracy or completeness thereof. PJT Partners did not conduct a physical inspection of any of the properties or assets of Dynegy or Vistra Energy. PJT Partners did not make an independent evaluation or appraisal of the assets or the liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of Dynegy or Vistra Energy, nor was it furnished with any such evaluations or appraisals, nor did it evaluate the solvency of Dynegy or Vistra Energy under any applicable laws.

PJT Partners also assumed, with the consent of Dynegy, that the final executed form of the Merger Agreement would not differ in any material respects from the draft reviewed by it and that the consummation of the Merger would be effected in accordance with the terms and conditions of the Merger Agreement, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary regulatory or third-party consents and approvals (contractual or otherwise) for the Merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Dynegy, Vistra Energy, the surviving corporation in the Merger or the contemplated benefits of the Merger. PJT Partners further assumed, with the consent of Dynegy, that for U.S. federal income tax purposes the Merger would qualify as a reorganization within the meaning of Section 368(a) of the Code. PJT Partners did not express any opinion as to any tax or other consequences that might result from the Merger, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which PJT Partners understood that Dynegy obtained such advice as it deemed necessary from qualified professionals. PJT Partners are not legal, tax or regulatory advisors and, with the consent of Dynegy, relied upon without independent verification the assessment of Dynegy and its legal, tax and regulatory advisors with respect to such matters.

In arriving at its opinion, PJT Partners was not authorized to solicit, and did not solicit, interest from any party with respect to an acquisition, business combination or other extraordinary transaction involving Dynegy or

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its assets. PJT Partners' opinion does not address the underlying decision by Dynegy to engage in the Merger. PJT Partners' opinion is limited to the fairness as of the date thereof, from a financial point of view, to the holders of Dynegy Common Stock (other than the holders of the shares of Dynegy Common Stock cancelled pursuant to the Merger Agreement and the Dynegy Principal Stockholders) of the Exchange Ratio pursuant to the Merger Agreement, and PJT Partners' opinion does not address any other aspect or implication of the Merger, the Merger Agreement, or any other agreement or understanding entered into in connection with the Merger or otherwise. PJT Partners further expressed no opinion or view as to the fairness of the Merger to the holders of any other class of securities, creditors or other constituencies of Dynegy or as to the underlying decision by Dynegy to engage in the Merger. PJT Partners also expressed no opinion as to the fairness of the amount or nature of the compensation to any of Dynegy's officers, directors or employees, or any class of such persons, relative to the Exchange Ratio or otherwise. PJT Partners' opinion was necessarily based upon economic, market, monetary, regulatory and other conditions as they existed and could be evaluated, and the information made available to PJT Partners, as of the date thereof. PJT Partners expressed no opinion as to the prices or trading ranges at which the shares of Dynegy Common Stock or the shares of Vistra Energy Common Stock would trade at any time.

PJT Partners assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date thereof. The issuance of PJT Partners' opinion was approved by a fairness committee of PJT Partners LP in accordance with established procedures.

Summary of Financial Analyses

In connection with rendering its opinion, PJT Partners performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, PJT Partners did not ascribe a specific range of values to the shares of Dynegy Common Stock but rather made its determination as to fairness, from a financial point of view, to the holders of Dynegy Common Stock (other than the holders of the shares of Dynegy Common Stock cancelled pursuant to the Merger Agreement and the Dynegy Principal Stockholders) of the Exchange Ratio pursuant to the Merger Agreement on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, PJT Partners did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the Merger. Accordingly, PJT Partners believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by PJT Partners in preparing its opinion to the Dynegy Board. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by PJT Partners, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, PJT Partners made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Dynegy or any other parties to the Merger. None of Dynegy, PJT Partners, or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold. The financial analyses summarized below were based on the Dynegy Market Case Projections, the Dynegy Market + Earnings & Cost Improvement Case Projections, the Vistra Energy Stand- Alone Projections and other financial

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information prepared and furnished to PJT Partners by or on behalf of the management of Dynegy. The following summary does not purport to be a complete description of the financial analyses performed by PJT Partners. The following quantitative information, to the extent that it is based on market data, is based on market data as it existed, for Dynegy and Vistra Energy, on October 24, 2017 (which represented the last "unaffected" trading day for shares of Dynegy Common Stock and Vistra Energy Common Stock prior to an article published in *The Wall Street Journal* on October 25, 2017 reporting that Dynegy and Vistra Energy were in advanced talks to combine), and, unless otherwise indicated, on or before October 29, 2017, and is not necessarily indicative of current or future market conditions. Fully diluted share numbers for Dynegy and Vistra Energy used below were provided by, and used at the direction of, the management of Dynegy. PJT Partners assumed that Dynegy would not be required to repurchase any Dynegy Common Stock held by Oaktree Capital Management, L.P. or its affiliates pursuant to any agreement among Dynegy, Vistra Energy and Oaktree Capital Management, L.P. entered into in connection with the Merger. Implied price per share ranges for shares of Dynegy Common Stock and Vistra Energy Common Stock described below were rounded to the nearest $0.05.

Selected Comparable Company Analysis—Dynegy

In order to assess how the public market values shares of similar publicly traded companies and to provide a range of relative implied equity values per share of Dynegy Common Stock by reference to these companies, which could then be used to calculate implied exchange ratio ranges, PJT Partners reviewed and compared specific financial and operating data relating to Dynegy with selected companies that PJT Partners deemed comparable to Dynegy. The selected comparable companies were NRG Energy, Inc. ("NRG"), Calpine Corporation ("Calpine") and Vistra Energy.

PJT Partners calculated and compared various implied financial multiples and ratios of Dynegy and the selected comparable companies. As part of its selected comparable company analysis, PJT Partners calculated and analyzed the following ratios and multiples: (1) total enterprise value (calculated as the equity value based on fully diluted shares outstanding using the treasury stock method, plus debt and less cash, after giving effect to certain adjustments for minority interests) ("TEV") as a multiple of 2017E EBITDA and (2) TEV as a multiple of 2018E EBITDA. All of these calculations were performed and based on publicly available financial data and, for Dynegy and Vistra Energy, on Dynegy's and Vistra Energy's closing share prices as of October 24, 2017 and 2017E EBITDA and 2018E EBITDA consensus estimates, for NRG, on NRG's closing share price as of October 27, 2017 and guidance provided publicly by the management of NRG and, for Calpine, on Calpine's unaffected share price as of May 9, 2017 and 2017E EBITDA and 2018E EBITDA consensus estimates. The results of this selected comparable company analysis are summarized below:

Selected Comparable Company & Dynegy	TEV / 2017E EBITDA	TEV / 2018E EBITDA
NRG Energy, Inc.	12.8x	9.0x
Calpine Corporation	8.3x	7.8x
Dynegy Inc.	7.9x	6.6x
Vistra Energy Corp.	8.2x	8.2x

PJT Partners, based on its professional judgement, selected the comparable companies listed above because PJT Partners believed their businesses and operating profiles are reasonably similar to that of Dynegy. However, because of the inherent differences between the business, operations and prospects of Dynegy and those of the selected comparable companies, PJT Partners believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, PJT Partners also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Dynegy and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Dynegy and the companies included in the selected company analysis. Based upon these judgments, PJT Partners selected a TEV to EBITDA multiple range of 7.0x to 8.0x for 2017E—2018E EBITDA for Dynegy

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and applied such range to Dynegy's average 2017E—2018E EBITDA based on the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections to calculate a range of implied prices per share of Dynegy Common Stock based on the fully diluted number of shares of Dynegy Common Stock as of October 24, 2017. In estimating 2017E EBITDA, PJT Partners assumed that Dynegy's sale of the Milford (MA), Dighton, Lee, Troy, and Armstrong facilities had closed on January 1, 2017. The following summarizes the results of these calculations:

Projections for Low End of Selected TEV / EBITDA Multiple Range	Projections for High End of Selected TEV / EBITDA Multiple Range	Implied prices per share of Dynegy Common Stock
Dynegy Market Case Projections	Dynegy Market + Earnings & Cost Improvement Case Projections	$ 6.10 - $16.10

Selected Comparable Company Analysis—Vistra Energy

In order to assess how the public market values shares of similar publicly traded companies and to provide a range of relative implied equity values per share of Vistra Energy Common Stock by reference to these companies, which could then be used to calculate implied exchange ratio ranges, PJT Partners reviewed and compared specific financial and operating data relating to Vistra Energy with selected companies that PJT Partners deemed comparable to Vistra Energy. The selected comparable companies were NRG, Calpine and Dynegy.

PJT Partners calculated and compared various implied financial multiples and ratios of Vistra Energy and the selected comparable companies. As part of its selected comparable company analysis, PJT Partners calculated and analyzed the following ratios and multiples: (1) TEV as a multiple of 2017E EBITDA and (2) TEV as a multiple of 2018E EBITDA. All of these calculations were performed and based on publicly available financial data and, for Vistra Energy and Dynegy, on Vistra Energy's and Dynegy's closing share prices as of October 24, 2017 and 2017E EBITDA and 2018E EBITDA consensus estimates, for NRG, on NRG's closing share price as of October 27, 2017 and guidance provided publicly by the management of NRG and, for Calpine, on Calpine's unaffected share price as of May 9, 2017 and 2017E EBITDA and 2018E EBITDA consensus estimates. The results of this selected comparable company analysis are summarized below:

Selected Comparable Company	TEV / 2017E EBITDA	TEV / 2018E EBITDA
NRG Energy, Inc.	12.8x	9.0x
Calpine Corporation	8.3x	7.8x
Dynegy Inc.	7.9x	6.6x
Vistra Energy Corp.	8.2x	8.2x

PJT Partners, based on its professional judgment, selected the comparable companies listed above because PJT Partners believed their businesses and operating profiles are reasonably similar to that of Vistra Energy. However, because of the inherent differences between the business, operations and prospects of Vistra Energy and those of the selected comparable companies, PJT Partners believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, PJT Partners also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Vistra Energy and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Vistra Energy and the companies included in the selected company analysis. Based upon these judgments, PJT Partners selected a TEV to EBITDA multiple range of 8.0x to 9.0x for 2017E - 2018E EBITDA for Vistra Energy and applied such range to Vistra Energy's average 2017E - 2018E EBITDA based on the Vistra Energy Stand-Alone Projections to calculate a range of implied prices per share of Vistra Energy Common Stock based on the fully diluted number of shares of Vistra Energy Common Stock as of

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October 24, 2017. The following summarizes the results of these calculations, as compared to the closing price per share of Vistra Energy Common Stock as of October 24, 2017:

Implied prices per share of Vistra Energy Common Stock	Price per share of Vistra Energy Common Stock as of October 24, 2017
$18.50 - $21.55	$19.58

Based on the range of implied equity value per share for Dynegy and the range of implied equity value per share for Vistra Energy that were calculated by PJT Partners in its comparable company analyses, PJT Partners calculated a range of implied exchange ratios for Vistra Energy Common Stock per each share of Dynegy Common Stock. PJT Partners calculated the high end of the implied exchange ratio range by dividing the high value of the Dynegy implied equity values per share reference range by the high value of the Vistra Energy implied equity values per share reference range. PJT Partners calculated the low end of the implied exchange ratio range by dividing the low value of the Dynegy implied equity values per share reference range by the low value of the Vistra Energy implied equity values per share reference range. The result of this analysis, as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement, was an implied exchange ratio range of 0.330x to 0.747x.

Selected Precedent Transaction Analysis

PJT Partners reviewed, to the extent publicly available, and analyzed the valuation and financial metrics relating to the following six selected transactions since 2012 involving companies in the power industry, which PJT Partners in its professional judgment considered generally relevant for comparative purposes:

Month and year announced	Acquiror	Target
August 2017	Energy Capital Partners	Calpine Corporation
June 2016	Riverstone Holdings LLC	Talen Energy Corp
February 2016	Dynegy Inc.	Engie
August 2014	Dynegy Inc.	Duke Ohio
August 2014	Dynegy Inc.	EquiPower Resources Corp.
July 2012	NRG Energy Inc.	GenOn Energy, Inc.

For each precedent transaction, PJT Partners reviewed the transaction value ("Transaction Value") as a multiple of (i) the target company's trailing twelve-month ("TTM") EBITDA, (ii) the target company's current EBITDA and (iii) the target company's forward ("Forward") EBITDA as shown in the following:

	High	Mean	Low
Transaction Value/TTM EBITDA	10.0x	8.0x	5.2x
Transaction Value/Current EBITDA	9.3x	8.6x	6.9x
Transaction Value/Forward EBITDA	9.2x	7.8x	6.2x

The High, Mean and Low calculations of Transaction Value/TTM EBITDA and Transaction Value/Current EBITDA exclude Engie, Duke Ohio and EquiPower Resources Corp. due to the absence of publicly available information. Estimated financial data of the selected transactions were based on publicly available information at the time of announcement of the relevant transaction.

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Dynegy and the companies included in the selected precedent transaction analysis. Accordingly, PJT Partners believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the Merger. PJT Partners therefore made qualitative judgments concerning differences

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between the characteristics of the selected precedent transactions and the Merger which would affect the acquisition values of the selected target companies and Dynegy. Based upon these judgments, after reviewing the above analysis, PJT Partners selected a range of 7.0x to 8.5x TEV to EBITDA multiples and applied this range to Dynegy's average 2017E - 2018E EBITDA based on the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections to calculate a range of implied enterprise values for Dynegy. PJT Partners then calculated a range of implied prices per share of Dynegy Common Stock subtracting estimated net debt and non-controlling interests as of December 31, 2017 from the estimated enterprise value and dividing such amount by the fully diluted number of shares of Dynegy Common Stock. PJT Partners also included a $2.97 - $3.86 net operating loss ("NOL" or "NOLs") valuation per share of Dynegy Common Stock, which is the gross valuation of certain Dynegy NOLs in an acquisition scenario based on Dynegy's analysis, as provided by Dynegy's tax accountants, regarding NOL limitations in an acquisition scenario under IRS Section 382 and including the impact of a net unrealized built-in gain. The following summarizes the result of these calculations:

Projections for Low End of Selected TEV / EBITDA Multiple Range	Projections for High End of Selected TEV / EBITDA Multiple Range	Implied prices per share of Dynegy Common Stock
Dynegy Market Case Projections	Dynegy Market + Earnings & Cost Improvement Case Projections	\$9.10 - \$23.85

Discounted Cash Flow Analysis—Dynegy

In order to estimate the present value of Dynegy Common Stock, PJT Partners performed a discounted cash flow analysis of Dynegy. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the "present value" of estimated future cash flows generated by the asset. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated enterprise value of Dynegy using the discounted cash flow method, PJT Partners added (a) Dynegy's projected after-tax unlevered free cash flows for fiscal years 2018E through 2021E based on the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections to (b) ranges of "terminal values" of Dynegy as of December 31, 2021, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest and tax expense, adding depreciation and amortization, subtracting recurring capital expenditures and adjusting for changes in working capital and other cash flow items. PJT Partners' calculation of after-tax unlevered free cash flows for Dynegy differs from the Dynegy Management Projections in that it excludes the impact of certain Dynegy NOLs, which PJT Partners values separately. The residual value of Dynegy at the end of the projection period, or "terminal value," was estimated by applying the exit multiple range of 7.5x to 8.5x to Dynegy's average 2020E - 2021E EBITDA from both the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections and subsequently adjusting the terminal value for known capital expenditures beyond 2021 as provided by the management of Dynegy. The range of after-tax discount rates of 5.95% to 6.95% was selected based on PJT's analysis of the weighted average cost of capital of Dynegy. PJT Partners then calculated a range of implied equity values per share of Dynegy Common Stock by subtracting Dynegy's estimated net debt and non-controlling interest as of December 31, 2017 from the estimated enterprise value derived using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Dynegy Common Stock as of October 24, 2017. This range includes the present value of certain Dynegy NOLs based on the Dynegy NOL Projections, which PJT Partners calculated to have a present value of $1.19 to $2.41 per share of Dynegy Common Stock on the low and high end of the valuation range, respectively, for the Dynegy Market Case Projections, and $3.09 to $5.36 per share of Dynegy Common Stock on the low and high end of the valuation range, respectively, for the Dynegy Market + Earnings & Cost Improvement Case Projections. In calculating the present value of the Dynegy NOLs

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contained in the Dynegy NOL Projections, PJT Partners used a discount rate range of 6.45% to 13.75% based on the midpoint of Dynegy's estimated weighted average cost of capital and the midpoint of Dynegy's estimated cost of equity, respectively, and, upon the advice of the management of Dynegy, assumed a tax rate of 37.5%. The following summarizes the results of these calculations:

Projections	Implied equity values per share of Dynegy Common Stock
Dynegy Market Case Projections	\$2.15 - \$9.55
Dynegy Market + Earnings & Cost Improvement Case Projections	\$10.05 - \$19.30

Discounted Cash Flow Analysis—Vistra Energy

In order to estimate the present value of Vistra Energy Common Stock, PJT Partners also performed a discounted cash flow analysis of Vistra Energy.

To calculate the estimated enterprise value of Vistra Energy using the discounted cash flow method, PJT Partners added (a) Vistra Energy's projected after-tax unlevered free cash flows for fiscal years 2018E through 2021E based on the Vistra Energy Stand-Alone Projections to (b) ranges of terminal values of Vistra Energy as of December 31, 2021, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest and tax expense, adding depreciation and amortization, subtracting taxes, capital expenditures and adjusting for changes in working capital and other cash flow items. The residual value of Vistra Energy at the end of the projection period, or "terminal value," was estimated by applying the exit multiple range of 8.0x to 9.0x to Vistra Energy's average 2020E - 2021E EBITDA from the Vistra Energy Stand-Alone Projections and subsequently adjusting the terminal value for known capital expenditures beyond 2021 as provided by the management of Dynegy. The range of discount rates of 5.30% to 6.30% was selected based on an analysis of the midpoint of the estimated weighted average cost of capital of Vistra Energy. PJT Partners then calculated a range of implied equity values per share of Vistra Energy Common Stock by subtracting estimated net debt as of December 31, 2017 from the estimated enterprise value derived using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Vistra Energy Common Stock as of October 24, 2017. The following summarizes the results of these calculations:

Implied equity values per share of Vistra Energy Common Stock	Price per share of Vistra Energy Common Stock as of October 24, 2017
\$17.35 - \$20.40	\$19.58

Based on the range of implied equity value per share for Dynegy and the range of implied equity value per share for Vistra Energy that were calculated by PJT Partners in its discounted cash flow analyses, PJT Partners calculated a range of implied exchange ratios for Vistra Energy Common Stock per each share of Dynegy Common Stock. PJT Partners calculated the high end of the implied exchange ratio range by dividing the high value of the Dynegy implied equity values per share reference range by the high value of the Vistra Energy implied equity values per share reference range. PJT Partners calculated the low end of the implied exchange ratio range by dividing the low value of the Dynegy implied equity values per share reference range by the low value of the Vistra Energy implied equity values per share reference range. The following reflects the results of this analysis, as compared to the Exchange Ratio of 0.652x provided for in the Merger Agreement:

- For the Dynegy Market Case Projections, an implied exchange ratio range of 0.124x to 0.468x;
- For the Dynegy Market + Earnings & Cost Improvement Case Projections, an implied exchange ratio range of 0.579x to 0.946x.

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Other Information

PJT Partners also observed the additional factors described below, which were not considered part of its financial analyses in connection with rendering its opinion, but were referenced solely for informational purposes:

- historical trading prices of Dynegy Common Stock and Vistra Energy Common Stock during the 52-week period ending October 24, 2017, which indicated (a) low and high closing prices of Dynegy Common Stock during such period of $5.93 to $11.87 and (b) low and high closing prices of Vistra Energy Common Stock during such period of $13.60 to $19.58, as compared to the closing price of Vistra Energy Common Stock as of October 24, 2017 of $19.58; and
- publicly available Wall Street research analysts' share price targets in the next twelve months for each of Dynegy Common Stock and Vistra Energy Common Stock, which indicated (a) a target share price range for Dynegy Common Stock of $7.05 to $13.95 (reflecting the discounting of such price targets using Dynegy's estimated cost of equity of 13.75%), as compared to the headline offer value of $12.77 and (b) a target share price range for Vistra Energy Common Stock of $13.60 to $19.58 (reflecting the discounting of such price targets using Vistra Energy's estimated cost of equity of 7.14%), as compared to the closing price of a share of Vistra Energy Common Stock as of October 24, 2017 of $19.58.

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying PJT Partners' opinion. In arriving at its fairness determination, PJT Partners considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, PJT Partners made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Dynegy or Vistra Energy or the contemplated transaction.

PJT Partners prepared these analyses for purposes of PJT Partners providing its opinion to the Dynegy Board as to the fairness from a financial point of view to the holders of Dynegy Common Stock (other than the holders of the shares of Dynegy Common Stock cancelled pursuant to the Merger Agreement and the Dynegy Principal Stockholders) of the Exchange Ratio pursuant to the Merger Agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Dynegy, Vistra Energy, PJT Partners or any other person assumes responsibility if future results are materially different from those forecast.

PJT Partners is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The Dynegy Board selected PJT Partners because of its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally and in the power sector specifically.

PJT Partners is acting as financial advisor to Dynegy in connection with the Merger. As compensation for its services in connection with the Merger, Dynegy paid PJT Partners $5.666 million upon the delivery of PJT Partners' opinion. Compensation of $5.666 million will be payable upon the date that the stockholders of Dynegy

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adopt the Merger Agreement and $5.668 million will be payable upon the closing of the Merger. In addition, Dynegy has agreed to reimburse PJT Partners for its out-of-pocket expenses incurred in connection with the Merger and to indemnify PJT Partners for certain liabilities that may arise out of its engagement by Dynegy and the rendering of PJT Partners' opinion. In the ordinary course of its and its affiliates' businesses, PJT Partners and its affiliates may provide investment banking and other financial services to Dynegy, Vistra Energy and their respective affiliates and may receive compensation for the rendering of these services. Specifically, since the formation of PJT Partners Inc., PJT Partners' parent company, on October 1, 2015, PJT Partners and certain of its affiliated entities have advised certain stockholders (including their affiliates and/or funds managed by their affiliates) of Vistra Energy on matters unrelated to the Merger, including certain restructuring matters. PJT Partners has received customary compensation for these services, of which approximately $1.3 million was paid by such stockholders or their affiliates.

Certain Unaudited Prospective Financial Information Prepared by Vistra Energy

Although Vistra Energy periodically may issue limited financial guidance, Vistra Energy does not as a matter of course make public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with the Merger, Vistra Energy's management prepared and provided to the Vistra Energy Board in connection with its evaluation of the transaction, and to its financial advisor Citi, including in connection with Citi's financial analyses described above under the section entitled "—Opinion of Vistra Energy's Financial Advisor", projections regarding Vistra Energy's operations for fiscal years 2018 through 2023, Dynegy's operations for fiscal years 2018 through 2023 and the combined company's operations for fiscal years 2018 through 2023 (the "Vistra Energy Management Projections"). The below summary of the Vistra Energy Management Projections is included solely for the purpose of providing Vistra Energy stockholders and Dynegy stockholders access to certain non-public information that was furnished in connection with the Merger, and such information is not intended to be and should not be used for any other purposes, and is not being included to influence the voting decision of any Vistra Energy stockholder or Dynegy stockholder.

The Vistra Energy Management Projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information but, in the view of Vistra Energy's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of Vistra Energy. The inclusion of the Vistra Energy Management Projections should not be regarded as an indication that such information is predictive of actual future events or results and such information should not be relied upon as such, and readers of this joint proxy statement and prospectus are cautioned not to place undue reliance on the Vistra Energy Management Projections. The Vistra Energy Management Projections included in this joint proxy statement and prospectus have been prepared by, and are the responsibility of, Vistra Energy's management. Neither Vistra Energy's independent auditors, nor any other independent accountants, nor Citi have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Vistra Energy Management Projections. Furthermore, the Vistra Energy Management Projections do not take into account any circumstances or events occurring after the date that they were prepared.

While presented with numeric specificity, the Vistra Energy Management Projections were based on numerous variables and assumptions that are inherently subjective and uncertain and are beyond the control of Vistra Energy's management. These variables and assumptions include:

- the creation of approximately $350 million of annual run-rate EBITDA value enhancement, including synergies and performance improvements, approximately $65 million (after tax) of incremental annual run-rate free cash flow benefits from balance sheet and capital expenditure efficiencies and the

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utilization of approximately $2.0–2.5 billion of legacy Dynegy federal tax net operating losses with an estimated net present value of approximately $500–600 million.

- one-time cost savings of $55 million and $45 million in 2018 and 2019, respectively.
- to achieve synergies, one-time costs of $140 million and $10 million in 2018 and 2019, respectively.
- the projected price of Vistra Energy Common Stock assumed to reflect future value per share for debt paydown during calendar years 2017 through 2022 with a target gross debt to EBITDA multiple of 3.0x, and with respect to Vistra Energy on a standalone basis, minimum cash balance of $1,000 million and excess cash paid out in dividend each year.

Important factors that may affect actual results and cause the Vistra Energy Management Projections not to be achieved include, but are not limited to, risks and uncertainties relating to Vistra Energy's and Dynegy's businesses (including their ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business and economic conditions and other factors described in the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 61 and "Risk Factors" beginning on page 35. The Vistra Energy Management Projections also reflect numerous variables, expectations and assumptions available at the time they were prepared as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in the Vistra Energy Management Projections. Accordingly, there can be no assurance that the projected results summarized below will be realized. Vistra Energy stockholders and Dynegy stockholders are urged to review the historical financial statements contained in this joint proxy statement and prospectus.

None of Vistra Energy, Dynegy or their respective officers, directors, affiliates, advisors or other representatives can give you any assurance that actual results will not differ materially from the Vistra Energy Management Projections.

Vistra Energy senior management did not provide the Vistra Energy Management Projections to, and they were not reviewed or approved by, Dynegy.

VISTRA ENERGY UNDERTAKES NO OBLIGATION TO UPDATE OR OTHERWISE REVISE OR RECONCILE THE VISTRA ENERGY MANAGEMENT PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE THE VISTRA ENERGY MANAGEMENT PROJECTIONS WERE GENERATED OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH INFORMATION ARE SHOWN TO BE IN ERROR. SINCE THE VISTRA ENERGY MANAGEMENT PROJECTIONS COVER MULTIPLE YEARS, SUCH INFORMATION BY ITS NATURE BECOMES LESS PREDICTIVE WITH EACH SUCCESSIVE YEAR.

Vistra Energy and Dynegy may calculate certain non-GAAP financial metrics, including Adjusted EBITDA, Adjusted Free Cash Flow or other metrics, using different methodologies. Consequently, the financial metrics presented in each company's prospective financial information disclosures and in the sections of this joint proxy statement and prospectus with respect to the opinions of the financial advisors to Vistra Energy and Dynegy may not be directly comparable to one another.

Vistra Energy has not made and makes no representation to Dynegy or any Vistra Energy stockholder or Dynegy stockholder, in the Merger Agreement or otherwise, concerning the Vistra Energy Management Projections or regarding Vistra Energy's, Dynegy's or the combined company's ultimate performance compared to the Vistra Energy Management Projections or that the projected results will be achieved.

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The following table presents a summary of the Vistra Energy Management Projections for Vistra Energy's operations for fiscal years 2018 through 2023 that were considered in connection with the evaluation of the transaction:

(in millions)	2018	2019	2020	2021	2022	2023
Adjusted EBITDA[1]	**$1,354**	**$1,312**	**$1,262**	**$1,302**	**$1,357**	**$1,312**
Capex	(294)	(288)	(294)	(322)	(311)	(271)
Cash Taxes and TRA	(64)	(219)	(213)	(262)	(277)	(271)
Interest, net	(172)	(176)	(170)	(169)	(176)	(177)
Other[2]	(82)	(114)	(84)	(129)	(103)	(99)
Adjusted Free Cash Flow	**$ 741**	**$ 516**	**$ 500**	**$ 420**	**$ 490**	**$ 494**

1. Excludes contribution from announced retirements at Big Brown, Sandow and Monticello power plants.
2. Includes working capital, margins and premiums, preferred stock dividends and other cash flow items.

The following table presents a summary of the Vistra Energy Management Projections for Dynegy's operations for fiscal years 2018 through 2023 that were considered in connection with the evaluation of the transaction:

(in millions)	2018	2019	2020	2021	2022	2023
Adjusted EBITDA[1]	**$1,424**	**$1,477**	**$1,299**	**$1,194**	**$1,147**	**$1,151**
Capex	(251)	(247)	(280)	(231)	(232)	(243)
Cash Taxes	(5)	(8)	(5)	(5)	(5)	(6)
Interest, net	(566)	(531)	(498)	(473)	(450)	(426)
Other[2]	(93)	(199)	(268)	(148)	(140)	(135)
Adjusted Free Cash Flow	**$ 509**	**$ 492**	**$ 247**	**$ 338**	**$ 321**	**$ 341**

1. Includes $100 million of previously announced annual cost savings at Dynegy, with a ramp up schedule of $36 million in 2018, $86 million in 2019 and $100 million in 2020 and thereafter.
2. Includes asset retirement obligation, pension, PJM capacity monetization adjustments, environmental capital projects and uprate investments.

The following table presents a summary of the Vistra Energy Management Projections for the combined company's operations for fiscal years 2018 through 2023 that were considered in connection with the evaluation of the transaction:

(in millions)	2018	2019	2020	2021	2022	2023
Adjusted EBITDA[1]	**$2,868**	**$3,003**	**$2,810**	**$2,746**	**$2,754**	**$2,713**
Capex	(525)	(515)	(553)	(533)	(523)	(494)
Cash Taxes and TRA	(14)	(346)	(346)	(391)	(415)	(520)
Interest, net	(627)	(532)	(460)	(428)	(415)	(403)
Other[2]	(335)	(278)	(353)	(276)	(242)	(234)
Adjusted Free Cash Flow	**$1,367**	**$1,332**	**$1,098**	**$1,118**	**$1,158**	**$1,062**

1. Includes $250 million of annual run-rate EBITDA value levers with a ramp up schedule of $89 million in 2018, $214 million in 2019 and $250 million in 2020 and thereafter (in addition to $100 million of previously announced annual cost savings at Dynegy with a ramp up schedule of $36 million in 2018, $86 million in 2019 and $100 million in 2020 and thereafter). Excludes contribution from announced retirements at Big Brown, Sandow and Monticello power plants.
2. Includes working capital, margins and premiums, preferred stock dividends, asset retirement obligation, pension, PJM capacity monetization adjustments, environmental capital projects and uprate investments, transaction-related one-time costs and savings in 2018 and 2019 and other cash flow items.

"Adjusted EBITDA" (EBITDA as adjusted for income impacts from unrealized gains or losses from hedging activities, Tax Receivable Agreement obligation, reorganization items, and certain other unusual,

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non-recurring items described from time to time in Vistra Energy's or Dynegy's earnings releases (as applicable)) and "Adjusted Free Cash Flow" (cash from operating activities excluding changes in margin deposits and working capital and adjusted for capital expenditures, other net investment activities, preferred stock dividends, and other unusual, non-recurring items described from time to time in Vistra Energy's or Dynegy's earnings releases (as applicable)), are "non-GAAP financial measures." A non-GAAP financial measure is a numerical measure of financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in Vistra Energy's and Dynegy's (as applicable) consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows. Non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable GAAP measures. Vistra Energy's non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

Certain Unaudited Prospective Financial Information Prepared by Dynegy

Although Dynegy periodically may issue limited guidance regarding financial performance for the current fiscal year, Dynegy typically does not publicly disclose other financial forecasts as to future performance, earnings or other results, due to, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. However, in connection with evaluating the Merger, Dynegy senior management prepared and provided the Dynegy Board, Morgan Stanley and PJT Partners with the following nonpublic unaudited financial forecasts:

- forecasts of Dynegy's stand-alone performance based on market price curves as of September 28, 2017, which are referred to as the Dynegy Market Case Projections; and
- forecasts of Dynegy's stand-alone performance based on market price curves as of September 28, 2017, as well as Consulting Firm A's views on incremental EBITDA and capital expenditures, which are referred to as the Dynegy Market + Earnings & Cost Improvement Case Projections.

In addition, Dynegy senior management also prepared and provided the Dynegy Board, Morgan Stanley and PJT Partners certain nonpublic unaudited financial forecasts for Vistra Energy and the combined company, including the following:

- forecasts of Vistra Energy's stand-alone performance, based on publicly available information and due diligence discussions between Dynegy and Vistra Energy senior management (the "Vistra Energy Stand-Alone Projections"); and
- forecasts of the combined company's performance, based on the Vistra Energy Stand-Alone Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections (the "Combined Company Market + Earnings & Cost Improvement Case Projections").

Dynegy senior management did not provide the foregoing projections to, and they were not reviewed or approved by, Vistra Energy.

The Dynegy Market Case Projections, the Dynegy Market + Earnings & Cost Improvement Case Projections, the Vistra Energy Stand-Alone Projections and the Combined Company Market + Earnings & Cost Improvement Case Projections are collectively referred to as the "Dynegy Management Projections."

At Dynegy's direction, Morgan Stanley and PJT Partners used, among other things, the Dynegy Management Projections in connection with preparing their respective financial analyses for, and advising, the Dynegy Board, as summarized in "The Merger—Opinions of Dynegy's Financial Advisors—Opinion of Morgan Stanley" and "The Merger—Opinions of Dynegy's Financial Advisors—Opinion of PJT Partners." At Dynegy's direction, Morgan Stanley and PJT Partners relied on the accuracy and completeness of the Dynegy Management Projections utilized in their respective financial analyses and advice to the Dynegy Board and the assurances of Dynegy senior management that it was not aware of any facts or circumstances that would make such information inaccurate or misleading.

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The Dynegy Management Projections are included in this joint proxy statement and prospectus to give Dynegy stockholders access to certain nonpublic information made available to the Dynegy Board, Morgan Stanley and PJT Partners in connection with the Merger.

The inclusion of the Dynegy Management Projections should not be regarded as an indication that Dynegy or any of its directors, officers, employees, affiliates, advisors or any other recipient of the Dynegy Management Projections, including Morgan Stanley and PJT Partners, considered, or now considers, the Dynegy Management Projections to be material or to be necessarily predictive of actual future results, and you should not rely solely on the Dynegy Management Projections as financial guidance. None of Dynegy, PJT Partners or Morgan Stanley or their respective affiliates, officers, directors, advisors or representatives has made, makes or is authorized in the future to make any representation to any Dynegy stockholder or other person regarding Dynegy's ultimate performance compared to the information contained in the Dynegy Management Projections or that the forecasted results will be achieved.

The Dynegy Management Projections have been prepared by, and are the responsibility of, Dynegy senior management. Dynegy senior management believes that the Dynegy Management Projections were prepared in good faith and on a reasonable basis based on the best information available to Dynegy senior management at the time the Dynegy Management Projections were prepared. Dynegy senior management did not prepare the Dynegy Management Projections with a view to public disclosure, and the Dynegy Management Projections are included in this joint proxy statement and prospectus only because Dynegy made them available to the Dynegy Board, Morgan Stanley and PJT Partners. The Dynegy Management Projections were not prepared with a view to compliance with GAAP, the published guidelines of the SEC regarding projections, forward-looking statements or the use of non-GAAP measures, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Furthermore, Ernst & Young LLP, Dynegy's independent auditor, has not examined, reviewed, compiled or otherwise applied procedures to, the Dynegy Management Projections and, accordingly, does not express an opinion or any other form of assurance with respect thereto.

Although a summary of the Dynegy Management Projections is presented with numerical specificity, the Dynegy Management Projections reflect numerous assumptions and estimates as to future events made by Dynegy senior management that Dynegy senior management believed were reasonable at the time the Dynegy Management Projections were prepared, taking into account the relevant information available to Dynegy senior management at the time. Because the Dynegy Management Projections cover multiple years, by their nature, they become subject to greater uncertainty with each successive year. Important factors that may affect actual results and cause the Dynegy Management Projections not to be achieved include, but are not limited to, risks and uncertainties relating to Dynegy's businesses, Vistra Energy's businesses, general business and economic conditions, changes in tax laws and other factors described or referenced under "Cautionary Statement Regarding Forward-Looking Statements." You should not rely unduly on the Dynegy Management Projections as they are based upon numerous factors and events beyond Dynegy's control and, therefore, are inherently subject to uncertainty.

The Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections were based on market price curves as of September 28, 2017. The Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections include cash-settled LTI awards as a cash expense but do not treat other equity-based compensation as a cash expense. In addition, the Dynegy Market Case Projections and the Dynegy Market + Earnings & Cost Improvement Case Projections are based on the following assumptions:

- planned coal optimization reflecting Dynegy senior management's updated forecast of SG&A and O&M spend and asset retirement obligations ("AROs") for certain coal plants;
- adjustments to the September 28, 2017 ERCOT price curve to reflect ERCOT power plant retirement announcements made after September 28, 2017;

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- the use of sale proceeds and cash from operations/balance sheet to pay down $1.75 billion of debt by the end of 2017;
- a minimum cash balance of $300 million, with any excess cash flow used to repay debt in the forecast horizon; and
- updated tax and standalone NOL utilization analysis based on the foregoing assumptions.

The Dynegy Market + Earnings & Cost Improvement Case Projections also include the following assumptions:

- $125 million of annual EBITDA uplift;
- free cash flow uplift of $15 million in 2018 and $25 million annually thereafter; and
- one-time cost to achieve of $15 million.

Dynegy senior management provided the Dynegy Board, Morgan Stanley and PJT Partners taxable income projections through 2039, an unrestricted NOL balance of $2,946 million and a restricted NOL balance of $2,081 million. The restricted NOL balance is subject to annual limitations which were provided for the forecast period. For the Combined Company Market + Earnings & Cost Improvement Case Projections, the NOL balance is subject to an indicative limitation of 1.85% (the Long-Term tax exempt rate) of the implied equity value for Dynegy and a net unrealized built-in gain ("NUBIG").

The Vistra Energy Stand-Alone Projections were based on market curves as of September 28, 2017, adjusted for a topside to the September 28, 2017 ERCOT price curve to reflect ERCOT power plant retirement announcements made after September 28, 2017. The Vistra Energy Stand-Alone Projections include the following assumptions:

- $50 million in gross margin annually from portfolio optimization;
- hedging benefit of $123 million in 2018, $63 million in 2019, $20 million in 2020 and $15 million thereafter;
- the closing of Vistra Energy's Sandow, Big Brown, and Monticello facilities in December 2017;
- annual growth in fixed O&M, SG&A and environmental and growth capital expenditures of 1.6% based on the June 2017 Consumer Price Index;
- capital expenditures related to mine reclamation and asset retirement obligations for announced retirements; and
- payments associated with the Tax Receivable Agreement.

In addition, the Dynegy Management Projections reflect assumptions that are subject to change and do not reflect revised prospects for Dynegy's or Vistra Energy's respective businesses, changes in general business or economic conditions or any other transaction or event that has occurred or may occur and that was not anticipated at the time the Dynegy Management Projections were prepared. Further, the Dynegy Management Projections do not give effect to the Merger nor are they indicative for future results of the combined company. As a result, there can be no assurance that the Dynegy Management Projections will be realized, and actual results may differ materially than those contained in the Dynegy Management Projections.

You should evaluate the Dynegy Management Projections, if at all, in conjunction with the historical financial statements and other information regarding Dynegy and Vistra Energy contained in their respective public filings with the SEC. Dynegy senior management reviewed the Dynegy Management Projections with the Dynegy Board, which considered them in connection with its evaluation and approval of the Merger Agreement and the Merger.

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Except to the extent required by applicable federal securities laws, Dynegy has not updated, and expressly disclaims any responsibility to update or otherwise revise, the Dynegy Management Projections to reflect circumstances existing after the date when Dynegy senior management prepared the Dynegy Management Projections or to reflect the occurrence of future events or changes in general economic or industry conditions, even in the event that any of the assumptions underlying the Dynegy Management Projections are shown to be in error. Dynegy urges all Dynegy stockholders to review Dynegy's most recent SEC filings for information relating to Dynegy's reported financial results.

Certain of the measures included in the Dynegy Management Projections may be considered non-GAAP financial measures, including EBITDA (Adjusted EBITDA) and Unlevered Free Cash Flow (Adjusted Free Cash Flow). Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, or superior to, financial information presented in compliance with GAAP. Non-GAAP financial measures used by Dynegy may not be comparable to similarly titled amounts used by other companies. In addition, the quantitative reconciliation of the forward-looking non-GAAP financial measures omits a reconciliation of Net Income to EBITDA because Dynegy would not be able to provide such reconciliation without unreasonable efforts.

Dynegy Management Projections

Fiscal year ending December 31,

	($ in millions)				
	2017E(6)	2018E	2019E	2020E	2021E
Gross Margin(1)	**—**	**2,566**	**2,390**	**2,126**	**2,067**
Fixed O&M	—	(953)	(921)	(927)	(949)
SG&A	—	(140)	(141)	(144)	(147)
Other	—	(6)	10	32	49
EBITDA (Adjusted EBITDA)(2)	**1,160**	**1,468**	**1,338**	**1,087**	**1,021**
Capex(3)	—	(279)	(266)	(260)	(207)
AROs	—	(36)	(38)	(7)	(23)
Pension / LTSA / Other(4)	—	(28)	(38)	2	(86)
Unlevered Free Cash Flow (Adjusted Free Cash Flow)(5)	**—**	**1,125**	**996**	**822**	**704**

(1) Gross Margin means revenue minus costs of services.
(2) The non-GAAP measure EBITDA (Adjusted EBITDA) means Gross Margin, minus Fixed O&M, SG&A and Other.
(3) Includes maintenance, environmental and growth capital expenditures. Also includes environmental capex attributable to EPA's Effluent Limitations Guidelines, EPA's final rule regarding Section 316(a) and 316(b) in the Clean Water Act, and EPA's final rule regarding the safe disposal of coal combustion residuals.
(4) Includes LTSA adjustments and funding requirements for pensions and ARO outlays for operating assets and announced retirements.
(5) The non-GAAP measure Unlevered Free Cash Flow (Adjusted Free Cash Flow) means EBITDA (Adjusted EBITDA), minus Capex, AROs and Pension / LTSA / Other.
(6) Assumes pro forma for sale of Milford (MA), Dighton, Lee, Troy and Armstrong as if sales closed January 1, 2017.

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Dynegy Market + Earnings & Cost Improvement Case Projections

Fiscal year ending December 31,

	($ in millions)				
	2017E(6)	2018E	2019E	2020E	2021E
Gross Margin(1)	**—**	**2,566**	**2,390**	**2,126**	**2,067**
Fixed O&M	—	(953)	(921)	(927)	(949)
SG&A	—	(140)	(141)	(144)	(147)
Earnings & Cost Improvement Initiatives	—	110	125	125	125
Other	—	(6)	10	32	49
EBITDA (Adjusted EBITDA)(2)	**1,160**	**1,578**	**1,463**	**1,212**	**1,146**
Capex(4)	—	(279)	(266)	(260)	(207)
Active AROs	—	(36)	(38)	(7)	(23)
Pension / LTSA / Other(4)	—	(28)	(38)	2	(86)
Earnings & Cost Improvement Initiatives	—	15	25	25	25
Unlevered Free Cash Flow (Adjusted Free Cash Flow)(5)	**—**	**1,249**	**1,146**	**972**	**855**

(1) Gross Margin means revenue minus costs of services.
(2) The non-GAAP measure EBITDA (Adjusted EBITDA) means Gross Margin, minus Fixed O&M, SG&A and Other.
(3) Includes maintenance, environmental and growth capital expenditures. Also includes environmental capex attributable to EPA's Effluent Limitations Guidelines, EPA's final rule regarding Section 316(a) and 316(b) in the Clean Water Act, and EPA's final rule regarding the safe disposal of coal combustion residuals.
(4) Includes LTSA adjustments and funding requirements for pensions and ARO outlays for operating assets and announced retirements.
(5) The non-GAAP measure Unlevered Free Cash Flow (Adjusted Free Cash Flow) means EBITDA (Adjusted EBITDA) minus Capex, AROs and Pension / LTSA / Other.
(6) Assumes pro forma for sale of Milford (MA), Dighton, Lee, Troy and Armstrong as if sales closed January 1, 2017.

Vistra Energy Stand-Alone Projections

Fiscal year ending December 31,

	($ in millions)				
	2017E	2018E	2019E	2020E	2021E
Gross Margin(1)	**—**	**2,315**	**2,300**	**2,275**	**2,319**
Fixed O&M	—	(573)	(582)	(592)	(601)
SG&A	—	(517)	(527)	(534)	(542)
Earnings & Cost Improvement Optimization	—	50	50	50	50
EBITDA (Adjusted EBITDA)(2)	**1,363**	**1,275**	**1,242**	**1,200**	**1,226**
Nuclear Fuel Amortization	—	88	87	88	88
Capex	—	(339)	(263)	(210)	(270)
Active AROs	—	(60)	(124)	(137)	(19)
Pension / LTSA / Other	—	0	0	0	0
Cash Taxes	—	(59)	(92)	(113)	(129)
TRA Payments	—	(122)	(119)	(121)	(136)
Unlevered Free Cash Flow (Adjusted Free Cash Flow)(3)	**—**	**783**	**731**	**707**	**760**

(1) Gross Margin means revenue minus costs of services.
(2) The non-GAAP measure EBITDA (Adjusted EBITDA) means Gross Margin, minus Fixed O&M, SG&A and Earnings & Cost Improvement Optimization.

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(3) The non-GAAP measure Unlevered Free Cash Flow (Adjusted Free Cash Flow) means EBITDA (Adjusted EBITDA) minus Nuclear Fuel Amortization, Capex, Active AROs, Pension / LTSA / Other, Cash Taxes and TRA Payments.

Combined Company Market + Earnings & Cost Improvement Case Projections

Fiscal year ending December 31,

	($ in millions) 2018E	2019E	2020E	2021E
Gross Margin(1)	**4,958**	**4,772**	**4,485**	**4,474**
Fixed O&M	(1,602)	(1,585)	(1,602)	(1,637)
SG&A	(657)	(667)	(678)	(690)
Earnings & Cost Improvement Initiatives	110	125	125	125
EBITDA Synergies & One-Time Benefits	130	270	225	225
Other	(31)	50	82	99
EBITDA (Adjusted EBITDA)(2)	**2,908**	**2,965**	**2,637**	**2,596**
Nuclear Fuel Amortization	88	87	88	88
Capex	(608)	(528)	(470)	(474)
AROs	(96)	(163)	(144)	(42)
Pension / LTSA / Other(3)	(38)	(38)	2	(89)
Earnings & Cost Improvement Initiatives	15	25	25	25
Capex Synergies	20	20	20	20
Cash Taxes	(40)	(153)	(121)	(145)
TRA Payments	(122)	(119)	(121)	(136)
Unlevered Free Cash Flow (Adjusted Free Cash Flow)(4)	**2,127**	**2,096**	**1,916**	**1,844**

(1) Gross Margin means revenue minus costs of services.
(2) The non-GAAP measure EBITDA (Adjusted EBITDA) means Gross Margin, minus Fixed O&M, SG&A and Earnings & Cost Improvement Initiatives.
(3) Includes Dynegy LTSA adjustments and funding requirements for pensions and asset retirement obligation outlays for operating assets and announced retirements. Also includes Dynegy environmental capex attributable to EPA's Effluent Limitations Guidelines, EPA's final rule regarding Section 316(a) and 316(b) in the Clean Water Act, and EPA's final rule regarding the safe disposal of coal combustion residuals. Also includes Dynegy approved discretionary projects.
(4) The non-GAAP measure Unlevered Free Cash Flow (Adjusted Free Cash Flow) means EBITDA (Adjusted EBITDA) minus Nuclear Fuel Amortization, Capex, Active AROs, Pension / LTSA / Other, Cash Taxes and TRA Payments.

Interests of Vistra Energy's Directors and Executive Officers in the Merger

In considering the recommendation of the Vistra Energy Board that you vote to approve the Merger Proposal and Stock Issuance Proposal, you should be aware that Vistra Energy's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of the stockholders of Vistra Energy generally. These interests are described in more detail below. The Vistra Energy Board was aware of these interests and considered them, among other things, in reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, including the Stock Issuance, and in recommending that the Vistra Energy stockholders vote to approve the Merger Proposal and the Stock Issuance Proposal. These interests are as follows:

- all eight current members of the Vistra Energy Board will serve on the board of directors of the combined company;

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- Mr. Curtis A. "Curt" Morgan, the President and Chief Executive Officer of Vistra Energy, will serve as the President and Chief Executive Officer of the combined company;
- Mr. James A. "Jim" Burke, the Executive Vice President and Chief Operating Officer of Vistra Energy, will serve as the Executive Vice President and Chief Operating Officer of the combined company; and
- Mr. J. William "Bill" Holden, the Executive Vice President and Chief Financial Officer of Vistra Energy, will serve as the Executive Vice President and Chief Financial Officer of the combined company.
- Pursuant to the Oaktree Letter Agreement described below, affiliates of Oaktree commit to use commercially reasonably efforts to divest a portion of their shares of Vistra Energy Common Stock or Dynegy Common Stock, but are not obligated to consummate such divestment other than at prices per share of Dynegy Common Stock or Vistra Energy Common Stock determined from time to time in Oaktree's sole and absolute discretion to be adequate. The Vistra Energy Stockholder Support Agreement provides that if affiliates of Oaktree have not sold the number of shares of Vistra Energy Common Stock or Dynegy Common Stock contemplated in the Oaktree Letter Agreement, then Dynegy will purchase shares of Dynegy Common Stock from such affiliates of Oaktree so that the target ownership level is met. Such purchase will be consummated immediately prior to the closing of the Merger and will be for a cash purchase price of $13.24 per share.
- Vistra Energy expects to issue approximately 5,492,658 shares of Vistra Energy Common Stock to affiliates of Oaktree Capital Management, L.P., the owner of approximately 11.6% of Vistra Energy Common Stock without giving effect to the Merger, in respect of shares of Dynegy Common Stock owned by them. The total number of shares of Vistra Energy Common Stock issuable to those Oaktree affiliates is expected in the aggregate to exceed 1% of both the voting power and number of shares of Vistra Energy Common Stock outstanding before such issuance.

Interests of Dynegy's Directors and Executive Officers in the Merger

In considering the recommendation of the Dynegy Board that you vote to approve the Merger Proposal, you should be aware that Dynegy's non-employee directors and executive officers have economic interests in the Merger that are different from, or in addition to, those of Dynegy's stockholders generally. These interests include, among others: (i) the continued service of certain independent directors of Dynegy as directors of the combined company; (ii) the treatment of equity incentive awards, including acceleration of vesting of Dynegy PSUs upon consummation of the Merger and the potential for accelerated vesting of other Dynegy awards upon a qualifying termination of employment following the Merger; (iii) the potential for enhanced severance benefits for executive officers upon a qualifying termination of employment following the Merger; and (iv) continuing indemnification rights of Dynegy directors and officers following the Merger.

The Dynegy Board was aware of and considered those interests, among other matters, in (i) determining that it is in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (ii) declaring entry into the Merger Agreement to be advisable, (iii) authorizing and approving Dynegy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy's consummation of the transactions contemplated thereby, including the Merger, (iv) directing that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (v) recommending that the holders of Dynegy Common Stock adopt the Merger Agreement.

Certain Assumptions

Except as otherwise specifically noted, for purposes of quantifying the potential payments and benefits described in this section, the following assumptions were used:

- The relevant price per share of Dynegy Common Stock is $12.37, which was the average closing price per share of Dynegy Common Stock as reported on the New York Stock Exchange over the first five business days following the first public announcement of the Merger on October 30, 2017;

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- The effective date of the Merger is December 31, 2017, which is the assumed date of the closing of the Merger solely for purposes of the disclosure in this section;
- The employment of each executive officer of Dynegy will have been terminated by Vistra Energy without "cause" or due to the executive officer's resignation for "good reason" (as such terms are defined in the relevant plans and agreements), in either case immediately following the assumed effective time of the Merger on December 31, 2017; and
- To the extent determined based on the actual level of performance as of the effective time of the Merger, the performance metrics applicable to each Dynegy PSU will have been achieved at the target level of performance.

Because the amounts indicated below are estimates based on multiple assumptions that may or may not actually occur or be accurate as of the date referenced, the actual amounts, if any, that may be paid or become payable may materially differ from the amounts set forth below.

Treatment of Dynegy Equity Awards Held by Directors and Executive Officers

Treatment of Dynegy Stock Options

Upon completion of the Merger, each Dynegy Stock Option, whether vested or unvested, that is outstanding immediately prior to the completion of the Merger will be converted into an option to purchase Vistra Energy Common Stock (with the number of shares and per share exercise price appropriately adjusted based on the Exchange Ratio and subject to appropriate rounding) having the same terms and conditions otherwise applicable to such Dynegy Stock Option immediately prior to the completion of the Merger, including those providing for accelerated vesting on certain terminations of employment.

Treatment of Dynegy RSUs

Upon completion of the Merger, each award of restricted stock units with respect to Dynegy Common Stock (each, a "Dynegy RSU") that is outstanding immediately prior to the completion of the Merger will be converted into an award of RSUs with respect to Vistra Energy Common Stock (with the number of shares appropriately adjusted based on the Exchange Ratio) having the same terms and conditions otherwise applicable to such Dynegy RSUs immediately prior to the completion of the Merger, including those providing for accelerated vesting on certain terminations of employment.

Treatment of Dynegy PSUs

Upon completion of the Merger, each award of Dynegy PSUs that is outstanding immediately prior to the completion of the Merger will be converted into the right to receive a number of shares of Vistra Energy Common Stock (and cash in lieu of fractional shares), equal to the number of shares of Dynegy Common Stock that would be payable in respect of such Dynegy PSU (i) in the case of Dynegy PSUs granted in 2015, at the actual level of performance applicable to such Dynegy PSU, (ii) in the case of Dynegy PSUs with respect to which the completion of the Merger occurs after the first 12 months of the applicable performance period (other than Dynegy PSUs granted in 2015), (A) at the actual level of performance for the total stockholder return portion of such Dynegy PSU and (B) at the target level of performance for the free cash flow portion of such Dynegy PSU, and (iii) in the case of Dynegy PSUs with respect to which the completion of the Merger occurs within the first 12 months of the applicable performance period, at the target level of performance for both the total stockholder return portion and the free cash flow portion of such Dynegy PSU, in each case of (i), (ii), and (iii), as appropriately adjusted based on the Exchange Ratio.

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Accelerated Vesting of Equity Awards Held by Directors and Executive Officers Upon Certain Terminations of Employment or Service

At the effective time of the Merger, each outstanding Dynegy Stock Option held by Dynegy's executive officers and each outstanding Dynegy RSU held by Dynegy's directors and executive officers will convert into equity awards with respect to shares of Vistra Energy Common Stock in the manner described above and will remain subject to the same service-based vesting conditions, if any. Pursuant to the terms of these awards, if a director's service ceases for any reason other than resignation or for "cause," then the converted Dynegy RSU will vest as of such date. If an executive officer's employment is terminated by the combined company without "cause" or by the executive officer for "good reason," in each case, other than within six months following the effective time of the Merger, then each outstanding converted Dynegy Stock Option will vest and become fully exercisable and each outstanding converted Dynegy RSU will vest but, for those converted Dynegy RSUs granted in 2016 and 2017, will be settled on the original vesting dates applicable to the award, and for those converted Dynegy RSUs granted in 2015, will be settled upon vesting. The same treatment upon a qualifying termination of employment applies to converted Dynegy Stock Options and converted Dynegy RSUs where the executive officer's employment is terminated by the combined company without "cause" or by the executive officer for "good reason," in each case, within six months following the effective time of the Merger except that converted Dynegy RSUs will be settled immediately following such termination of employment.

At the effective time of the Merger, each outstanding Dynegy PSU held by Dynegy's executive officers will be converted into a number of unrestricted shares of Vistra Energy Common Stock in the manner described above. Based on the assumptions described above under "—Certain Assumptions," the following table summarizes, as of December 31, 2017, immediately prior to the completion of the Merger, the outstanding unvested Dynegy Stock Options, Dynegy RSUs and Dynegy PSUs held by each non-employee member of the Dynegy Board and each executive officer of Dynegy. Depending on when the Merger is completed, certain outstanding equity awards shown in the table below may become vested in accordance with their terms prior to and without regard to the Merger.

	Dynegy Stock Options		Dynegy RSUs		Dynegy PSUs		
	Shares (#)	Value ($)	Shares (#)	Value ($)	Shares (#)	Value ($)	Total Value ($)
Directors(1)							
Mr. Pat Wood III	—	—	25,483	315,225	—	—	315,225
Ms. Hilary E. Ackermann	—	—	15,152	187,430	—	—	187,430
Mr. Paul M. Barbas	—	—	15,152	187,430	—	—	187,430
Mr. Richard Lee Kuersteiner	—	—	15,152	187,430	—	—	187,430
Mr. Jeffrey S. Stein	—	—	15,152	187,430	—	—	187,430
Mr. John R. Sult	—	—	15,152	187,430	—	—	187,430
Named Executive Officers							
Mr. Robert C. Flexon(2)	610,078	1,808,010	343,413	4,248,019	527,104	6,520,276	12,576,305
Mr. Clint C. Freeland	111,472	315,529	65,680	812,462	98,227	1,215,068	2,343,059
Ms. Carolyn J. Burke	102,182	295,853	60,534	748,806	89,186	1,103,231	2,147,889
Ms. Catherine C. James	101,848	295,412	60,350	746,530	88,869	1,099,310	2,141,251
Mr. Henry D. Jones(2)	110,383	316,886	61,538	761,225	96,266	1,190,810	2,268,921
Other Executive Officers							
Mr. Mario Alonso(2)	72,548	209,886	40,449	500,354	63,190	781,660	1,491,900
Mr. Julius Cox	62,183	184,723	36,987	457,529	53,941	667,250	1,309,502
Mr. Martin W. Daley	76,424	240,202	46,004	569,069	64,948	803,407	1,612,678
Mr. Dean M. Ellis	23,359	71,961	24,606	304,376	9,328	115,387	491,725
Ms. Sheree M. Petrone	59,082	173,788	35,167	435,016	51,121	632,367	1,241,171

(1) On November 17, 2017, Tyler G. Reeder resigned from his position as a non-employee director of Dynegy. Following the date of his resignation, Mr. Reeder does not hold any Dynegy equity awards.

(2) Amounts shown in respect of Dynegy RSUs include awards that were settled following December 1, 2017, to mitigate the potential impact of Section 280G of the Code on Dynegy and each of Messrs. Flexon, Jones and Alonso. For further details regarding the Section 280G mitigation actions, see "Interests of Dynegy's Directors and Executive Officers in the Merger—Certain Section 280G Mitigation Actions."

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Severance Plan

Each of the Dynegy executive officers is a participant in the Dynegy Inc. Severance Plan (the "Severance Plan"). The Severance Plan provides for certain severance benefits in connection with termination of a participant's employment, regardless of whether such termination occurs in connection with the consummation of the Merger. The Severance Plan also provides for certain enhanced severance benefits if a participant's employment is terminated in proximity to the consummation of the Merger, as described below.

General Severance Benefits

Upon a termination of employment by Dynegy without "cause" or by the executive officer for "good reason," in each case, other than 60 days prior to, or within two years following, the effective time of the Merger, the executive officer would be entitled to the following benefits:

- A lump-sum cash payment in an amount equal to two times the sum of the executive officer's (x) base salary in effect 60 days prior to the date of termination of employment plus (y) target annual bonus for the fiscal year in which the termination of employment occurs;
- Where the termination of employment occurs on or after July 1 of the given year, a prorated annual bonus for the fiscal year in which the termination of employment occurs, based on the actual level of performance and without application of individual performance modifiers, payable at the same time as provided under the applicable bonus plan;
- Continued health and medical coverage for up to 24 months; and
- Outplacement assistance benefits for a period corresponding to the executive officer's severance period (but in no event beyond the end of the second calendar year following the calendar year in which termination of employment occurs).

Severance Benefits in Connection with the Consummation of the Merger

The Severance Plan further provides that where such executive officer's employment is terminated within 60 days prior to, or within two years following, the effective time of the Merger, either by Dynegy or the combined company, as applicable, without "cause" or by the executive officer for "good reason," the executive officer will be entitled to receive:

- A lump-sum cash payment in an amount equal to 2.5 (2.99 in the case of Mr. Flexon) times the sum of (x) the greater of the executive officer's base salary in effect (1) 60 days prior to the date of termination of employment and (2) immediately prior to the Merger plus (y) target annual bonus for the fiscal year in which the Merger occurs;
- A prorated annual bonus for the fiscal year in which the termination of employment occurs, based on the actual level of performance and without application of individual performance modifiers, payable at the same time as provided under the applicable bonus plan;
- Continued health and medical coverage for up 30 months (36 months in the case of Mr. Flexon); and
- Outplacement assistance benefits for a period corresponding to the executive officer's severance period (but in no event beyond the end of the second calendar year following the calendar year in which the Merger occurs).

The provision of payments and benefits described above is conditioned upon the executive officer's execution of a release of claims and compliance with certain noncompetition and other restrictive covenants, which provide for a restricted period of two years following termination of employment. The Severance Plan provides that if an executive officer receives any amount, whether under the Severance Plan or otherwise, that is subject to the excise tax imposed pursuant to Section 4999 of the Code, the amount of the payments to be made to the executive officer will be reduced to the extent necessary to avoid imposition of the excise tax, but only if

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the net amount of the reduced payments exceeds the net amount that the executive officer would receive without any such reduction following imposition of the excise tax and all income and related taxes.

Based on the assumptions described above under "—Certain Assumptions," the following table shows the estimated amounts that each executive officer would receive under the Severance Plan upon a qualifying termination of employment immediately following the assumed effective time of the Merger on December 31, 2017.

	Cash Severance ($)	Prorated Annual Bonus(1) ($)	Continued Health Coverage ($)	Outplacement Benefit ($)	Total ($)
Named Executive Officers					
Mr. Flexon	8,342,100	1,550,000	72,331	20,000	9,984,431
Mr. Freeland	2,633,750	451,500	57,672	20,000	3,162,922
Ms. Burke	2,393,125	410,250	27,543	20,000	2,850,918
Ms. James	2,371,250	406,500	26,879	20,000	2,824,629
Mr. Jones	2,450,000	420,000	57,305	20,000	2,947,305
Other Executive Officers					
Mr. Alonso	1,750,000	300,000	53,899	20,000	2,123,899
Mr. Cox	1,859,375	318,750	53,144	20,000	2,251,269
Mr. Daley	2,187,500	375,000	43,568	20,000	2,626,068
Mr. Ellis	1,378,125	236,250	51,451	20,000	1,685,826
Ms. Petrone	1,395,625	239,250	39,211	20,000	1,694,086

(1) To mitigate the potential impact of Section 280G of the Code on Dynegy and its executive officers, Dynegy's Board of Directors approved the payment during 2017 of 75% of the annual bonus that Dynegy expected would otherwise be paid to each respective executive officer in early 2018. For further details regarding the Section 280G mitigation actions, see "Interests of Dynegy's Directors and Executive Officers in the Merger—Certain Section 280G Mitigation Actions."

As disclosed on Dynegy's Current Report on Form 8-K, filed December 21, 2017, to mitigate the potential impact of Section 280G of the Code on Dynegy and its executive officers, Dynegy's Board of Directors approved the following actions on December 19, 2017: (i) payment during 2017 of 75% of the annual bonus that Dynegy expected would otherwise be paid to each respective executive officer in early 2018, and (ii) the immediate vesting and settlement of 173,650 Dynegy RSUs previously granted to Mr. Flexon, 3,854 Dynegy RSUs previously granted to Mr. Jones, and 8,070 Dynegy RSUs previously granted to Mr. Alonso. Each executive officer agreed to repay the accelerated annual bonus payment amounts to the extent it is subsequently determined that the amount paid exceeds the executive's actual bonus entitlement or the right to payment would have been forfeited before payment otherwise would have been made in the ordinary course.

Agreements with Vistra Energy

As of the date of this joint proxy statement and prospectus, none of the Dynegy executive officers has entered into any agreement with Vistra Energy or any of its affiliates regarding employment with, or the right to purchase or participate in the equity of, Vistra Energy or one or more of its affiliates. Prior to or following the closing of the Merger, however, some or all of the Dynegy executive officers may discuss or enter into agreements with Vistra Energy or any of its affiliates regarding employment with, or the right to purchase or participate in the equity of, Vistra Energy or one or more of its affiliates.

Indemnification and Insurance

Pursuant to the Merger Agreement, from and after the effective time of the Merger, the combined company will indemnify, defend and hold harmless each current and former director or officer of Dynegy for liabilities for acts or omissions occurring at or prior to the effective time of the Merger. In addition, the combined company will

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also maintain directors' and officers' and fiduciary liability insurance policies for six years following the effective time of the Merger, subject to certain limitations on the amount of premiums payable under such policies.

Golden Parachute Compensation

In accordance with Item 402(t) of Regulation S-K of the Securities Act, the table below sets forth the compensation that is based on, or otherwise relates to, the Merger that will or may become payable to each named executive officer of Dynegy in connection with the Merger. For additional details regarding the terms of the payments and benefits described below, see the discussion under the caption "Interests of Dynegy's Directors and Executive Officers in the Merger" above.

The amounts shown in the table below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described below and in the footnotes to the table, and do not reflect certain compensation actions that may occur prior to completion of the Merger. The following table does not include any amounts that are payable to the named executive officer irrespective of the closing of the Merger (for instance, amounts that would be payable under the Severance Plan by reason of a qualifying termination of employment without regard to the Merger). For purposes of calculating such amounts, the following assumptions were used:

- The relevant price per share of Dynegy Common Stock is $12.37, which was the average closing price per share of Dynegy Common Stock as reported on the New York Stock Exchange over the first five business days following the first public announcement of the Merger on October 30, 2017;
- The effective date of the Merger is December 31, 2017, which is the assumed date of the closing of the Merger solely for purposes of the disclosure in this section;
- The employment of each executive officer of Dynegy will have been terminated by Vistra Energy without "cause" or due to the executive officer's resignation for "good reason" (as such terms are defined in the relevant plans and agreements), in either case immediately following the assumed effective time of the Merger on December 31, 2017; and
- To the extent determined based on the actual level of performance as of the effective time, the performance metrics applicable to each Dynegy PSU will have been achieved at the target level of performance.

Named Executive Officer	Cash ($)(1)	Equity ($)(2)	Perquisites/Benefits ($)(3)	Total ($)
Robert C. Flexon	2,762,100	6,520,276	24,110	9,306,486
Clint C. Freeland	526,750	1,215,068	11,535	1,753,353
Carolyn J. Burke	478,625	1,103,231	5,509	1,587,365
Catherine C. James	474,250	1,099,310	5,375	1,578,935
Henry D. Jones	490,000	1,190,810	11,461	1,692,271

(1) *Cash*. Represents the portion of the severance payable to each named executive officer upon a qualifying termination of employment that is based on or otherwise relates to the Merger, and excludes severance amounts that would become payable upon a qualifying termination of employment independent of the Merger. The cash severance payable to each named executive officer is a "double-trigger" payment, which means the amounts will become payable only upon a qualifying termination of employment within 60 days prior to, or two years following, the effective time of the Merger. The receipt by the named executive officer of severance benefits under the Severance Plan is conditioned upon the named executive officer's execution of a release of claims and compliance with certain noncompetition and other restrictive covenants, which provide for a restricted period of two years following termination of employment with respect to the noncompetition and nonsolicitation covenants. For further details regarding the cash severance that may become payable to Dynegy's named executive officers, see "Interests of Dynegy's Directors and Executive Officers in the Merger—Severance Plan."

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(2) *Equity*. Represents the value of the Dynegy PSUs held by each named executive officer, which will vest and be settled in shares of Vistra Energy Common Stock at the effective time of the Merger, and excludes the value of equity awards that would vest upon a qualifying termination of employment independent of the Merger. The amounts payable to named executive officers in respect of Dynegy PSUs are "single-trigger" payments, which means the amounts will become payable solely as a result of the consummation of the Merger. Excludes the value of Dynegy Stock Options and Dynegy RSUs held by each named executive officer, which would vest and be settled, as applicable, upon a qualifying termination of employment independent of the Merger. For further details regarding the treatment of Dynegy equity awards in connection with the Merger, see "Interests of Dynegy's Directors and Executive Officers in the Merger—Treatment of Outstanding Equity Awards."

(3) *Perquisites/Benefits*. Represents the portion of the value of continued health and medical coverage payable to each named executive officer upon a qualifying termination of employment that is based on or otherwise relates to the Merger, and excludes the value of such coverage that would be provided upon a qualifying termination of employment in the ordinary course and independent of the Merger. The continued coverage provided to each named executive officer is a "double-trigger" benefit, which means that the coverage will be provided only upon a qualifying termination of employment within 60 days prior to, or two years following, the effective time of the Merger. The receipt by the named executive officer of continued health and medical coverage under the Severance Plan is conditioned upon the named executive officer's execution of a release of claims and compliance with certain restrictive covenants, as described in note (1) above. For further details regarding the perquisites and benefits that may be provided to Dynegy's named executive officers, see "Interests of Dynegy's Directors and Executive Officers in the Merger—Severance Plan."

Directors and Management of the Combined Company After the Merger

In connection with the consummation of the Merger, the board of directors of the combined company will be expanded to consist of eleven members, including: (i) eight of the directors of Vistra Energy and (ii) three of the directors of Dynegy immediately prior to the Merger (provided such directors are willing to serve on the board of the combined company). The eight directors of Vistra Energy are Curtis A. "Curt" Morgan, Gavin R. Baiera, Jennifer Box, Brian K. Ferraioli, Scott B. Helm, Jeff D. Hunter, Cyrus Madon and Geoffrey D. Strong. As of the date of this joint proxy statement and prospectus, it has not been determined which directors will be appointed from the Dynegy Board to the board of directors of the combined company. Effective as of closing of the Merger, the members of the management committee of the combined company will be Curtis A. "Curt" Morgan as President and Chief Executive Officer, James A. "Jim" Burke as Executive Vice President and Chief Operating Officer, Sara Graziano as Senior Vice President of Corporate Development and Strategy, J. William "Bill" Holden as Executive Vice President and Chief Financial Officer, Scott A. Hudson as Senior Vice President and President of Retail, Carrie Lee Kirby as Executive Vice President and Chief Administrative Officer, Stephanie Zapata Moore as Executive Vice President and General Counsel, and Stephen J. Muscato as Senior Vice President and Chief Commercial Officer.

Regulatory Approvals Required to Complete the Merger

To complete the Merger, Vistra Energy and Dynegy must obtain approvals or consents from, or make filings with, a number of United States federal and state public utility, antitrust and other regulatory authorities. The material United States federal and state approvals, consents and filings are described below. Vistra Energy and Dynegy are not currently aware of any other material governmental consents, approvals or filings that are required prior to the parties' completion of the Merger other than those described below. If additional approvals, consents and filings are required to complete the Merger, Vistra Energy and Dynegy intend to seek such consents and approvals and make such filings.

Vistra Energy and Dynegy will seek to complete the Merger by the second quarter of 2018. Although Vistra Energy and Dynegy believe that they will receive the required consents and approvals described below to complete the Merger, Vistra Energy and Dynegy cannot give any assurance as to the timing of these consents and

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approvals or as to Vistra Energy's and Dynegy's ultimate ability to obtain such consents or approvals (or any additional consents or approvals which may otherwise become necessary) or that Vistra Energy and Dynegy will obtain such consents or approvals on satisfactory terms and conditions.

Hart-Scott-Rodino Antitrust Improvements Act

The Merger is subject to the requirements of the HSR Act, and the related rules and regulations, which provide that certain acquisition transactions may not be completed until required information has been furnished to the Antitrust Division of the DOJ (the "Antitrust Division"), and the FTC (only one of which agencies will receive jurisdictional clearance to review the Merger), and until certain waiting periods have been terminated or have expired. The HSR Act requires Vistra Energy and Dynegy to observe a 30-day waiting period after the submission of their HSR filings before consummating their transaction, unless the waiting period is terminated early. The initial 30-day waiting period can be extended if either the Antitrust Division or the FTC issues a Request for Additional Information (a "Second Request"), to Vistra Energy and Dynegy. A Second Request is a request that the parties to a merger provide the Antitrust Division or FTC with information, documents and data that allows the agency or commission to further consider whether the Merger violates the federal antitrust laws. Neither Vistra Energy nor Dynegy believes that the Merger will violate federal antitrust laws, and neither expects the review of the transaction to materially delay the expected consummation of the Merger. However, Vistra Energy and Dynegy cannot guarantee that the Antitrust Division or the FTC will not take a different position. The issuance of a Second Request extends the required waiting period to consummate the transaction for an additional 30 days, measured from the time both Vistra Energy and Dynegy certify that they have substantially complied with the Second Request, and it typically takes several months for parties to substantially comply with a Second Request.

On January 5, 2018, Vistra Energy and Dynegy filed a Notification and Report Form under the HSR Act with the Antitrust Division and the FTC. The 30-day waiting period required by the HSR Act will expire on February 5, 2018.

Federal Power Act

The FERC has jurisdiction to approve the Merger pursuant to Section 203 of the Federal Power Act (the "FPA"). Under FPA Section 203, the FERC must authorize the Merger if it finds that it is consistent with the public interest. The FERC has stated that, in analyzing a merger or transaction under Section 203 of the FPA, it will evaluate the impact of the Merger on:

- competition in electric power markets;
- the applicants' wholesale power and transmission rates; and
- state and federal regulation of the applicants.

In addition, Section 203 of the FPA also requires the FERC to find that the Merger will not result in the cross-subsidization by utilities of their non-utility affiliates or the improper encumbrance or pledge of utility assets. If such cross-subsidization or encumbrances were to occur as a result of the Merger, the FERC then must find that such cross-subsidization or encumbrances are consistent with the public interest.

The FERC will review these factors to determine whether the Merger is consistent with the public interest. If the FERC finds that the Merger would adversely affect competition in wholesale electric power markets, rates for transmission or the wholesale sale of electric energy, or regulation, or that the Merger would result in cross-subsidies or improper encumbrances that are not consistent with the public interest, the FERC may, pursuant to the FPA, impose upon the proposed merger remedial conditions intended to mitigate such effects or it may decline to authorize the Merger. The FERC is required to rule on a completed merger application not later than 180 days from the date on which the completed application is filed. The FERC may, however, for good cause, issue an order extending the time for consideration of the Merger application by an additional 180 days. If the

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FERC does not issue an order within the statutory deadline, subject to any extension, then the transaction is deemed to be approved. Vistra Energy and Dynegy expect that the FERC will approve the Merger within the initial 180-day review period. However, there is no guarantee that the FERC will approve the Merger or that it will not extend the time period for its review or impose unsatisfactory terms or conditions as part of its approval.

Vistra Energy and Dynegy filed their application under Section 203 of the FPA on November 22, 2017. In their application, Vistra Energy and Dynegy submitted a detailed competition analysis demonstrating that the Merger does not raise any significant competitive issues or market power concerns. They also demonstrated that the Merger satisfies the other criteria considered by the FERC in its review. Third parties were able to file comments to or protests of Vistra Energy's and Dynegy's application at the FERC until January 22, 2018. In their application, Vistra Energy and Dynegy have requested that the FERC issue an order no later than March 15, 2018, approving the Merger without condition and without a hearing.

State Regulatory Approvals

The Merger is subject to the approval of the NYPSC and the PUCT. The following subheadings contain a description of the state regulatory commission requirements for the completion of the Merger.

New York Public Service Commission

On November 28, 2017, Vistra Energy and Dynegy filed an application with the NYPSC for approval pursuant to §70 of the New York Public Service Law (the "PSL") with respect to Dynegy's applicable electric generation facilities in New York. NYPSC approval is generally required before an electric corporation may transfer ownership interests in an electric plant and/or for certain stock acquisitions of an electric corporation. Although it appears that Dynegy's facilities in New York are subject to "reduced scrutiny" and are "lightly regulated," approvals for such transfers nonetheless may be subject to a more detailed "public interest" standard which is set forth in the PSL. In conducting a public interest review, the NYPSC may examine, among other things, any affiliations with electric market participants that might afford opportunities for the exercise of market power, and consider any other potential detriments to captive ratepayer interests. In addition, the NYPSC may assess the environmental impact of the transfer based upon information provided in a required environmental assessment form.

Vistra Energy and Dynegy expect to receive the necessary approval from the NYPSC during the first quarter of 2018. However, there is no guarantee that the NYPSC will act by that time or that the NYPSC will not reject the proposed application or impose unsatisfactory terms or conditions as part of its approval.

Public Utility Commission of Texas

On November 22, 2017, Vistra Energy and Dynegy filed with the PUCT, an application involving a review of the business combination between Vistra Energy and Dynegy. Third parties typically have 45 days to intervene. The PUCT will approve the transaction unless the PUCT finds that the transaction results in a power generation company owning or controlling more than 20% of the installed generation capacity located in, or capable of delivering electricity to, the Electric Reliability Council of Texas, or ERCOT, power region (the "Cap"). Based on the amount of generation owned or controlled by Vistra Energy and Dynegy in Texas and the ERCOT region, the combined company is projected to own and control installed generation capacity in excess of the Cap. In September and October of 2017, separate from the execution of the Merger Agreement, Vistra Energy announced the retirement of its uneconomic Monticello, Sandow and Big Brown units. These retirements are scheduled to occur prior to the closing of the Merger. While these retirements will significantly decrease the amount of installed generation capacity owned by the combined company in ERCOT, the combined company is still projected to own and control installed generation capacity in (or be capable of delivering electricity to) ERCOT in excess of the Cap depending on how the calculation is conducted by the PUCT. As a result, in its application for regulatory approval submitted to the PUCT, Vistra Energy committed to decrease the amount of

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installed generation capacity owned to be under the Cap by the closing of the Merger. In order for the combined company to comply with the Cap, Vistra Energy is currently conducting a competitive sales process for its Stryker Creek, Graham and Trinidad units. In connection with this sales process, Vistra Energy expects to sell enough installed generation capacity in order for the combined company to comply with the Cap and receive the PUCT's approval in order to consummate the Merger.

Vistra Energy and Dynegy expect to receive the necessary approvals from the PUCT by the second quarter of 2018. However, there is no guarantee that the PUCT will act by that time or that the PUCT will not reject the proposed application or impose unsatisfactory terms or conditions as part of its approval.

Listing of Vistra Energy Common Stock and Deregistration of Dynegy Common Stock

It is a condition to the completion of the Merger that the Vistra Energy Common Stock issuable in connection with the Merger be authorized for listing on the NYSE, subject to official notice of issuance.

After the Merger is completed, Dynegy Common Stock will no longer be listed on the NYSE and will be deregistered under the Exchange Act.

Anticipated Accounting Treatment

Vistra Energy prepares its financial statements in accordance with GAAP. The Merger will be accounted for as a business combination by applying the acquisition method, which requires the identification of the acquirer, the determination of the acquisition date, the recognition and measurement, at fair value, of the identifiable assets acquired, liabilities assumed and any non-controlling interests in the consolidated subsidiaries of the acquiree and recognition and measurement of goodwill or a gain from a bargain purchase. The accounting guidance for business combinations, referred to as ASC 805, Business Combinations ("ASC 805"), provides that in a business combination involving the exchange of equity interests, the entity issuing the equity interests is usually the acquirer; however, all pertinent facts and circumstances must be considered in identifying the accounting acquirer, including the relative voting rights of the stockholders of the constituent companies in the combined entity, the composition of the board of directors and senior management of the combined entity, the relative size of the entities and the terms of the exchange of equity interests in the business combination, including payment of a premium.

Based on the fact that Vistra Energy is the entity issuing the equity securities, that continuing Vistra Energy stockholders are expected own 79% of the issued and outstanding common stock of the combined company, and former Dynegy stockholders are expected to own approximately 21% of the issued and outstanding common stock of the combined company, that the current directors of the Vistra Energy Board will represent the majority of the board of the combined company, Vistra Energy is considered the acquirer for accounting purposes.

Accordingly, Dynegy's assets acquired, liabilities assumed and non-controlling interests will be measured at their respective fair values as of the closing date of the Merger. As the Merger is a stock-for-stock exchange, the value of consideration transferred will depend upon the market price of Vistra Energy Common Stock at the time of the completion of the Merger. To the extent that the fair value of the consideration transferred exceeds the fair value of net assets acquired, the excess will result in goodwill. Alternatively, if the fair value of the net assets acquired exceeds the fair value of the consideration transferred, the transaction could result in a bargain purchase gain that is recognized immediately in earnings. The final fair values of assets acquired, liabilities assumed and non-controlling interests will be determined upon completion of the Merger, with the allocation to be finalized as soon as practicable within the measurement period of no later than one year from the date of the completion of the Merger.

No Appraisal Rights and Dissenters' Rights

No dissenters' or appraisal rights will be available with respect to the Merger, the Stock Issuance or any of the other transactions contemplated by the Merger Agreement.

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THE MERGER AGREEMENT

The following is a summary of the material terms of the Merger Agreement. This summary does not purport to be complete and may not contain all of the information about the Merger Agreement that is important to you. The summary of the material terms of the Merger Agreement below and elsewhere in this joint proxy statement and prospectus is qualified in its entirety by the Merger Agreement, which is attached to this joint proxy statement and prospectus as Annex A and which constitutes part of this joint proxy statement and prospectus. You are urged to read the Merger Agreement carefully and in its entirety because it, and not the description below or elsewhere in this joint proxy statement and prospectus, is the legal document that governs the Merger. The rights and obligations of the parties to the Merger Agreement are governed by the express terms of the Merger Agreement and not by this summary or any other information contained in this joint proxy statement and prospectus.

The representations, warranties, covenants and agreements described below and included in the Merger Agreement were made only for purposes of the Merger Agreement as of specific dates, were solely for the benefit of the parties to the Merger Agreement (except as otherwise specified therein) and may be subject to important qualifications, limitations and supplemental information agreed to by Vistra Energy and Dynegy in connection with negotiating the terms of the Merger Agreement. In addition, the representations and warranties may have been included in the Merger Agreement for the purpose of allocating contractual risk between Vistra Energy and Dynegy rather than to establish matters as facts and may be subject to standards of materiality applicable to such parties that differ from those applicable to investors. Except for their right to receive the per-share merger consideration after the closing of the Merger, investors and security holders are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties, covenants and agreements or any descriptions thereof as characterizations of the actual state of facts or condition of Vistra Energy, Dynegy or any of their respective affiliates or businesses. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement. In addition, you should not rely on the covenants in the Merger Agreement as actual limitations on the respective businesses of Vistra Energy or Dynegy because the parties to the Merger Agreement may take certain actions that are either expressly permitted in the confidential disclosure schedules to the Merger Agreement or as otherwise consented to by the appropriate party, which consent may be given without prior notice to the public. The Merger Agreement has been included in this joint proxy statement and prospectus to provide you with information regarding the terms of the Merger. It is not intended to provide you with any other factual or financial information about Vistra Energy or Dynegy or any of their respective affiliates or businesses. Information about Vistra Energy and Dynegy can be found elsewhere in this joint proxy statement and prospectus and in the other filings each of Vistra Energy and Dynegy has made with the SEC, which are available without charge at http://www.sec.gov. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 309.

Effect of the Merger on Capital Stock

Conversion of Dynegy Common Stock

At the effective time of the Merger, each share of Dynegy Common Stock issued and outstanding immediately prior to the effective time of the Merger (other than any shares of Dynegy Common Stock owned by Vistra Energy, Dynegy or any of their respective wholly owned subsidiaries or held in treasury by Dynegy, which will be cancelled upon completion of the Merger), will be converted into the right to receive shares of Vistra Energy Common Stock based on the Exchange Ratio (0.652 shares of Vistra Energy Common Stock per share of Dynegy Common Stock), as it may be adjusted as described in the following sentence. The Exchange Ratio will be adjusted equitably to reflect the effect of any reclassification, stock split or combination, exchange or readjustment of shares, or any stock dividend or distribution with respect to the shares (or other convertible or exchangeable securities) of either Vistra Energy Common Stock or Dynegy Common Stock with a record date prior to the completion of the Merger.

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Vistra Energy will not issue fractional shares of Vistra Energy Common Stock in the Merger. Instead, each holder of shares of Dynegy Common Stock who would otherwise be entitled to receive fractional shares of Vistra Energy Common Stock in the Merger (after aggregating all fractional shares of Vistra Energy Common Stock issuable to such holder) will be entitled to an amount of cash, without interest, in lieu of such fractional shares representing such holder's proportionate interest, if any, in the proceeds from the sale by Vistra Energy's exchange agent in one or more transactions of shares of Vistra Energy Common Stock equal to the excess of (a) the number of shares of Vistra Energy Common Stock to be delivered to Vistra Energy's exchange agent by Vistra Energy pursuant to the Merger Agreement over (b) the aggregate number of whole shares of Vistra Energy Common Stock to be distributed to the former holders of shares of Dynegy Common Stock. Vistra Energy's exchange agent will sell such excess number of shares of Vistra Energy Common Stock, which sale will be executed on the NYSE in round lots to the extent practicable. Vistra Energy's exchange agent will hold the proceeds of any such sale of Vistra Energy Common Stock in trust for the former holders of shares of Dynegy Common Stock and will determine the pro rata portion of such proceeds to which each such former holder will be entitled.

Procedures for Surrendering Dynegy Stock

Within five business days of the completion of the Merger, if you are a Dynegy stockholder, Vistra Energy's exchange agent will transmit to you (or mail to you if you hold stock certificates for Dynegy Common Stock) a letter of transmittal and instructions for use in surrendering your Dynegy Common Stock for a number of whole shares of Vistra Energy Common Stock that you are entitled to receive pursuant to the terms of the Merger Agreement, a cash payment in lieu of any fractional shares of Vistra Energy Common Stock that would have been otherwise issuable to you as a result of the Merger, and any dividends or other distributions with a record date following the effective time of the Merger payable with respect to Vistra Energy Common Stock. When you deliver your Dynegy stock certificates to the exchange agent along with a properly executed letter of transmittal and any other required documents, your Dynegy stock certificates will be cancelled.

Holders of Dynegy Common Stock will not receive physical stock certificates for Vistra Energy Common Stock unless a physical stock certificate is specifically requested. Rather, such holders will receive statements indicating book-entry ownership of Vistra Energy Common Stock.

PLEASE DO NOT SUBMIT YOUR DYNEGY STOCK CERTIFICATES FOR EXCHANGE UNTIL YOU RECEIVE THE TRANSMITTAL INSTRUCTIONS AND LETTER OF TRANSMITTAL FROM THE EXCHANGE AGENT.

If you own Dynegy Common Stock in book-entry form or through a broker, bank or other holder of record, you will not need to obtain stock certificates to submit for exchange to the exchange agent. However, you or your broker, bank or other nominee will need to follow the instructions provided by the exchange agent in order to properly surrender your Dynegy shares.

If you hold Dynegy Common Stock, you will not be entitled to receive any dividends or other distributions on Vistra Energy Common Stock until the Merger is completed and you have surrendered your Dynegy Common Stock in exchange for Vistra Energy Common Stock. If Vistra Energy effects any dividend or other distribution on the Vistra Energy Common Stock with a record date occurring after the time the Merger is completed and a payment date before the date you surrender your Dynegy Common Stock, you will receive the dividend or distribution, without interest, with respect to the whole shares of Vistra Energy Common Stock issued to you after you surrender your shares of Dynegy Common Stock and the shares of Vistra Energy Common Stock are issued in exchange. If Vistra Energy effects any dividend or other distribution on the Vistra Energy Common Stock with a record date after the date on which the Merger is completed and a payment date after the date you surrender your Dynegy Common Stock, you will receive the dividend or distribution, without interest, on that payment date with respect to the whole shares of Vistra Energy Common Stock issued to you. The exchange agent, Vistra Energy and Dynegy may deduct and withhold amounts required under federal, state, local or foreign tax law.

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Treatment of Dynegy Stock Options, RSUs, PSUs, Phantom Stock Units and Stock Deferral Accounts

Dynegy Stock Options

Upon completion of the Merger, each Dynegy Stock Option, whether vested or unvested, that is outstanding immediately prior to the completion of the Merger will be converted into an option to purchase Vistra Energy Common Stock (with the number of shares and per share exercise price appropriately adjusted based on the Exchange Ratio and subject to appropriate rounding) having the same terms and conditions otherwise applicable to such Dynegy Stock Option immediately prior to the completion of the Merger, including those providing for accelerated vesting on certain terminations of employment.

Dynegy RSUs

Upon completion of the Merger, each Dynegy RSU that is outstanding immediately prior to the completion of the Merger will be converted into an award of RSUs with respect to Vistra Energy Common Stock (with the number of shares appropriately adjusted based on the Exchange Ratio) having the same terms and conditions otherwise applicable to such award of Dynegy RSUs immediately prior to the completion of the Merger, including those providing for accelerated vesting on certain terminations of employment.

Dynegy PSUs

Upon completion of the Merger, each Dynegy PSU that is outstanding immediately prior to the completion of the Merger will be converted into the right to receive a number of shares of Vistra Energy Common Stock (and cash in lieu of fractional shares), equal to the number of shares of Dynegy Common Stock that would be payable in respect of such Dynegy PSUs (i) in the case of Dynegy PSUs granted in 2015, at the actual level of performance applicable to such Dynegy performance stock unit, (ii) in the case of Dynegy PSUs with respect to which the completion of the Merger occurs after the first 12 months of the applicable performance period (other than Dynegy PSUs granted in 2015), (A) at the actual level of performance for the total stockholder return portion of such Dynegy performance stock unit and (B) at the target level of performance for the free cash flow portion of such Dynegy PSU, and (iii) in the case of Dynegy PSUs with respect to which the completion of the Merger occurs within the first 12 months of the applicable performance period, at the target level of performance for both the total stockholder return portion and the free cash flow portion of such Dynegy PSU, in each case of (i), (ii), and (iii), as appropriately adjusted based on the Exchange Ratio.

Dynegy Phantom Stock Units

Upon completion of the Merger, each award of phantom stock units granted under Dynegy's phantom stock plan that is outstanding immediately prior to the completion of the Merger will be converted into an award of phantom stock units with respect to Vistra Energy Common Stock (with the number of shares appropriately adjusted based on the Exchange Ratio) having the same terms and conditions otherwise applicable to such award of Dynegy phantom stock units immediately prior to the completion of the Merger, including those providing for accelerated vesting on certain terminations of employment.

Dynegy Stock Deferral Accounts

Upon completion of the Merger, the number of hypothetical shares of Dynegy Common Stock credited to the Dynegy deferral account of each participant with an outstanding Dynegy deferral account balance under Dynegy's deferred compensation plan immediately prior to the completion of the Merger will be converted into a number of hypothetical shares of Vistra Energy Common Stock (with the number of shares appropriately adjusted based on the Exchange Ratio) having the same terms and conditions otherwise applicable to such hypothetical shares of Dynegy Common Stock immediately prior to the completion of the Merger.

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Post-Merger Governance of Vistra Energy; Headquarters

Certificate of Incorporation and Bylaws

Vistra Energy's certificate of incorporation and bylaws will be the certificate of incorporation and bylaws of the combined company following the completion of the Merger.

Board of Directors

Prior to the completion of the Merger, the Vistra Energy Board will take all necessary actions so that, immediately following the completion of the Merger, the size of the board of directors of the combined corporation is increased from 8 to 11 directors. Prior to the completion of the Merger, Vistra Energy will take all actions necessary so that, effective as of the completion of the Merger, three directors serving on the Dynegy Board immediately prior to the effective time of the Merger will be appointed as members of the board of directors of the combined company.

Classification of Directors

The Vistra Energy Board is currently divided into three classes serving staggered three-year terms. In light of this classification, the Merger Agreement provides that:

- If the Merger is completed on or prior to the date of the 2018 annual meeting of Vistra Energy stockholders, among the three Dynegy directors who will become directors of Vistra Energy, one will be designated a Class I director with a term expiring at the 2020 annual meeting of Vistra Energy stockholders, one will be designated a Class II director with a term expiring at the 2018 annual meeting of Vistra Energy stockholders, and one will be designated a Class III director with a term expiring at the 2019 annual meeting of Vistra Energy stockholders.
- If the Merger is completed after the date of the 2018 annual meeting of Vistra Energy stockholders, among the three Dynegy directors who will become directors of Vistra Energy, one will be designated a Class I director with a term expiring at the 2020 annual meeting of Vistra Energy stockholders and two will be designated Class II directors with a term expiring at the 2021 annual meeting of Vistra Energy stockholders.

Regardless of when the Merger is completed, all Vistra Energy directors who continue serving as directors of the combined company will remain in their respective classes without any change.

Headquarters

Upon completion of the Merger, the principal executive offices and headquarters for the combined company will be located in Irving, Texas.

Completion of the Merger

Unless Vistra Energy and Dynegy agree to another date, the parties are required to complete the Merger on the third business day after satisfaction or waiver of all the conditions described under "—Conditions to Completion of the Merger" below. The Merger will be effective at the time the certificate of merger is filed with the Secretary of State of the State of Delaware.

Conditions to Completion of the Merger

The obligations of each of Vistra Energy and Dynegy to complete the Merger are subject to the satisfaction or waiver of the following conditions:

- approval by Vistra Energy stockholders of the Merger Proposal and the Stock Issuance Proposal;

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- approval by Dynegy stockholders of the Merger Proposal;
- no order or law having been adopted, issued, enacted, promulgated, enforced or entered by any governmental entity that remains in effect and which has the effect of restraining, enjoining or otherwise prohibiting the consummation of the Merger (referred to as the no prohibitions condition);
- receipt of approvals of the Merger by FERC, the NYPSC and PUCT (or a determination that no such approval is required) and expiration or termination of any waiting period applicable to the Merger under the HSR Act (referred to as the regulatory approvals condition);
- approval of the listing of the shares of Vistra Energy Common Stock to be issued in connection with the Merger or reserved for issuance in connection with the Merger on the NYSE, subject to official notice of issuance (referred to as the listing condition); and
- effectiveness of the registration statement of which this joint proxy statement and prospectus forms a part and the absence of a stop order suspending the effectiveness thereof issued by the SEC (referred to as the registration statement effectiveness condition).

In addition, the obligations of each of Vistra Energy and Dynegy to complete the Merger are subject to the satisfaction or waiver of the following conditions:

- (i) the truth and correctness, in all material respects, of the representations and warranties of the other party with respect to certain fundamental matters (due incorporation, capital structure, corporate authority, approvals and absence of violations and brokers' fees and commissions) as of the date of the Merger Agreement and as of the date of completion of the Merger (except with respect to the foregoing to the extent that any representation and warranty expressly speaks as of a specific date, in which case it must be true and correct, in all material respects, only as of such date), (ii) the truth and correctness of the representations and warranties of the other party with respect to capital stock as of the date of the Merger Agreement and as of the date of completion of the Merger (except with respect to the foregoing to the extent that any representation and warranty expressly speaks as of a specific date in which case it must be true and correct only as of such date), except for inaccuracies not reasonably expected to result in additional cost, expense or liability to either party of more than $500,000; (iii) the truth and correctness of the representation and warranty with respect to absence of a material adverse effect, as of the date of the Merger Agreement and as of the date of completion of the Merger (except with respect to the foregoing to the extent that such representation and warranty is expressly made as of a specific date in which case it must be true and correct only as of such date); and (iv) the truth and correctness of all other representations and warranties of the other party as of the date of the Merger Agreement and as of the date of completion of the Merger (disregarding any qualifications with respect to materiality or "material adverse effect" in these representations and warranties) (except with respect to the foregoing to the extent that any representation and warranty is made as of a specific date in which case they must be true and correct only as of such date), except where the failure to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a "material adverse effect";
- the performance or compliance by the other party, in all material respects, with all of its covenants and agreements under the Merger Agreement;
- the absence of a "material adverse effect" on the other party during the period from the execution of the Merger Agreement until the completion of the Merger;
- receipt of a certificate executed by an executive officer of the other party as to the satisfaction of the conditions described in the preceding three bullets; and
- receipt of a legal opinion of its counsel (or alternative tax advisor), dated as of the closing date of the Merger, to the effect that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code.

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Vistra Energy's obligation to complete the Merger is also conditioned upon none of certain required regulatory approvals resulting in a "burdensome effect" (referred to as the no burdensome effect condition) and receipt of an affidavit or notice from a corporate officer of Dynegy certifying that Dynegy has not been a United States real property holding corporation during the five-year period ending on the date of completion of the Merger.

For purposes of the Merger Agreement, a "material adverse effect" means any event, change, effect, development, condition, state of facts or occurrence that is materially adverse to the business, financial condition or results of operations of Vistra Energy or Dynegy, as the case may be, and its subsidiaries, taken as a whole. Except as otherwise noted below, in no event will any of the following be deemed to constitute or be taken into account when determining whether there has been or would reasonably be expected to be a "material adverse effect":

- any event, change, effect, development, condition, state of facts or occurrence in or generally affecting (i) the economy (including changes in commodity prices) or the financial or securities markets in the United States or elsewhere in the world or in any specific jurisdiction or geographical area or (ii) the industry or industries in which Vistra Energy or Dynegy or their respective subsidiaries, as the case may be, operate;
- any changes or developments in national, regional, state or local wholesale or retail markets for electric power, capacity or fuel or related products (including those due to actions by competitors or due to changes in commodities prices or hedging markets);
- any changes or developments in national, regional, state or local electric transmission or distribution systems;
- the adoption, implementation, promulgation, repeal, amendment or reinterpretation or of any law by a governmental entity or any rule, regulation, protocol, operating guide, or other binding document by any national, regional, state or local ISO, market administrator or regional reliability entity;
- any event or change resulting from or arising out of the failure to obtain any requisite regulatory approval or other necessary consent from any governmental entity;
- any changes in GAAP or accounting standards applicable to Vistra Energy or Dynegy, as the case may be, or interpretations thereof;
- any natural disasters or other force majeure event or outbreak or escalation of hostilities or acts of war or terrorism;
- the execution or delivery of the Merger Agreement, the announcement of the Merger Agreement, the identity of the parties or the transactions contemplated by the Merger Agreement, including the Merger, any burdensome effect or any action required by a party's covenants and agreements in the Merger Agreement, including with respect to obtaining the required regulatory approvals;
- any change in the trading price or trading volume of Vistra Energy Common Stock or Dynegy Common Stock, as the case may be, or the credit rating of each party or its debt Securities, as the case may be, except that the underlying event, change, effect, development, condition, state of facts or occurrence may nonetheless be taken into account in determining whether there has been or would reasonably be expected to have a material adverse effect; or
- the failure of Vistra Energy or Dynegy, as the case may be, to meet its published or internal projections or forecasts, except that the underlying event, change, effect, development, condition, state of facts or occurrence may nonetheless be taken into account in determining whether there has been or would reasonably be expected to have a material adverse effect;

in each case (except for the fifth, eighth, ninth and tenth bullets above) if and to the extent not disproportionately affecting the party making the representation and its subsidiaries, taken as a whole, as compared to similarly

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situated companies in the same industries, except, with respect to the fourth bullet above, as a result of such party's or any of its subsidiaries' size or generating capacity in any geographic area (each, referred to as a "material adverse effect" exclusion).

Representations and Warranties

Each of Vistra Energy and Dynegy has made representations and warranties with respect to itself and its subsidiaries regarding, among other things:

- due organization, good standing, requisite corporate power, organizational documents and qualifications necessary to conduct business;
- capital structure, equity awards and ownership of subsidiaries;
- corporate authority to enter into and perform the Merger Agreement, enforceability of the Merger Agreement, and approval of the Merger Agreement by each party's board of directors;
- required regulatory filings and consents and approvals of governmental entities;
- absence of conflicts with or defaults under organizational documents, contracts, permits and applicable laws as a result of the transactions contemplated by the Merger Agreement;
- SEC filings, including financial statements contained in the filings;
- internal controls and procedures;
- the absence of undisclosed material liabilities;
- compliance with applicable law and possession and compliance with requisite permits;
- environmental matters;
- benefit plans;
- conduct of the business in the ordinary course of business and absence of any event, change, effect, development, condition or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on such party or to prevent or materially delay such party's completion of the Merger or compliance, in any material respect, with its material obligations under the Merger Agreement;
- pending or threatened investigations or litigation;
- material truth and accuracy of certain information supplied for inclusion in this joint proxy statement and prospectus;
- regulatory matters;
- tax matters;
- labor and other employment matters;
- intellectual property and information technology matters;
- real and personal property matters;
- stockholder votes required to approve the Merger Proposal and, in the case of Vistra Energy, to approve the Stock Issuance Proposal;
- inapplicability of state takeover laws to the Merger;
- receipt of opinion(s) of financial advisor(s);
- matters with respect to material contracts;

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- brokers' fees and expenses;
- insurance matters;
- compliance with derivatives trading policies;
- related party transactions;
- lack of ownership of the other party's stock; and
- no transactions or agreements between principal stockholders of such party or their affiliates relating to the voting, governance, business or operations of such party and its subsidiaries.

The Merger Agreement also contains additional representations and warranties of Vistra Energy regarding the operations of its Comanche Peak unit and the Plan of Reorganization.

The representations and warranties noted above are subject to qualifications and limitations agreed to by Vistra Energy and Dynegy in connection with negotiating the terms of the Merger Agreement. Many of the representations and warranties in the Merger Agreement are qualified by a "material adverse effect" standard—that is, they will not be deemed to be untrue or incorrect unless the failure to be true or correct, individually or in the aggregate, would reasonably be expected to have a material adverse effect.

Conduct of Business Prior to Closing

Each of Vistra Energy and Dynegy has undertaken customary covenants in the Merger Agreement restricting the conduct of its respective business between the date of the Merger Agreement and completion of the Merger. In general, except as may be required by applicable law, as may be reasonably required in response to any emergency or as set forth in the disclosure schedules to the Merger Agreement, each of Vistra Energy and Dynegy has agreed to (x) conduct its and its subsidiaries' business in the ordinary course in all material respects and (y) use commercially reasonable efforts to preserve intact its and its subsidiaries' present material lines of business and preserve its and its subsidiaries' relationships with material customers, suppliers and other significant business relations.

In addition, each of Vistra Energy and Dynegy agreed, with respect to itself and its subsidiaries, not to, among other things, undertake any of the following between the date of the Merger Agreement and completion of the Merger (subject in each case to exceptions specified in the Merger Agreement or set forth in the disclosure schedules to the Merger Agreement):

- amend its certificate of incorporation or bylaws, or amend the charter documents of any subsidiary;
- declare, set aside or pay any dividend or other distribution (whether in cash, shares or property) in respect of any shares of capital stock, except for (i) pro rata dividends or other distributions by any subsidiary, (ii), in the case of Vistra Energy, dividends paid by PrefCo with respect to PrefCo preferred stock as required by PrefCo's certificate of incorporation and (ii) in the case of Dynegy, dividends declared prior to the date of the Merger Agreement and paid by Dynegy with respect to its outstanding 5.375% preferred stock in accordance with the certificate of designations thereof;
- split, combine, subdivide or reclassify any of its capital stock, except for such transactions between a party and its wholly owned subsidiaries that remain wholly owned subsidiaries of such party following the completion of such transaction;
- issue, sell, pledge, dispose of or encumber (or authorize any of the foregoing) any shares of capital stock or other ownership interest in itself or any of its subsidiaries (or any securities convertible into or exchangeable for such shares or ownership interests), subject to certain exceptions including (i) such transactions between a party and its wholly owned subsidiaries, (ii) the grant of equity awards as described in the disclosure schedules to the Merger Agreement, (iii) the incurrence of liens permitted

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by the Merger Agreement, (iv) pledges of subsidiary stock pursuant to indebtedness permitted to be incurred under the Merger Agreement, (v) in the case of Vistra Energy, to the extent the net proceeds thereof are used to pay down any outstanding indebtedness of Vistra Energy or its subsidiaries (or will be used to pay down indebtedness of the combined company and its subsidiaries upon or after the completion of the Merger), (vi) in the case of Vistra Energy, issuances of shares of capital stock for net cash proceeds not to exceed $500 million in the aggregate, (vii) the issuance of securities issuable upon the exercise of options or other outstanding rights under existing benefit plans in accordance with the Merger Agreement, (viii) the purchase or sale of shares to cover tax withholding on distributions of shares to employees, (ix) in the case of Dynegy, the issuance of shares in connection with the conversion of its outstanding 5.375% preferred stock in accordance with the certificate of designations thereof or (x) in the case of Dynegy, the issuance of shares as required pursuant to the instruments governing its outstanding tangible equity units;

- purchase, redeem or otherwise acquire any shares of capital stock of Vistra Energy or Dynegy or any of their respective subsidiaries, or any rights, warrants or options to acquire any such shares, except for (i) the purchase or sale of shares in connection with exercise of equity awards or (ii) such transactions between a party and its wholly owned subsidiaries;
- adopt a plan of, or enter into a letter of intent or agreement in principle with respect to a, complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization, except such transactions solely between a party and its wholly owned subsidiaries;
- incur, assume or otherwise become liable for any indebtedness, other than (i) short-term borrowings in the ordinary course, (ii) borrowings pursuant to certain existing credit facilities, (iii) purchase money financings and capital leases in the ordinary course, (iv) indebtedness or guarantees between each party and its wholly owned subsidiaries, (v) any indebtedness incurred to reprice existing indebtedness, (vi) in the case of Vistra Energy, any indebtedness incurred to refinance existing indebtedness or (vii) in the case of Dynegy, pursuant to the registration rights agreement entered into by Dynegy in connection with that certain indenture, dated as of August 21, 2017, by and among Dynegy, Wilmington Trust, National Association, as trustee, and the guarantors party thereto, and the exchange of notes contemplated thereby, provided that in the case of Dynegy, the foregoing is subject to certain restrictions in the Merger Agreement, including a $50 million aggregate limit on such indebtedness in clauses (i), (ii) and (iii) above;
- make, change or revoke any material tax election or tax accounting period or method, file any material amended tax return, enter into any closing agreement with respect to a material amount of taxes, consent to any extension or waiver of the limitation period applicable to any audit, assessment or claim for a material amount of taxes, settle or compromise any material tax claim or surrender any right to claim a refund, offset or other reduction in liability of a material amount of taxes;
- enter into any new line of business outside its and its subsidiaries' existing business;
- acquire any other person or business or make any loans, advances or capital contributions to, or investments in, any other person which would reasonably be expected to prevent, impede or delay the completion of the Merger, except for such transactions between a party and its subsidiaries;
- enter into or make any loans or advances to, or change existing borrowing or lending arrangements for or on behalf of, any officers, directors, employees, agents or consultants, subject to limited exceptions;
- make any material change in financial accounting policies or procedures, other than as required by a change in GAAP, SEC rule or policy or applicable law;
- waive, release, assign, settle or compromise any claim, action or proceeding (except, in the case of Vistra Energy, with regard to stockholder litigation related to the transactions contemplated by the Merger Agreement), other than waivers, releases, assignments, settlements or compromises that (i) involve only monetary payment not exceeding (A) the amounts previously reserved for such matters

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on such party's balance sheet as of December 31, 2016 or (B) in the case of Vistra Energy, $50 million, and in the case of Dynegy, $10 million, in the aggregate in excess of proceeds reasonably expected to be recoverable by such party or any of its subsidiaries from any insurance policies in connection with such payment, and (ii) with respect to non-monetary terms and conditions, involve only the imposition of restrictions or other conditions that, would not reasonably be expected to materially and adversely impact its business and/or operations, taken as a whole, or the consummation of the transactions contemplated by the Merger Agreement, and do not involve the admission of any criminal liability;

- materially modify the security of the party's information technology systems;
- enter into any contract, agreement, understanding or other transaction with any of its principal stockholders (i) that is material to it or its subsidiaries (other than transactions with contracts, agreements, understandings or other transactions in the ordinary course with portfolio companies thereof) or (ii) that relates to the governance of the other party or its subsidiaries; or
- agree or commit to take any of the foregoing actions.

In addition, Vistra Energy agreed, with respect to itself and its subsidiaries, not to agree to any amendment, modification, waiver or termination of that certain letter agreement, dated October 29, 2017 (the "Oaktree Letter Agreement"), by and among Vistra Energy and certain affiliates of Oaktree Capital Management, L.P. that are Vistra Energy stockholders and Dynegy stockholders, between the date of the Merger Agreement and completion of the Merger.

Furthermore, Dynegy agreed, with respect to itself and its subsidiaries, not to undertake any of the following between the date of the Merger Agreement and completion of the Merger (subject in each case to exceptions specified in the Merger Agreement or set forth in the disclosure schedules to the Merger Agreement):

- adopt a plan of, or enter into a letter of intent or agreement in principle with respect to, a merger or consolidation, except for mergers or consolidations among Dynegy and its subsidiaries;
- prepay, redeem, repurchase, defease, cancel or otherwise acquire any indebtedness, other than (i) at stated maturity, (ii) any required amortization payments and mandatory prepayments (including mandatory prepayments arising from any change of control put rights) and (iii) certain other specified indebtedness, in each case in accordance with the terms of the instrument governing such indebtedness as in effect as of the date of the Merger Agreement;
- commit to or make any capital expenditures in excess of $25 million per calendar year, other than (i) as contemplated by Dynegy's 2017, 2018 and 2019 capital expenditure forecast set forth in the disclosure schedules to the Merger Agreement (provided that Dynegy's 2019 capital expenditure forecast may be adjusted, after good faith consultation with Vistra Energy, if the completion of the Merger has not occurred by June 30, 2018) and (ii) capital expenditures made in response to any emergency;
- except as required by existing benefit plans as in effect on the date of the Merger Agreement, (i) increase the compensation or other benefits (including the granting of any discretionary bonuses) payable or provided to its former or current directors, officers or employees, except in the ordinary course of business consistent with past practice, (ii) enter into, adopt, amend, modify (including the acceleration of vesting) or terminate any benefit plan, other than (A) agreements entered into with any newly hired non-officer employees hired in the ordinary course of business consistent with past practice and with aggregate fixed annual compensation of less than $300,000, (B) severance agreements with new hires or in connection with promotions of employees, in each case entered into the ordinary course of business consistent with past practice with employees who are not executive officers and in connection with terminations of employment, or (C) in connection with the promotion of non-officer employees to the extent it is in the ordinary course of business consistent with past practice, or (iii) enter into or amend any collective bargaining agreements or similar contracts with any labor organization, other than agreements or amendments required by applicable law or provided for in the disclosure schedules to the Merger Agreement;

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- (i) sell, lease, license, abandon, transfer, exchange or swap, mortgage (including securitizations) or otherwise dispose of any portion of properties, rights or non-cash assets, except (A) for dispositions made in the ordinary course, subject to a $50 million aggregate limit on such dispositions other than dispositions of inventory, (B) such transactions between Dynegy and its wholly owned subsidiaries, (C) as may be requested or permitted by Vistra Energy to obtain the required regulatory approvals or (ii) create or incur any lien on any Dynegy assets or properties, other than liens permitted by the Merger Agreement, or for the grant of nonexclusive licenses in the ordinary course;
- modify, amend, or terminate, or waive or assign any rights under, any material contracts or real property leases other than in a manner that is not material and adverse to Dynegy and its subsidiaries, taken as a whole, or which could prevent or delay the consummation of the Merger and the other transactions contemplated under the Merger Agreement;
- amend, except for immaterial administrative changes, or terminate any trading policies or take any action that violates any trading policies in any material respect or causes Dynegy's derivative positions to be materially outside of the market risk parameters established under Dynegy's trading policies;
- implement any plant closing;
- implement any layoff of employees that would trigger employee notice requirements under the WARN Act or reasonably be expected to materially and adversely impact Dynegy's business and/or operations taken as a whole;
- recognize any union or other labor organization as the representative of any of the employees of Dynegy or its subsidiaries, except as required by applicable law; or
- agree or commit to take any of the foregoing actions.

Vistra Energy and Dynegy have agreed that, as promptly as practicable after the execution of the Merger Agreement, they will establish a transition committee consisting of two representatives from each party to conduct such activities as may be mutually agreed, including transaction planning and implementation relating to the Merger and obtaining the required regulatory approvals. Vistra Energy and Dynegy have also agreed that notwithstanding the foregoing restrictions, following the execution of the Merger Agreement and prior to the completion of the Merger, they will cooperate and work together in good faith to develop an employee retention program for Dynegy's non-executive officer employees, the terms of which are subject to the mutual consent of the parties. The Merger Agreement also provides that Dynegy may, at Vistra Energy's election and subject to certain other conditions, convey to Vistra Energy certain assets of Dynegy set forth in the disclosure schedules to the Merger Agreement immediately prior to, and subject to the occurrence of, the completion of the Merger.

Non-Solicitation of Alternative Acquisition Proposals

Each of Vistra Energy and Dynegy has agreed that until the consummation of the Merger, it and its subsidiaries will not, and will cause its and its subsidiaries' respective officers, directors and employees not to, and will cause its and its subsidiaries' representatives not to and will not authorize or give permission to its subsidiaries' representatives to, directly or indirectly:

- solicit, initiate, seek or knowingly encourage or facilitate the making, submission or announcement of any inquiry, discussion request, offer or proposal that constitutes or would reasonably be expected to lead to an alternative acquisition proposal (as defined below);
- furnish any non-public information, or afford access to properties, books and records, to any third party in connection with or in response to, or that would be reasonably expected to lead to, an alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto;
- engage or participate in any discussions or negotiations with any third party with respect to, or that would be reasonably expected to lead to, an alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto;

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- adopt or approve, an alternative acquisition proposal; or
- enter into any letter of intent or other agreement (other than a confidentiality agreement) providing for or related to, an alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto.

Each of Vistra Energy and Dynegy will, and will cause its subsidiaries, its and their respective officers, directors and employees, and its and their respective representatives, to (i) immediately cease and terminate any and all existing solicitations, discussions or negotiations with any third parties (or their representatives) in connection with or in response to, or that would reasonably expected to lead to, any alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto and (ii) promptly request that each such third party and its representatives promptly return or destroy all confidential information furnished by Vistra Energy or Dynegy, as the case may be.

An "alternative acquisition transaction" with respect to Vistra Energy or Dynegy, as the case may be (which is referred to as the subject company), means (i) any sale, merger, consolidation, recapitalization, reorganization, dividend, distribution, joint venture, share exchange or other business combination or similar transaction involving the direct or indirect issuance or acquisition of 20% or more of the outstanding shares of common stock of the subject company or the surviving entity or direct or indirect parent of the subject company or such surviving entity (or 20% or more of the voting power in respect thereof), in each case resulting from such transaction or series of transactions (including if such ownership is through the equity holders of any such parent), (ii) any transactions or series of transactions, including any tender offer or exchange offer, that, if consummated, would result in any third party becoming the direct or indirect beneficial owner of 20% or more of the outstanding shares of common stock or other equity securities of the subject company, (iii) the acquisition or purchase (including any asset sale, merger, consolidation, recapitalization, reorganization, joint venture or other business combination or similar transaction) by any third party, or any other disposition by the subject company of assets (including equity securities of any subsidiary of the subject company) or businesses representing 20% or more of the consolidated assets (as determined on a fair market basis), annual net revenues, annual net income or annual Adjusted EBITDA (as defined in the Merger Agreement) of the subject company and its subsidiaries, taken as a whole, or (iv) any combination of the above. An "alternative acquisition proposal" means any offer or proposal made by any third party with respect to an alternative acquisition transaction.

Notwithstanding the restrictions described above, prior to the subject company obtaining its stockholder approval, if the subject company receives a bona fide, written alternative acquisition proposal after the execution of the Merger Agreement from a third party, which did not result from a breach of the non-solicitation provisions of the Merger Agreement, the subject company may furnish nonpublic information with respect to itself and its subsidiaries to the third party who made the alternative acquisition proposal, and may participate in discussions and negotiations regarding the alternative acquisition proposal, if (and only if) (i) its board of directors, after consultation with a financial advisor and outside legal counsel, determines in good faith that the alternative acquisition proposal constitutes or would reasonably be expected to result in a superior offer (as defined below), (ii) the subject company notified the other party in writing that the board of the subject company has made the determination described above and (iii) prior to providing any non-public information, it enters into a confidentiality agreement with the third party that made the alternative acquisition proposal that contains confidentiality provisions that are no less favorable in the aggregate to the subject company than the terms of the confidentiality agreement between Vistra Energy and Dynegy.

The Merger Agreement requires the subject company to provide prompt oral and written notice to the other party (and in no event later than 24 hours) after (i) receipt of any alternative acquisition proposal or any inquiry, proposal or indication of interest with respect thereto, (ii) any inquiry or request for information or request for access to the properties, books and records of the subject company that would be reasonably expected to lead to an alternative acquisition proposal or (iii) any request by a third party for any discussions or negotiations that would be reasonably expected to lead to an alternative acquisition proposal. The required notice must include the

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identity of the third party making or submitting such communication, a copy of such communication, including any related draft agreements, if in writing, and, if oral, a reasonably detailed summary of such communication. Furthermore, the subject company must (i) keep the other party reasonably informed on a prompt basis of any change to the financial terms or other material terms or conditions of such alternative acquisition proposal (and in no event later than 24 hours following any such change) and (ii) promptly provide the other party with non-public information concerning itself and its subsidiaries that was provided to a third party in connection with an alternative acquisition proposal and which was not previously provided to the other party.

Notwithstanding the restrictions described above, the Merger Agreement does not prohibit Vistra Energy or Dynegy from (i) waiving any standstill restriction or similar agreement if the board of directors of the subject company determines in its good-faith judgment, after consultation with outside legal counsel, that the failure to do so would be inconsistent with such board of directors' fiduciary duties under applicable law or (ii) complying with Rules 14d- 9 and 14e- 2 under the Exchange Act, including issuing a customary "stop, look and listen" communication of the type contemplated thereunder.

With respect to each of Vistra Energy and Dynegy, any breach of the non-solicitation covenants by a subsidiary or representative of such party or its subsidiaries will be deemed to be a breach of the non-solicitation covenants by such party.

Change of Board Recommendations or Termination of Merger Agreement for Superior Offer

Under the Merger Agreement, the Vistra Energy Board has agreed to recommend that Vistra Energy stockholders vote in favor of the Merger Proposal and the Stock Issuance Proposal, which is referred to as the Vistra Energy Board recommendation, and the Dynegy Board has agreed to recommend that Dynegy stockholders vote in favor of the Merger Proposal, which is referred to as the Dynegy Board recommendation. Subject to the provisions described below, the Merger Agreement provides that neither the Vistra Energy Board nor the Dynegy Board (or any committee thereof) will:

- withhold, withdraw, modify, change or qualify (or publicly propose to do any of the foregoing) the Vistra Energy Board recommendation or the Dynegy Board recommendation, as applicable; or
- recommend, adopt or approve (or propose publicly to do any of the foregoing) any alternative acquisition proposal.

Each of the foregoing actions is referred to as a change of recommendation. Notwithstanding the foregoing, neither the Vistra Energy Board nor the Dynegy Board are prohibited from publicly disclosing the receipt of an alternative acquisition proposal, provided that such public disclosure includes only factual statements and reaffirms the Vistra Energy Board recommendation or the Dynegy Board recommendation, as the case may be.

Notwithstanding these restrictions, before Vistra Energy or Dynegy, as the case may be, obtains its stockholder approval, the Vistra Energy Board or the Dynegy Board, as the case may be, may effect a change of recommendation and/or authorize the subject company to terminate the Merger Agreement if and only if:

- the subject company receives a *bona fide* alternative acquisition proposal after the date of the Merger Agreement that did not result from a breach of the non-solicitation provisions of the Merger Agreement, such alternative acquisition proposal has not been withdrawn, and such alternative acquisition proposal is reflected in a written definitive agreement that would be binding, subject to the terms and conditions of such written definitive agreement, on the applicable third party if executed and delivered by the subject company following the termination of the Merger Agreement;
- the subject company's board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel that the alternative acquisition proposal constitutes a superior offer (as defined below);

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- the subject company's board of directors, following consultation with its outside legal counsel, determines in good faith that the failure to effect a change of recommendation or authorize the subject company to terminate the Merger Agreement would be inconsistent with the exercise of its fiduciary duties under applicable law;
- the subject company provides the other party with written notice that its board of directors intends to effect a change of recommendation or authorize the subject company to terminate the Merger Agreement at least four business days prior to taking such action (such four-business-day period is referred to as the matching period), which notice shall include the basis for such action and the identity of the third party making such superior offer (as defined below), and shall attach the most current draft of any proposed definitive agreement and any ancillary documents with respect to such superior offer (as defined below); and
- at the end of the matching period, the subject company's board of directors again determines in good faith, after consultation with a financial advisor and outside legal counsel (taking into account any adjustment or modification to the terms and conditions of the Merger Agreement proposed by the other party that are reflected in a written definitive agreement that would be binding on the other party if executed and delivered by the subject company) that the alternative acquisition proposal continues to (i) be reflected in a written definitive agreement that would be binding, subject to the terms and conditions of such written definitive agreement, on the applicable third party if executed and delivered by the subject company following the termination of the Merger Agreement, (ii) constitute a superior offer, and that the failure to effect a recommendation change or authorize the subject company to terminate the Merger Agreement would be inconsistent with the exercise of the subject company's board of directors' fiduciary duties under applicable law.

Any change to the financial terms or any other material change to the terms and conditions of an alternative acquisition proposal will require the delivery of a new written notice and the subject company will need to comply again with the requirements described above before effecting a change of recommendation or terminating the Merger Agreement in respect of a superior offer, except that the matching period in connection with any such change will be shortened to two business days.

A "superior offer" means a bona fide written alternative acquisition proposal (with references to 20% being replaced by references to more than 50%) made by any third party, which did not result from or arise in connection with any breach by the subject company of its non-solicitation obligations under the Merger Agreement, which the subject company's board of directors determines in good faith, after consultation with a financial advisor and outside legal counsel, and taking into account the legal, financial, regulatory and other aspects of such proposal (including the availability of financing, the conditionality of and contingencies related to such proposal, the expected timing and risk of completion, the identity of the person making such proposal, the fair value of the consideration offered and such other factors deemed relevant by the subject company's board of directors), is more favorable to the subject company's stockholders (including from a financial point of view) than the Merger.

In addition, before Vistra Energy or Dynegy, as the case may be, obtains its stockholder approval, the Vistra Energy Board or the Dynegy Board, as the case may be, may effect a change of recommendation in response to certain developments or changes in circumstances that materially improve the business, assets or operations of the subject company and its subsidiaries, taken as a whole, occurring or arising after the date of the Merger Agreement that was neither known to the Vistra Energy Board or the Dynegy Board, as the case may be, nor reasonably foreseeable at the date of the Merger Agreement and is not a related to the receipt, existence or terms of an alternative acquisition proposal, or a change or development due to a "material adverse effect" exclusion, if and only if:

- the Vistra Energy Board or the Dynegy Board, as the case may be, following consultation with outside legal counsel, determines in good faith that the failure to effect a change of recommendation with

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regard to such development or change in circumstances would be inconsistent with the exercise of its fiduciary duties under applicable law;

- Vistra Energy or Dynegy, as the case may be, provides the other party with written notice that its board of directors will make a recommendation change (and, in reasonable detail, describe such development or change in circumstances) at least four business days prior to taking such action; and
- At the end of the matching period, the subject company's board of directors again determines in good faith, after consultation with outside legal counsel and taking into account any adjustment or modification of the terms and conditions of the Merger Agreement proposed by the other party that are reflected in a written definitive agreement that would be binding on the other party if executed and delivered by the subject company, that the failure to effect a change of recommendation with respect to such development or change in circumstances would be inconsistent with the exercise of the subject company's board of directors' fiduciary duties under applicable law.

Any subsequent developments or change in circumstances will require the delivery of a new written notice and the subject company will need to comply again with the requirements described above before effecting a change of recommendation, except that the matching period in connection with any such change will be shortened to two business days.

Commercially Reasonable Efforts to Obtain Required Stockholder Approvals

Each of Vistra Energy and Dynegy has agreed to use its commercially reasonable efforts to set a record date for, duly give notice of, convene and hold as promptly as practicable after the effectiveness of the registration statement of which this joint proxy statement and prospectus is a part, a special meeting of its stockholders to consider, in the case of Vistra Energy, the Merger Proposal and the Stock Issuance Proposal, and, in the case of Dynegy, the Merger Proposal and the Dynegy Compensation Proposal. In addition, without the prior written consent of the other party, the approval of the Merger Proposal and the Stock Issuance Proposal are the only proposals to be voted on at the Vistra Energy special meeting, and the approval of the Merger Proposal and the Dynegy Compensation Proposal are the only proposals to be voted on at the Dynegy special meeting. Subject to certain exceptions, each of Vistra Energy and Dynegy is prohibited from changing the record date without the prior written consent of the other party or postponing, delaying or adjourning such meeting of their respective stockholders.

Reasonable Best Efforts to Obtain Required Regulatory Approvals

Vistra Energy and Dynegy are required under the terms of the Merger Agreement to use, and to cause their respective subsidiaries and affiliates to use, reasonable best efforts to promptly take all necessary actions under applicable law to complete the Merger and the other transactions contemplated by the Merger Agreement, including taking all steps necessary, including making all necessary filings, to obtain all necessary consents and approvals from, or to avoid an action or proceeding by, governmental entities in connection with the Merger and executing and delivering any additional instruments necessary to complete the Merger and the other transactions contemplated by the Merger Agreement, including any instruments or documents required to be executed and delivered under the documents governing Dynegy's indebtedness to evidence the succession or assumption of the obligations of Dynegy thereunder by the combined company. Vistra Energy and Dynegy will (i) as promptly as practicable after the date of the Merger Agreement, file applications for FERC approval, PUCT approval (or a determination that no such approval is required), NYPSC authorization and FCC for pre-approvals of license transfers and (ii) make their respective filings and thereafter make any other required submissions under the HSR Act. Vistra Energy and Dynegy will as promptly as practicable comply with any additional requests for information by any governmental entities under the HSR Act.

The parties agree to use reasonable best efforts to cooperate with each other in determining whether any other filings are required to be made with, or other consents are required to be obtained from, any governmental

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entities in connection with the execution and delivery of the Merger Agreement and the consummation of the transactions contemplated thereby and timely making all such other filings and timely seeking all such other consents. Vistra Energy has the primary responsibility for the preparation and filing of any applications, registrations, filings or other materials with the FERC, PUCT and the other governmental entities set forth in the relevant section of the disclosure schedule to the Merger Agreement, and Dynegy has primary responsibility for the preparation and filing of any applications, registrations, filings or other materials with the NYPSC and the other governmental entities set forth in the relevant section of the disclosure schedule to the Merger Agreement.

Notwithstanding the foregoing, Vistra Energy and its subsidiaries are not be required to and, without Vistra Energy's prior written consent, Dynegy and its subsidiaries are not permitted to, (i) sell, or agree to sell, hold or agree to hold separate, or otherwise dispose or agree to dispose of any asset except as set forth in the disclosure schedules to the Merger Agreement, (ii) conduct or agree to conduct its business in any particular manner if such conduct or agreement with respect thereto would, individually or in the aggregate, reasonably be expected to cause a material reduction in the expected benefits of the Merger and the other transactions contemplated by the Merger Agreement to the stockholders of the combined company, or (iii) agree to any order, action or regulatory condition of any regulatory body (other than any such order, action or regulatory condition with respect to selling, or agreeing to sell, hold separate, or dispose of any asset set forth in the disclosure schedules to the Merger Agreement), whether in an approval proceeding or another regulatory proceeding, that, if effected, would, individually or in the aggregate, reasonably be expected to cause a material reduction in the expected benefits of the Merger and the other transactions contemplated by the Merger Agreement to the stockholders of the combined company (such effects in clauses (i), (iii) and (iii) are referred to as burdensome effects). Dynegy is required to take or commit or agree to take, effective at the consummation of the Merger, any actions requested by Vistra Energy in order to obtain the required regulatory approvals.

The Merger Agreement requires Vistra Energy and Dynegy to make the applications and notices for the required regulatory approvals as soon as practicable after the execution of the Merger Agreement.

Employee Benefits Matters

The Merger Agreement provides that, following completion of the Merger, Vistra Energy will honor all Vistra Energy benefit plans and Dynegy benefits plans and other compensation arrangements and agreements in accordance with their terms as in effect immediately prior to the consummation of the Merger, except that nothing in the Merger Agreement prohibits Vistra Energy from amending or terminating any such plans, arrangements or agreements or terminating the employment of any Vistra Energy employee or any Dynegy employee.

Following completion of the Merger, Vistra Energy benefit plans and Dynegy benefit plans will remain in effect and the employees of the combined company who, at the effective time of the Merger, were covered by such plans will continue to be covered until such time as Vistra Energy otherwise determines, subject to applicable laws and the terms of such plans. As soon as practicable following the Merger, and consistent with any obligations arising under any collective bargaining agreement or similar contract, Vistra Energy and Dynegy will take all necessary action to transition Dynegy employees' participation in Dynegy's benefit plans to Vistra Energy's benefit plans and upon such transition, Dynegy employees will cease to accrue any additional benefits under the applicable Dynegy benefit plans. To the extent permitted by applicable law, Vistra Energy and Dynegy intend to complete such transition to Vistra Energy benefit plans on a comparable basis in respect of Vistra Energy employees and Dynegy employees as soon as administratively practicable after the consummation of the Merger and provide similarly situated Vistra Energy employees and Dynegy employees following the completion of the Merger with base salaries, wage rates and cash bonus opportunities on a comparable basis, in each case taking into account all relevant factors, including duties, geographic location, tenure, qualifications and abilities. In any event, except as may otherwise be provided in any collective bargaining agreement or similar contract or Dynegy benefit plan, Vistra Energy will provide each Dynegy employee with cash severance benefits in an amount, and on terms, no less favorable than the amount and terms in effect immediately before the completion

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of the Merger under the Severance Plan to the extent the Dynegy employee participated therein immediately before the completion of the Merger, in each case, for a period of no less than the longer of (i) 12 months from the date of the Merger and (ii) the "CIC protection period" provided for in the Severance Plan for the applicable participant level of such Dynegy employee.

With respect to any Vistra Energy benefit plans or new benefit plans in which any Dynegy employees first becomes eligible to participate at or after the completion of the Merger, Vistra Energy has agreed to use commercially reasonable efforts to: (i) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to such employees under any such plans that are health benefit plans (except to the extent such pre-existing conditions, exclusions or waiting periods would apply under the analogous Dynegy benefit plan), (ii) in the plan year in which the Merger occurs, provide each Dynegy employee and their eligible dependents with credit for any co-payments and deductibles paid prior to completion of the Merger under a Dynegy benefit plan (to the same extent that such credit was given under the analogous Dynegy benefit plan prior to completion of the Merger) in satisfying any applicable deductible or out-of-pocket requirements and (iii) recognize all service of the Dynegy employees with Dynegy and its affiliates, for purposes of eligibility to participate, vesting credit, entitlement to benefits, and benefit accrual with respect to severance and vacation to the extent such service is taken into account under such plan and to the extent such service was granted under the analogous Dynegy benefit plan, except that such service recognition will not apply to the extent it would result in duplication of benefits.

Dynegy has agreed to use commercially reasonable efforts to cause, prior to the completion of the Merger, each of its subsidiaries that is a party to a collective bargaining agreement set forth in the disclosure schedules to the Merger Agreement to extend the term of such collective bargaining agreements for a period of one year from the current expiration date of such agreements on the current terms and conditions of such agreements, but receipt of an extension of the term of such collective bargaining agreements is not a condition to the completion of the Merger. Dynegy has agreed to consult with Vistra Energy in advance of and, to the extent practicable, during the course of negotiations with any labor union as to the terms of any such extension, and to keep Vistra Energy reasonably informed regarding all material aspects of the negotiations, consider any recommendations, advice or other input of Vistra Energy with respect to such negotiations in good faith, and give Vistra Energy reasonable notice of the time and location of any material negotiating sessions concerning any such extension. Vistra Energy has agreed to cause each subsidiary of the combined company that is party to a collective bargaining agreement of Dynegy or any of its subsidiaries in effect as of the completion of the Merger to honor the terms of such agreement until it expires or the parties to such agreement modify such terms.

Vistra Energy has agreed that, no later than the earlier of (i) April 15, 2018 and (ii) the business day prior to the completion of the Merger, it will notify Dynegy, in respect of each Dynegy employee who as of the date of such notification is primarily employed in the Houston, Texas, Cincinnati, Ohio, Collinsville, Illinois or Springfield, Illinois metropolitan areas in a corporate rather than operational or other field position, whether the employment of such Dynegy employee is expected to continue after the Merger, the expected duration of such continuation and the expected role and office location of such Dynegy employee.

Financing

There are no financing conditions to the Merger. The parties agree to cooperate with each other in connection with certain financing activities prior to the completion of the Merger.

Other Covenants and Agreements

The Merger Agreement contains additional agreements relating to, among other matters:

Access to Information; Confidentiality

Until completion of the Merger, each of Vistra Energy and Dynegy will afford the other party and its representatives reasonable access on certain conditions to all of its and its subsidiaries' respective properties,

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books, contracts, commitments, personnel and records. Each of Vistra Energy and Dynegy will keep confidential any nonpublic information in accordance with the terms of the confidentiality agreement between Vistra Energy and Dynegy.

State Takeover Laws

If any state takeover law may, or may purport to be, applicable to the transactions contemplated by the Merger Agreement, each of Vistra Energy and Dynegy will grant such approvals and take such actions as are reasonably necessary so that the transactions contemplated by the Merger Agreement are completed as promptly as practicable on the terms contemplated by the Merger Agreement and otherwise act to eliminate or minimize the effects of such law or regulation on the transactions contemplated by the Merger Agreement.

Indemnification and Insurance

Vistra Energy, as the surviving company in the Merger, will indemnify, defend and hold harmless Dynegy's current and former directors and officers, and any individual who, while a director or officer of Dynegy, served as a director, officer, member, trustee or fiduciary of another entity at the request or for the benefit of Dynegy or any of its subsidiaries, against any costs, expenses and other amounts in connection with any actual or threatened claim arising out of, relating to or in connection with any action or omission by such persons in such capacities occurring before or after completion of the Merger. In addition, Dynegy will use commercially reasonable efforts to purchase "tail" directors' and officers' liability and fiduciary liability insurance policies which will provide coverage for a period of six years from completion of the Merger for its existing and former directors and officers on substantially the same terms and conditions as the liability and fiduciary liability insurance policies currently maintained by Dynegy (or Vistra Energy will purchase such policies if Dynegy is unable), with an annual premium not to exceed 300% of the annual aggregate premium currently paid by Dynegy for such insurance policies. If such insurance coverage cannot be obtained at all or at an annual premium in excess of such maximum annual premium, Dynegy (or Vistra Energy, as the case may be) will cause to be maintained the most advantageous policies of directors' and officers' insurance obtainable for an annual premium equal to such maximum annual premium.

Certain Tax Matters

After completion of the Merger, any real estate or other transfer tax will be borne by the surviving company and expressly shall not be a liability of the Dynegy stockholders. Each of Vistra Energy and Dynegy will use its reasonable best efforts to cause the Merger to qualify as a "reorganization" within the meaning of Section 368(a) of the Code and will not, and will not permit any of its respective subsidiaries to, take any action, or fail to take any action, that would reasonably be expected to jeopardize the qualification of the Merger as a "reorganization" within the meaning of Section 368(a) of the Code.

Public Announcements

Subject to certain exceptions, Vistra Energy and Dynegy have agreed to use commercially reasonable efforts to consult with each other before issuing, and provide each other with the reasonable opportunity to review and comment upon (and reasonably consider such comments), any press release or any public announcement primarily relating to the Merger Agreement or the transactions contemplated thereby.

Stock Exchange Listing; Delisting

Vistra Energy has agreed to cause the Vistra Energy Common Stock issued or reserved for issuance in connection with the Merger to be authorized for listing on the NYSE prior to completion of the Merger.

Dynegy has agreed to take all actions necessary to be taken prior to the completion of the Merger to cause the delisting of Dynegy Common Stock from the NYSE and the termination of Dynegy's registration under the

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Exchange Act as soon as practicable following the completion of the Merger, subject to Dynegy's compliance with its obligations under the Exchange Act.

Termination of the Merger Agreement

The Merger Agreement may be terminated at any time prior to completion of the Merger (except as specified below, including after the required Vistra Energy stockholder approval or Dynegy stockholder approval is obtained):

- by mutual written consent of Vistra Energy and Dynegy; or
- by either Vistra Energy or Dynegy:
  - if the Merger has not been completed on or prior to April 29, 2019, which date is referred to as the end date; provided, however, each of Vistra Energy and Dynegy has the right to extend the end date to October 29, 2019 if the only conditions to completion of the Merger that have not been satisfied or waived (other than those conditions that by their nature are to be satisfied at the completion of the Merger and would be capable of being satisfied if the Merger was completed on the date of such termination) at the time of such extension are those regarding the receipt of all required regulatory approvals described above under "—Conditions to Completion of the Merger," except that this termination right will not be available to a party whose failure to perform or comply in all material respects with the terms of the Merger Agreement was the principal cause of the failure of the Merger to be completed prior to the end date (such termination is referred to as an end date termination);
  - if any law or order has been adopted, issued, enacted, promulgated, enforced or entered by any governmental entity that remains in effect and has the effect of restraining, enjoining or otherwise prohibiting the completion of the Merger and such order or law becomes final and non-appealable, except that this termination right will not be available to a party that has materially breached its respective obligations to obtain the required regulatory approvals (such termination is referred to as a regulatory termination);
  - if Vistra Energy stockholders do not approve the Merger Proposal and the Stock Issuance Proposal at the Vistra Energy stockholder meeting (or at any adjournment or postponement thereof) (such termination is referred to as a Vistra Energy "no" vote termination);
  - if Dynegy stockholders do not approve the Merger Proposal at a Dynegy stockholder meeting (or at any adjournment or postponement thereof) at which such proposal is submitted for Dynegy stockholder approval (such termination is referred to as a Dynegy "no" vote termination);
  - upon a breach or failure to perform by the other party of any of its representations, warranties, covenants or agreements in the Merger Agreement resulting in the failure to satisfy a closing condition, and such breach or failure to perform has not been cured within the 30 days after written notice of such breach or failure to perform is received by the other party or is incapable of being cured by the end date; provided that the party seeking termination is not then in breach of, or has failed to perform, any representation, warranty, covenant or agreement contained in the Merger Agreement that would result in a failure of a condition to the completion of the Merger (such termination is referred to as a breach termination);
  - prior to obtaining the requisite approval of the other party's stockholders, if (i) the other party's board of directors effects a change of recommendation (whether or not permitted by the Merger Agreement) or (ii) the other party has breached (or is deemed to have breached) the non-solicitation obligations set forth in the Merger Agreement in any material respect (such termination is referred to as change of recommendation termination);
  - prior to obtaining the requisite approval of its stockholders, if (i) the board of directors of such party has authorized such party to terminate the Merger Agreement to enter into a definitive

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agreement with respect to a superior offer, (ii) such party has complied in all material respects with its obligations described under "—Non-Solicitation of Alternative Acquisition Proposals" and "—Change of Board Recommendation and Termination of Merger Agreement for Superior Offer" and (iii) immediately after the termination of the Merger Agreement, such party enters into such definitive agreement, and if such party pays the other party, prior to or simultaneously with such termination, the termination fee as described below under "—Effect of Termination; Termination Fees and Expense Reimbursement" (such termination is referred to as a superior offer termination); or

- if the other party has received an alternative acquisition proposal or a third party has publicly disclosed an alternative acquisition proposal and the board of directors of such other party fails to publicly reaffirm its recommendation of the Merger within five business days following a written request from the party seeking termination (or, if such other party's stockholder meeting is scheduled to be held within five business days of such request, such fewer days as are remaining prior to such other party's stockholder meeting), provided that the party seeking termination must exercise such termination right within two business days after the end of such period (such termination is referred to as a reaffirmation failure termination).

Effect of Termination; Termination Fees and Expense Reimbursement

If the Merger Agreement is validly terminated, there shall be no liability on the part of any party except for liability arising out of any willful and material breach of the Merger Agreement. However, upon termination of the Merger Agreement, a party may become obligated to pay to the other party a termination fee.

Vistra Energy will be required to pay Dynegy a termination fee of $100 million under the following circumstances:

- if Vistra Energy effects a superior offer termination;
- if Dynegy effects a change of recommendation termination or a reaffirmation failure termination;
- less any expense reimbursement paid to Dynegy, if (i) (A) Dynegy or Vistra Energy effects an end date termination and all of the conditions to Vistra Energy's obligations to complete the Merger described above under "—Conditions to Completion of the Merger" have been satisfied or waived (other than the parties' stockholder approvals, the listing condition and the registration statement effectiveness condition and those conditions that by their nature are to be satisfied at the completion of the Merger and would be capable of being satisfied if the Merger was completed on the date of such termination), (B) Dynegy or Vistra Energy effects a Vistra Energy "no" vote termination or (C) Dynegy effects a breach termination due to a breach by Vistra Energy resulting in the failure to satisfy a closing condition, (ii) an alternative acquisition proposal with respect to Vistra Energy is publicly disclosed or publicly known or becomes known to the board of Vistra Energy after the date of the Merger Agreement and prior to such termination, and (iii) within 12 months after such termination, Vistra Energy enters into a definitive agreement with respect to or completes an alternative acquisition transaction (except that for these purposes, references to 20% in the definition of "alternative acquisition transaction," above, are to be replaced with 50%) regardless of whether such alternative acquisition transaction relates to the alternative acquisition proposal referenced in clause (ii) above; or
- if (i) Dynegy or Vistra Energy effects either (A) an end date termination or (B) a regulatory termination in which the legal restraint giving rise thereto is a specified requisite regulatory approval, and in either case all of the conditions to Vistra Energy's obligations to complete the Merger described above under "—Conditions to Completion of the Merger" have been satisfied or waived (other than the no prohibitions condition, the regulatory approvals condition and the no burdensome effect condition (in each case, if relating to a specified regulatory approval, but not a failure to satisfy such conditions solely as a result of a breach or failure of Dynegy to perform its obligations with respect to obtaining

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the required regulatory approvals) or those conditions that by their nature are to be satisfied at the completion of the Merger and would be capable of being satisfied if the Merger was completed on the date of such termination), or (ii) Dynegy effects a breach termination due to a breach or failure by Vistra Energy to perform its obligations with respect to obtaining the required regulatory approvals.

Dynegy will be required to pay Vistra Energy a termination fee of $87 million under the following circumstances:

- if Dynegy effects a superior offer termination;
- if Vistra Energy effects a change of recommendation termination or a reaffirmation failure termination; or
- less any expense reimbursement paid to Vistra Energy, if (i) (A) Vistra Energy or Dynegy effects an end date termination and all of the conditions to Dynegy's obligations to complete the Merger described above under "—Conditions to Completion of the Merger" have been satisfied or waived (other than the parties' stockholder approvals, the listing condition and the registration statement effectiveness condition and those conditions that by their nature are to be satisfied at the completion of the Merger and would be capable of being satisfied if the Merger was completed on the date of such termination), (B) Vistra Energy or Dynegy effects a Dynegy "no" vote termination or (C) Vistra Energy effects a breach termination due to a breach by Dynegy resulting in the failure to satisfy a closing condition, (ii) an alternative acquisition proposal with respect to Dynegy is publicly disclosed or publicly known or becomes known to the board of Dynegy after the date of the Merger Agreement and prior to such termination, and (iii) within 12 months after such termination, Dynegy enters into a definitive agreement with respect to or completes an alternative acquisition transaction (except that for these purposes, references to 20% in the definition of "alternative acquisition transaction," above, are to be replaced with 50%) regardless of whether such alternative acquisition transaction relates to the alternative acquisition proposal referenced in clause (ii) above.

In addition, if Dynegy effects a Vistra Energy "no" vote termination or Vistra Energy effects a Dynegy "no" vote termination, the party whose stockholders have failed to approve the Merger Proposal or, in the case of Vistra Energy, the Stock Issuance Proposal will be obligated to reimburse the other party for its reasonable out-of-pocket fees and expenses incurred in connection with the Merger Agreement (referred to as an expense reimbursement). Such expense reimbursement obligation is subject to a cap of $22 million. Any termination fee payable by either party will be reduced by the amount of any expense reimbursement provided by such party prior to the payment of such termination fee.

Specific Enforcement

In addition to any other remedy that may be available to it, including monetary damages, each of Vistra Energy and Dynegy is entitled to an injunction or injunctions to prevent breaches or threatened breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement.

Amendment and Waiver

Any provision of the Merger Agreement may be amended or waived by the parties, in each case whether before or after Vistra Energy or Dynegy obtains its stockholder approval of the Merger Proposal. However, after approval of the Merger Proposal and the Stock Issuance Proposal by Vistra Energy stockholders, there may not be, without further approval of Vistra Energy stockholders, any amendment or waiver for which applicable laws or the rules and regulations of the NYSE require further Vistra Energy stockholder approval. Similarly, after approval of the Merger Proposal by Dynegy stockholders, there may not be, without further approval of Dynegy stockholders, any amendment or waiver for which applicable laws or the rules and regulations of the NYSE require further Dynegy stockholder approval.

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Governing Law; Jurisdiction

The Merger Agreement and all claims or causes of action arising therefrom are governed by and will be construed in accordance with the internal substantive laws of the State of Delaware, without regard to the conflicts of law provision or rule which would cause the application of the laws of any jurisdiction other than the State of Delaware.

Each of Vistra Energy and Dynegy has irrevocably agreed that any claims arising from, under or in connection with the Merger Agreement will raised to and exclusively determined by the Court of Chancery of the State of Delaware or, if the Delaware Court of Chancery lacks jurisdiction, the Superior Court of the State of Delaware (Complex Commercial Division), or if jurisdiction is vested exclusively in the U.S. federal courts, the United States District Court for the District of Delaware, and any appellate court from any thereof.

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AGREEMENTS RELATED TO THE MERGER

The Merger Support Agreements

The following summary describes certain material provisions of the Vistra Energy Stockholder Support Agreement and the Dynegy Stockholder Support Agreement. The representations, warranties, covenants and agreements described below and included in the Vistra Energy Stockholder Support Agreement and the Dynegy Stockholder Support Agreement were made only for purposes of the Vistra Energy Stockholder Support Agreement and the Dynegy Stockholder Support Agreement as of specific dates, were solely for the benefit of the parties to the Vistra Energy Stockholder Support Agreement and the Dynegy Stockholder Support Agreement, as applicable, and may be subject to important qualifications and limitations.

Concurrently with the execution of the Merger Agreement, the Vistra Energy Principal Stockholders have entered into the Vistra Energy Stockholder Support Agreement with Dynegy, such agreement representing in the aggregate approximately 34% of the outstanding Vistra Energy Common Stock, and certain stockholders of Dynegy—Terawatt, an affiliate of Energy Capital Partners III, LLC, and certain affiliates of Oaktree (collectively, the "Dynegy Principal Stockholders")—have entered into their respective Dynegy Stockholder Support Agreements with Vistra Energy, such agreements representing in the aggregate approximately 21% of the outstanding Dynegy Common Stock. Pursuant to such merger support agreements, each of the Vistra Energy Principal Stockholders and Dynegy Principal Stockholders agreed to vote its shares of Vistra Energy Common Stock or Dynegy Common Stock, as applicable, to approve the Merger Proposal, and in the case of the Vistra Energy Principal Stockholders, approve the Stock Issuance Proposal. The Vistra Energy Stockholder Support Agreement will terminate automatically upon the earliest to occur of (i) the termination of the Merger Agreement in accordance with its terms, (ii) any amendment, modification, change or waiver to the Merger Agreement that increases the amount or changes the form of the merger consideration (other than adjustments in accordance with the terms of the Merger Agreement) and (iii) the effective time of the Merger. The Dynegy Stockholder Support Agreements will automatically terminate upon the earliest to occur of (i) a change of recommendation by the Dynegy Board, (ii) the termination of the Merger Agreement in accordance with its terms or (iii) the effective time of the Merger.

The Vistra Energy Stockholder Support Agreement also provides that if affiliates of Oaktree have not sold the number of shares of Vistra Energy Common Stock or Dynegy Common Stock contemplated in the Oaktree Letter Agreement described below, then Dynegy will purchase shares of Dynegy Common Stock from Oaktree so that the target ownership level is met. Such purchase will be consummated immediately prior to the closing of the Merger and will be for a cash purchase price of $13.24 per share.

The Oaktree Letter Agreement

The following summary describes certain material provisions of the Oaktree Letter Agreement. The representations, warranties, covenants and agreements described below and included in the Oaktree Letter Agreement were made only for purposes of the Oaktree Letter Agreement as of specific dates, were solely for the benefit of the parties to the Oaktree Letter Agreement and may be subject to important qualifications and limitations.

Concurrently with the execution of the Merger Agreement, Vistra Energy and certain affiliates of Oaktree Capital Management, L.P. that are holders of Vistra Energy Common Stock and Dynegy Common Stock entered into the Oaktree Letter Agreement, pursuant to which the affiliates of Oaktree, in order to avoid any overlapping market power issues following completion of the Merger, agreed to use commercially reasonable efforts to divest, or to cause their affiliates to divest, as soon as reasonably practicable (i) a number of shares of Vistra Energy Common Stock sufficient to cause affiliates of Oaktree to collectively own less than 10% of the outstanding common stock of the combined company immediately following the completion of the Merger, (ii) a number of shares of Dynegy Common Stock sufficient to cause affiliates of Oaktree to collectively own less than

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10% of the outstanding common stock of the combined company immediately following the completion of the Merger, or (iii) a number of shares of Vistra Energy Common Stock and Dynegy Common Stock sufficient to cause affiliates of Oaktree to collectively own less than 10% of the outstanding common stock of the combined company immediately following the completion of the Merger. Nothing in the Oaktree Letter Agreement or the Merger Agreement requires the affiliates of Oaktree to consummate such divestitures at prices per share of Dynegy Common Stock or Vistra Energy Common Stock other than prices determined from time to time in Oaktree's sole and absolute discretion to be adequate. The Oaktree Letter Agreement will automatically terminate upon the termination of the Merger Agreement in accordance with its terms.

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LITIGATION RELATING TO THE MERGER

On January 4, 2018, a purported Dynegy stockholder filed a putative class action lawsuit in the United States District Court for the Southern Division of Texas, Houston Division, captioned Susan Paskowitz v. Dynegy Inc., et al., Case No. 4:18-cv-00027 (the "Paskowitz Complaint"). The Paskowitz Complaint names Dynegy, Pat Wood, III, Robert C. Flexon, Hilary E. Ackermann, Paul M. Barbas, Richard Kuersteiner, Jeffrey S. Stein, John R. Sult and Vistra Energy as defendants (together, the "Defendants"). The Paskowitz Complaint alleges that the Defendants violated federal securities laws by filing a Form S-4 Registration Statement in connection with the Merger that omits purportedly material information. The Paskowitz Complaint seeks to enjoin the Merger and to have the Defendants issue an amended Form S-4 or, alternatively, damages if the Merger closes without an amended Form S-4 having been filed. Vistra Energy and Dynegy believe that the claims asserted by the Paskowitz Complaint are not valid and intend to vigorously defend against the allegations.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the anticipated material U.S. federal income tax consequences of the Merger to U.S. holders (as defined below) of Dynegy Common Stock. The following summary is based upon the Code, its legislative history, existing and proposed regulations thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and conclusions set forth in this discussion. Tax considerations under state, local and foreign laws, or federal laws other than those pertaining to income tax, or federal laws applicable to alternative minimum taxes or the Medicare tax on net investment income, are not addressed in this joint proxy statement and prospectus.

For purposes of this discussion, the term “U.S. holder” is used to mean a beneficial owner of Dynegy Common Stock which is:

- an individual citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or
- an estate that is subject to U.S. federal income taxation on its income regardless of its source.

This discussion is a summary and does not purport to be a comprehensive analysis or description of all potential U.S. federal income tax consequences of the Merger. This discussion addresses only those U.S. holders of Dynegy Common Stock that hold their Dynegy Common Stock as a capital asset under the Code (generally, property held for investment) and does not address all the U.S. federal income tax consequences that may be relevant to particular holders of Dynegy Common Stock in light of their individual circumstances or to holders of Dynegy Common Stock that are subject to special rules, such as:

- financial institutions;
- pass-through entities (or other entities or arrangements classified as pass-through entities for U.S. federal income tax purposes) or investors in pass-through entities;
- insurance companies;
- mutual funds;
- tax-exempt organizations or governmental organizations;
- dealers or brokers in securities or currencies;
- persons that hold Dynegy Common Stock that are subject to the alternative minimum tax;
- persons that immediately before the Merger owned at least 5% of Dynegy Common Stock;
- traders in securities that elect to use a mark to market method of accounting;
- persons that hold Dynegy Common Stock as part of a straddle, hedge, constructive sale or conversion transaction;
- regulated investment companies;
- real estate investment trusts;
- persons whose “functional currency” is not the U.S. dollar;
- persons who are not citizens or residents of the United States or who are U.S. expatriates and former citizens or long-term residents of the United States; and

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- holders who acquired their shares of Dynegy Common Stock through the exercise of an employee stock option or otherwise as compensation.

If a partnership or other entity taxed as a partnership for U.S. federal income tax purposes holds Dynegy Common Stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the Merger to them.

No rulings will be sought by Vistra Energy or Dynegy from the IRS with respect to the Merger, and there can be no assurance that the IRS or a court will not take a contrary position regarding the tax consequences described herein. The actual tax consequences of the Merger to you may be complex and will depend on your specific situation and on factors that are not within Vistra Energy's or Dynegy's control. You should consult with your own tax advisor as to the tax consequences of the Merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local or foreign and other tax laws and of changes in those laws.

Tax Consequences of the Merger Generally

The Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. Provided that the Merger qualifies as a "reorganization" under Section 368(a) of the Code, the material U.S. federal income tax consequences to U.S. holders will be as follows:

- except as discussed below under "—Cash Received Instead of a Fractional Share of Vistra Energy Common Stock," no gain or loss will be recognized by U.S. holders of Dynegy Common Stock on the exchange of Dynegy Common Stock for Vistra Energy stock pursuant to the Merger;
- the aggregate basis of the Vistra Energy Common Stock received by a U.S. holder of Dynegy Common Stock in the Merger (including fractional shares of Vistra Energy Common Stock deemed received and exchanged for cash as described below) will be the same as the aggregate basis of the Dynegy Common Stock for which it is exchanged; and
- the holding period of Vistra Energy Common Stock received in exchange for shares of Dynegy Common Stock (including fractional shares of Vistra Energy Common Stock deemed received and exchanged for cash as described below) will include the holding period of the Dynegy Common Stock for which it is exchanged.

If a U.S. holder of Dynegy Common Stock acquired different blocks of Dynegy Common Stock at different times or at different prices, such U.S. holder's holding period and basis will be determined separately with respect to each block of Dynegy Common Stock.

Completion of the Merger is conditioned on, among other things, the receipt by Dynegy and Vistra Energy of legal opinions from Skadden, Arps, Slate, Meagher & Flom LLP (or an alternative tax advisor reasonably satisfactory to Dynegy) and Simpson Thacher & Bartlett LLP (or an alternative tax advisor reasonably satisfactory to Vistra Energy), respectively, each dated as of the closing date of the Merger, that, for U.S. federal income tax purposes, the Merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Code. These opinions will be based on certain assumptions and on representation letters provided by Dynegy and Vistra Energy to be delivered at the time of closing. Neither of the tax opinions will be binding on the IRS. As discussed above, neither Dynegy nor Vistra Energy intends to request any ruling from the IRS as to the U.S. federal income tax consequences of the Merger, and there is no guarantee that the IRS or a court will treat the Merger as a "reorganization" within the meaning of Section 368(a) of the Code.

Cash Received Instead of a Fractional Share of Vistra Energy Common Stock

A U.S. holder of Dynegy Common Stock who receives cash instead of a fractional share of Vistra Energy Common Stock will be treated as having received the fractional share pursuant to the Merger and then as having

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exchanged the fractional share for cash. As a result, such U.S. holder of Dynegy Common Stock will generally recognize gain or loss equal to the difference between the amount of cash received and the basis in such holder's fractional share interest as set forth above. The gain or loss recognized by the U.S. holders described in this paragraph will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the Merger, the U.S. holder's holding period for the relevant shares is greater than one year. The deductibility of capital losses is subject to limitations.

You are urged to consult with your own tax advisors about the particular tax consequences of the Merger to you, including the effects of U.S. federal, state or local, or foreign and other tax laws.

Information Reporting

Payments of cash in lieu of a fractional share to a U.S. holder of Dynegy Common Stock pursuant to the Merger may, under certain circumstances, be subject to information reporting unless the holder provides proof of an applicable exemption.

This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the Merger. Tax matters are very complicated, and the tax consequences of the Merger to you will depend upon the facts of your particular situation. Accordingly, Vistra Energy and Dynegy strongly urge you to consult with a tax advisor to determine the particular federal, state, local or foreign income or other tax consequences to you of the Merger.

Holders of Dynegy Common Stock should consult their tax advisors with respect to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate, gift or other non-income tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

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THE VISTRA ENERGY SPECIAL MEETING

This joint proxy statement and prospectus is being furnished in connection with the solicitation of proxies from holders of Vistra Energy Common Stock for use at the Vistra Energy special meeting. This joint proxy statement and prospectus and accompanying form of proxy are first being mailed to holders of Vistra Energy Common Stock on or about January 29, 2018.

Date, Time, Place and Purpose of the Vistra Energy Special Meeting

A special meeting of holders of Vistra Energy Common Stock will be held at 1601 Bryan Street, 11th Floor, Dallas, Texas 75201, on March 2, 2018 at 9:00 a.m., Central Time, for the following purposes:

- to consider and vote on the Merger Proposal;
- to consider and vote on the Stock Issuance Proposal; and
- to consider and vote on the Vistra Energy Adjournment Proposal.

Only business within the purposes described in the Notice of Special Meeting of Vistra Energy may be conducted at the Vistra Energy special meeting. Any action may be taken on the items of business described above at the Vistra Energy special meeting on the date specified above, or on any date or dates to which the Vistra Energy special meeting may be postponed or to which, by original or later adjournment, the special meeting may be adjourned.

Recommendation of the Vistra Energy Board

After careful consideration, on October 29, 2017, the Vistra Energy Board (i) determined that it is in the best interest of Vistra Energy and the holders of Vistra Energy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Vistra Energy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Vistra Energy's consummation of the transactions contemplated thereby, including the Merger and the Stock Issuance, (iv) directed that the adoption of the Merger Agreement and the approval of the Stock Issuance be submitted to a vote at a meeting of the holders of Vistra Energy Common Stock and (v) recommended that the holders of Vistra Energy Common Stock adopt the Merger Agreement and approve the Stock Issuance. The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal and "**FOR**" the Vistra Energy Adjournment Proposal. For a summary of the factors considered by the Vistra Energy Board in reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, as well as the Vistra Energy Board's reasons for approving, and certain risks related to, the Merger, see "The Merger—Recommendation of the Vistra Energy Board and Its Reasons for the Merger" beginning on page 78.

Record Date; Voting Rights; Proxies

Vistra Energy has fixed the close of business on January 19, 2018 as the record date for determining holders of Vistra Energy Common Stock entitled to notice of, and to vote at, the Vistra Energy special meeting. Holders of Vistra Energy Common Stock at the close of business on the record date will be entitled to notice of the Vistra Energy special meeting, unless a new record date is set in connection with any adjournment or postponement of the special meeting. Only holders of Vistra Energy Common Stock at the close of business on the record date will be entitled to vote at the Vistra Energy special meeting, unless a new record date is set in connection with any adjournment or postponement of the special meeting. As of the record date, there were 428,425,233 issued and outstanding shares of Vistra Energy Common Stock. Each holder of record of Vistra Energy Common Stock on the record date is entitled to one vote per share. Votes may be cast either in person or by properly executed proxy at the Vistra Energy special meeting. As of the record date, the issued and outstanding Vistra Energy Common Stock was held by approximately 270 stockholders of record.

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You may submit your proxy either by telephone, through the Internet or by mailing the enclosed proxy card, or you may vote in person at the Vistra Energy special meeting. If you hold your shares in more than one account, please be sure to submit a proxy with respect to each proxy card you receive.

- To submit your proxy by telephone, dial the toll-free telephone number set forth on the enclosed proxy card using a touch-tone phone and follow the recorded instructions. You will be asked to provide the control number from the enclosed proxy card.
- To submit your proxy through the Internet, visit the website set forth on the enclosed proxy card. You will be asked to provide the control number from the enclosed proxy card.
- Your proxy card will indicate the deadline for submitting proxies by telephone or through the Internet.
- To submit your proxy by mail, complete, date and sign the enclosed proxy card and return it as promptly as practicable in the enclosed prepaid envelope. If you sign and return your proxy, but do not mark the boxes showing how you wish to vote, your shares will be voted "**FOR**" the Merger Proposal, "**FOR**" the Stock Issuance Proposal, and "**FOR**" the Vistra Energy Adjournment Proposal.
- If you intend to vote in person, please bring proper identification, together with proof that you are a record owner of the shares. If your shares are held in "street name," please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially own such shares on the applicable record date.
- If you hold your shares in "street name," please read the question and answer referencing shares held in "street name" above under "Questions and Answers."

All Vistra Energy Common Stock that are entitled to vote and are represented at the Vistra Energy special meeting by properly executed proxies received before or at the special meeting and not revoked, will be voted at such special meeting in accordance with the instructions indicated on the proxies. If no instructions are given on a timely and properly executed proxy card, your shares will be voted:

- "**FOR**" the Merger Proposal;
- "**FOR**" the Stock Issuance Proposal; and
- "**FOR**" the Vistra Energy Adjournment Proposal.

Votes cast by proxy or in person at the Vistra Energy special meeting will be tabulated by one or more inspectors appointed by the Vistra Energy Board for the special meeting (or the chairman of the special meeting) who will determine whether or not a quorum is present.

Any proxy given by a stockholder pursuant to this solicitation may be revoked at any time before the vote is taken at the special meeting in any of the following ways:

- submitting a later proxy by telephone or through the Internet prior to the telephone or Internet voting deadline indicated on your proxy card;
- filing with the Corporate Secretary of Vistra Energy, before the taking of the vote at the Vistra Energy special meeting, a written notice of revocation bearing a later date than the proxy card you wish to revoke;
- duly executing a later dated proxy card relating to the same shares and delivering it to the Corporate Secretary of Vistra Energy before the taking of the vote at the Vistra Energy special meeting; or
- voting in person at the Vistra Energy special meeting, although attendance at the special meeting will not by itself constitute a revocation of a proxy.

Any written notice of revocation or subsequent proxy card should be sent to 6555 Sierra Dr., Irving, Texas 75039, Attention: Corporate Secretary, or hand delivered to the Corporate Secretary of Vistra Energy before the taking of the vote at the Vistra Energy special meeting.

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Solicitation of Proxies

Vistra Energy is soliciting proxies on behalf of the Vistra Energy Board. Vistra Energy will bear the costs of soliciting proxies. Brokerage houses, fiduciaries, nominees and others will be reimbursed for their out-of-pocket expenses in forwarding proxy materials to owners of Vistra Energy Common Stock held in their names. In addition to the solicitation of proxies by use of the mails, proxies may be solicited from holders of Vistra Energy Common Stock by directors, officers and employees of Vistra Energy in person or by telephone, by facsimile, on the Internet or other appropriate means of communications. No additional compensation, except for reimbursement of reasonable out-of-pocket expenses, will be paid to directors, officers and employees of Vistra Energy in connection with this solicitation. Vistra Energy has engaged D.F. King & Co., Inc. to assist in the solicitation of proxies for the Vistra Energy special meeting, and Vistra Energy estimates it will pay D.F. King & Co., Inc. a fee of approximately $12,500, plus telecom charges and reimbursement for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation. No portion of the amount that Vistra Energy has agreed to pay to D.F. King & Co., Inc. is contingent upon the Closing. Vistra Energy has agreed to indemnify D.F. King & Co., Inc. against any loss, damage, expense, liability or claim arising out of such services. Any questions or requests for assistance regarding this joint proxy statement and prospectus and related proxy materials may be directed to D.F. King & Co., Inc. by telephone at (866) 406-2283 (toll-free) or (212) 269-5550 (collect).

Quorum; Abstentions and Failures to Vote

The holders of a majority of the voting power of the Vistra Energy Common Stock outstanding and entitled to vote at the Vistra Energy special meeting, present in person or represented by proxy, will constitute a quorum at the Vistra Energy special meeting. Because approval of the Merger Proposal requires the affirmative vote of holders of a majority of the outstanding Vistra Energy Common Stock entitled to vote at the Vistra Energy special meeting, abstentions and the failure to vote will have the same effect as votes "AGAINST" approval of the Merger Proposal. Because approval of the Stock Issuance Proposal by a majority of the votes cast on such proposal at the Vistra Energy special meeting, as required by Sections 312.03(b), 312.03(c) and 312.07 of the NYSE Listed Company Manual, is the only vote of holders of securities of Vistra Energy required for such approval, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Stock Issuance Proposal. Under the NYSE rules, an abstention from voting will be considered as a vote cast and, accordingly, will have the same effect as a vote "AGAINST" the Stock Issuance Proposal. Because approval of the Vistra Energy Adjournment Proposal requires the affirmative vote of the holders of a majority of the Vistra Energy Common Stock present in person or represented by proxy and entitled to vote at the Vistra Energy special meeting, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Vistra Energy Adjournment Proposal. An abstention from voting will have the same effect as a vote "AGAINST" the Vistra Energy Adjournment Proposal. Brokers, banks, trusts and other nominees that hold their customers' shares in street name may not vote their customers' shares on "non-routine" matters without instructions from their customers. As each of the proposals to be voted upon at the Vistra Energy special meeting is considered "non-routine," such organizations do not have discretion to vote on any of the proposals. As a result, if you hold your shares in "street name" and you fail to provide your broker, bank, trust or other nominee with any instructions regarding how to vote your Vistra Energy Common Stock, your Vistra Energy Common Stock will not be considered present at the Vistra Energy special meeting and will not be voted on any of the proposals.

Required Vote

Approval of the Merger Proposal will require the affirmative vote of the holders of a majority of the outstanding Vistra Energy Common Stock entitled to vote at the Vistra Energy special meeting. A failure to vote, including a failure to instruct your broker, bank, trust or other nominee to vote, or an abstention from voting will have the same effect as a vote "AGAINST" the Merger Proposal. Approval of the Stock Issuance Proposal requires, provided a quorum is present, by a majority of the votes cast on such proposal at the Vistra Energy special meeting, as required by Sections 312.03(b), 312.03(c) and 312.07 of the NYSE Listed Company Manual.

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For purposes of the Stock Issuance Proposal, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Stock Issuance Proposal. Under the NYSE rules, an abstention from voting will be considered as a vote cast and, accordingly, will have the same effect as a vote "AGAINST" the Stock Issuance Proposal. Approval of the Vistra Energy Adjournment Proposal will require the affirmative vote of the holders of a majority of the Vistra Energy Common Stock present in person or represented by proxy and entitled to vote at the Vistra Energy special meeting. Provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Vistra Energy Adjournment Proposal. An abstention from voting will have the same effect as a vote "AGAINST" the Vistra Energy Adjournment Proposal.

Regardless of the number of Vistra Energy Common Stock you own, your vote is important. Please complete, sign, date and promptly return the enclosed proxy card today or authorize a proxy to vote by phone or Internet.

Other Matters

The Vistra Energy Board knows of no other business to be brought before the Vistra Energy special meeting. Pursuant to the bylaws of Vistra Energy, no other business except those matters included in the notice of the special meeting of stockholders may be acted upon by the stockholders at the special meeting.

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PROPOSALS SUBMITTED TO THE VISTRA ENERGY STOCKHOLDERS

Merger Proposal

(Proposal 1 on the Vistra Energy Proxy Card)

Holders of Vistra Energy Common Stock are asked to consider and vote on the Merger Proposal (the proposal to adopt the Merger Agreement). For a summary and detailed information regarding the Merger Proposal, see the information about the Merger and the Merger Agreement throughout this joint proxy statement and prospectus, including the information set forth in sections entitled "The Merger" beginning on page 64 and "The Merger Agreement" beginning on page 136. A copy of the Merger Agreement is attached as Annex A to this joint proxy statement and prospectus.

Pursuant to the Merger Agreement, approval of the Merger Proposal is a condition to the consummation of the Merger. If the Merger Proposal is not approved, the Merger will not be completed.

The approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding Vistra Energy Common Stock entitled to vote at the Vistra Energy special meeting.

Recommendation of the Vistra Energy Board

The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "FOR" the Merger Proposal.

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Stock Issuance Proposal

(Proposal 2 on the Vistra Energy Proxy Card)

Holders of Vistra Energy Common Stock are asked to consider and vote on the Stock Issuance Proposal (the proposal to approve the issuance of shares of Vistra Energy Common Stock) in connection with the Merger.

Subject to certain limited exceptions, Section 312.03(c) of the NYSE Listed Company Manual requires that Vistra Energy stockholders approve any issuance of shares of Vistra Energy Common Stock in any transaction or series of related transactions if (i) the common stock will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance or (ii) the number of shares of common stock to be issued is equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock.

Additionally, subject to certain limited exceptions, Section 312.03(b) of the NYSE Listed Company Manual requires stockholder approval prior to the issuance of common stock in any transaction or series of related transactions, to: (i) a director, officer or substantial security holder of the company (each, a "related party"), (ii) a subsidiary, affiliate or other closely related person of a related party, or (iii) any company or entity in which a related party has a substantial direct or indirect interest, if, in each such case, the number of shares of common stock to be issued exceeds either 1% of the number of shares of common stock or 1% of the voting power outstanding before the issuance.

The number of shares of Vistra Energy Common Stock issuable as consideration for the Merger is expected to exceed the abovementioned thresholds. First, Vistra Energy expects to issue approximately 105 million shares of Vistra Energy Common Stock to holders of Dynegy Common Stock as consideration for the Merger, which will be greater than 20% of the voting power and total number of shares of Vistra Energy Common Stock outstanding prior to the issuance. Second, as part of this issuance, Vistra Energy expects to issue approximately 5,492,658 shares of Vistra Energy Common Stock to affiliates of Oaktree Capital Management, L.P., the owner

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of approximately 11.6% of Vistra Energy Common Stock without giving effect to the Merger, in respect of shares of Dynegy Common Stock owned by them. The total number of shares of Vistra Energy Common Stock issuable to those Oaktree affiliates is expected in the aggregate to exceed 1% of both the voting power and number of shares of Vistra Energy Common Stock outstanding before such issuance. Certain other holders of Vistra Energy Common Stock may also have Vistra Energy Common Stock issued to them in excess of 1% in the aggregate of both the voting power and number of shares of Vistra Energy Common Stock outstanding before such issuance.

For a summary and detailed information regarding the Stock Issuance Proposal and the Stock Issuance, see the information about the Stock Issuance Proposal and the Stock Issuance throughout this joint proxy statement and prospectus, including the information set forth in sections entitled "The Merger" beginning on page 64 and "The Merger Agreement" beginning on page 136. A copy of the Merger Agreement is attached as Annex A to this joint proxy statement and prospectus.

Pursuant to the Merger Agreement, approval of the Stock Issuance Proposal is a condition to the consummation of the Merger. If the Stock Issuance Proposal is not approved, the Merger will not be completed.

The approval of the Stock Issuance Proposal requires a majority of the votes cast on such proposal at the Vistra Energy special meeting, as required by Sections 312.03(b), 312.03(c) and 312.07 of the NYSE Listed Company Manual.

Recommendation of the Vistra Energy Board

The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "FOR" the Stock Issuance Proposal.

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Vistra Energy Adjournment Proposal

(Proposal 3 on the Vistra Energy Proxy Card)

The holders of Vistra Energy Common Stock are being asked to consider and vote on the Vistra Energy Adjournment Proposal (a proposal that will give the Vistra Energy Board the authority to adjourn the Vistra Energy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal and the Stock Issuance Proposal if there are not sufficient votes at the time of the Vistra Energy special meeting to approve the Merger Proposal and the Stock Issuance Proposal). If, at the Vistra Energy special meeting, the number of shares of Vistra Energy Common Stock present or represented by proxy and voting for the approval of the Merger Proposal and the Stock Issuance Proposal is insufficient to approve such proposal, Vistra Energy intends to move to adjourn the Vistra Energy special meeting to another place, date or time in order to enable the Vistra Energy Board to solicit additional proxies for the approval of the Merger Proposal and the Stock Issuance Proposal. Approval of the Vistra Energy Adjournment Proposal requires the affirmative vote of the holders of a majority of the Vistra Energy Common Stock present in person or represented by proxy and entitled to vote at the Vistra Energy special meeting. Provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Vistra Energy Adjournment Proposal. An abstention from voting will have the same effect as a vote "AGAINST" the Vistra Energy Adjournment Proposal. Vistra Energy does not intend to call a vote on the Vistra Energy Adjournment Proposal if the Merger Proposal and the Stock Issuance Proposal considered at the Vistra Energy special meeting have been approved at the Vistra Energy special meeting. If the Vistra Energy special meeting is adjourned for the purpose of soliciting additional proxies, holders of Vistra Energy Common Stock who have already submitted their proxies will be able to revoke them at any time prior to their use.

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The Vistra Energy Adjournment Proposal relates only to an adjournment of the Vistra Energy special meeting for purposes of soliciting additional votes for approval of the Merger Proposal and the Stock Issuance Proposal. Vistra Energy retains full authority to the extent set forth in its bylaws and Delaware law to adjourn the Vistra Energy special meeting for any other purpose, or to postpone the Dynegy special meeting before it is convened, without the consent of any holders of Vistra Energy Common Stock.

The approval of the Vistra Energy Adjournment Proposal requires a majority of the votes cast on such proposal at the Vistra Energy special meeting. Approval of this proposal is not a condition to completion of the Merger.

Recommendation of the Vistra Energy Board

The Vistra Energy Board recommends that holders of Vistra Energy Common Stock vote "FOR" the Vistra Energy Adjournment Proposal.

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THE DYNEGY SPECIAL MEETING

This joint proxy statement and prospectus is being furnished in connection with the solicitation of proxies from holders of Dynegy Common Stock for use at the Dynegy special meeting. This joint proxy statement and prospectus and accompanying form of proxy are first being mailed to holders of Dynegy Common Stock on or about January 29, 2018.

Date, Time, Place and Purpose of the Dynegy Special Meeting

A special meeting of holders of Dynegy Common Stock will be held at the Chase Center, 601 Travis Street, Houston, Texas 77002 on March 2, 2018 at 10:00 a.m., Central Time, for the following purposes:

- to consider and vote on the Merger Proposal;
- to consider and vote on the Dynegy Compensation Proposal; and
- to consider and vote on the Dynegy Adjournment Proposal.

Only business within the purposes described in the Notice of Special Meeting of Dynegy may be conducted at the Dynegy special meeting. Any action may be taken on the items of business described above at the Dynegy special meeting on the date specified above, or on any date or dates to which the Dynegy special meeting may be postponed or to which, by original or later adjournment, the special meeting may be adjourned.

Recommendation of the Dynegy Board

After careful consideration, on October 29, 2017, the Dynegy Board unanimously (i) determined that it is in the best interest of Dynegy and holders of Dynegy Common Stock to enter into the Merger Agreement, (ii) declared entry into the Merger Agreement to be advisable, (iii) authorized and approved Dynegy's execution, delivery and performance of the Merger Agreement in accordance with its terms and Dynegy's consummation of the transactions contemplated thereby, including the Merger, (iv) directed that the adoption of the Merger Agreement be submitted to a vote at a meeting of the holders of Dynegy Common Stock and (v) recommended that the holders of Dynegy Common Stock adopt the Merger Agreement. The Dynegy Board unanimously recommends that holders of Dynegy Common Stock vote "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal. For a summary of the factors considered by the Dynegy Board in reaching its decision to approve the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, as well as the Dynegy Board's reasons for approving, and certain risks related to, the Merger, see "The Merger—Dynegy's Reasons for the Merger; Recommendation of the Dynegy Board" beginning on page 82.

Record Date; Voting Rights; Proxies

Dynegy has fixed the close of business on January 19, 2018 as the record date for determining holders of Dynegy Common Stock entitled to notice of, and to vote at, the Dynegy special meeting. Holders of Dynegy Common Stock at the close of business on the record date will be entitled to notice of the Dynegy special meeting, unless a new record date is set in connection with any adjournment or postponement of the special meeting. Only holders of Dynegy Common Stock at the close of business on the record date will be entitled to vote at the Dynegy special meeting, unless a new record date is set in connection with any adjournment or postponement of the special meeting. As of the record date, there were 144,384,491 issued and outstanding shares of Dynegy Common Stock. Each holder of record of Dynegy Common Stock on the record date is entitled to one vote per share. Votes may be cast either in person or by properly executed proxy at the Dynegy special meeting. As of the record date, the issued and outstanding Dynegy Common Stock was held by approximately 2,353 stockholders of record.

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You may submit your proxy either by telephone, through the Internet or by mailing the enclosed proxy card, or you may vote in person at the Dynegy special meeting. If you hold your shares in more than one account, please be sure to submit a proxy with respect to each proxy card you receive.

- To submit your proxy by telephone, dial the toll-free telephone number set forth on the enclosed proxy card using a touch-tone phone and follow the recorded instructions. You will be asked to provide the control number from the enclosed proxy card.
- To submit your proxy through the Internet, visit the website set forth on the enclosed proxy card. You will be asked to provide the control number from the enclosed proxy card.

Your proxy card will indicate the deadline for submitting proxies by telephone or through the Internet.

- To submit your proxy by mail, complete, date and sign the enclosed proxy card and return it as promptly as practicable in the enclosed prepaid envelope. If you sign and return your proxy, but do not mark the boxes showing how you wish to vote, your shares will be voted "**FOR**" the Merger Proposal, "**FOR**" the Dynegy Compensation Proposal and "**FOR**" the Dynegy Adjournment Proposal.
- If you intend to vote in person, please bring proper identification, together with proof that you are a record owner of the shares. If your shares are held in "street name," please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially own such shares on the applicable record date.
- If you hold your shares in "street name," please read the question and answer referencing shares held in "street name" above under "Questions and Answers."

All Dynegy Common Stock that are entitled to vote and are represented at the Dynegy special meeting by properly executed proxies received before or at the special meeting and not revoked, will be voted at such special meeting in accordance with the instructions indicated on the proxies. If no instructions are given on a timely and properly executed proxy card, your shares will be voted:

- "**FOR**" the Merger Proposal;
- "**FOR**" the Dynegy Compensation Proposal; and
- "**FOR**" the Dynegy Adjournment Proposal.

Votes cast by proxy or in person at the Dynegy special meeting will be tabulated by one or more inspectors appointed by the Dynegy Board for the special meeting (or the chairman of the special meeting) who will determine whether or not a quorum is present.

Any proxy given by a stockholder pursuant to this solicitation may be revoked at any time before the vote is taken at the special meeting in any of the following ways:

- submitting a later proxy by telephone or through the Internet prior to the telephone or Internet voting deadline indicated on your proxy card;
- filing with the Corporate Secretary of Dynegy, before the taking of the vote at the Dynegy special meeting, a written notice of revocation bearing a later date than the proxy card you wish to revoke;
- duly executing a later dated proxy card relating to the same shares and delivering it to the Corporate Secretary of Dynegy before the taking of the vote at the Dynegy special meeting; or
- voting in person at the Dynegy special meeting, although attendance at the special meeting will not by itself constitute a revocation of a proxy.

Any written notice of revocation or subsequent proxy card should be sent to 601 Travis Street, Suite 1400, Houston, Texas 77002, Attention: Corporate Secretary, or hand delivered to the Corporate Secretary of Dynegy before the taking of the vote at the Dynegy special meeting.

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Solicitation of Proxies

Dynegy is soliciting proxies on behalf of the Dynegy Board. Dynegy will bear the costs of soliciting proxies. Brokerage houses, fiduciaries, nominees and others will be reimbursed for their out-of-pocket expenses in forwarding proxy materials to owners of Dynegy Common Stock held in their names. In addition to the solicitation of proxies by use of the mails, proxies may be solicited from holders of Dynegy Common Stock by directors, officers and employees of Dynegy in person or by telephone, by facsimile, on the Internet or other appropriate means of communications. No additional compensation, except for reimbursement of reasonable out-of-pocket expenses, will be paid to directors, officers and employees of Dynegy in connection with this solicitation. Dynegy has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Dynegy special meeting, and Dynegy estimates it will pay MacKenzie Partners, Inc. a fee of approximately $35,000, plus reimbursement for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation. No portion of the amount that Dynegy has agreed to pay to MacKenzie Partners, Inc. is contingent upon the Closing. Dynegy has agreed to indemnify MacKenzie Partners, Inc. against any loss, damage, expense, liability or claim arising out of such services. Any questions or requests for assistance regarding this joint proxy statement and prospectus and related proxy materials may be directed to MacKenzie Partners, Inc. by telephone at 800-322-2885 (toll-free) or 812-929-5500 (collect) or via email at proxy@mackenziepartners.com.

Quorum; Abstentions and Failures to Vote

The holders of a majority of the outstanding Dynegy Common Stock entitled to vote at the Dynegy special meeting and present in person or represented by proxy, will constitute a quorum at the Dynegy special meeting. Shares that abstain from voting will be treated as shares that are present and entitled to vote at the Dynegy special meeting for purposes of determining whether a quorum exists. Because approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding Dynegy Common Stock entitled to vote at the Dynegy special meeting, abstentions and the failure to vote will have the same effect as votes “AGAINST” approval of the Merger Proposal. Because approval of the Dynegy Compensation Proposal and approval of the Dynegy Adjournment Proposal each requires the affirmative vote of the holders of a majority of the Dynegy Common Stock present in person or represented by proxy and entitled to vote at the Dynegy special meeting, provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Dynegy Compensation Proposal or the Dynegy Adjournment Proposal. An abstention from voting on the Dynegy Compensation Proposal or the Dynegy Adjournment Proposal will have the same effect as a vote “AGAINST” the applicable proposal. Brokers, banks, trusts and other nominees that hold their customers’ shares in street name may not vote their customers’ shares on “non-routine” matters without instructions from their customers. As each of the proposals to be voted upon at the Dynegy special meeting is considered “non-routine,” such organizations do not have discretion to vote on any of the proposals. As a result, if you hold your shares in “street name” and you fail to provide your broker, bank, trust or other nominee with any instructions regarding how to vote your Dynegy Common Stock, your Dynegy Common Stock will not be considered present at the Dynegy special meeting and will not be voted on any of the proposals.

Required Vote

Approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding Dynegy Common Stock entitled to vote at the Dynegy special meeting. A failure to vote, including a failure to instruct your broker, bank, trust or other nominee to vote, or an abstention from voting will have the same effect as a vote “AGAINST” the Merger Proposal. Approval of the Dynegy Compensation Proposal and the Dynegy Adjournment Proposal each requires the affirmative vote of the holders of a majority of the Dynegy Common Stock present in person or represented by proxy and entitled to vote at the Dynegy special meeting. Provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Dynegy Compensation Proposal or the Dynegy Adjournment Proposal. An abstention from voting on the Dynegy Compensation Proposal or the Dynegy Adjournment Proposal will have the same effect as a vote “AGAINST” the applicable proposal.

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Regardless of the number of Dynegy Common Stock you own, your vote is important. Please complete, sign, date and promptly return the enclosed proxy card today or authorize a proxy to vote by phone or Internet.

Other Matters

The Dynegy Board knows of no other business to be brought before the Dynegy special meeting. Pursuant to the bylaws of Dynegy, no other business except those matters included in the notice of the special meeting of stockholders may be acted upon by the stockholders at the special meeting.

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PROPOSALS SUBMITTED TO THE DYNEGY STOCKHOLDERS

Merger Proposal

(Proposal 1 on the Dynegy Proxy Card)

Holders of Dynegy Common Stock are asked to consider and vote on the Merger Proposal (the proposal to adopt the Merger Agreement). For a summary and detailed information regarding the Merger Proposal, see the information about the Merger and the Merger Agreement throughout this joint proxy statement and prospectus, including the information set forth in sections entitled "The Merger" beginning on page 64 and "The Merger Agreement" beginning on page 136. A copy of the Merger Agreement is attached as Annex A to this joint proxy statement and prospectus.

Pursuant to the Merger Agreement, approval of the Merger Proposal is a condition to the consummation of the Merger. If the Merger Proposal is not approved, the Merger will not be completed.

The approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding Dynegy Common Stock entitled to vote at the Dynegy special meeting.

Recommendation of the Dynegy Board

The Dynegy Board unanimously recommends that holders of Dynegy Common Stock vote "FOR" the Merger Proposal.

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Dynegy Compensation Proposal

(Proposal 2 on the Dynegy Proxy Card)

Vote Required and Board of Directors Recommendation

Under Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, Dynegy is required to submit a proposal to its stockholders for a non-binding advisory vote to approve certain compensation that may become payable to Dynegy's named executive officers in connection with the completion of the Merger. This proposal, which is referred to as the "Dynegy Compensation Proposal," gives Dynegy's stockholders the opportunity to vote, on a non-binding advisory basis, on the compensation that may be paid or become payable to Dynegy's named executive officers in connection with the Merger. This compensation is summarized in the table in the section entitled "Interests of Dynegy's Directors and Executive Officers in the Merger—Golden Parachute Compensation" beginning on page 131, including the footnotes to the table and the associated narrative discussion. The Dynegy Board unanimously recommends that Dynegy's stockholders approve the following resolution:

"RESOLVED, that the compensation that may be paid or become payable to the named executive officers of Dynegy in connection with the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K in the table in the section of the joint proxy statement and prospectus entitled 'Interests of Dynegy's Directors and Executive Officers in the Merger—Golden Parachute Compensation,' including the footnotes to the table and the associated narrative discussion, and the agreements and plans pursuant to which such compensation may be paid or become payable, are hereby APPROVED."

The vote on the Dynegy Compensation Proposal is a vote separate and apart from the vote on the Merger Proposal. Accordingly, you may vote to approve the Merger Proposal and vote not to approve the Dynegy Compensation Proposal and vice versa. Because the vote on the Dynegy Compensation Proposal is advisory only, it will not be binding on either Dynegy or Vistra Energy. Accordingly, if the Merger Agreement is approved and the Merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the vote on the Dynegy Compensation Proposal.

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The approval of the non-binding advisory proposal to approve the Merger-related executive compensation requires that a majority of the votes cast at the Dynegy special meeting to be voted in favor of the proposal. If you fail to submit a proxy or to vote in person at the special meeting, or you do not provide your bank, brokerage firm or other nominee with instructions, as applicable, this will not be counted as "FOR" or "AGAINST" and will not have an effect on the Dynegy Compensation Proposal except to the extent it results in there being insufficient shares present at the meeting to establish a quorum. If you abstain from voting, this will be counted as voting "AGAINST" the Dynegy Compensation Proposal.

Recommendation of the Dynegy Board

The Dynegy Board unanimously recommends that holders of Dynegy Common Stock vote "FOR" the Dynegy Compensation Proposal.

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Dynegy Adjournment Proposal

(Proposal 3 on the Dynegy Proxy Card)

The holders of Dynegy Common Stock are being asked to consider and vote on the Dynegy Adjournment Proposal (the proposal that will give the Dynegy Board the authority to adjourn the Dynegy special meeting, if necessary or appropriate, for the purpose of soliciting additional votes for the approval of the Merger Proposal if there are not sufficient votes at the time of the Dynegy special meeting to approve the Merger Proposal). If, at the Dynegy special meeting, the number of shares of Dynegy Common Stock present or represented by proxy and voting for the approval of the Merger Proposal is insufficient to approve such proposal, Dynegy intends to move to adjourn the Dynegy special meeting to another place, date or time in order to enable the Dynegy Board to solicit additional proxies for approval of the Merger Proposal. Approval of the Dynegy Adjournment Proposal requires the affirmative vote of the holders of a majority of the Dynegy Common Stock present in person or represented by proxy and entitled to vote at the Dynegy special meeting. Provided a quorum is present, a failure to vote, or a failure to instruct your bank, broker, trust or other nominee to vote, will have no effect on the outcome of a vote on the Dynegy Adjournment Proposal. An abstention from voting will have the same effect as a vote "AGAINST" the Dynegy Adjournment Proposal. Dynegy does not intend to call a vote on the Dynegy Adjournment Proposal if the Merger Proposal considered at the Dynegy special meeting has been approved at the Dynegy special meeting. If the Dynegy special meeting is adjourned for the purpose of soliciting additional proxies, holders of Dynegy Common Stock who have already submitted their proxies will be able to revoke them at any time prior to their use.

The Dynegy Adjournment Proposal relates only to an adjournment of the Dynegy special meeting for purposes of soliciting additional votes for approval of the Merger Proposal. Dynegy retains full authority to the extent set forth in its bylaws and Delaware law to adjourn the Dynegy special meeting for any other purpose, or to postpone the Dynegy special meeting before it is convened, without the consent of any holders of Dynegy Common Stock.

The approval of the Dynegy Adjournment Proposal requires a majority of the votes cast on such proposal at the Dynegy special meeting. Approval of this proposal is not a condition to completion of the Merger.

Recommendation of the Dynegy Board

The Dynegy Board unanimously recommends that holders of Dynegy Common Stock vote "FOR" the Dynegy Adjournment Proposal.

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INFORMATION ABOUT DYNEGY

Business

Dynegy began operations in 1984 and became incorporated in the State of Delaware in 2007. It is a holding company and conducts substantially all of its business operations through its subsidiaries. Dynegy's primary business is the production and sale of electric energy, capacity and ancillary services from its fleet totaling approximately 27,000 MW of generating capacity. Dynegy reports the results of its power generation business as six separate segments in its consolidated financial statements: (i) PJM, (ii) NY/NE, (iii) ERCOT, (iv) MISO, (v) IPH and (vi) CAISO.

Dynegy sells electric energy, capacity and ancillary services primarily on a wholesale basis from Dynegy's power generation facilities. Dynegy also serves residential, municipal, commercial and industrial customers primarily in MISO, NY/NE and PJM through its Homefield Energy and Dynegy Energy Services businesses, through which it provides retail electricity in Illinois, Massachusetts, Ohio and Pennsylvania. Wholesale electricity customers will primarily contract for rights to capacity from generating units for reliability reasons and to meet regulatory requirements. Ancillary services support the transmission grid operation, follow real time changes in load and provide emergency reserves for major changes to the balance of generation and load. Retail electricity customers purchase energy and these related services in the deregulated retail energy market. Dynegy sells these products individually or in combination to its customers for various lengths of time from hourly to multiyear transactions.

Dynegy does business with a wide range of customers, including regional transmission organizations and independent system operators, integrated utilities, municipalities, electric cooperatives, transmission and distribution utilities, power marketers, financial participants such as banks and hedge funds and residential, commercial and industrial end users. Some of Dynegy's customers, such as municipalities or integrated utilities, purchase its products for resale in order to serve their retail, commercial and industrial customers. Other customers, such as some power marketers, may buy from Dynegy to serve their own wholesale or retail customers or as a hedge against power sales they have made.

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Portfolio

Dynegy's generating facilities are as follows (* denotes facilities acquired in the Delta Transaction):

Facility	Total Net Generating Capacity(MW)(1)	Primary Fuel Type	Technology Type	Location	Region
Calumet*	380	Gas	CT	Chicago, IL	PJM
Dicks Creek	155	Gas	CT	Monroe, OH	PJM
Fayette	726	Gas	CCGT	Masontown, PA	PJM
Hanging Rock	1,430	Gas	CCGT	Ironton, OH	PJM
Hopewell*	370	Gas	CCGT	Hopewell, VA	PJM
Kendall	1,288	Gas	CCGT	Minooka, IL	PJM
Killen(2)(3)	204	Coal	ST	Manchester, OH	PJM
Kincaid	1,108	Coal	ST	Kincaid, IL	PJM
Liberty	607	Gas	CCGT	Eddystone, PA	PJM
Miami Fort(2)	653	Coal	ST	North Bend, OH	PJM
Miami Fort	77	Oil	CT	North Bend, OH	PJM
Northeastern*	52	Waste Coal	ST	McAdoo, PA	PJM
Ontelaunee	600	Gas	CCGT	Reading, PA	PJM
Pleasants*	388	Gas	CT	Saint Marys, WV	PJM
Richland	423	Gas	CT	Defiance, OH	PJM
Sayreville*(2)(3)	170	Gas	CCGT	Sayreville, NJ	PJM
Stryker	16	Oil	CT	Stryker, OH	PJM
Stuart(2)(3)	679	Coal	ST	Aberdeen, OH	PJM
Washington	711	Gas	CCGT	Beverly, OH	PJM
Zimmer(2)	971	Coal	ST	Moscow, OH	PJM
Total PJM Segment	*11,008*				
Bellingham*	566	Gas	CCGT	Bellingham, MA	ISO-NE
Bellingham NEA*(2)(3)	157	Gas	CCGT	Bellingham, MA	ISO-NE
Blackstone*	544	Gas	CCGT	Blackstone, MA	ISO-NE
Casco Bay	543	Gas	CCGT	Veazie, ME	ISO-NE
Independence	1,212	Gas	CCGT	Oswego, NY	NYISO
Lake Road	827	Gas	CCGT	Dayville, CT	ISO-NE
MASSPOWER	281	Gas	CCGT	Indian Orchard, MA	ISO-NE
Milford—Connecticut	600	Gas	CCGT	Milford, CT	ISO-NE
Total NY/NE Segment	*4,730*				
Coleto Creek*	650	Coal	ST	Goliad, TX	ERCOT
Ennis*	366	Gas	CCGT	Ennis, TX	ERCOT
Hays*	1,047	Gas	CCGT	San Marcos, TX	ERCOT
Midlothian*	1,596	Gas	CCGT	Midlothian, TX	ERCOT
Wharton*	83	Gas	CT	Boling, TX	ERCOT
Wise*	787	Gas	CCGT	Poolville, TX	ERCOT
Total ERCOT Segment	*4,529*				
Baldwin	1,185	Coal	ST	Baldwin, IL	MISO
Havana	434	Coal	ST	Havana, IL	MISO
Hennepin	294	Coal	ST	Hennepin, IL	MISO
Total MISO Segment(4)	*1,913*				

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Facility	Total Net Generating Capacity(MW)(1)	Primary Fuel Type	Technology Type	Location	Region
Coffeen	915	Coal	ST	Coffeen, IL	MISO
Duck Creek	425	Coal	ST	Canton, IL	MISO
Edwards	585	Coal	ST	Bartonville, IL	MISO
Joppa/EEI(2)	802	Coal	ST	Joppa, IL	MISO
Joppa units 1-3	165	Gas	CT	Joppa, IL	MISO
Joppa units 4-5(2)	56	Gas	CT	Joppa, IL	MISO
Newton	615	Coal	ST	Newton, IL	MISO
Total IPH Segment(4)	*3,563*				
Moss Landing	1,020	Gas	CCGT	Moss Landing, CA	CAISO
Oakland	165	Oil	CT	Oakland, CA	CAISO
Total CAISO Segment	*1,185*				
Total Capacity	*26,928*				

(1) Unit capabilities are based on winter capacity and are reflected at Dynegy's net ownership interest. Dynegy has not included units that have been retired or are out of operation.
(2) Co-owned with other generation companies.
(3) Facilities not operated by Dynegy.
(4) Dynegy has transmission rights into PJM for certain of its MISO and IPH plants and currently offer power and capacity into PJM.

For additional information on Dynegy's business and operations, see the documents filed by Dynegy with the SEC and incorporated by reference into this joint proxy statement and prospectus. See "Where You Can Find More Information and Incorporation by Reference" on page 309.

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INFORMATION ABOUT VISTRA ENERGY

Business

Vistra Energy operates as an integrated company that provides complete electricity solutions to its customers and to the broader ERCOT market. Vistra Energy is comprised of:

- Vistra Energy's brand name retail electricity provider business, TXU Energy™, which is the largest retailer of electricity in Texas with approximately 1.7 million residential, commercial and industrial customers as of December 31, 2017, and maintains the highest residential customer retention rate of any Texas retail provider in its respective core market;
- Vistra Energy's electricity generation business, Luminant, which is the largest generator of electricity in ERCOT, operating approximately 13,600 MW of fuel-diverse installed capacity in ERCOT;
- Vistra Energy's wholesale commodity risk management operation, which dispatches its generation fleet in response to market conditions, markets the electricity generated by Vistra Energy's facilities to its customers (including TXU Energy) and the broader ERCOT market, procures fuel from third parties for use at Vistra Energy's electric generating facilities and performs the risk management services for Luminant and TXU Energy that enables the delivery of cost-effective electricity to the wholesale market and retail end-users;
- Vistra Energy's mining, fuel handling and logistics operations, which supply fuel to its diverse fleet of electric generating facilities and manage its real property holdings throughout the enterprise; and
- Vistra Energy's efficient, low-cost support organizations, which provide the necessary services to meet its compliance obligations, support its integrated electricity solutions and assist in conducting its business in an environmentally responsible and regulatory-compliant manner.

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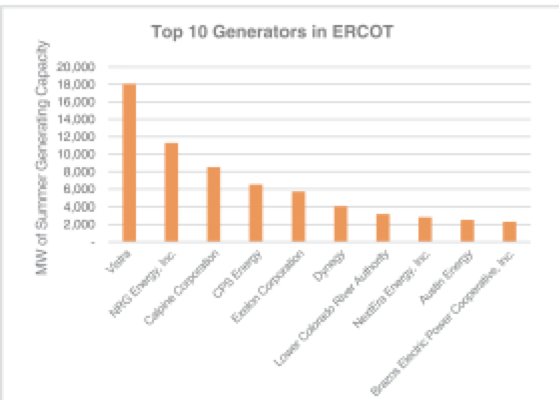
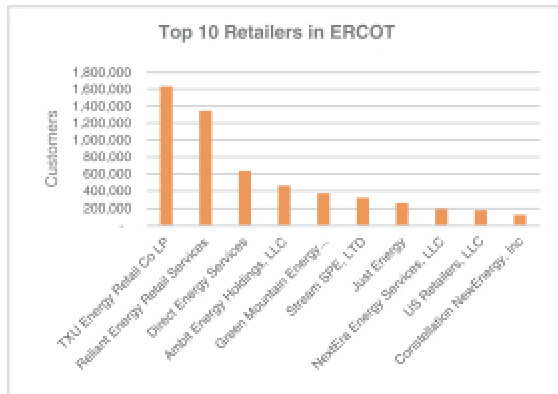
All of Vistra Energy's operations teams (mining and fuel handling; wholesale commodity risk management, asset optimization and generation fleet dispatch; power generation; retail electricity marketing, sales and services; and strategic sourcing, supply chain and procurement) are integrated. The integrated nature of these operations allows Vistra Energy, where appropriate, to manage these operations with close alignment, which Vistra Energy believes provides better market insight and a reduction of the impact of commodity price volatility as compared to Vistra Energy's non-integrated competitors. The balance between Vistra Energy's retail and wholesale operations creates a uniquely integrated company that is the largest power generator and retail provider of electricity in Texas. Vistra Energy sells retail electricity and value-added services, primarily through TXU Energy, to approximately 1.7 million residential, commercial and industrial customers in Texas as of December 31, 2017. Additionally, Vistra Energy sells electricity and related products generated by its fleet of electric generating units, which had an aggregate of approximately 13,600 MW of generating capacity. Vistra Energy also procures wholesale electricity and related commodities to fuel its generation facilities and supply its retail business. Vistra Energy also manages a well-established mining operation that has over 40 years of experience in supplying fuel to its fleet in a safe and environmentally responsible manner. Vistra Energy's generation portfolio is diverse and flexible in terms of fuel types and dispatch characteristics, which enables Vistra Energy to respond to changing market conditions and regulatory developments. The charts below show Vistra Energy's market-leading position among power generators and electricity retailers in Texas. Vistra Energy believes the combination of these charts illustrates the unique opportunity that is created from its integrated business model.



Date: September 2017
Source: SNL, a subscription service of S&P Global Market Intelligence, and EIA



Date: 2016
Source: EIA
Note: Rankings do not combine a company that may own multiple brands.

As of December 31, 2017, Vistra Energy had approximately 4,147 employees.

Vistra Energy's Integrated Business Model

Vistra Energy believes the key factor that distinguishes it from others in its industry is the integrated nature of its business (*i.e.*, pairing Luminant's reliable and efficient mining, generating and wholesale commodity risk management capabilities with TXU Energy's retail platform) which, in Vistra Energy's view, represents a unique company structure in the competitive ERCOT market and other competitive electricity markets across the country. Vistra Energy believes its integrated business model creates a unique opportunity because, relative to its non-integrated competitors, it reduces Vistra Energy's exposure to commodity price movements and provides an opportunity for greater earnings stability. Consequently, Vistra Energy's integrated business model will be at the core of its business strategy.

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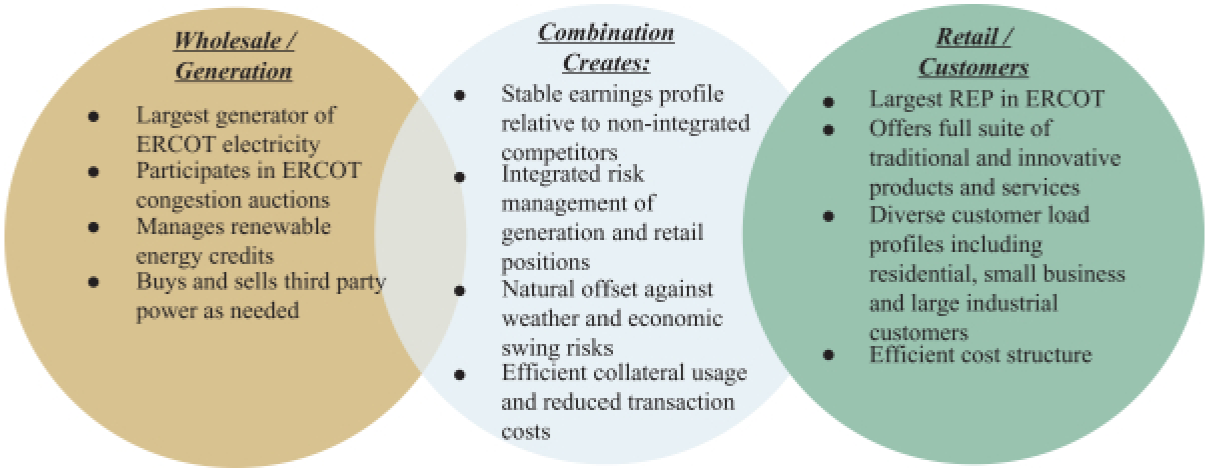
The chart below depicts the integrated nature of Vistra Energy's business and summarizes the key advantages of its integrated business model.



To further illustrate the benefits of Vistra Energy's integrated business model, the chart below highlights the competitive advantages Vistra Energy believes its integrated business model offers as compared to its non-integrated competitors (*i.e.*, pure-play IPPs and non-integrated REPs).

	IPP Model—Competitive Pressures	Retail Model—Competitive Pressures	Vistra Energy—Integrated Advantage
Commodity Exposure Related	• Low-price environment puts pressure on "long" commodity IPP model • Lack of depth of wholesale market makes meaningful long-term hedging challenging	• Low-price environment encourages competitive entry • Lack of market depth to hedge supply requirements presents risk management issue	• **Mitigates cash flow volatility from exposure to commodity prices** • **Retail channel provides an internal offset to generation (and vice versa)** • **Lower hedging transaction and collateral costs**
Impact of Technology	• Technology advancement in, and subsidization of, wind, solar, and storage • Low load growth environment; trends toward distributed generation and efficiency	• Trend towards energy efficiency and "green" products	• **Opportunity to use customer channels to expand integrated model to new technology** • **Creates new ways to engage customers and promotes long term relationships**
New Entrants	• Continued new build at questionable economics leads to high reserve margins & volatility in capacity prices	• Very aggressive / unsustainable pricing from new entrants / competitors	• **Retail and wholesale diversification provides earnings stability and capital efficiencies relative to pure-play new entrants**

	IPP Model— Competitive Pressures	Retail Model— Competitive Pressures	Vistra Energy— Integrated Advantage

Regulatory/
Political
	• Regulatory and political focus on emissions
	• Considerable oversight with numerous restrictions on market behavior
	• Onerous rules regarding asset retirement
		• ERCOT is only fully competitive retail market in North America (price-to-beat expired in 2007)
		• Non-ERCOT retail market faces structural challenges
		  • *Default provider sets effective ceiling price*
		  • *Utilities retain most customers and the customer interface, limiting opportunities to differentiate*
			• **As largest retail provider in ERCOT, the only fully deregulated retail market, TXU Energy lowers risk profile of overall portfolio compared to competitors in other markets**

While Vistra Energy does not believe there are any material risks specifically related to its integrated business model, see "Risk Factors—Risks Related to Vistra Energy" beginning on page 42 for a description of the material risks Vistra Energy's business faces.

Vistra Energy's Operations

Vistra Energy's primary operations consist of electricity solutions, including retail sales of electricity and related products to end users, power generation (including operations and maintenance and outage and project management) and sales of electric generating unit output in the wholesale marketplace, asset optimization and commodity risk management performed on an integrated basis for its retail and wholesale positions, and fuel logistics and management. These operations work together on an integrated basis, which allows Vistra Energy to realize efficiencies and alignment in all aspects of the electricity generation and sales operation.

Vistra Energy operates solely in the growing ERCOT electricity market, which it views as one of the most attractive power markets in the United States. As described in more detail below, ERCOT is an ISO that manages the flow of electricity to approximately 24 million Texas customers, representing approximately 90% of the state's load, and spanning approximately 75% of its geography, as of December 31, 2017.

Retail

Texas has one of the fastest growing populations of any state in the United States and has a diverse economy, which has resulted in a significant and growing competitive retail electricity market. Vistra Energy is an active participant in the competitive ERCOT market and continues to be a market leader, which it believes is driven by, among other things, having one of the lowest customer complaint rates, according to the PUCT, having an integrated power generation operation that allows Vistra Energy to efficiently obtain the electricity needed to serve its customers at the lowest cost, and leveraging the experience of its wholesale commodity risk management operations to optimize its cost to procure electricity and other products on behalf of its customers. Vistra Energy provided electricity to approximately 24% and 18% of the residential and commercial customers in ERCOT, respectively, as of December 31, 2016. Vistra Energy believes they have differentiated themselves by providing a distinctive customer experience predicated on delivering reliable and innovative power products and

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solutions to its customers, such as Free Nights and Free Weekends residential plans, MyEnergy DashboardSM, TXU Energy's iThermostat product and mobile solutions, the TXU Energy Rewards program, the TXU Energy Green UPSM renewable energy credit program and a diverse set of solar options, which give its customers choice, convenience and control over how and when they use electricity and related services. Vistra Energy competitively markets its retail electricity and related services to acquire, serve and retain both retail and wholesale customers. Vistra Energy's wholesale customers represent a cross section of industrial users, other competitive retail electric providers, municipalities, cooperatives and other end-users of electricity. Vistra Energy believes it is situated to better serve its retail customers through its unique affiliation with its wholesale commodity risk management personnel who can structure products and contracts in a way that offers significant value compared to stand-alone retail electric providers. Additionally, Vistra Energy's wholesale commodity risk management business protects its retail business from power price volatility, by allowing it to bypass bid-ask spread in the market (particularly for illiquid products and time periods), which results in significantly lower collateral costs for its retail business as compared to other, non-integrated retail electric providers. Moreover, Vistra Energy's retail business reduces, to some extent, the exposure of its wholesale generation business to wholesale power price volatility. This is because the retail load requirements of Vistra Energy's retail operations (primarily TXU Energy) provide a natural offset to the length of Luminant's generation portfolio thereby reducing the exposure to wholesale power price volatility as compared to a non-integrated pure-play IPP.

Generation

Vistra Energy's power generation fleet is diverse and flexible in terms of dispatch characteristics as its fleet includes baseload, intermediate/load following and peaking generation. Vistra Energy's wholesale commodity risk management business is responsible for dispatching its generation fleet in response to market needs after implementing portfolio optimization strategies, thus linking and integrating the generation fleet production with its retail customer and wholesale sales opportunities. Market demand, also known as load, faced by an electric power system such as ERCOT varies from moment to moment as a result of changes in business and residential demand, much of which is driven by weather. Unlike most other commodities, the production and consumption of electricity must remain balanced on an instantaneous basis. There is a certain baseline demand for electricity across an electric power system that occurs throughout the day, which is typically satisfied by baseload generating units with low variable operating costs. Baseload generating units can also increase output to satisfy certain incremental demand and reduce output when demand is unusually low. Intermediate/load-following generating units, which can more efficiently change their output to satisfy increases in demand, typically satisfy a large proportion of changes in intraday load as they respond to daily increases in demand or unexpected changes in supply created by reduced generation from renewable resources or other generator outages. Peak daily loads are typically satisfied by peaking units. Peaking units are typically the most expensive to operate, but they can quickly start up and shut down to meet brief peaks in demand. In general, baseload units, intermediate/load-following units and peaking units are dispatched into the ERCOT grid in order from lowest to highest variable cost. Price formation in ERCOT, as with other competitive power markets in the United States, is typically based on the highest variable cost unit that clears the market to satisfy system demand at a given point in time.

Vistra Energy's Fleet

The following description excludes three power plants (Monticello, Big Brown and Sandow) with a total installed nameplate generation capacity of approximately 4,167 MW that are scheduled to be retired in the first quarter of 2018. Luminant announced the retirement of these uneconomic units in September and October of 2017 and ERCOT has determined that the units are not needed for system reliability purposes.

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Luminant's generation fleet consists of 49 power generation units, all of which are wholly owned and operate within the ERCOT electricity market, with the location, fuel types, dispatch characteristics and total installed nameplate generation capacity for each generation facility shown in the table below:

Name	Location (all in the state of Texas)	Fuel Type	Dispatch Type	Installed Nameplate Capacity Generation	Number of Units
Comanche Peak	Somervell County	Nuclear	Baseload	2,300	2
Oak Grove	Robertson County	Lignite	Baseload	1,600	2
Martin Lake	Rusk County	Lignite/Coal	Intermediate/Load Following	2,250	3
Forney	Kaufman County	Natural Gas (CCGT)	Intermediate/Load Following	1,912	8
Lamar	Lamar County	Natural Gas (CCGT)	Intermediate/Load Following	1,076	6
Odessa	Ector County	Natural Gas (CCGT)	Intermediate/Load Following	1,054	6
Morgan Creek	Mitchell County	Natural Gas (CT)	Peaking	390	6
Permian Basin	Ward County	Natural Gas (CT)	Peaking	325	5
DeCordova	Hood County	Natural Gas (CT)	Peaking	260	4
Lake Hubbard	Dallas County	Natural Gas (Steam)	Peaking	921	2
Stryker Creek(1)	Cherokee County	Natural Gas (Steam)	Peaking	685	2
Graham(1)	Young County	Natural Gas (Steam)	Peaking	630	2
Trinidad(1)	Henderson County	Natural Gas (Steam)	Peaking	244	1
Total				13,647	49

Note: (1) Vistra Energy is currently conducting a competitive sales process for its Stryker Creek, Graham and Trinidad units

Vistra Energy's wholesale commodity risk management business also procures renewable energy credits from wind generation to support its electricity sales to wholesale and retail customers to satisfy the increasing demand for renewable resources from such customers. As of December 31, 2017, Vistra Energy had long-term PPAs to annually procure approximately 400 MW of renewable energy. These renewable generation sources deliver electricity when conditions make them available, and, when on-line, they generally compete with baseload units. Because they cannot be relied upon to meet demand continuously due to their dependence on weather and time of day, these generation sources are categorized as non-dispatchable and create the need for intermediate/load-following resources to respond to changes in their output.

Vistra Energy's generation resources, which represented approximately 18.9% of the generation capacity in ERCOT as of December 31, 2017, allow Vistra Energy to annually generate, procure and sell approximately 85-90 TWh of electricity to wholesale and retail customers from nuclear, natural gas, lignite, coal and renewable generation resources. After taking into consideration the announced generation plant retirements, market and operating factors Vistra Energy expect to generate and sell approximately 70 to 75 TWh of electricity in 2018.

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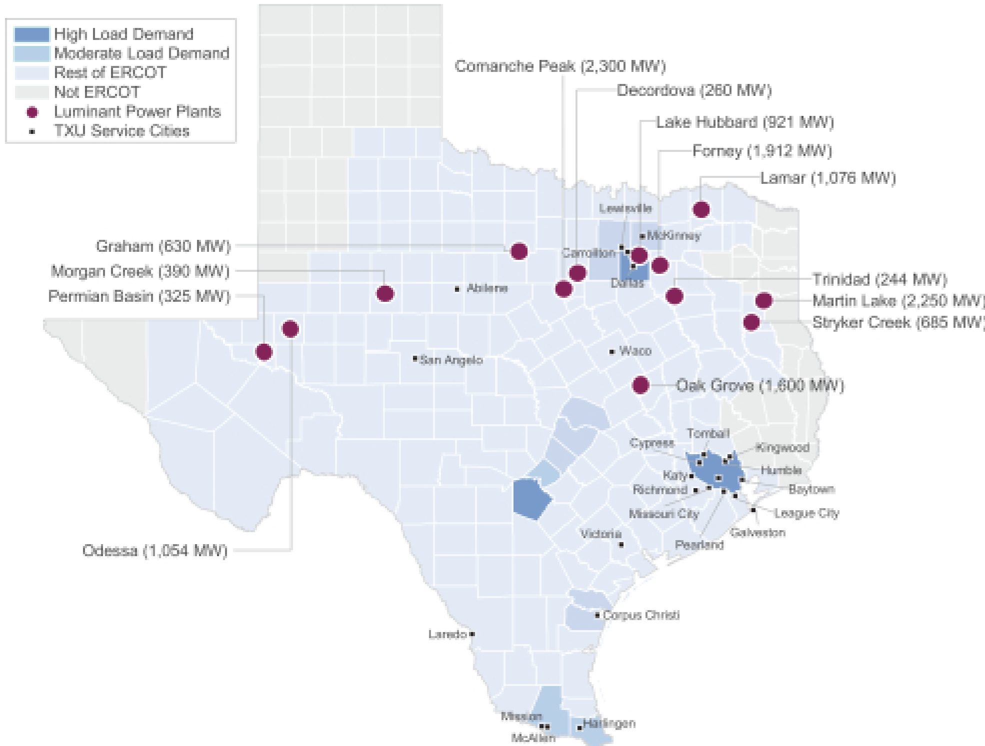
The map below shows Vistra Energy's significant footprint in Texas and further demonstrates the integrated nature of Vistra Energy's business.



Fuel Supply

Nuclear

Vistra Energy operates two nuclear generation units at the Comanche Peak Facility plant site, each of which is designed for a capacity of 1,150 MW. Comanche Peak Unit 1 and Unit 2 went into commercial operation in 1990 and 1993, respectively, and are generally operated at full capacity. Refueling (nuclear fuel assembly replacement) outages for each unit are scheduled to occur every eighteen months during the spring or fall off-peak demand periods. Every three years, the refueling cycle results in the refueling of both units during the same year, the latest of which occurred during 2017. While one unit is undergoing a refueling outage, the remaining unit is intended to operate at full capacity. During a refueling outage, other maintenance, modification and testing activities are completed that cannot be accomplished when the unit is in operation. Over the last three years the refueling outage period per unit has ranged from 29 to 54 days. The Comanche Peak Facility operated at a capacity factor of 84.0%, 100.9%, 99.0% and 92.5% in 2017, 2016, 2015 and 2014, respectively. The capacity factor for 2017 reflected an unplanned outage at one of the units between June and August 2017.

Vistra Energy has contracts in place for the majority of its nuclear fuel requirements through 2018. Vistra Energy does not anticipate any significant difficulties in acquiring uranium and contracting for associated conversion, enrichment and fabrication services in the foreseeable future.

The nuclear industry has developed ways to store used nuclear fuel on site at nuclear generation facilities, primarily through the use of dry cask storage, since there are no facilities for reprocessing or disposal of used nuclear fuel currently in operation in the United States. Luminant stores its used nuclear fuel on-site in storage

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pools or dry cask storage facilities and believes its on-site used nuclear fuel storage capability is sufficient for the foreseeable future.

Lignite/Coal

Vistra Energy's lignite/coal-fueled generation fleet capacity totals 3,850 MW (excluding the generation assets that are being retired at the start of 2018). Maintenance outages at these units are scheduled during the spring or fall off-peak demand periods.

Vistra Energy satisfies all of its fuel requirements at the Oak Grove generation facility with lignite that it mines. Vistra Energy meets its fuel requirements for the Martin Lake generation unit by blending lignite it mines with coal purchased from multiple suppliers under contracts of various lengths and transported from the Powder River Basin to its generation plants by railcar. In 2016, approximately 68% of the fuel used at the Martin Lake generation facility was supplied from surface minable lignite reserves dedicated to it, which is located adjacent to the reserves.

Natural Gas

Vistra Energy's natural gas-fueled generation fleet capacity totals 7,497 MW. In April 2016, Vistra Energy acquired La Frontera Holdings, LLC the indirect owner of two combined-cycle gas turbine (CCGT) natural gas fueled generation facilities located in ERCOT. The facility in Forney, Texas (8 units) has a capacity of 1,912 MW and the facility in Paris, Texas (6 units) has a capacity of 1,076 MW. In August 2017, Vistra Energy acquired a facility in Odessa, Texas (6 units) with a capacity of 1,054 MW. The acquisitions diversified Vistra Energy's fuel mix and increased the dispatch flexibility in its fleet.

Vistra Energy also operates combustion turbine (CT) facilities at Morgan Creek (6 units), Permian Basin (5 units), DeCordova (4 units), plant sites and steam facilities at Lake Hubbard (2 units), Stryker Creek (2 units), Graham (2 units) and Trinidad (1 unit) plant sites. The CT and steam plants are peaking units which provide Vistra Energy the ability to meet increased demand from its retail customers during high market price intervals with available generation capacity and provide other wholesale opportunities.

Vistra Energy satisfies its fuel requirements at these facilities through a combination of spot market and near-term purchase contracts. Additionally, Vistra Energy has near-term natural gas transportation agreements in place for all of its sites to ensure reliable fuel supply.

Vistra Energy's Competitive Strengths

Vistra Energy believes it is well-positioned to execute its business strategy of delivering long-term value to its stakeholders based on, among others, the following competitive strengths:

Uniquely situated integrated energy company.

Vistra Energy believes the key factor that distinguishes it from others in its industry is the integrated nature of its business (*i.e.*, pairing Luminant's reliable and efficient mining, generating and wholesale commodity risk management capabilities with TXU Energy's retail platform). Vistra Energy believes this is a unique company structure in the competitive ERCOT market and other competitive electricity markets across the country. It is Vistra Energy's view that its integrated business model provides a competitive advantage and results in more stable earnings under all market environments relative to its non-integrated competitors. In general, non-integrated electricity retailers are subject to wholesale power price and resulting cash flow volatility when demand increases or supply tightens, which can potentially result in significant losses if an electricity retailer is not appropriately hedged. However, because Vistra Energy's integrated business model enables it to manage through various price environments, Vistra Energy believes its retail operations (primarily TXU Energy) are not

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as exposed to wholesale power price volatility as non-integrated retail power companies. Moreover, given the retail load requirements of Vistra Energy's retail operations (primarily TXU Energy), the length of Luminant's generation portfolio is not as exposed to wholesale power price volatility as compared to a non-integrated pure-play IPP. Additionally, Vistra Energy's mining operations provide an alternative to other coal procurement sources and give it more flexibility in reaching the most cost-effective arrangements for its coal-fueled facilities. Vistra Energy believes these advantages make its business less subject to volatility risk than pure-play IPPs and non-integrated retail electric providers. Furthermore, Vistra Energy believes its integrated business model allows it to reduce sourcing and transaction costs and minimize credit and collateral requirements.

Highly valued retail brand and customer-focused operations.

Vistra Energy's retail business has been operating in the competitive retail electricity market in Texas under the TXU EnergyTM brand since 2002. Vistra Energy believes this has created strong brand recognition throughout ERCOT, enabling Vistra Energy to effectively acquire, serve and retain a broad spectrum of retail electricity customers. Vistra Energy's TXU Energy™ brand is viewed by customers as a symbol of a trustworthy, customer-centric, innovative and dependable electricity service. By leveraging Vistra Energy's retail marketing capabilities, commitment to product innovation and deep knowledge of the ERCOT market and its customer base, Vistra Energy believes that it can maintain and grow its position as the largest retailer of electricity in the highly competitive ERCOT retail market. Vistra Energy has an operating model that has delivered attractive margins and strong customer satisfaction that has been consistently ranked by the PUCT as having among the lowest customer complaint rates in the ERCOT market. Vistra Energy drives positive results in its retail electricity business by functioning as a technology driven, multi-channel marketer with advanced analytics and product development capabilities. Vistra Energy has leveraged these capabilities and the TXU Energy™ brand to deliver a wide range of innovative power products and services to its customers, including Free Nights and Weekends residential plans, MyEnergy DashboardSM, TXU Energy's iThermostat product and mobile solutions, the TXU Energy Rewards program, the TXU Energy Green UpSM renewable energy credit program and a diverse set of solar options, which give its customers choice, convenience and control over how and when they use electricity and related services. Vistra Energy believes its strong customer service, innovative products and trusted brand recognition have resulted in it maintaining the highest residential customer retention rate of any Texas retail electric provider in its respective core market.

Diversified generation sources and critical energy infrastructure.

Vistra Energy maintains operational flexibility to provide reliable and responsive power under a variety of market conditions by utilizing generation sources that are diverse and flexible in terms of fuel types (nuclear, lignite, coal, natural gas and renewables) and dispatch characteristics (baseload, intermediate/load-following, peaking and non-dispatchable). These generation sources feature the following characteristics:

- Except for periods of scheduled maintenance activities, Vistra Energy's nuclear-fueled units are generally available to run at capacity.
- Except for periods of scheduled maintenance activities, Vistra Energy's lignite- and coal-fueled units are available to run at capacity or seasonally, depending on market conditions (*i.e.*, during periods when wholesale electricity prices are greater than the unit's variable production costs). Certain of these units run only during the summer peak period and at times go into seasonal layup during the months with lower seasonal demand.
- Vistra Energy's CCGT units generally run during the intermediate/load-following periods of the daily supply curve.
- Vistra Energy's natural gas-fueled generation peaking units supplement the aggregate nuclear-, lignite- and coal-fueled and CCGT generation capacity in meeting demand during peak load periods because production from certain of these units, particularly combustion-turbine units, can be more quickly adjusted up or down as demand warrants. With this quick-start capability, Vistra Energy is able to

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increase generation during periods of supply or demand volatility in ERCOT and capture scarcity pricing in the wholesale electricity market. These natural gas-fueled generation peaking units also help Vistra Energy mitigate unit-contingent outage risk by allowing it to meet demand even if one or more of its nuclear, lignite, coal or CCGT units is taken offline for maintenance.

- The CCGT and natural gas-fueled generation peaking units also play a pivotal and increasing role in the ERCOT market by supplementing intermittent renewable generation through their versatile operations. Vistra Energy expects this versatility to increase in value over time as the ERCOT market continues to expand into renewable resources.
- Vistra Energy's long-term PPAs with various renewable energy providers deliver electricity when natural conditions make renewable resources available. These resources position Vistra Energy to meet the market's increasing demand for sustainable, low-carbon power solutions.

In addition, the commodity risk management and asset optimization strategies executed by Vistra Energy's commercial operation supplement the electricity generated by its fleet with electricity procured in market transactions to ensure that Vistra Energy is supplying its customers with the most cost-effective electricity options.

Competitive scale and highly effective, low-cost support operations.

As an integrated energy company with approximately 13,600 MW of generation capacity and approximately 1.7 million retail electricity customers. Vistra Energy operates with significant scale. This scale enables Vistra Energy to conduct its business with certain operational synergies that are not available to smaller power generation or retail electricity businesses. The benefits of Vistra Energy's significant scale include improved leverage of its low fixed costs, opportunities to share expertise across the portfolio of assets, enhanced procurement opportunities, development of, and the ability to offer, a wide array of products and services to Vistra Energy's customers, diversity of cash flows and a breadth of positive relationships with regulatory and governmental authorities. Vistra Energy believes these advantages, combined with a strong balance sheet and strong liquidity profile, enable it to operate with more financial flexibility than its competitors.

Positioned to capture upside in the attractive ERCOT market.

Vistra Energy believes that the location of its business, solely in ERCOT, offers attractive upside opportunities. ERCOT is the only fully deregulated electricity market in the United States in that both the wholesale and retail markets are truly competitive. In addition to having a robust wholesale market, the ERCOT residential retail market does not have regulated providers or a standard offer service, which is unique among competitive retail markets in the United States. Vistra Energy believes its integrated business model uniquely positions it to benefit from this attractive, robust marketplace. The ERCOT market represents approximately 90% of the load in Texas, a state that is the seventh-largest power market in the world, according to the United States Energy Information Administration (EIA), and had a population growth rate of 10.4% between July 2010 and July 2016, more than double the United States population growth rate of 4.5% during the same period, according to the U.S. Census Bureau. ERCOT has shown historically above-average load growth compared to other power markets in the United States, according to the EIA, and ERCOT can be viewed as a "power island" due to its limited import and export capacity, which Vistra Energy believes creates a favorable power supply and demand dynamic. Total ERCOT power demand has grown at a compounded annual growth rate of approximately 1.5% from 2005 through 2015, compared to a range of—0.6% to 0.6% in other United States markets, according to ERCOT and the EIA, respectively.

Vistra Energy considers ERCOT to be one of the most well-developed power markets in the United States, providing a stable regulatory environment and significant price transparency, market liquidity and support to competitive generators and retail electric providers like Vistra Energy. The energy-only wholesale market structure in ERCOT offers a variety of potential revenue streams in addition to energy revenues such as ancillary

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services and the ORDC, which ERCOT implemented on June 1, 2014. A unique feature of the ERCOT energy market is the system-wide offer cap of $9,000/MWh, which is substantially higher than other markets with capacity markets. While the ERCOT market is currently oversupplied, Vistra Energy expects reserve margins to be forecasted to continue to compress over time due to growing demand, potential generation retirements and limited announced new-build projects, particularly of non-intermittent projects, further tightening the supply and demand balance and creating conditions that may generate increased price volatility and higher wholesale electricity prices. Vistra Energy believes that its existing asset base and integrated business model (including its integrated approach to risk management) will enable it to take advantage of these opportunities in a disciplined manner. See "—The ERCOT Market" below for more information about ERCOT and the ORDC. In addition, in general, Luminant's generation portfolio (primarily the nuclear, lignite and coal generation facilities) is positioned to increase in value to the extent there is a rebound in forward natural gas prices. Vistra Energy cannot predict, however, whether or not forward natural gas prices will rebound or the timing of any such rebound if it were to occur in the future.

Strong balance sheet and strong liquidity profile.

In connection with Emergence, a substantial amount of the debt of Vistra Energy's Predecessor was eliminated. As a result, Vistra Energy believes its balance sheet is strong given its low leverage relative to the cash flows generated from its integrated business. Further, Vistra Energy believes that its financial leverage is prudent and, together with its strong cash flow and strong liquidity profile, provides it with significant competitive advantages relative to, and sets it apart from, its competitors, especially those that have much more leverage than it does. Vistra Energy believes that its integrated business model further improves its liquidity profile relative to its non-integrated competitors because such integration reduces its retail operations' exposure to wholesale electricity price volatility resulting in its retail operations having lower collateral requirements with counterparties and ERCOT. Vistra Energy also believes a strong balance sheet allows it to manage through periods of commodity price volatility that may require incremental liquidity and positions it well to pursue a range of capital deployment strategies, including investing in its current business, funding attractive organic and acquisition-driven growth opportunities and returning capital to its stockholders. Consistent with Vistra Energy's disciplined capital allocation approval process, Vistra Energy intends to pursue growth opportunities that have compelling economic value in addition to fitting with its business strategy.

Proven, experienced management team.

The members of Vistra Energy's senior management team have significant industry experience, including experience operating in a competitive retail electricity environment, operating sophisticated power generation facilities, operating a safe and cost-efficient mining organization and managing the risks of competitive wholesale and retail electricity businesses. Vistra Energy believes that its management team's history of safe and reliable operations in its industry, breadth of positive relationships with regulatory and legislative authorities and commitment to a disciplined and prudent operating cost structure and capital allocation will benefit Vistra Energy's stakeholders. Moreover, between personal investments in Vistra Energy Common Stock and Vistra Energy's incentive compensation arrangements, Vistra Energy's management team has a meaningful stake in Vistra Energy, thereby closely aligning incentives between management and its stockholders.

Vistra Energy's Business Strategy

Vistra Energy's business strategy is to deliver long-term stakeholder value through a multi-faceted focus on the following areas:

Integrated business model.

Vistra Energy's business strategy will be guided by its integrated business model because Vistra Energy believes it is its core competitive advantage and differentiates Vistra Energy from its non-integrated competitors.

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Vistra Energy believes its integrated business model creates a unique opportunity because, relative to Vistra Energy's non-integrated competitors, it insulates Vistra Energy from commodity price movements and provides unique earnings stability. Consequently, Vistra Energy's integrated business model will be at the core of its business strategy.

Superior customer service.

Through TXU Energy, Vistra Energy serves the retail electricity needs of end-use residential, small business, commercial and industrial electricity customers through multiple sales and marketing channels. In addition to benefitting from Vistra Energy's integrated business model, Vistra Energy leverages its strong brand, its commitment to a consistent and reliable product offering, the backstop of the electricity generated by Vistra Energy's generation fleet, its industry leading wholesale commodity risk management operations and exceptional, innovative and dependable customer service to differentiate Vistra Energy's products and services from its competitors. Vistra Energy strives to be at the forefront of innovation with new offerings and customer experiences to reinforce its value proposition. Vistra Energy maintains a focus on solutions that give its customers choice, convenience and control over how and when they use electricity and related services, including Free Nights and Weekends residential plans, MyEnergy DashboardSM, TXU Energy's iThermostat product and mobile solutions, the TXU Energy Rewards program, the TXU Energy Green UpSM renewable energy credit program and a diverse set of solar options. Vistra Energy's focus on superior customer service will guide its efforts to acquire new residential and commercial customers, serve and retain existing customers and maintain valuable sales channels for its electricity generation resources. Vistra Energy believes its strong customer service, innovative products and trusted brand have resulted in Vistra Energy maintaining the highest residential customer retention rate of any Texas retail electric provider in its respective core market.

Excellence in operations while maintaining an efficient cost structure.

Vistra Energy believes that operating its facilities in a safe, reliable, environmentally compliant, and cost-effective and efficient manner is a foundation for delivering long-term stakeholder value. Vistra Energy also believes value increases as a function of making disciplined investments that enable its generation facilities to operate not only effectively and efficiently, but also safely, reliably and in an environmentally compliant manner. Vistra Energy believes that an ongoing focus on operational excellence and safety is a key component to success in a highly competitive environment and is part of the unique value proposition of its integrated model. Additionally, Vistra Energy is committed to optimizing its cost structure and implementing enterprise-wide process and operating improvements without compromising the safety of its communities, customers and employees. In connection with Emergence, in addition to significantly reducing Vistra Energy's debt levels, Vistra Energy implemented certain cost-reduction actions in order to better align and right-size its cost structure. Vistra Energy believes it has a highly effective and efficient cost structure and that its cost structure supports excellence in its operations.

Integrated hedging and commercial management.

Vistra Energy's commercial team is focused on managing risk, through opportunistic hedging, and optimizing Vistra Energy's assets and business positions. Vistra Energy actively manages its exposure to wholesale electricity prices in ERCOT, on an integrated basis, through contracts for physical delivery of electricity, exchange-traded and over-the-counter financial contracts, ERCOT term, day-ahead and real-time market transactions and bilateral contracts with other wholesale market participants, including other power generators and end-user electricity customers. These hedging activities include short-term agreements, long-term electricity sales contracts and forward sales of natural gas through financial instruments. The historically positive correlation between natural gas prices and wholesale electricity prices in ERCOT has provided Vistra Energy an opportunity to manage its exposure to the variability of wholesale electricity prices through natural gas hedging activities. Vistra Energy seeks to hedge near-term cash flow and optimize long term value through hedging and forward sales contracts. Vistra Energy believes its integrated hedging and commercial management strategy, in

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combination with a strong balance sheet and strong liquidity profile, will provide a long-term advantage through cycles of higher and lower commodity prices.

Disciplined capital allocation.

Like any energy-focused business, Vistra Energy is potentially subject to significant commodity price volatility and capital costs. Accordingly, Vistra Energy's strategy is to maintain a balance sheet with prudent financial leverage supported by readily accessible, flexible and diverse sources of liquidity. Vistra Energy's ongoing capital allocation priorities primarily include making necessary capital investments to maintain the safety and reliability of its facilities. Because Vistra Energy believes cost discipline and strong management of its assets and commodity positions are necessary to deliver long-term value to its stakeholders, Vistra Energy generally makes capital allocation decisions that it believes will lead to attractive cash returns on investment.

Growth and enhancement.

Vistra Energy's growth strategy leverages its core capabilities of multi-channel retail marketing in a large and competitive market, operating large-scale, environmentally sensitive, and diverse assets across a variety of fuel technologies, fuel logistics and management, commodity risk management, cost control, and energy infrastructure investing. Vistra Energy intends to opportunistically evaluate acquisitions of high-quality energy infrastructure assets and businesses that complement these core capabilities and enable Vistra Energy to achieve operational or financial synergies. While Vistra Energy is intent on growing its business and creating value for its stockholders, Vistra Energy is committed to making disciplined investments that are consistent with its focus on maintaining a strong balance sheet and strong liquidity profile. As a result, consistent with Vistra Energy's disciplined capital allocation approval process, growth opportunities it pursues will need to have compelling economic value in addition to fitting with Vistra Energy's business strategy.

Corporate responsibility and citizenship.

Vistra Energy is committed to providing safe, reliable, cost-effective and environmentally compliant electricity for the communities and customers it serves. Vistra Energy strives to improve the quality of life in the communities in which it operates. Vistra Energy is also committed to being a good corporate citizen in the communities in which it conducts operations. Vistra Energy and its employees are actively engaged in programs intended to support and strengthen the communities in which Vistra Energy conducts operations. Vistra Energy's foremost giving initiatives, the United Way and TXU Energy Aid campaigns, have raised more than $30 million in employee and corporate contributions since 2000. Additionally, for more than 30 years, TXU Energy Aid has served as an integral resource for social service agencies that assist families in need, having helped more than 500,000 customers across Texas pay their electricity bills.

The ERCOT Market

ERCOT is an ISO that manages the flow of electricity from approximately 78,000 MW of installed capacity to approximately 24 million Texas customers, representing approximately 90% of the state's electric load and spanning approximately 75% of its geography, as of December 31, 2017. ERCOT is a highly competitive wholesale electricity market with historically above-average demand growth, limited import and export capacity and increasing wholesale price caps, and is the seventh-largest power market in the world, according to the EIA. Population growth in Texas is currently expanding at well above the national average rate, with a growth rate of 10.4% between July 2010 and July 2016, more than double the United States population growth rate of 4.5% during the same period, according to the U.S. Census Bureau. ERCOT accounts for approximately 32% of the competitively served retail load in the United States and residential consumers in the ERCOT market consume approximately 30% more electricity than the average United States residential consumer according to the EIA. Total ERCOT power demand has grown at a compounded annual growth rate of approximately 1.5% from 2005 through 2015, compared to a range of -0.6% to 0.6% in other United States markets, according to ERCOT and

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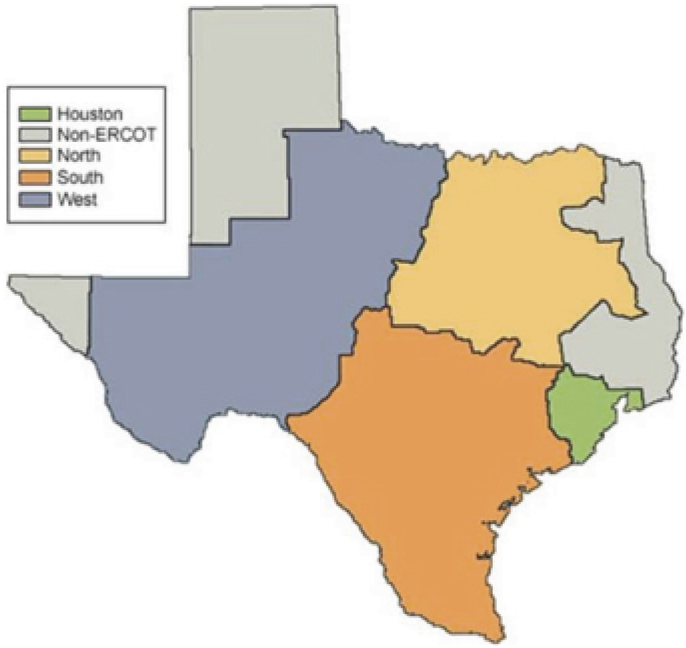
the EIA, respectively. ERCOT was formed in 1970 and became the first ISO in the United States in September 1996. The following map illustrates ERCOT by regions:



As an energy-only market, ERCOT's market design is distinct from other competitive electricity markets in the United States. Other markets maintain a minimum reserve margin through regulated planning, resource adequacy requirements and/or capacity markets. In contrast, ERCOT's resource adequacy is predominately dependent on free-market processes and energy-market price signals. On June 1, 2014, ERCOT implemented the ORDC, pursuant to which wholesale electricity prices in the real-time electricity market increase automatically as available operating reserves decrease below defined threshold levels, creating a price adder. When operating reserves drop to 2,000 MW or less, the ORDC automatically adjusts power prices to the established VOLL, which is set at \$9,000/MWh. Because ERCOT has limited excess generation capacity to meet high demand days due to its minimal import capacity, and peaking facilities have high operating costs, the marginal price of supply rapidly increases during periods of high demand. Historically, elevated temperatures in the summer months have driven high electricity demand in ERCOT. Many generators benefit from these sporadic periods of "scarcity pricing" in which power prices may increase significantly, up to the current \$9,000/MWh price cap.

Transactions in ERCOT take place in two key markets: the day-ahead market and the real-time market. The day-ahead market is a voluntary, forward electricity market conducted the day before each operating day in which generators and purchasers of electricity may bid for one or more hours of electricity supply or consumption. The real-time market is a spot market in which electricity may be sold in five-minute intervals. The day ahead market provides market participants with visibility into where prices are expected to clear, and the prices are not impacted by subsequent events. Conversely, the real-time market exposes purchasers to the risk of transient operational events and price spikes. These two markets allow market participants to manage their risk profile by adjusting their participation in each market. In addition, ERCOT uses ancillary services to maintain system reliability, including regulation service—up, regulation service—down, responsive reserve service and non-spinning reserve service. Regulation service up and down are used to balance the grid in a near-instantaneous fashion when supply and demand fluctuate due to a variety of factors, such as weather, generation outages, renewable production intermittency and transmission outages. Responsive reserves and non-spinning reserves are used by ERCOT when the grid is at, near or recovering from a state of emergency due to inadequate generation. Because ERCOT has one of the highest concentrations of wind capacity generation among United

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States markets, the ERCOT market is more susceptible to fluctuations in wholesale electricity supply due to intermittent wind production, making ERCOT more vulnerable to periods of generation scarcity.

Seasonality

The demand for and market prices of electricity and natural gas are affected by weather. As a result, Vistra Energy's operating results may fluctuate on a seasonal basis, and more severe weather conditions such as heat waves or extreme winter weather may make such fluctuations more pronounced. The pattern of this fluctuation may change depending on, among other things, the retail load served and the terms of contracts to purchase or sell electricity.

Competition

Competition in ERCOT, as in other electricity markets, is impacted by electricity and fuel prices, congestion along the power grid, subsidies provided by state and federal governments for new generation facilities, new market entrants, construction of new generating assets, technological advances in power generation, the actions of environmental and other regulatory authorities and other factors. Vistra Energy primarily competes with other electricity generators and retailers based on its ability to generate electric supply, and market and sell electricity, at competitive prices and to efficiently utilize transportation from third-party pipelines and transmission from electric utilities and ISOs to deliver electricity to end-users. Competitors in the generation and retail power markets in which Vistra Energy participates include regulated utilities, industrial companies, non-utility generators, competitive subsidiaries of regulated utilities, IPPs, REPs and other energy marketers. See "Risk Factors—Risks Related to Vistra Energy" beginning on page 42 for additional information concerning the risks faced with respect to the competitive energy markets in which Vistra Energy operates.

Brand Value

Vistra Energy's TXU Energy™ brand, which has been used to sell electricity to customers in the competitive retail electricity market in Texas for approximately 16 years, is registered and protected by trademark law and is the only material intellectual property asset that Vistra Energy owns. As of September 30, 2017, Vistra Energy has reflected an intangible asset on its balance sheet for the TXU Energy™ brand of approximately $1.2 billion.

Legal Proceedings

Set out below is a summary of the various material legal and administrative proceedings currently pending against Vistra Energy. Vistra Energy is also involved in various legal and administrative proceedings in the normal course of business, the ultimate resolutions of which, in the opinion of management, are not anticipated to have a material effect on Vistra Energy's results of operations, liquidity or financial condition.

Litigation

Litigation Related to EPA Reviews—In June 2008, the EPA issued an initial request for information to Luminant under the EPA's authority under Section 114 of the CAA. The stated purpose of the request is to obtain information necessary to determine compliance with the CAA, including New Source Review standards and air permits issued by the TCEQ for the Big Brown, Monticello and Martin Lake generation facilities. In April 2013, Luminant received an additional information request from the EPA under Section 114 related to Vistra Energy's Big Brown, Martin Lake and Monticello facilities as well as an initial information request related to Vistra Energy's Sandow 4 generation facility.

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In July 2012, the EPA sent Luminant a notice of violation alleging noncompliance with the CAA's New Source Review standards and the air permits at Vistra Energy's Martin Lake and Big Brown generation facilities. In August 2013, the DOJ, acting as the attorneys for the EPA, filed a civil enforcement lawsuit against Luminant in federal district court in Dallas, alleging violations of the CAA, including its New Source Review standards, at Vistra Energy's Big Brown and Martin Lake generation facilities. In August 2015, the district court granted Luminant's motion to dismiss seven of the nine claims asserted by the EPA in the lawsuit. In August 2016, the EPA filed an amended complaint, eliminating one of the two remaining claims and withdrawing with prejudice a request for civil penalties in the other remaining claim. The EPA also filed a motion for entry of final judgment so that it could seek to appeal the district court's dismissal decision. In September 2016, Luminant filed a response opposing the EPA's motion for entry of final judgment. In October 2016, the district court denied the EPA's motion for entry of final judgment and agreed that the remaining claim must be fully adjudicated at the district court or withdrawn with prejudice before the EPA may appeal the dismissal decision.

In January 2017, the EPA dismissed its two remaining claims with prejudice and the district court entered final judgment in Vistra Energy's favor. In March 2017, the EPA and the Sierra Club appealed the final judgment to the U.S. Court of Appeals for the Fifth Circuit (Fifth Circuit Court) and Luminant filed a motion in the district court to recover its attorney fees and costs. In April 2017, the district court stayed its consideration of Luminant's motion for attorney fees. In June 2017, the EPA and the Sierra Club filed their opening briefs in the Fifth Circuit Court. Luminant filed its response brief in August 2017. In September 2017, the EPA and the Sierra Club filed their reply briefs. The case has been tentatively set for oral argument in March 2018. Vistra Energy believes that it has complied with all requirements of the CAA and intends to vigorously defend against the remaining allegations. The lawsuit requests the maximum civil penalties available under the CAA to the government of up to $32,500 to $37,500 per day for each alleged violation, depending on the date of the alleged violation, and injunctive relief, including an order requiring the installation of best available control technology at the affected units. An adverse outcome could require substantial capital expenditures that cannot be determined at this time or retirement of the plants at issue and could possibly require the payment of substantial penalties. Vistra Energy cannot predict the outcome of these proceedings, including the financial effects, if any.

Greenhouse Gas Emissions

In August 2015, the EPA finalized rules to address GHG emissions from new, modified and reconstructed and existing electricity generation units, referred to as the Clean Power Plan. The rule for existing facilities would establish state-specific emissions rate goals to reduce nationwide CO_2 emissions related to affected units by over 30% from 2012 emission levels by 2030. A number of parties, including Luminant, filed petitions for review in the IT Court of Appeals for the District of Columbia Circuit (D.C. Circuit Court) for the rule for new, modified and reconstructed plants. In addition, a number of petitions for review of the rule for existing plants were filed in the D.C. Circuit Court by various parties and groups, including challenges from twenty-seven different states opposed to the rule as well as those from, among others, certain power generating companies, various business groups and some labor unions. Luminant also filed its own petition for review. In January 2016, a coalition of states, industry (including Luminant) and other parties filed applications with the U.S. Supreme Court (Supreme Court) asking that the Supreme Court stay the rule while the D.C. Circuit Court reviews the legality of the rule for existing plants. In February 2016, the Supreme Court stayed the rule pending the conclusion of legal challenges on the rule before the D.C. Circuit Court and until the Supreme Court disposes of any subsequent petition for review. Oral argument on the merits of the legal challenges to the rule were heard in September 2016 before the entire D.C. Circuit Court.

In March 2017, President Trump issued an Executive Order entitled *Promoting Energy Independence and Economic Growth* (Order). The Order covers a number of matters, including the Clean Power Plan. Among other provisions, the Order directs the EPA to review the Clean Power Plan and, if appropriate, suspend, revise or rescind the rules on existing and new, modified and reconstructed generating units. In April 2017, in accordance with the Order, the EPA published its intent to review the Clean Power Plan. In addition, the DOJ has filed motions seeking to abate those cases until the EPA concludes its review of the rules, including any new

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rulemaking that results from that review. In April 2017, the D.C. Circuit Court issued orders holding the cases in abeyance for 60 days and directing the EPA to provide status reports at 30-day intervals. The D.C. Circuit Court further ordered that all parties file supplemental briefs in May 2017 on whether the cases should be remanded to the EPA rather than held in abeyance. The 60-day abeyance expired in January 2018, and the D.C. Circuit Court has yet to take further action. In October 2017, the EPA issued a proposed rule that would rescind the Clean Power Plan. The proposed repeal focuses on what the EPA believes to be the unlawful nature of the Clean Power Plan and asks for public comment on the EPA's interpretations of its authority under the CAA. Vistra Energy currently plans to submit comments in response to the proposed repeal by April 2018. While Vistra Energy cannot predict the outcome of these rulemakings and related legal proceedings, or estimate a range of reasonably probable costs, if the rules are ultimately implemented or upheld as they were issued, they could have a material impact on Vistra Energy's results of operations, liquidity or financial condition.

Cross-State Air Pollution Rule (CSAPR)

In July 2011, the EPA issued the CSAPR, compliance with which would have required significant additional reductions of sulfur dioxide (SO_2) and nitrogen oxide (NO_x) emissions from Vistra Energy's fossil fueled generation units. In February 2012, the EPA released a final rule (Final Revisions) and a proposed rule revising certain aspects of the CSAPR, including increases in the emissions budgets for Texas and Vistra Energy's generation assets as compared to the July 2011 version of the rule. In June 2012, the EPA finalized the proposed rule (Second Revised Rule).

The CSAPR became effective January 1, 2015. In July 2015, following a remand of the case from the Supreme Court to consider further legal challenges, the D.C. Circuit Court unanimously ruled in favor of Luminant and other petitioners, holding that the CSAPR emissions budgets overcontrolled Texas and other states. The D.C. Circuit Court remanded those states' budgets to the EPA for prompt reconsideration. While Luminant planned to participate in the EPA's reconsideration process to develop increased budgets for the 1997 ozone standard that do not over-control Texas, the EPA instead responded to the remand by proposing a new rulemaking that created new NO_X ozone season budgets for the 2008 ozone standard without addressing the over-controlling budgets for the 1997 standard. Comments on the EPA's proposal were submitted by Luminant in February 2016. In August 2016, the EPA disapproved Texas's 2008 ozone State Implementation Plan (SIP) submittal and imposed a Federal Implementation Plan (FIP) in its place in October 2016. Texas filed a petition in the Fifth Circuit Court challenging the SIP disapproval and Luminant intervened in support of Texas's challenge. The parties moved to stay the case and the Fifth Circuit Court responded by dismissing the petition with the right to reinstate as provided in the Fifth Circuit Court's rules. The State of Texas and Luminant have also both filed challenges in the D.C. Circuit Court challenging the EPA's FIP and those cases are currently pending before that court. With respect to Texas's SO_2 emission budgets, in June 2016, the EPA issued a memorandum describing the EPA's proposed approach for responding to the D.C. Circuit Court's remand for reconsideration of the CSAPR SO_2 emission budgets for Texas and three other states that had been remanded to the EPA by the D.C. Circuit Court. In the memorandum, the EPA stated that those four states could either voluntarily participate in the CSAPR by submitting a SIP revision adopting the SO_2 budgets that had been previously held invalid by the D.C. Circuit Court and the current annual NO_X budgets or, if the state chooses not to participate in the CSAPR, the EPA could withdraw the CSAPR FIP by the fall of 2016 for those states and address any interstate transport and regional haze obligations on a state-by-state basis. Texas has not indicated that it intends to adopt the over-controlling budgets and, in November 2016, the EPA proposed to withdraw the CSAPR FIP for Texas. In September 2017, the EPA finalized its proposal to remove Texas from the annual CSAPR programs. The Sierra Club and the National Parks Conservation Association filed a petition for review in the D.C. Circuit Court challenging that final rule. Luminant has filed a motion to intervene in support of the EPA. As a result of the EPA's action, Texas electric generating units are no longer subject to the CSAPR annual SO_2 and NO_X limits, but remain subject to the CSAPR's ozone season NO_X requirements. While Vistra Energy cannot predict the outcome of future proceedings related to the CSAPR, including the EPA's recent actions concerning the CSAPR annual emissions budgets for affected states and participating in the CSAPR program, based upon Vistra Energy's current operating plans Vistra Energy does not believe that the CSAPR itself will cause any material operational, financial or compliance issues to Vistra Energy's business or require Vistra Energy to incur any material compliance costs.

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Regional Haze—Reasonable Progress and Long-Term Strategies

The Regional Haze Program of the CAA establishes "as a national goal the prevention of any future, and the remedying of any existing, impairment of visibility in mandatory Class I federal areas, like national parks, which impairment results from man-made pollution." There are two components to the Regional Haze Program. First, states must establish goals for reasonable progress for Class I federal areas within the state and establish long-term strategies to reach those goals and to assist Class I federal areas in neighboring states to achieve reasonable progress set by those states towards a goal of natural visibility by 2064. In February 2009, the TCEQ submitted a SIP concerning regional haze (Regional Haze SIP) to the EPA. In December 2011, the EPA proposed a limited disapproval of the Regional Haze SIP due to its reliance on the Clean Air Interstate Rule (CAIR) instead of the EPA's replacement CSAPR program that the EPA proposed in July 2011. The EPA finalized the limited disapproval in June 2012. In August 2012, Luminant filed a petition for review in the Fifth Circuit Court challenging the EPA's limited disapproval of the Regional Haze SIP on the grounds that the CAIR continued in effect pending the D.C. Circuit Court's decision in the CSAPR litigation. In September 2012, Luminant filed a petition to intervene in a case filed by industry groups and other states and private parties in the D.C. Circuit Court challenging the EPA's limited disapproval and issuance of a FIP regarding the regional haze best available retrofit technology (BART) program. The Fifth Circuit Court case has since been transferred to the D.C. Circuit Court and consolidated with other pending BART program regional haze appeals. Briefing in the D.C. Circuit Court was completed in March 2017.

In June 2014, the EPA issued requests for information under Section 114 of the CAA to Luminant and other generators in Texas related to the reasonable progress program. After releasing a proposed rule in November 2014 and receiving comments from a number of parties, including Luminant and the State of Texas in April 2015, the EPA issued a final rule in January 2016 approving in part and disapproving in part Texas' SIP for Regional Haze and issuing a FIP for Regional Haze. In the rule, the EPA asserts that the Texas SIP does not show reasonable progress in improving visibility for two areas in Texas and that its long-term strategy fails to make emission reductions needed to achieve reasonable progress in improving visibility in the Wichita Mountains of Oklahoma. The EPA's emission limits in the FIP assume additional control equipment for specific lignite/coal-fueled generation units across Texas, including new flue gas desulfurization systems (scrubbers) at seven electricity generating units and upgrades to existing scrubbers at seven generation units. Specifically, for Luminant, the EPA's FIP is based on new scrubbers at Big Brown Units 1 and 2 and Monticello Units 1 and 2 and scrubber upgrades at Martin Lake Units 1, 2 and 3, Monticello Unit 3 and Sandow Unit 4. Under the terms of the rule, subject to the legal proceedings described in the following paragraph, the scrubber upgrades would be required by February 2019, and the new scrubbers would be required by February 2021.

In March 2016, Luminant and a number of other parties, including the State of Texas, filed petitions for review in the Fifth Circuit Court challenging the FIP's Texas requirements. Luminant and other parties also filed motions to stay the FIP while the court reviews the legality of the EPA's action. In July 2016, the Fifth Circuit Court denied the EPA's motion to dismiss Luminant's challenge to the FIP and denied the EPA's motion to transfer the challenges Luminant, the other industry petitioners and the State of Texas filed to the D.C. Circuit Court. In addition, the Fifth Circuit Court granted the motions to stay filed by Luminant, the other industry petitioners and the State of Texas pending final review of the petitions for review. The case was abated until the end of November 2016 in order to allow the parties to pursue settlement discussions. Settlement discussions were unsuccessful, and in December 2016 the EPA filed a motion seeking a voluntary remand of the rule back to the EPA for further consideration of Luminant's pending request for administrative reconsideration. Luminant and some of the other petitioners filed a response opposing the EPA's motion to remand and filed a cross motion for vacatur of the rule in December 2016. In March 2017, the Fifth Circuit Court remanded the rule back to the EPA for reconsideration in light of the Court's prior determination that Vistra Energy and the other petitioners demonstrated a substantial likelihood that the EPA exceeded its statutory authority and acted arbitrarily and capriciously, but the Court denied all of the other pending motions. The stay of the rule (and the emission control requirements) remains in effect. In addition, the Fifth Circuit Court denied the EPA's motion to lift the stay as to parts of the rule implicated in the EPA's subsequent BART proposal and the Court is retaining jurisdiction of the

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case and requiring the EPA to file status reports on its reconsideration every 60 days. While Vistra Energy cannot predict the outcome of the rulemaking and legal proceedings, or estimate a range of reasonably possible costs, the result may have a material impact on Vistra Energy's results of operations, liquidity or financial condition.

Regional Haze—Best Available Retrofit Technology

The second part of the Regional Haze Program subjects certain electricity generation units built between 1962 and 1977, to BART standards designed to improve visibility if such units cause or contribute to impairment of visibility in a federal class I area. BART reductions of SO_2 and NO_X are required either on a unit-by-unit basis or are deemed satisfied by state participation in an EPA-approved regional trading program such as the CSAPR or other approved alternative program. In response to a lawsuit by environmental groups, the D.C. Circuit Court issued a consent decree in March 2012 that required the EPA to propose a decision on the Regional Haze SIP by May 2012 and finalize that decision by November 2012. The consent decree requires a FIP for any provisions that the EPA disapproves. The D.C. Circuit Court has amended the consent decree several times to extend the dates for the EPA to propose and finalize a decision on the Regional Haze SIP. The consent decree was modified in December 2015 to extend the deadline for the EPA to finalize action on the determination and adoption of requirements for BART for electricity generation. Under the amended consent decree, the EPA had until December 2016 to propose, and had until September 2017 to finalize, either approval of the state plan or a FIP for BART for Texas electricity generation sources if the EPA determines that BART requirements have not been met. The EPA issued a proposed BART FIP for Texas in January 2017. The EPA's proposed emission limits assume additional control equipment for specific lignite/coal-fueled generation units across Texas, including new flue gas desulfurization systems (scrubbers) at 12 electric generation units and upgrades to existing scrubbers at four electric generation units. Specifically, for Luminant, the EPA's proposed emission limitations were based on new scrubbers at Big Brown Units 1 and 2 and Monticello Units 1 and 2 and scrubber upgrades at Martin Lake Units 1, 2 and 3 and Monticello Unit 3. Luminant evaluated the requirements and potential financial and operational impacts of the proposed rule, but new scrubbers at the Big Brown and Monticello units necessary to achieve the emission limits required by the FIP (if those limits are possible to attain), along with the existence of low wholesale power prices in ERCOT, would challenge the long-term economic viability of those units. Under the terms of the proposed rule, the scrubber upgrades would have been required within three years of the effective date of the final rule and the new scrubbers will be required within five years of the effective date of the final rule. Vistra Energy submitted comments on the proposed FIP in May 2017.

The EPA signed the final BART FIP for Texas in September 2017. The rule is a partial approval of Texas's 2009 SIP and a partial FIP. In response to comments on the proposed rule submitted to the EPA, for SO_2, the rule creates an intrastate Texas emission allowance trading program as a "BART alternative" that operates in a similar fashion to a CSAPR trading program. The program includes 39 generating units, including Vistra Energy's Martin Lake, Big Brown, Monticello, Sandow 4, Stryker 2 and Graham 2 plants. Of the 39 units, 30 are BART-eligible, three are co-located with a BART-eligible unit and six units are included in the program based on a visibility impacts analysis by the EPA. The 39 units represent 89% of SO_2 emissions from Texas electric generating units in 2016 and 85% of all CSAPR SO_2 allowance allocations for Texas existing electric generating units. The compliance obligations in the program will start on January 1, 2019. The identified units will receive an annual allowance allocation that is equal to their current annual CSAPR SO_2 allocation. Luminant's units covered by the program are allocated 91,222 allowances annually. Under the rule, a unit that is listed that does not operate for two consecutive years starting after 2018 would no longer receive allowances after the fifth year of non-operation. While Vistra Energy is still analyzing the rule, Vistra Energy believes the recent retirement announcement for Vistra Energy's Monticello, Big Brown and Sandow 4 plants will enhance Vistra Energy's ability to comply with this BART rule for SO_2. For NO_X, the rule adopts the CSAPR's ozone program as BART and for particulate matter, the rule approves Texas's SIP that determines that no electric generating units are subject to particulate matter BART. The National Parks Conservation Association, the Sierra Club and the Environmental Defense Fund filed a petition challenging the rule in the Fifth Circuit Court. Luminant has intervened on behalf of the EPA in that action. While Vistra Energy cannot predict the outcome of the rulemaking and potential legal proceedings, Vistra Energy believes the rule, if ultimately implemented or upheld as issued, will not have a material impact on Vistra Energy's results of operation, liquidity or financial condition.

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Intersection of the CSAPR and Regional Haze Programs

Historically the EPA has considered compliance with a regional trading program, such as the CSAPR, as satisfying a state's obligations under the BART portion of the Regional Haze Program. However, in the reasonable progress FIP, the EPA diverged from this approach and did not treat Texas' compliance with the CSAPR as satisfying its obligations under the BART portion of the Regional Haze Program. The EPA concluded that it would not be appropriate to finalize that determination given the remand of the CSAPR budgets. As described above, the EPA has now removed Texas from the annual CSAPR trading programs and has issued a final BART FIP for Texas.

Affirmative Defenses During Malfunctions

In February 2013, in response to a petition for rulemaking filed by the Sierra Club, the EPA proposed a rule requiring certain states to replace SIP exemptions for excess emissions during malfunctions with an affirmative defense. Texas was not included in that original proposal since it already had an EPA-approved affirmative defense provision in its SIP that was found to be lawful by the Fifth Circuit Court in 2013. In 2014, as a result of a D.C. Circuit Court decision striking down an affirmative defense in another EPA rule, the EPA revised its 2013 proposal to extend the EPA's proposed findings of inadequacy to states that have affirmative defense provisions, including Texas. The EPA's revised proposal would require Texas to remove or replace its EPA-approved affirmative defense provisions for excess emissions during startup, shutdown and maintenance events. In May 2015, the EPA finalized the proposal. In June 2015, Luminant filed a petition for review in the Fifth Circuit Court challenging certain aspects of the EPA's final rule as they apply to the Texas SIP. The State of Texas and other parties have also filed similar petitions in the Fifth Circuit Court. In August 2015, the Fifth Circuit Court transferred the petitions that Luminant and other parties filed to the D.C. Circuit Court, and in October 2015 the petitions were consolidated with the pending petitions challenging the EPA's action in the D.C. Circuit Court. Briefing in the D.C. Circuit Court on the challenges was completed in October 2016 and oral argument was originally set for May 2017. However, in April 2017, the court granted the EPA's motion to continue oral argument and ordered that the case be held in abeyance with the EPA to provide status reports to the court on the EPA's review of the action at 90-day intervals. Vistra Energy cannot predict the timing or outcome of this proceeding, or estimate a range of reasonably possible costs, but implementation of the rule as finalized may have a material impact on Vistra Energy's results of operations, liquidity or financial condition.

SO_2 Designations for Texas

In February 2016, the EPA notified Texas of the EPA's preliminary intention to designate nonattainment areas for counties surrounding Vistra Energy's Big Brown, Monticello and Martin Lake generation plants based on modeling data submitted to the EPA by the Sierra Club. Such designation would potentially require the implementation of various controls or other requirements to demonstrate attainment. Luminant submitted comments challenging the use of modeling data rather than data from actual air quality monitoring equipment. In November 2016, the EPA finalized its proposed designations for Texas including finalizing the nonattainment designations for the areas referenced above. In doing so, the EPA ignored contradictory modeling that Vistra Energy submitted with its comments. The final designation mandates would be for Texas to begin the multi-year process to evaluate what potential emission controls or operational changes, if any, may be necessary to demonstrate attainment. In February 2017, the State of Texas and Luminant filed challenges to the nonattainment designations in the Fifth Circuit Court and protective petitions in the D.C. Circuit Court. In March 2017, the EPA filed a motion to transfer or dismiss Vistra Energy's Fifth Circuit Court petition, and the State of Texas and Luminant filed an opposition to that motion. Briefing on that motion in the Fifth Circuit Court was completed in May 2017, and the Fifth Circuit Court held oral argument on that motion in July 2017. In August 2017, the Fifth Circuit Court denied the EPA's motion to transfer Vistra Energy's challenge to the D.C. Circuit Court. In October 2017, the Fifth Circuit Court granted the EPA's motion to hold the case in abeyance in light of the EPA's representation that it was considering granting Luminant's request that the EPA reconsider the rule. In addition, with respect to Monticello and Big Brown, the retirement of those plants should favorably impact Vistra

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Energy's legal challenge to the nonattainment designations in that the nonattainment designation for Freestone County and Titus County are based solely on the Sierra Club modeling of alleged SO_2 emissions from Big Brown and Monticello. Vistra Energy disputes the Sierra Club's modeling. Regardless, considering these retirement announcements, the nonattainment designation for those counties are no longer supported. While Vistra Energy cannot predict the outcome of this matter, or estimate a range of reasonably possible costs, the result may have a material impact on Vistra Energy's results of operations, liquidity or financial condition.

Accounting

There are not and have not been any changes in or disagreements between Vistra Energy and its accountants on any matter of accounting principles, practices or financial statement disclosure.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk that in the normal course of business Vistra Energy may experience a loss in value as a result of changes in market conditions that affect economic factors such as commodity prices, interest rates and counterparty credit. Vistra Energy's exposure to market risk is affected by a number of factors, including the size, duration and composition of its energy and financial portfolio, as well as the volatility and liquidity of markets. Instruments used to manage this exposure include interest rate swaps to hedge debt costs, as well as exchange-traded, over-the-counter contracts and other contractual arrangements to hedge commodity prices.

Risk Oversight

Vistra Energy manages the commodity price, counterparty credit and commodity-related operational risk related to the competitive energy business within limitations established by senior management and in accordance with overall risk management policies. Interest rate risk is managed centrally by Vistra Energy's treasury function. Market risks are monitored by risk management groups that operate independently of the wholesale commercial operations, utilizing defined practices and analytical methodologies. These techniques measure the risk of change in value of the portfolio of contracts and the hypothetical effect on this value from changes in market conditions and include, but are not limited to, position reporting and review, Value at Risk (VaR) methodologies and stress test scenarios. Key risk control activities include, but are not limited to, transaction review and approval (including credit review), operational and market risk measurement, transaction authority oversight, validation of transaction capture, market price validation and reporting, and portfolio valuation and reporting, including mark-to-market valuation, VaR and other risk measurement metrics.

Vistra Energy has a risk management organization that enforces applicable risk limits, including the respective policies and procedures to ensure compliance with such limits, and evaluates the risks inherent in Vistra Energy's businesses.

Commodity Price Risk

Vistra Energy's business is subject to the inherent risks of market fluctuations in the price of electricity, natural gas and other energy-related products it markets or purchases. Vistra Energy actively manages the portfolio of generation assets, fuel supply and retail sales load to mitigate the near-term impacts of these risks on results of operations. Similar to other participants in the market, Vistra Energy cannot fully manage the long-term value impact of structural declines or increases in natural gas and power prices.

In managing energy price risk, Vistra Energy enters into a variety of market transactions including, but not limited to, short- and long-term contracts for physical delivery, exchange-traded and over-the-counter financial contracts and bilateral contracts with customers. Activities include hedging, the structuring of long-term

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contractual arrangements and proprietary trading. Vistra Energy continuously monitors the valuation of identified risks and adjust positions based on current market conditions. Vistra Energy strives to use consistent assumptions regarding forward market price curves in evaluating and recording the effects of commodity price risk.

VaR Methodology—A VaR methodology is used to measure the amount of market risk that exists within the portfolio under a variety of market conditions. The resultant VaR produces an estimate of a portfolio's potential for loss given a specified confidence level and considers, among other things, market movements utilizing standard statistical techniques given historical and projected market prices and volatilities.

A Monte Carlo simulation methodology is used to calculate VaR and is considered by management to be the most effective way to estimate changes in a portfolio's value based on assumed market conditions for liquid markets. The use of this method requires a number of key assumptions, such as use of (i) an assumed confidence level; (ii) an assumed holding period (i.e., the time necessary for management action, such as to liquidate positions); and (iii) historical estimates of volatility and correlation data. The tables below detail certain VaR measures related to various portfolios of contracts.

VaR for Underlying Generation Assets and Energy-Related Contracts Subject to Mark-to-Market (MtM) Accounting—This measurement estimates the potential loss in fair value, due to changes in market conditions, of all underlying generation assets and contracts marked-to-market in net income (through the end of 2018), based on a 95% confidence level and an assumed holding period of 60 days.

	Nine Months Ended September 30, 2017	Year Ended December 31, 2016
Month-end average VaR:	$ 101	$ 65
Month-end high VaR:	$ 140	$ 119
Month-end low VaR:	$ 67	$ 30

The increase in the month-end high VaR risk measure in 2017 reflected increased natural gas volatility and lower seasonal natural gas to power correlations in early 2017.

Interest Rate Risk

The following table provides information concerning Vistra Energy's financial instruments at September 30, 2017 and December 31, 2016 that are sensitive to changes in interest rates. Debt amounts consist of the Vistra Operations Credit Facilities. See Note 9 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for further discussion of these financial instruments.

	Expected Maturity Date (millions of dollars, except percentages)									
	2017(a)	2018	2019	2020	2021	There-after	2017 Total Carrying Amount	2017 Total Fair Value	2016 Total Carrying Amount	2016 Total Fair Value
Long-term debt, including current maturities(b):										
Variable rate debt amount	$ 9	$ 39	$ 39	$ 39	$ 39	$4,306	$ 4,471	$4,484	$ 4,500	$4,552
Average interest rate(c)	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%	3.98%		4.78%	
Debt swapped to fixed(d):										
Notional amount	$ —	$ —	$ —	$ —	$ —	$3,000	$ 3,000		$ 3,000	
Average pay rate	4.82%	4.82%	4.82%	4.82%	4.82%	4.82%	4.82%		$ 5.82	
Average receive rate	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%		$ 4.52	

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(a) Represents maturities from October 1, 2017 to December 31, 2017.
(b) Capital leases, mandatorily redeemable preferred stock and the effects of unamortized premiums and discounts are excluded from the table.
(c) The weighted average interest rate presented is based on the rates in effect at September 30, 2017.
(d) Interest rate swaps become effective in January 2017 and have maturity dates through July 2023.

At September 30, 2017, the potential reduction of annual pretax earnings over the next twelve months due to a one percentage-point (100 basis points) increase in floating interest rates on long-term debt totaled approximately $15 million, taking into account the interest rate swaps.

Credit Risk

Credit risk relates to the risk of loss associated with nonperformance by counterparties. Vistra Energy minimizes credit risk by evaluating potential counterparties, monitoring ongoing counterparty risk and assessing overall portfolio risk. This includes review of counterparty financial condition, current and potential credit exposures, credit rating and other quantitative and qualitative credit criteria. Vistra Energy also employs certain risk mitigation practices, including utilization of standardized master agreements that provide for netting and setoff rights, as well as credit enhancements such as margin deposits and customer deposits, letters of credit, parental guarantees and surety bonds.

Credit Exposure—Vistra Energy's gross credit exposure (excluding collateral impacts) associated with retail and wholesale trade accounts receivable and net derivative assets arising from commodity contracts and hedging and trading activities totaled $925 million at September 30, 2017.

At September 30, 2017, Retail Electricity segment credit exposure totaled $569 million, including $558 million of trade accounts receivable and $11 million related to derivative assets. Cash deposits and letters of credit held as collateral for these receivables totaled $45 million, resulting in a net exposure of $524 million. Vistra Energy believes the risk of material loss (after consideration of bad debt allowances) from nonperformance by these customers is unlikely based upon historical experience. Allowances for uncollectible accounts receivable are established for the potential loss from nonpayment by these customers based on historical experience, market or operational conditions and changes in the financial condition of large business customers.

At September 30, 2017, Wholesale Generation segment credit exposure totaled $356 million including $130 million of trade accounts receivable and $226 million related to derivative assets, after taking into account master netting agreement provisions but excluding collateral impacts.

Including collateral posted to Vistra Energy by counterparties, Vistra Energy's net Wholesale Generation segment exposure was $322 million, substantially all of which is with investment grade customers as seen in the following table that presents the distribution of credit exposure at September 30, 2017. Credit collateral includes cash and letters of credit, but excludes other credit enhancements such as guarantees or liens on assets.

	Exposure Before Credit Collateral	Credit Collateral	Net Exposure
Investment grade	$ 335	$ 32	$ 303
Below investment grade or no rating	21	2	19
Totals	$ 356	$ 34	$ 322

Significant (10% or greater) concentration of credit exposure exists with three counterparties, which represented an aggregate $162 million, or 50%, of the total net exposure. Vistra Energy views exposure to these counterparties to be within an acceptable level of risk tolerance due to the counterparties' credit ratings, each of which is rated as investment grade, the counterparties' market role and deemed creditworthiness and the importance of Vistra Energy's business relationship with the counterparties. An event of default by one or more

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counterparties could subsequently result in termination-related settlement payments that reduce available liquidity if amounts such as margin deposits are owed to the counterparties or delays in receipts of expected settlements owed to Vistra Energy.

Contracts classified as "normal" purchase or sale and non-derivative contractual commitments are not marked-to-market in the financial statements and are excluded from the detail above. Such contractual commitments may contain pricing that is favorable considering current market conditions and therefore represent economic risk if the counterparties do not perform.

Management's Discussion and Analysis of Financial Condition and Results of Operations

On October 3, 2016, which Vistra Energy refers to as the Plan Effective Date, the Plan of Reorganization became effective with respect to the TCEH Debtors and the Contributed EFH Debtors, including Predecessor, which consummated their reorganization under the Bankruptcy Code and emerged from the Chapter 11 Cases. As described in Note 1 to Vistra Energy's 2016 Annual Financial Statements, Vistra Energy is considered a new reporting entity for accounting purposes as of the Plan Effective Date, and its financial statements reflect the application of fresh start reporting. The financial statements of Vistra Energy (the "Successor") for periods subsequent to the Plan Effective Date are not comparable to the financial statements of the Predecessor for periods prior to the Plan Effective Date, as those previous periods do not give effect to any adjustments to the carrying values of assets or amounts of liabilities that resulted from the Plan of Reorganization, and the related application of fresh start reporting, which includes accounting policies implemented by Vistra Energy that may differ from the Predecessor.

The following discussion and analysis of Vistra Energy's financial condition and results of operations for the Successor for the three and nine months ended September 30, 2017 and for the Predecessor for the three and nine months ended September 30, 2016 should be read in conjunction with Vistra Energy's condensed consolidated financial statements and the notes to those statements. Results are impacted by the effects of fresh start reporting, the Bankruptcy Filing and the application of Financial Accounting Standards Board Accounting Standards Codification (ASC) 852, *Reorganizations.*

All dollar amounts in the tables in the following discussion and analysis are stated in millions of U.S. dollars unless otherwise indicated.

Business

Vistra Energy is a holding company operating an integrated power business in Texas. Through its Luminant and TXU Energy subsidiaries, Vistra Energy is principally engaged in competitive electricity market activities including power generation, wholesale energy sales and purchases, commodity risk management and retail sales of electricity and related services to end users. Prior to the Plan Effective Date, TCEH was a holding company for Vistra Energy's subsidiaries, which were principally engaged in the same activities as they are today.

Operating Segments

Subsequent to the Plan Effective Date, Vistra Energy has two reportable segments: (i) the Wholesale Generation segment, consisting largely of Luminant and (ii) the Retail Electricity segment, consisting largely of TXU Energy. Prior to the Plan Effective Date, there were no reportable business segments for TCEH. See Note 15 to Vistra Energy's September 30, 2017 Quarterly Financial Statements and Note 21 to Vistra Energy's 2016 Annual Financial Statements for further information concerning reportable business segments.

Significant Activities and Events and Items Influencing Future Performance

Planned Retirement of Generation Plants—In October 2017, Luminant announced plans to retire three power plants with a total installed nameplate generation capacity of approximately 4,167 MW and two lignite

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mines. These power plants include the Monticello, Sandow 4, Sandow 5 and Big Brown generation units. Luminant decided to retire these units given they are projected to be uneconomic based on current market conditions and given the significant environmental costs associated with operating such units. In the case of the Sandow units, the decision also reflected the execution of a Settlement Agreement discussed below.

As part of the retirement process, Luminant has filed notices with ERCOT, which triggered a reliability review regarding such proposed retirements. ERCOT has determined that the units are not needed for reliability. The Sandow and Monticello units were retired in January 2018 and the Big Brown units are scheduled to be retired in February 2018.

Monticello Site—In September 2017, Vistra Energy decided to retire Vistra Energy's Monticello plant. It recorded a charge of approximately $24 million in the three months ended September 30, 2017 related to the retirement, including employee related severance costs and noncash charges for materials inventory and the acceleration of Luminant's mining reclamation obligations (see Note 16 to Vistra Energy's September 30, 2017 Quarterly Financial Statements). In addition, Vistra Energy will continue the ongoing reclamation work at the plant's mines, which ceased active operations in the spring of 2016.

Sandow and Big Brown Sites—With respect to the Sandow and Big Brown plants, Vistra Energy expects to record charges of approximately $70 to $90 million in the fourth quarter of 2017 related to the expected retirements, including employee-related severance costs, non-cash charges for writing off materials inventory and a contract intangible asset associated with the Big Brown plant. Vistra Energy expects to record additional charges in the fourth quarter of 2017 related to changes in the timing and amounts of asset retirement obligations for mining and plant-related reclamation at these facilities.

Termination and Settlement of Alcoa Contract—In October 2017, subsidiaries of Vistra Energy (the "Vistra Parties") entered into a separation and settlement agreement (the "Settlement Agreement") with Alcoa Corporation and Alcoa USA Corp. (collectively, the "Alcoa Parties"). Pursuant to the Settlement Agreement, the Vistra Parties and the Alcoa Parties agreed to early termination of a series of agreements related to industrial operations near Rockdale, Texas, thereby ending their contractual relationship with respect to the power generation unit known as Sandow Unit 4 and the mine known as Three Oaks Mine. The terminated agreements were scheduled to terminate in 2038 absent the Settlement Agreement. Among other things, the Alcoa Parties made a cash payment to the Vistra Parties in the amount of $238 million and transferred certain real property and related assets to the Vistra Parties, the Vistra Parties agreed to assume and be responsible for certain liabilities and asset retirement obligations related to Sandow Unit 4 (including certain related common facilities), the related mine and other property transferred from the Alcoa Parties to the Vistra Parties, and both parties released one another from any obligations and claims under the terminated agreements. The transactions under the Settlement Agreement are effective as of October 1, 2017.

Vistra Energy expects to record the impacts of the Settlement Agreement in Vistra Energy's consolidated financial statements for the fourth quarter of 2017, which would include the receipt of the cash payment, the acquisition of real property and the incurrence of certain liabilities and asset retirement obligations, along with the elimination of a related electric supply contract intangible asset on Vistra Energy's consolidated balance sheet (see Note 4 to Vistra Energy's September 30, 2017 Quarterly Financial Statements). Vistra Energy currently estimates that the aggregate impacts related to the Settlement Agreement will result in a gain in the period.

CCGT Plant Acquisition—In July 2017, La Frontera Holdings, LLC ("La Frontera"), an indirect wholly owned subsidiary of Vistra Energy, entered into an asset purchase agreement with Odessa-Ector Power Partners, L.P., an indirect wholly owned subsidiary of Koch Ag & Energy Solutions, LLC (the "Odessa Acquisition"), to acquire a 1,054 MW CCGT natural gas fueled generation plant (and other related assets and liabilities) located in Odessa, Texas (the "Odessa Facility"). On August 1, 2017, the Odessa Acquisition closed and La Frontera acquired the Odessa Facility. La Frontera paid an aggregate purchase price of approximately $355 million, plus a five-year earn-out provision, to acquire the Odessa Facility. The purchase price was funded by cash on hand.

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Upton Solar Development—In May 2017, Vistra Energy acquired the rights to develop, construct and operate a utility scale solar photovoltaic power generation facility in Upton County, Texas. As part of this project, Vistra Energy entered a turnkey engineering, procurement and construction agreement to construct the approximately 180 MW facility. For the nine months ended September 30, 2017, Vistra Energy has spent approximately $129 million related to this project primarily for progress payments under the engineering, procurement and construction agreement and the acquisition of the development rights. Vistra Energy currently estimates that the facility will begin operations in the summer of 2018.

Repricing of Vistra Operations Credit Facilities—In February 2017 and August 2017, certain pricing terms for the Vistra Operations Credit Facility were amended. Any amounts borrowed under the Revolving Credit Facility will bear interest based on applicable LIBOR rates plus 2.75%. Amounts borrowed under the Initial Term Loan B Facility, the Incremental Term Loan B Facility and the Term Loan C Facility will bear interest based on applicable LIBOR rates, subject to a 0.75% floor, plus 2.75%. See Note 9 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for details of the Vistra Operations Credit Facilities.

Environmental Matters—See Note 10 to Vistra Energy's September 30, 2017 Quarterly Financial Statements / "Information About Vistra Energy—Legal Proceedings" beginning on page 194 for a discussion of GHG emissions, the CSAPR, regional haze, state implementation plan and other recent EPA actions as well as related litigation.

Key Risks and Challenges

Following is a discussion of key risks and challenges facing management and the initiatives currently underway to manage such challenges. These matters involve risks that could have a material effect on Vistra Energy's results of operations, liquidity or financial condition.

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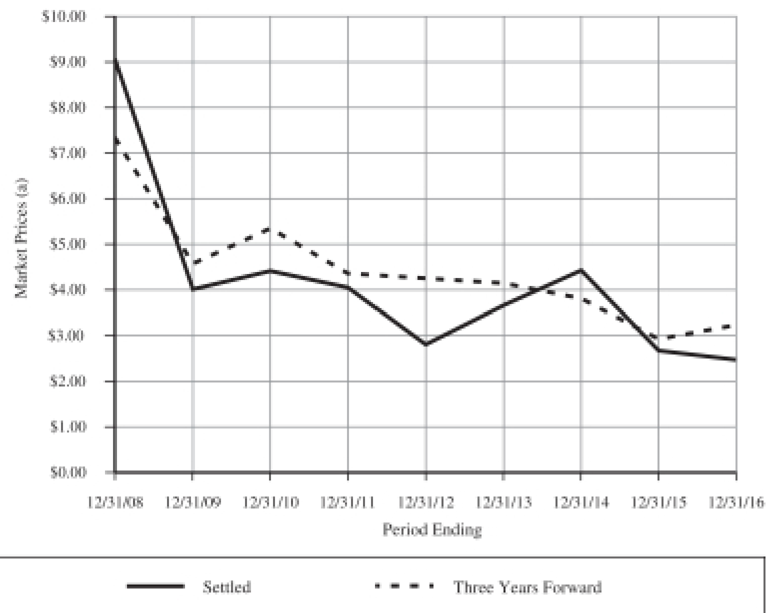
Natural Gas Price and Market Heat Rate Exposure

The price of power in the ERCOT market is typically set by natural gas-fueled generation facilities, with wholesale prices generally tracking increases or decreases in the price of natural gas. In recent years, natural gas supply has outpaced demand primarily as a result of development and expansion of hydraulic fracturing in natural gas extraction; the supply/demand imbalance has resulted in historically low natural gas prices, and such prices have historically been volatile. The table below shows the general decline in forward natural gas prices over the last several years (amounts are per MMBtu.)

Decline of Settled and Forward Natural Gas Prices Since 2008



(a) Settled prices represent the average of NYMEX Henry Hub monthly settled prices of financial contracts for the year ending on the date presented. Forward prices represent the three-year average of NYMEX Henry Hub monthly forward prices at the date presented. Three-year forward prices are presented as such period is generally deemed to be a liquid period.

In contrast to Vistra Energy's natural gas fueled generation facilities, changes in natural gas prices have no significant effect on the cost of generating power at Vistra Energy's nuclear-, lignite- and coal-fueled facilities, which represent the substantial majority of Vistra Energy's generation capacity. Consequently, all other factors being equal, these nuclear-, lignite- and coal-fueled generation assets increase or decrease in value as natural gas prices and market heat rates rise or fall, respectively, because of the effect on Vistra Energy's operating margins from changes in wholesale electricity prices in ERCOT. A persistent decline in the price of natural gas, and the corresponding decline in the price of power in the ERCOT market, would likely have a material adverse effect on Vistra Energy's results of operations, liquidity and financial condition, predominantly related to the production of power generation volumes in excess of the volumes utilized to service Vistra Energy's retail customer load requirements.

The wholesale market price of electricity divided by the market price of natural gas represents the market heat rate. Market heat rate can be affected by a number of factors, including generation availability, mix of assets and the efficiency of the marginal supplier (generally natural gas-fueled generation facilities) in generating electricity. Vistra Energy's market heat rate exposure is impacted by changes in the availability of generation resources, such as additions and retirements of generation facilities, and mix of generation assets in ERCOT. For

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example, increasing renewable (wind and solar) generation capacity generally depresses market heat rates. Vistra Energy's heat rate exposure is also impacted by the potential economic backdown of its generation assets. Decreases in market heat rates decrease the value of Vistra Energy's generation assets because lower market heat rates generally result in lower wholesale electricity prices, and vice versa. However, even though market heat rates have generally increased over the past several years, wholesale electricity prices have declined due to the greater effect of falling natural gas prices.

As a result of Vistra Energy's exposure to the variability of natural gas prices and market heat rates in ERCOT, retail sales and hedging activities are critical to Vistra Energy's operating results and maintaining consistent cash flow levels.

Vistra Energy's integrated power generation and retail electricity business provides Vistra Energy opportunities to hedge its generation position utilizing retail electricity markets as a sales channel. In addition, Vistra Energy's approach to managing electricity price risk focuses on the following:

- employing disciplined, liquidity-efficient hedging and risk management strategies through physical and financial energy-related contracts intended to partially hedge gross margins;
- continuing focus on cost management to better withstand gross margin volatility;
- following a retail pricing strategy that appropriately reflects the value of Vistra Energy's product offering to customers, the magnitude and costs of commodity price, liquidity risk and retail demand variability; and
- improving retail customer service to attract and retain high-value customers.

Vistra Energy has engaged in natural gas hedging activities to mitigate the risk of lower wholesale electricity prices that have corresponded to declines in natural gas prices. While current and forward natural gas prices are currently depressed, Vistra Energy continues to seek opportunities to manage its wholesale power price exposure through hedging activities, including forward wholesale and retail electricity sales.

Taking together forward wholesale, retail electricity sales and other retail customer considerations and all other hedging positions, at October 20, 2017, Vistra Energy had effectively hedged an estimated 100% and 82% of the natural gas price exposure related to Vistra Energy's overall business for 2017 and 2018, respectively. Additionally, taking into consideration Vistra Energy's overall heat rate exposure and related hedging positions at October 20, 2017, Vistra Energy had effectively hedged 87% and 67% of the heat rate exposure to Vistra Energy's overall business for 2017 and 2018, respectively.

The following sensitivity table provides approximate estimates of the potential impact of movements in natural gas prices and market heat rates on realized pretax earnings (in millions) taking into account the hedge positions noted in the paragraph above for the periods presented. The estimates related to price sensitivity are based on Vistra Energy's expected generation and retail positions, related hedges and forward prices as of October 20, 2017. The underlying hedge positions take into account the effects of the proposed retirements of generation facilities discussed in Note 17 to Vistra Energy's September 30, 2017 Quarterly Financial Statements.

	Balance 2017(a)	2018
\$0.50/MMBtu increase in natural gas price(b)(c)	\$ ~—	\$ ~50
\$0.50/MMBtu decrease in natural gas price(b)(c)	\$ ~—	\$~(40)
1.0/MMBtu/MWh increase in market heat rate(d)	\$ ~5	\$ ~85
1.0/MMBtu/MWh decrease in market heat rate(d)	\$ ~(5)	\$~(70)

(a) Balance of 2017 is from November 1, 2017 through December 31, 2017.

(b) Assumes conversion of generation positions based on market heat rates and an estimate of natural gas generally being on the margin 70% to 90% of the time in the ERCOT market.

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(c) Based on Houston Ship Channel natural gas prices at October 20, 2017.
(d) Based on ERCOT North Hub around-the-clock heat rates at October 20, 2017.

Competitive Retail Markets and Customer Retention

Competitive retail activity in ERCOT has resulted in retail customer churn as customers switch retail electricity providers for various reasons. Based on numbers of meters, Vistra Energy's total retail customer counts increased slightly in 2017 and declined approximately 1% in 2016 and less than 1% in 2015. Based upon September 30, 2017 results discussed below in *Results of Operations*, a 1% decline in retail customers would result in a decline in annual revenues of approximately $30 million. In responding to the competitive landscape in the ERCOT market, Vistra Energy has attempted to reduce overall customer losses by focusing on the following key initiatives:

- Maintaining competitive pricing initiatives on residential service plans;
- Actively competing for new customers in areas open to competition within ERCOT, while continuing to strive to enhance the experience of Vistra Energy's existing customers; Vistra Energy is focused on continuing to implement initiatives that deliver world-class customer service and improve the overall customer experience;
- Establishing and leveraging Vistra Energy's TXU Energy™ brand in the sale of electricity to residential and commercial customers, as the most innovative retailer in the ERCOT market by continuing to develop tailored product offerings to meet customer needs, and
- Focusing market initiatives largely on programs targeted at retaining the existing highest-value customers and to recapturing customers who have switched REPs, including maintaining and continuously refining a disciplined contracting and pricing approach and economic segmentation of the business market to enhance targeted sales and marketing efforts and to more effectively deploy Vistra Energy's direct-sales force; tactical programs Vistra Energy has initiated include improved customer service, aided by an enhanced customer management system, new product price/service offerings and a multichannel approach for the small business market.

Exposures Related to Nuclear Asset Outages

Vistra Energy's nuclear assets are comprised of two generation units at the Comanche Peak facility, each with an installed nameplate generation capacity of 1,150 MW. As of December 31, 2016, these units represented approximately 14% of Vistra Energy's total generation capacity. The nuclear generation units represent Vistra Energy's lowest marginal cost source of electricity. Assuming both nuclear generation units experienced an outage at the same time, the unfavorable impact to pretax earnings is estimated (based upon forward electricity market prices for 2017 at December 31, 2016) to be approximately $1 million per day before consideration of any costs to repair the cause of such outages or receipt of any insurance proceeds. Also see discussion of nuclear facilities insurance in Note 14 to Vistra Energy's 2016 Annual Financial Statements.

The inherent complexities and related regulations associated with operating nuclear generation facilities result in environmental, regulatory and financial risks. The operation of nuclear generation facilities is subject to continuing review and regulation by the NRC, including potential regulation as a result of the NRC's ongoing analysis and response to the effects of the natural disaster on nuclear generation facilities in Fukushima, Japan in 2010, covering, among other things, operations, maintenance, emergency planning, security, and environmental and safety protection. The NRC may implement changes in regulations that result in increased capital or operating costs and may require extended outages, modify, suspend or revoke operating licenses and impose fines for failure to comply with its existing regulations and the provisions of the Atomic Energy Act. In addition, an unplanned outage at another nuclear generation facility could result in the NRC taking action to shut down Vistra Energy's Comanche Peak units as a precautionary measure.

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Vistra Energy participates in industry groups and with regulators to keep current on the latest developments in nuclear safety, operation and maintenance and on emerging threats and mitigating techniques. These groups include, but are not limited to, the NRC, the Institute of Nuclear Power Operations (INPO) and the Nuclear Energy Institute (NEI). Vistra Energy also applies the knowledge gained through its continuing investment in technology, processes and services to improve its operations and to detect, mitigate and protect its nuclear generation assets. The Comanche Peak plant has not experienced an extended unplanned outage, and management continues to focus on the safe, reliable and efficient operations at the facility.

Cyber/Data Security and Infrastructure Protection Risk

A breach of cyber/data security measures that impairs Vistra Energy's information technology infrastructure could disrupt normal business operations and affect Vistra Energy's ability to control its generation assets, access retail customer information and limit communication with third parties. Any loss of confidential or proprietary data through a breach could materially affect Vistra Energy's reputation, including its TXU Energy™ brand, expose Vistra Energy to legal claims or impair its ability to execute on business strategies.

Vistra Energy participates in industry groups and with regulators to remain current on emerging threats and mitigating techniques. These groups include, but are not limited to, the U.S. Cyber Emergency Response Team, the National Electric Sector Cyber Security Organization, the NRC and NERC.

While Vistra Energy has not experienced a cyber/data event causing any material operational, reputational or financial impact, Vistra Energy recognizes the growing threat within the general market place and its industry, and are proactively making strategic investments in its perimeter and internal defenses, cyber/data security operations center and regulatory compliance activities. Vistra Energy also applies the knowledge gained through industry and government organizations to continuously improve its technology, processes and services to detect, mitigate and protect its cyber and data assets.

Application of Critical Accounting Policies

Vistra Energy's significant accounting policies are discussed in Note 1 to Vistra Energy's 2016 Annual Financial Statements. Vistra Energy follows accounting principles generally accepted in the US. Application of these accounting policies in the preparation of Vistra Energy's consolidated financial statements requires management to make estimates and assumptions about future events that affect the reporting of assets and liabilities at the balance sheet dates and revenues and expenses during the periods covered. The following is a summary of certain critical accounting policies that are impacted by judgments and uncertainties and under which different amounts might be reported using different assumptions or estimation methodologies.

Accounting in Reorganization and Fresh-Start Reporting

The consolidated financial statements of Vistra Energy's Predecessor reflect the application of ASC 852. During the Chapter 11 Cases, the Debtors, including Vistra Energy's Predecessor and its subsidiaries, operated their businesses as debtors-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code. ASC 852 applies to entities that have filed a petition for bankruptcy under Chapter 11 of the Bankruptcy Code. The guidance requires that transactions and events directly associated with the reorganization be distinguished from the ongoing operations of the business. In addition, the guidance provides for changes in the accounting and presentation of liabilities. Expenses and income directly associated with the Chapter 11 Cases are reported separately in the statements of consolidated income (loss) as reorganization items. Reorganization items also include adjustments to reflect the carrying value of liabilities subject to compromise (LSTC) at their estimated allowed claim amounts, as such adjustments are determined. See Notes 4 and 5 to Vistra Energy's 2016 Annual Financial Statements.

As of the Effective Date, Vistra Energy applied fresh-start reporting under the applicable provisions of ASC 852. Fresh-start reporting includes (1) distinguishing the consolidated financial statements of the entity that was

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previously in restructuring from the consolidated financial statements of the entity that emerges from restructuring, (2) assigning the reorganized value of the successor entity by measuring all assets and liabilities of the successor entity at fair value, and (3) selecting accounting policies for the successor entity. The effects from emerging from bankruptcy, including the extinguishment of liabilities, as well as the fresh start reporting adjustments are reported in the Predecessor's statement of consolidated income (loss). The consolidated financial statements of Vistra Energy for periods subsequent to the Effective Date are not comparable to the financial statements of Vistra Energy's Predecessor for periods prior to the Effective Date, as those previous periods do not give effect to any adjustments to the carrying values of assets or amounts of liabilities, nor any differences in accounting policies that were a consequence of the Plan of Reorganization or the related application of fresh-start reporting. See Note 3 to Vistra Energy's 2016 Annual Financial Statements.

Derivative Instruments and Mark-to-Market Accounting

Vistra Energy enters into contracts for the purchase and sale of energy-related commodities, and also enter into other derivative instruments such as options, swaps, futures and forwards primarily to manage commodity price and interest rate risks. Under accounting standards related to derivative instruments and hedging activities, these instruments are subject to mark-to-market accounting, and the determination of market values for these instruments is based on numerous assumptions and estimation techniques.

Mark-to-market accounting recognizes changes in the fair value of derivative instruments in the financial statements as market prices change. Such changes in fair value are accounted for as unrealized mark-to-market gains and losses in net income with an offset to derivative assets and liabilities. The availability of quoted market prices in energy markets is dependent on the type of commodity (e.g., natural gas, electricity, etc.), time period specified and delivery point. In computing fair value for derivatives, each forward pricing curve is separated into liquid and illiquid periods. The liquid period varies by delivery point and commodity. Generally, the liquid period is supported by exchange markets, broker quotes and frequent trading activity. For illiquid periods, fair value is estimated based on forward price curves developed using modeling techniques that take into account available market information and other inputs that might not be readily observable in the market. Vistra Energy estimates fair value as described in Note 16 to Vistra Energy's 2016 Annual Financial Statements.

Accounting standards related to derivative instruments and hedging activities allow for *normal* purchase or sale elections and hedge accounting designations, which generally eliminate or defer the requirement for mark-to-market recognition in net income and thus reduce the volatility of net income that can result from fluctuations in fair values. Normal purchases and sales are contracts that provide for physical delivery of quantities expected to be used or sold over a reasonable period in the normal course of business and are not subject to mark-to-market accounting if the election as *normal* is made.

Vistra Energy reports derivative assets and liabilities in the consolidated balance sheets without taking into consideration netting arrangements that Vistra Energy has with counterparties. Margin deposits that contractually offset these assets and liabilities are reported separately in the consolidated balance sheets.

See Note 17 to Vistra Energy's 2016 Annual Financial Statements for further discussion regarding derivative instruments.

Accounting for Income Taxes

EFH Corp. files a United States federal income tax return that includes the results of EFCH, EFIH, Oncor Holdings and, prior to the Effective Date, TCEH. EFH Corp. is the corporate parent of the EFH Corp. consolidated group, while each of EFIH, Oncor Holdings, EFCH and, prior to the effective date, TCEH were classified as a disregarded entity for United States federal income tax purposes. Pursuant to applicable United States Treasury regulations and published guidance of the IRS, corporations that are members of a consolidated group have joint and several liability for the taxes of such group. Subsequent to the Effective Date, the TCEH

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Debtor and the Contributed EFH Debtors are no longer be included in the EFH Corp. consolidated group and are included in a consolidated group of which Vistra Energy is the corporate parent.

Prior to the Effective Date, EFH Corp. and certain of its subsidiaries (including EFCH, EFIH, and TCEH, but not including Oncor Holdings and Oncor) were parties to a Federal and State Income Tax Allocation Agreement, which provided, among other things, that any corporate member or disregarded entity in the EFH Corp. group is required to make payments to EFH Corp. in an amount calculated to approximate the amount of tax liability such entity would have owed if it filed a separate corporate tax return. Pursuant to the Plan of Reorganization, the TCEH Debtors and Contributed EFH Debtors rejected this agreement on the Effective Date. See Notes 2 and 10 to Vistra Energy's 2016 Annual Financial Statements for a discussion of the Tax Matters Agreement that was entered on the Effective Date between EFH Corp. and Vistra Energy. Additionally, since the date of the Settlement Agreement, no further cash payments among the Debtors were made in respect of federal income taxes. EFH Corp. has elected to continue to allocate federal income taxes among the entities that are parties to the Federal and State Income Tax Allocation Agreement. The Settlement Agreement did not alter the allocation and payment for state income taxes, which continued to be settled prior to the Effective Date.

Vistra Energy's income tax expense and related consolidated balance sheet amounts involve significant management estimates and judgments. Amounts of deferred income tax assets and liabilities, as well as current and noncurrent accruals, involve estimates and judgments of the timing and probability of recognition of income and deductions by taxing authorities. In assessing the likelihood of realization of deferred tax assets, management considers estimates of the amount and character of future taxable income. Actual income taxes could vary from estimated amounts due to the future impacts of various items, including changes in income tax laws, Vistra Energy's forecasted financial condition and results of operations in future periods, as well as final review of filed tax returns by taxing authorities. Income tax returns are regularly subject to examination by applicable tax authorities. In Vistra Energy's management's opinion, the liability recorded pursuant to income tax accounting guidance related to uncertain tax positions reflects future taxes that may be owed as a result of any examination.

See Notes 1 and 9 to Vistra Energy's 2016 Annual Financial Statements for discussion of income tax matters.

Accounting for Tax Receivable Agreement

On the Effective Date, Vistra Energy entered into the Tax Receivable Agreement with American Stock Transfer & Trust Company, LLC, as the transfer agent. Pursuant to the Tax Receivable Agreement, Vistra Energy issued beneficial interests in the rights to receive payments under the Tax Receivable Agreement (the "TRA Rights") to the first lien creditors of Vistra Energy's Predecessor to be held in escrow for the benefit of the first lien creditors of Vistra Energy's Predecessor entitled to receive such TRA Rights under the Plan. As part of Emergence, Vistra Energy reflected the obligation associated with TRA Rights at fair value in the amount of $574 million related to these future payment obligations. This estimate of fair value at October 3, 2016, was based on the discounted amount of estimated payments to be made each year under the Tax Receivable Agreement, based on certain assumptions, including but not limited to:

- the amount of tax basis step-up resulting from the PrefCo Preferred Stock Sale (which is estimated to be approximately $5.5 billion) and the allocation of such tax basis step-up among the assets subject thereto;
- the depreciable lives of the assets subject to such tax basis step-up, which generally is expected to be 15 years for most of such assets;
- a federal corporate income tax rate in all future years of 35%;
- Vistra Energy generally expects to generate sufficient taxable income to be able to utilize the deductions arising out of (i) the tax basis step-up attributable to the PrefCo Preferred Stock Sale, (ii) the entire tax basis of the assets acquired as a result of the Lamar and Forney Acquisition (see

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Note 6 to Vistra Energy's 2016 Annual Financial Statements), and (iii) tax benefits related to imputed interest deemed to be paid by Vistra Energy as a result of payments under the Tax Receivable Agreement in the tax year in which such deductions arise; and

- a discount rate of 15%, which represents Vistra Energy's view of the rate that a market participant would use based on the risk associated with the uncertainty in the amount and timing of the cash flows.

Vistra Energy expects to recognize accretion expense over the life of the TRA Rights liability as the present value of the initially established liability is accreted up over the life of the liability. This noncash accretion expense is reported in the statements of consolidated income (loss) as Impacts of Tax Receivable Agreement. Further, there may be significant changes, which may be material, to the estimate of the related liability due to various reasons including changes in corporate tax law, changes in estimates of future taxable income of Vistra Energy and its subsidiaries and other items. Vistra Energy expects that changes in those estimates will be recognized as adjustments to the related TRA Rights liability, with offsetting impacts recorded in the statements of consolidated income (loss) as Impacts of Tax Receivable Agreement. For the nine months ended September 30, 2017, the impacts of the Tax Receivable Agreement were income of $96 million, which included a $160 million gain due to changes in the estimated timing of TRA payments. Vistra Energy expects further changes in such estimates for the quarter ending December 31, 2017.

Impairment of Goodwill and Other Long-Lived Assets

Vistra Energy evaluates long-lived assets (including intangible assets with finite lives) for impairment, in accordance with accounting standards related to impairment or disposal of long-lived assets, whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For Vistra Energy's generation assets, possible indications include an expectation of continuing long-term declines in natural gas prices and/or market heat rates or an expectation that "more likely than not" a generation asset will be sold or otherwise disposed of significantly before the end of its estimated useful life. The determination of the existence of these and other indications of impairment involves judgments that are subjective in nature and may require the use of estimates in forecasting future results and cash flows related to an asset or group of assets. Further, the unique nature of Vistra Energy's property, plant and equipment, which includes a fleet of generation assets with a diverse fuel mix and individual generation units that have varying production or output rates, requires the use of significant judgments in determining the existence of impairment indications and the grouping of assets for impairment testing. Vistra Energy generally utilize an income approach measurement to derive fair values for its long-lived generation assets. The income approach involves estimates of future performance that reflect assumptions regarding, among other things, forward natural gas and electricity prices, market heat rates, the effects of environmental rules, generation plant performance, forecasted capital expenditures and forecasted fuel prices. Any significant change to one or more of these factors can have a material impact on the fair value measurement of Vistra Energy's long-lived assets. As a result of the decrease in forecasted wholesale electricity prices, potential effects from environmental regulations and changes to Vistra Energy's Predecessor's operating plans in 2015 and 2014, Vistra Energy's Predecessor evaluated the recoverability of its generation assets. See Note 8 to Vistra Energy's 2016 Annual Financial Statements for a discussion of the impairment charges related to certain of those assets. Additional material impairments related to these or other of Vistra Energy's generation facilities may occur in the future if forward wholesale electricity prices in ERCOT continue to decline or if additional environmental regulations increase the cost of producing electricity at Vistra Energy's generation facilities.

Goodwill and intangible assets with indefinite useful lives, such as the intangible asset related to the TXU Energy™ brand, are required to be tested for impairment at least annually (as of the Effective Date, Vistra Energy has selected October 1 as its annual test date) or whenever events or changes in circumstances indicate an impairment may exist, such as the indicators used to evaluate impairments to long-lived assets discussed above or declines in values of comparable public companies in Vistra Energy's industry. Accounting guidance requires goodwill to be allocated to Vistra Energy's reporting units, and at September 30, 2017 all goodwill was allocated to Vistra Energy's Retail Electricity segment. Goodwill impairment testing is performed at the reporting unit level. Under this goodwill impairment analysis, if at the assessment date, a reporting unit's carrying value

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exceeds its estimated fair value (enterprise value), the estimated enterprise value of the reporting unit is compared to the estimated fair values of the reporting unit's assets (including identifiable intangible assets) and liabilities at the assessment date, and the resultant implied goodwill amount is then compared to the recorded goodwill amount. Any excess of the recorded goodwill amount over the implied goodwill amount is written off as an impairment charge.

The determination of enterprise value involves a number of assumptions and estimates. Vistra Energy uses a combination of fair value measurements to estimate enterprise values of Vistra Energy's reporting units including: internal discounted cash flow analyses (income approach), and comparable publicly traded company values (market approach). The income approach involves estimates of future performance that reflect assumptions regarding, among other things, forward natural gas and electricity prices, market heat rates, the effects of environmental rules, generation plant performance, forecasted capital expenditures and retail sales volume trends, as well as determination of a terminal value. Another key variable in the income approach is the discount rate, or weighted average cost of capital, applied to the forecasted cash flows. The determination of the discount rate takes into consideration the capital structure, credit ratings and current debt yields of comparable publicly traded companies as well as an estimate of return on equity that reflects historical market returns and current market volatility for the industry. The market approach involves using trading multiples of EBITDA of those selected publicly traded companies to derive appropriate multiples to apply to the EBITDA of Vistra Energy's reporting units. Critical judgments include the selection of publicly traded comparable companies and the weighting of the value metrics in developing the best estimate of enterprise value.

See Note 7 to Vistra Energy's 2016 Annual Financial Statements for additional discussion of the Predecessor's goodwill impairment charges.

RESULTS OF OPERATIONS

Vistra Energy Consolidated Financial Results—Three Months Ended September 30, 2017

	Successor			
	Three Months Ended September 30, 2017			
	Wholesale Generation	Retail Electricity	Eliminations / Corporate and Other	Vistra Energy Consolidated
Operating revenues	$ 1,203	$ 1,286	$ (656)	$ 1,833
Fuel, purchased power costs and delivery fees	(430)	(1,064)	656	(838)
Operating costs	(213)	(4)	(1)	(218)
Depreciation and amortization	(60)	(108)	(10)	(178)
Selling, general and administrative expenses	(31)	(113)	(3)	(147)
Operating income (loss)	469	(3)	(14)	452
Other income	9	10	(9)	10
Interest expense and related charges	(9)	—	(67)	(76)
Impacts of Tax Receivable Agreement	—	—	138	138
Income before income taxes	$ 469	$ 7	48	524
Income tax expense			(251)	(251)
Net income (loss)			$ (203)	$ 273

Consolidated operating income totaled $452 million for the three months ended September 30, 2017. Results were driven by:

- Vistra Energy's Wholesale Generation segment had operating income of $469 million for the period, which was primarily driven by income from Vistra Energy's generation fleet during the peak summer operating months and unrealized mark-to-market gains on commodity risk management activities totaling $235 million for the period (including $89 million of unrealized gains on positions with the

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Retail Electricity segment and $9 million of unrealized gains on hedging activities for fuel and purchased power costs). The unrealized gains were driven by the impacts of a decrease in forward power prices during the period, partially offset by the reversal of previously recorded unrealized gains on settled positions. Additionally, operating income includes a $47 million unfavorable impact due to an unplanned outage at one of Vistra Energy's nuclear generation units that began in June 2017 ($37 million of lower earnings due to lost generation and $10 million of additional operating costs). The outage required repairs to the plant's steam turbine generator, a standard component in all power stations that is completely unrelated to Comanche Peak Facility's nuclear reactor, which was not impacted by the outage. The unit returned to service in August 2017. Please see the discussion of Wholesale Generation below for further details.

- Vistra Energy's Retail Electricity segment had an operating loss of $3 million for the period, which was primarily driven by $89 million of unrealized losses in purchased power costs on positions with the Wholesale Generation segment, mostly offset by favorable profit margins. Please see the discussion of Retail Electricity below for further details.
- Net operating expense related to Eliminations and Corporate and Other activities totaled $14 million and primarily reflected amortization of software and other technology-related assets (see Note 4 to Vistra Energy's September 30, 2017 Quarterly Financial Statements).

Interest expense and related charges totaled $76 million and included $52 million of interest expense incurred and $3 million of unrealized mark-to-market gains on interest rate swaps. See Note 7 to Vistra Energy's September 30, 2017 Quarterly Financial Statements.

The Impacts of the Tax Receivable Agreement was income of $138 million, which includes a $160 million gain due to changes in the estimated timing of TRA payments. See Note 6 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for discussion of the impacts of the Tax Receivable Agreement obligation.

Income tax expense totaled $251 million. The effective tax rate was 47.9%. See Note 5 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for reconciliation of this effective rate to the U.S. federal statutory rate.

Vistra Energy Consolidated Financial Results—Nine Months Ended September 30, 2017

	Successor			
	Nine Months Ended September 30, 2017			
	Wholesale Generation	Retail Electricity	Eliminations / Corporate and Other	Vistra Energy Consolidated
Operating revenues	$ 2,757	$ 3,136	$ (1,406)	$ 4,487
Fuel, purchased power costs and delivery fees	(1,225)	(2,432)	1,407	(2,250)
Operating costs	(616)	(11)	1	(626)
Depreciation and amortization	(167)	(322)	(30)	(519)
Selling, general and administrative expenses	(98)	(317)	(19)	(434)
Operating income (loss)	651	54	(47)	658
Other income	20	23	(14)	29
Other deductions	(4)	—	(1)	(5)
Interest expense and related charges	(14)	—	(155)	(169)
Impacts of Tax Receivable Agreement	—	—	96	96
Income (loss) before income taxes	$ 653	$ 77	(121)	609
Income tax expense			(284)	(284)
Net income (loss)			$ (405)	$ 325

Consolidated operating income totaled $658 million for the nine months ended September 30, 2017. Results were driven by:

- Vistra Energy's Wholesale Generation segment had operating income of $651 million for the period, which was primarily driven by income from Vistra Energy's generation fleet during the peak summer operating months and unrealized mark-to-market gains on commodity risk management activities totaling $362 million for the period (including $171 million of unrealized gains on positions with the Retail Electricity segment and $13 million of unrealized losses on hedging activities for fuel and purchased power costs). The unrealized gains were driven by decreases in forward natural gas prices and power prices during the period, partially offset by the reversal of previously recorded unrealized gains on settled positions. Additionally, operating income includes a $74 million unfavorable impact due to an unplanned outage at one of Vistra Energy's nuclear generation units that began in June 2017 ($57 million of lower earnings due to lost generation and $17 million of additional operating costs). The outage required repairs to the plant's steam turbine generator, a standard component in all power stations that is completely unrelated to Comanche Peak Facility's nuclear reactor, which was not impacted by the outage. The unit returned to service in August 2017. Please see the discussion of Wholesale Generation below for further details.
- Vistra Energy's Retail Electricity segment had an operating income of $54 million for the period, which was primarily driven by favorable profit margins, partially offset by $171 million of unrealized losses in purchased power costs on positions with the Wholesale Generation segment. Please see the discussion of Retail Electricity below for further details.
- Net operating expense related to Eliminations and Corporate and Other activities totaled $47 million and primarily reflected amortization of software and other technology-related assets (see Note 4 to Vistra Energy's September 30, 2017 Quarterly Financial Statements).

Interest expense and related charges totaled $169 million and included $157 million of interest expense incurred and $3 million of unrealized mark-to-market losses on interest rate swaps. See Note 7 to Vistra Energy's September 30, 2017 Quarterly Financial Statements.

The Impacts of the Tax Receivable Agreement was income of $96 million, which includes a $160 million gain due to changes in the estimated timing of TRA Payments. See Note 6 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for discussion of the impacts of the Tax Receivable Agreement obligation.

Income tax expense totaled $284 million. The effective tax rate was 46.6%. See Note 5 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for reconciliation of this effective rate to the U.S. federal statutory rate.

Operating Income

Vistra Energy evaluates its segment performance using operating income as an earnings metric. Vistra Energy believes operating income is useful in evaluating Vistra Energy's core business activities and is one of the metrics used by Vistra Energy's chief operating decision maker and leadership to evaluate segment results. Operating income excludes interest income, interest expense and related charges, impacts of the Tax Receivable Agreement and income tax expense as these activities are managed at the corporate level.

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Operating Statistics—Three and Nine Months Ended September 30, 2017

	Successor	
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Sales volumes (GWh):		
Retail electricity sales volumes:		
Residential	6,948	16,060
Business markets	5,257	14,006
Total retail electricity sales volumes	12,205	30,066
Wholesale electricity sales volumes[a]	12,926	35,741
Production volumes (GWh):		
Nuclear facilities	3,936	12,646
Lignite and coal facilities	14,781	38,513
Natural gas facilities	6,026	13,496
Capacity factors:		
Nuclear facilities	77.5%	83.9%
Lignite and coal facilities	83.5%	73.3%
CCGT facilities	87.6%	67.2%
Market pricing:		
Average ERCOT North power price ($/MWh)	$ 26.26	$ 23.85
Weather (North Texas average)—percent of normal[b]:		
Cooling degree days	93.3%	96.3%
Heating degree days	N/A	60.2%

(a) Includes net amounts related to sales and purchases of balancing energy in the ERCOT real-time market.
(b) Weather data is obtained from Weatherbank, Inc., an independent company that collects and archives weather data from reporting stations of the National Oceanic and Atmospheric Administration (a federal agency under the Vistra Energy Department of Commerce). Normal is defined as the average over the 10-year period from 2006 to 2015.

Wholesale Generation Segment Financial Results—Three and Nine Months Ended September 30, 2017

For the three months ended September 30, 2017, wholesale electricity revenues totaled $1.203 billion and included:

- $538 million in third-party wholesale electricity revenue, which included $401 million in electricity sales to third parties, including revenues from the recently acquired Odessa power generation facility (see Note 3 to Vistra Energy's September 30, 2017 Quarterly Financial Statements), and $137 million in unrealized gains from hedging activities reflecting a decrease in forward power prices, and
- $655 million in affiliated revenue with the Retail Electricity segment, which included $566 million in sales for the period and $89 million in unrealized gains on hedging activities with affiliate positions reflecting a decrease in forward power prices, partially offset by the reversal of previously recorded unrealized gains on settled power positions.

For the nine months ended September 30, 2017, wholesale electricity revenues totaled $2.757 billion and included:

- $1.328 million in third-party wholesale electricity revenue, which included $1.124 billion in electricity sales to third parties, including revenues from the recently acquired Odessa power generation facility (see Note 3 to Vistra Energy's September 30, 2017 Quarterly Financial Statements), and $204 million in unrealized gains from hedging activities reflecting a decrease in forward natural gas and power prices, partially offset by the reversal of previously recorded unrealized gains on settled power positions, and

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- $1.406 billion in affiliated revenue with the Retail Electricity segment, which included $1.235 billion in sales for the period and $171 million in unrealized gains on hedging activities with affiliate positions reflecting a decrease in forward power prices partially offset by the reversal of previously recorded unrealized gains on settled power positions.

For the three and nine months ended September 30, 2017, wholesale electricity sales and operating costs include unfavorable impacts totaling $47 million and $74 million, respectively, due to an unplanned outage at one of Vistra Energy's nuclear generation units that began in June 2017.

	Successor	
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Wholesale electricity sales	$ 401	$ 1,124
Unrealized net gains on hedging activities	137	204
Sales to affiliates	566	1,235
Unrealized net gains on hedging activities with affiliates	89	171
Other revenues	10	23
Total wholesale electricity revenues	$ 1,203	$ 2,757

For the three and nine months ended September 30, 2017, fuel, purchased power costs and delivery fees totaled $430 million and $1.225 billion, respectively, and reflected $439 million and $1.212 billion, respectively, in fuel and purchased power costs and ancillary and other costs. For the three and nine months ended September 30, 2017, fuel expense for Vistra Energy's nuclear facilities were lower due to an unplanned outage at one of Vistra Energy's units. For the three months ended September 30, 2017, fuel and purchased power costs also included $9 million in unrealized gains from hedging activities reflecting reversal of previously recorded unrealized losses on settled natural gas positions. For the nine months ended September 30, 2017, fuel and purchased power costs also included $13 million in unrealized losses from hedging activities also reflecting reversal of previously recorded unrealized gains on settled positions.

	Successor	
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Fuel for nuclear facilities	$ 19	$ 66
Fuel for lignite and coal facilities	215	595
Fuel for natural gas facilities and purchased power costs	190	489
Unrealized (gains) losses from hedging activities	(9)	13
Ancillary and other costs	15	62
Total fuel and purchased power costs	$ 430	$ 1,225

Operating costs totaled $213 million and $616 million for the three and nine months ended September 30, 2017, respectively, and reflected operations and maintenance expenses for power generation facilities and salaries and benefits for facilities personnel. Total charges of approximately $24 million related to severance accruals, write-off of material and supplies inventory and changes to estimates and timing of asset retirement obligations are presented in operating costs for both periods due to Vistra Energy's decision to retire Vistra Energy's Monticello generation facility (see Note 17 to Vistra Energy's September 30, 2017 Quarterly Financial Statements).

For the three and nine months ended September 30, 2017, depreciation and amortization expenses totaled $60 million and $167 million, respectively, and primarily reflected depreciation on power generation and mining property, plant and equipment.

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For the three and nine months ended September 30, 2017, SG&A totaled $31 million and $98 million, respectively, and reflected functional group service costs allocated from Corporate and Other activities totaling $26 million and $89 million, respectively.

Retail Electricity Segment Financial Results—Three and Nine Months Ended September 30, 2017

For the three months ended September 30, 2017, retail electricity revenues totaled $1.286 billion and included $1.223 billion related to 12,205 GWh in sales volumes. During the period, revenues were unfavorably impacted by mild weather during the peak summer cooling period as noted in the weather information included above in “Operating Statistics.”

For the nine months ended September 30, 2017, retail electricity revenues totaled $3.136 billion and included $3.019 billion related to 30,066 GWh in sales volumes. During the period, revenues were unfavorably impacted by mild weather in both the peak summer cooling period and the winter season at the beginning of the year as noted in the weather information included above in “Operating Statistics.”

	Successor	
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Retail electricity sales	$ 1,223	$ 3,019
Amortization income (expense) of identifiable intangible assets related to retail contracts (see Note 4 to Vistra Energy’s September 30, 2017 Quarterly Financial Statements)	20	(24)
Other revenues	43	141
Total retail electricity revenues	$ 1,286	$ 3,136

Purchased power costs, delivery fees and other costs totaled $1.064 billion and $2.432 billion for the three and nine months ended September 30, 2017, respectively, and reflected the following:

	Successor	
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Purchases from affiliates	$ 566	$ 1,235
Unrealized net losses on hedging activities with affiliates	89	171
Delivery fees	408	1,023
Other costs	1	3
Total purchased power costs and delivery fees	$ 1,064	$ 2,432

Depreciation and amortization expenses totaled $108 million and $322 million for the three and nine months ended September 30, 2017, respectively, and primarily reflected the impacts of amortization expense related to the retail customer relationship intangible asset established in fresh start reporting (see Note 4 to Vistra Energy’s September 30, 2017 Quarterly Financial Statements).

SG&A totaled $113 million and $317 million for the three and nine months ended September 30, 2017, respectively, and reflected employee compensation and benefit costs (including functional group costs allocated from Corporate and Other), marketing and operation expenses and bad debt expense. For both periods, SG&A reflects an increase in bad debt expense as a result of the estimated impact on collectability from customers affected by Hurricane Harvey.

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Predecessor Consolidated Financial Results—Three and Nine Months Ended September 30, 2016

	Predecessor	
	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Operating revenues	$ 1,690	$ 3,973
Fuel, purchased power costs and delivery fees	(874)	(2,082)
Net gain from commodity hedging and trading activities	336	282
Operating costs	(190)	(664)
Depreciation and amortization	(157)	(459)
Selling, general and administrative expenses	(165)	(482)
Operating income	640	568
Other income	7	19
Other deductions	(28)	(75)
Interest expense and related charges	(371)	(1,049)
Reorganization items	(64)	(116)
Income (loss) before income taxes	184	(653)
Income tax (expense) benefit	3	(3)
Net income (loss)	$ 187	$ (656)

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Predecessor Operating Statistics—Three and Nine Months Ended September 30, 2016

	Predecessor	
	Three Months Ended September 30 2016	Nine Months Ended September 30, 2016
Operating revenues:		
Retail electricity revenues	$ 1,299	$ 3,154
Wholesale electricity revenues and other operating revenues[(a)(b)]	391	819
Total operating revenues	$ 1,690	$ 3,973
Fuel, purchased power costs and delivery fees:		
Fuel for nuclear facilities	$ 31	$ 92
Fuel for lignite and coal facilities	236	548
Fuel for natural gas facilities and purchased power costs[(a)]	150	310
Other costs	41	108
Delivery fees	416	1,024
Total	$ 874	$ 2,082
Sales volumes:		
Retail electricity sales volumes (GWh):		
Residential	7,359	16,619
Business markets	5,385	14,354
Total retail electricity	12,744	30,973
Wholesale electricity sales volumes[(b)]	12,058	25,563
Production volumes (GWh):		
Nuclear facilities	5,310	15,005
Lignite and coal facilities[(c)]	14,630	31,865
Natural gas facilities	4,452	8,539
Capacity factors:		
Nuclear facilities	104.6%	99.2%
Lignite and coal facilities[(c)]	82.6%	60.5%
Market pricing:		
Average ERCOT North power price ($/MWh)	$ 26.54	$ 20.78
Weather (North Texas average)—percent of normal[(d)]:		
Cooling degree days	106.6%	102.8%
Heating degree days	— %	81.9%

(a) Upon settlement, physical derivative commodity contracts that Vistra Energy marks-to-market in net income, such as certain electricity sales and purchase agreements and coal purchase contracts, wholesale electricity revenues and fuel and purchased power costs are reported at approximated market prices, as required by accounting rules, rather than contract price. The offsetting differences between contract and market prices are reported in net gain from commodity hedging and trading activities.

(b) Includes net amounts related to sales and purchases of balancing energy in the ERCOT real-time market.

(c) Includes the estimated effects of economic backdown (including seasonal operations) of lignite/coal fueled units totaling 2,390 GWh and 14,420 GWh for the three and nine months ended September 30, 2016, respectively.

(d) Weather data is obtained from Weatherbank, Inc., an independent company that collects and archives weather data from reporting stations of the National Oceanic and Atmospheric Administration (a federal agency under the Vistra Energy Department of Commerce). Normal is defined as the average over the 10-year period from 2000 to 2010.

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Predecessor Financial Results—Three and Nine Months Ended September 30, 2016

For the three months ended September 30, 2016, income before income taxes totaled $184 million and reflected net gains in commodity and hedging activities totaling $336 million, partially offset by interest expense for adequate protection on pre-petition debt totaling $331 million. For the nine months ended September 30, 2016, loss before income taxes totaled $653 million and primarily reflected interest expense for adequate protection on pre-petition debt totaling $977 million and the effects of declining average electricity prices and milder than normal winter weather on operating revenues, partially offset by net gains in commodity and hedging activities.

Operating revenues totaled $1.690 billion and $3.973 billion for the three and nine months ended September 30, 2016, respectively.

- For the three and nine months ended September 30, 2016, retail electricity revenues totaled $1.299 billion and $3.154 billion, respectively, and were negatively impacted by reduced volumes reflecting milder than normal winter weather in 2016 and declining average prices.
- For the three and nine months ended September 30, 2016, wholesale revenues totaled $396 million and $649 million, respectively, and increased due to additional sales from the Lamar and Forney generation assets acquired in April 2016. For the nine months ended September 30, 2016, wholesale volumes were also negatively impacted by lower average wholesale electricity prices.

Following is an analysis of amounts reported as net losses from commodity hedging and trading activities. Results are primarily related to natural gas and power hedging activity.

	Predecessor	
	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Realized net gains	$ 122	$ 320
Unrealized net gains (losses)	214	(38)
Total	$ 336	$ 282

For both periods presented, the negative impacts of declining average prices on wholesale operating revenues were partially offset by realized net gains reflecting settled gains on derivatives due to declining market prices. These gains were primarily related to natural gas positions.

For the three months ended September 30, 2016, net unrealized gains were primarily impacted by reversals of previously recorded unrealized net losses on settled positions and unrealized net gains recorded due to unrealized gains on heat rate and power hedges due to decreases in forward prices. For the nine months ended September 30, 2016, net unrealized losses were primarily impacted by reversals of previously recorded unrealized net gains on settled positions.

Fuel, purchased power costs and delivery fees totaled $874 million and $2.082 billion for the three and nine months ended September 30, 2016, respectively, and reflected the impact of declining electricity prices on purchased power costs during 2016, partially offset by incremental natural gas fuel costs associated with the Lamar and Forney Acquisition (see Note 3 to Vistra Energy’s September 30, 2017 Quarterly Financial Statements).

Operating costs totaled $190 million and $664 million for the three and nine months ended September 30, 2016, respectively, and primarily reflect maintenance expense for Vistra Energy’s generation assets, including the scope and timing of maintenance costs at lignite/coal fueled generation facilities. Operating costs were also impacted by incremental operation and maintenance costs associated with the Lamar and Forney Acquisition.

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Depreciation and amortization expenses totaled $157 million and $459 million for the three and nine months ended September 30, 2016, respectively, and reflected incremental depreciation expense associated with the Lamar and Forney Acquisition.

SG&A expenses totaled $165 million and $482 million for the three and nine months ended September 30, 2016, respectively, and reflected administrative and general salaries, employee benefits, marketing costs related to retail electricity activity and other administrative costs.

For the three and nine months ended September 30, 2016, results for the period also include $7 million and $32 million, respectively, of severance expense, primarily reported in fuel, purchased power costs and delivery fees and operating costs, associated with certain actions taken to reduce costs related to mining and lignite/coal generation operations.

For the three and nine months ended September 30, 2016, interest expense and related charges totaled $371 million and $1.049 billion, respectively, and included adequate protection payments approved by the Bankruptcy Court for the benefit of TCEH secured creditors totaling $331 million and $977 million, respectively, and interest expense on debtor-in-possession financing totaling $38 million and $76 million, respectively.

Vistra Energy Consolidated Financial Results—Period from October 3, 2016 through December 31, 2016

	Successor			
	Period from October 3, 2016 through December 31, 2016			
	Wholesale Generation	Retail Electricity	Eliminations / Corporate and Other	Vistra Energy Consolidated
Operating revenues	$ 450	$ 912	$ (171)	$ 1,191
Fuel, purchased power costs and delivery fees	(376)	(515)	171	(720)
Operating costs	(205)	(3)	—	(208)
Depreciation and amortization	(53)	(153)	(10)	(216)
Selling, general and administrative expenses	(71)	(130)	(7)	(208)
Operating income (loss)	(255)	111	(17)	(161)
Other income	3	3	4	10
Interest expense and related charges	1	—	(61)	(60)
Impacts of Tax Receivables Agreement	—	—	(22)	(22)
Income (loss) before income taxes	(251)	114	(96)	(233)
Income tax benefit (expense)			70	70
Net income (loss)			$ (26)	$ (163)

Consolidated operating loss totaled $161 million for the period from October 3, 2016 through December 31, 2016. Results were driven by:

- Vistra Energy's Wholesale Generation segment had an operating loss of approximately $255 million for the period which was primarily driven by unrealized mark-to-market losses totaling approximately $273 million for the period (including $113 million of unrealized losses on positions with the Retail Electricity segment). The unrealized losses were driven by increases in forward natural gas prices during the period. Please see the discussion of Wholesale Generation below for further details.
- Vistra Energy's Retail Electricity segment had operating income of $111 million for the period which was the result of favorable profit margins, including $113 million of unrealized gains in purchased power costs on positions with the Wholesale Generation segment. Please see the discussion of Retail Electricity below for further details.

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- Net operating expense related to Eliminations and Corporate and Other activities totaled $17 million and primarily reflected $7 million in amortization of intangible assets and $4 million in post-Emergence restructuring fees.

Interest expense and related charges totaled $60 million and reflected $47 million of interest expense incurred on the Vistra Operations Credit Facilities and $11 million of unrealized mark-to-market net losses on interest rate swaps. See Note 11 to Vistra Energy's 2016 Financial Statements.

See Note 10 to Vistra Energy's 2016 Financial Statements for discussion of the impacts of the Tax Receivable Agreement obligation.

Income tax expense totaled $70 million. The effective tax rate was 30.0%. See Note 9 to Vistra Energy's 2016 Financial Statements for reconciliation of this effective rate to the U.S. federal statutory rate.

Operating Statistics—Period from October 3, 2016 through December 31, 2016

	Successor Period from October 3, 2016 through December 31, 2016
Sales volumes:	
Retail electricity sales volumes (GWh):	
Residential	4,485
Business markets	4,430
Total retail electricity sales volumes	8,915
Wholesale electricity sales volumes(a)(b)	13,806
Production volumes (GWh):	
Nuclear facilities	5,373
Lignite and coal facilities	13,654
Natural gas facilities	3,138
Capacity factors:	
Nuclear facilities	105.7%
Lignite and coal facilities	77.1%
CCGT facilities	47.0%
Market pricing:	
Average ERCOT North power price ($/MWh)	$ 26.52

(a) Upon settlement, physical derivative commodity contracts that Vistra Energy marks-to-market in net income, such as certain electricity sales and purchase agreements and coal purchase contracts, wholesale electricity revenues and fuel and purchased power costs are reported at approximated market prices, as required by accounting rules, rather than contract price.
(b) Includes net amounts related to sales and purchases of balancing energy in the ERCOT real-time market.

Wholesale Generation Segment Financial Results—Period from October 3, 2016 through December 31, 2016

Wholesale electricity revenues totaled $450 million and reflected:

- $274 million in third-party wholesale electricity revenues, which included $456 million in electricity sales to third parties, partially offset by $182 million in unrealized losses from hedging activities reflecting an increase in forward natural gas prices and a reversal of previously recorded unrealized gains on settled positions, and

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- $171 million in affiliated sales to the Retail Electricity segment, which included $284 million in sales for the period, partially offset by $113 million in unrealized losses on affiliate positions due to increases in forward commodity prices.

	Successor Period from October 3, 2016 through December 31, 2016
Wholesale electricity sales	$ 456
Unrealized net losses on hedging activities	(182)
Sales to affiliates	284
Unrealized net losses with affiliates	(113)
Other revenues	5
Total wholesale electricity revenues	$ 450

Fuel, purchased power costs and delivery fees totaled $376 million and reflected $398 million in fuel and purchased power costs, ancillary and other costs, including $7 million of severance expense associated with the October 2016 workforce reduction. Results also included $22 million in unrealized gains from hedging activities reflecting gains on coal and diesel hedges due to increases in forward prices.

	Successor Period from October 3, 2016 through December 31, 2016
Fuel for nuclear facilities	$ 31
Fuel for lignite and coal facilities	229
Fuel for natural gas facilities and purchased power costs	97
Unrealized gains from hedging activities	(22)
Ancillary and other costs	41
Total fuel and purchased power costs	$ 376

Operating costs totaled $205 million and reflected operations and maintenance expenses for power generation facilities and salaries and benefits for facilities personnel. Costs included $10 million of severance expense associated with the October 2016 workforce reduction.

Depreciation and amortization expenses totaled $53 million and reflected $51 million of depreciation on power generation and mining property, plant and equipment and $2 million of amortization expense related to finite-lived identifiable intangible assets. Depreciation and amortization expense for the period reflects fresh start reporting adjustments to fair value of property, plant and equipment and identifiable intangible assets (see Note 3 to Vistra Energy's 2016 Financial Statements).

SG&A totaled $71 million and reflected $52 million of functional group service costs allocated from Corporate and Other activities, $8 million of severance expense associated with the October 2016 workforce reduction, $7 million of employee compensation and benefit costs and $4 million of legal and other professional services costs.

Retail Electricity Segment Financial Results—Period from October 3, 2016 through December 31, 2016

Retail electricity revenues totaled $912 million and included $907 million related to 8,915 GWh in sales volumes. Sales volumes for the period were evenly split between residential and business market customers. Revenues for the period included $36 million in amortization expense of identifiable intangible assets related to retail contracts (see Note 7 to Vistra Energy's 2016 Financial Statements).

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Purchased power costs, delivery fees and other costs totaled $515 million and reflected the following:

	Successor Period from October 3, 2016 through December 31, 2016
Purchases from affiliates	$ 284
Unrealized net gains with affiliates	(113)
Delivery fees	320
Other costs	24
Purchased power costs and delivery fees	$ 515

Depreciation and amortization expenses totaled $153 million and primarily reflected amortization expense related to the retail customer relationship intangible asset (see Note 7 to Vistra Energy's 2016 Financial Statements).

SG&A totaled $130 million and reflected $33 million of functional group service costs allocated from Corporate and Other activities, $28 million of employee compensation and benefit costs, $23 million of marketing-related expenses, $22 million of revenue based taxes and $18 million of legal and professional services costs, franchise taxes and bad debt. SG&A for the Retail Electricity segment also included $5 million of severance expense associated with the October 2016 workforce reduction.

Predecessor Consolidated Financial Results

	Predecessor		
	Period from January 1, 2016 through October 2, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Operating revenues	$ 3,973	$ 5,370	$ 5,978
Fuel, purchased power costs and delivery fees	(2,082)	(2,692)	(2,842)
Net gain from commodity hedging and trading activities	282	334	11
Operating costs	(664)	(834)	(914)
Depreciation and amortization	(459)	(852)	(1,270)
Selling, general and administrative expenses	(482)	(676)	(708)
Impairment of goodwill	—	(2,200)	(1,600)
Impairment of long-lived assets	—	(2,541)	(4,670)
Operating income (loss)	568	(4,091)	(6,015)
Other income	16	17	16
Other deductions	(75)	(93)	(281)
Interest income	3	1	—
Interest expense and related charges	(1,049)	(1,289)	(1,749)
Reorganization items	22,121	(101)	(520)
Loss before income taxes	21,584	(5,556)	(8,549)
Income tax benefit (expense)	1,267	879	2,320
Net loss	$ 22,851	$(4,677)	$(6,229)

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Predecessor—Operating Statistics

	Predecessor			% Change
	Period from January 1, 2016 through October 2, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	2015 versus 2014
Operating revenues:				
Retail electricity revenues	3,154	4,449	4,413	0.8%
Wholesale electricity revenues and other operating revenues[a][b]	819	921	1,565	(41.2)%
Total operating revenues	$ 3,973	$ 5,370	$ 5,978	(10.2)%
Fuel, purchased power costs and delivery fees:				
Fuel for nuclear facilities	$ 92	$ 146	$ 147	(0.7)%
Fuel for lignite and coal facilities	548	736	784	(6.1)%
Fuel for natural gas facilities and purchased power costs[a]	310	252	316	(20.3)%
Other costs	108	166	267	(37.8)%
Delivery fees	1,024	1,392	1,328	4.8%
Total	$ 2,082	$ 2,692	$ 2,842	(5.3)%
Sales volumes:				
Retail electricity sales volumes (GWh):				
Residential	16,619	21,923	21,910	0.1%
Business markets	14,354	19,289	16,601	16.2%
Total retail electricity	30,973	41,212	38,511	7.0%
Wholesale electricity sales volumes[b]	25,563	23,533	32,965	(28.6)%
Total sales volumes	56,536	64,745	71,476	(9.4)%
Production volumes (GWh):				
Nuclear facilities	15,005	19,954	18,636	7.1%
Lignite and coal facilities[c]	31,865	41,817	48,878	(14.4)%
Natural gas facilities	8,539	709	816	(13.1)%
Capacity factors:				
Nuclear facilities	99.2%	99.0%	92.5%	7.0%
Lignite and coal facilities[c]	60.5%	59.5%	69.6%	(14.5)%
CCGT facilities	65.2%	— %	— %	— %
Market pricing:				— %
Average ERCOT North power price ($/MWh)	$ 20.78	$ 23.78	$ 36.44	(34.7)%

(a) Upon settlement, physical derivative commodity contracts that Vistra Energy marks-to-market in net income, such as certain electricity sales and purchase agreements and coal purchase contracts, wholesale electricity revenues and fuel and purchased power costs are reported at approximated market prices, as required by accounting rules, rather than contract price. The offsetting differences between contract and market prices are reported in net gain from commodity hedging and trading activities.

(b) Includes net amounts related to sales and purchases of balancing energy in the ERCOT real-time market.

(c) Includes the estimated effects of economic backdown (including seasonal operations) of lignite/coal fueled units totaling 14,420 GWh, 19,900 GWh and 15,770 GWh for the Predecessor period from January 1, 2016 through October 2, 2016 and the years ended December 31, 2015 and 2014, respectively.

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Predecessor Financial Results—Predecessor Period from January 1, 2016 through October 2, 2016

Income before income taxes totaled $21.584 billion and included a $24.252 billion gain on reorganization adjustments and a $2.013 billion loss for the net impacts from the adoption of fresh start reporting (see Notes 3 and 4 to Vistra Energy's 2016 Financial Statements). Results also reflected the effect of declining average electricity prices on operating revenues, $977 million in adequate protection interest expense paid/accrued on pre-petition debt and $116 million in reorganization items associated with the Chapter 11 Cases.

Operating revenues totaled $3.973 billion. Retail electricity revenues totaling $3.154 billion were negatively impacted by declining average prices and reduced electricity usage reflecting milder than normal weather in 2016. Wholesale revenues totaling $649 million were positively impacted by increases in generation volumes (approximately 8,048 GWh) driven by the Lamar and Forney Acquisition in April 2016 (see Note 6 to Vistra Energy's 2016 Financial Statements), partially offset by lower average wholesale electricity prices.

Following is an analysis of amounts reported as net gain from commodity hedging and trading activities. Results are primarily related to natural gas and power hedging activity.

	Predecessor Period From January 1, 2016 through October 2, 2016
Realized net gains	$ 320
Unrealized net gains (losses)	(38)
Total	$ 282

The negative impacts of declining average prices on operating revenues were partially offset by realized net gains reflecting settled gains on derivatives due to declining market prices. These gains were primarily related to natural gas positions.

Net unrealized gains (losses) were primarily impacted by reversals of previously recorded unrealized net gains on settled positions.

Fuel, purchased power costs and delivery fees totaled $2.082 billion and reflected the impact of declining electricity prices on purchased power costs, partially offset by incremental natural gas fuel costs associated with the Lamar and Forney Acquisition (see Note 6 to Vistra Energy's 2016 Financial Statements).

Operating costs totaled $664 million and primarily reflect maintenance expense for Vistra Energy's generation assets, including nuclear maintenance costs due to a spring nuclear refueling outage and incremental operation and maintenance costs associated with the Lamar and Forney Acquisition.

Depreciation and amortization expenses totaled $459 million and reflected the effect of noncash impairments of certain long-lived assets recorded in 2015, partially offset by incremental depreciation expense associated with the Lamar and Forney Acquisition.

SG&A expenses totaled $482 million and reflected administrative and general salaries, employee benefits, marketing costs related to retail electricity activity and other administrative costs.

Results for the period also include $32 million of severance expense, primarily reported in fuel, purchased power and delivery fees and operating costs, associated with certain actions taken to reduce costs related to mining and lignite/coal generation operations.

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Interest expense and related charges totaled $1.049 billion and reflected $977 million in adequate protection payments approved by the Bankruptcy Court for the benefit of TCEH secured creditors and $76 million in interest expense on debtor-in-possession financing.

Income tax benefit totaled $1.267 billion. See Note 9 to Vistra Energy's 2016 Financial Statements for reconciliation of this effective rate to the U.S. federal statutory rate.

Predecessor Financial Results—Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Loss before income taxes decreased $2.993 billion in 2015 from 2014 to a loss of $5.556 billion. The decrease primarily reflected the larger noncash impairment charges of certain long-lived assets in 2014 and the decrease in interest expense, the decrease in depreciation and amortization expense and a decrease in reorganization items expense in 2015.

Operating revenues decreased $608 million in 2015 from 2014, as a result of a decrease in wholesale electricity revenues, partially offset by an increase in retail electricity revenues. Wholesale electricity revenues decreased $587 million in 2015 from 2014 reflecting a $362 million decrease in sales volumes and a $225 million decrease due to lower average wholesale electricity prices. The decrease in wholesale electricity sales volumes was driven by lower generation volumes from increased economic backdown (including seasonal operations) at Vistra Energy's lignite and coal generation facilities, which was driven by a 35% decline in average wholesale electricity prices, driven by lower natural gas prices. Retail electricity revenues increased $36 million in 2015 from 2014 primarily reflecting a $310 million increase due to sales volumes driven by an increase in business sales volumes, partially offset by a $274 million decrease due to lower average prices primarily for business markets customers.

Fuel, purchased power costs and delivery fees decreased $150 million in 2015 from 2014. Fuel for lignite and coal facilities decreased $48 million in 2015 from 2014 due to a 14% decrease in generation volumes, partially offset by higher lignite mining costs and more western coal in the fuel blend. Fuel for natural gas facilities and purchased power costs decreased $64 million in 2015 from 2014 driven by a 28% decrease in purchased power volumes, lower natural gas prices and a 13% decrease in generation volumes from natural gas generation units. Other costs decreased $101 million in 2015 from 2014, reflecting a $49 million decrease in natural gas purchases for resale and $34 million decrease in amortization of favorable purchase contracts due to impairments recorded at the end of 2014. Delivery fees increased $64 million in 2015 from 2014, primarily reflecting higher retail volumes.

Following is an analysis of amounts reported as net gain from commodity hedging and trading activities. The results are primarily related to natural gas and power hedging activity.

	Predecessor		
	Year Ended December 31,		
	2015	2014	Change
Realized net gains	$217	$ 387	$ (170)
Unrealized net gains (losses)	117	(376)	493
Total	$334	$ 11	$ 323

Realized net gains on hedging and trading positions decreased $170 million, or 43.9%, in 2015 from 2014, reflecting lower gains due to the 2014 termination of Vistra Energy's favorable long-term natural gas hedging program, partially offset by other realized gains from declining market prices in 2015.

The $493 million favorable change in unrealized net gains in 2015 from 2014 primarily reflected the 2014 reversal of previously recorded unrealized gains related to the favorable pricing of Vistra Energy's long-term natural gas hedging program that terminated in 2014 along with favorable unrealized gains in 2015 due to the impact of declining natural gas prices on Vistra Energy's hedging positions.

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Operating costs decreased $80 million in 2015 from 2014, driven by $55 million in lower nuclear maintenance costs, reflecting a spring refueling in 2014 that was absent in 2015, as well as lower lignite and coal facilities operating costs reflecting lower generation.

Depreciation and amortization expenses decreased $418 million in 2015 from 2014, primarily reflecting reduced depreciation expense resulting from the effect of noncash impairments of certain long-lived assets recorded at the end of 2014 and during 2015.

Interest expense and related charges decreased $460 million in 2015. The decrease reflected:

- $874 million in lower interest expense on pre-petition debt due to the discontinuance of interest due to the Chapter 11 Cases, and
- $86 million in lower amortization of pre-petition debt issuances, amendment and extension costs and discounts due to reclassification of such amounts to liabilities subject to compromise in 2014,

partially offset by

- $405 million in higher expense related to adequate protection payments approved by the Bankruptcy Court for the benefit of TCEH secured creditors in the year ended December 31, 2015 as compared to the post-petition period ended December 31, 2014;
- $65 million in mark-to-market net gains on interest rate swaps in 2014, and
- $26 million in higher interest expense on debtor-in-possession financing in the year ended December 31, 2015 as compared to the post-petition period ended December 31, 2014.

Income tax benefit totaled $879 million and $2.320 billion on pretax losses in 2015 and 2014, respectively. The effective tax rate was 15.8% in 2015 and 27.1% in 2014. See Note 9 to Vistra Energy's 2016 Financial Statements for reconciliation of this effective rate to the U.S. federal statutory rate.

See Note 7 to Vistra Energy's 2016 Financial Statements for details of noncash impairments of goodwill. See Note 22 to Vistra Energy's 2016 Financial Statements for details of other income and deductions. See Note 8 to Vistra Energy's 2016 Financial Statements for details of noncash impairments of certain long lived assets. See Note 4 to Vistra Energy's 2016 Financial Statements for details of reorganization items.

Energy-Related Commodity Contracts and Mark-to-Market Activities

The table below summarizes the changes in commodity contract assets and liabilities for the nine months ended September 30, 2017 and 2016. The net change in these assets and liabilities, excluding "other activity" as described below, reflects $202 million in unrealized net gains for the nine months ended September 30, 2017 and $38 million in unrealized net losses for the nine months ended September 30, 2016 arising from mark-to-market accounting for positions in the commodity contract portfolio.

	Successor Nine Months Ended September 30, 2017	Predecessor Nine Months Ended September 30, 2016
Commodity contract net asset at beginning of period	$ 64	$ 271
Settlements/termination of positions[a]	(134)	(232)
Changes in fair value of positions in the portfolio[b]	336	194
Other activity[c]	(45)	(35
Commodity contract net asset at end of period	$ 221	$ 198

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(a) Represents reversals of previously recognized unrealized gains and losses upon settlement/termination (offsets realized gains and losses recognized in the settlement period). The Successor period includes reversal of $38 million of previously recorded unrealized gains related to Vistra Energy beginning balances. Excludes changes in fair value in the month the position settled as well as amounts related to positions entered into, and settled, in the same month.
(b) Represents unrealized net gains (losses) recognized, reflecting the effect of changes in fair value. The Successor period includes a $19 million "day one" gain related to a long-term power derivative. Excludes changes in fair value in the month the position settled as well as amounts related to positions entered into, and settled, in the same month.
(c) Represents changes in fair value of positions due to receipt or payment of cash not reflected in unrealized gains or losses. Amounts are generally related to certain margin deposits classified as settlement for certain transactions done on the CME as well as premiums related to options purchased or sold and the initial fair value of the earn-out provision related to the Odessa Acquisition (see Note 3 to Vistra Energy's September 30, 2017 Quarterly Financial Statements).

The table below summarizes the changes in commodity contract assets and liabilities for the periods presented. The net change in these assets and liabilities, excluding "other activity" as described below, reflects $166 million in unrealized net losses, $38 million in unrealized net losses, $117 million in unrealized net gains and $368 million in unrealized net losses for the Successor period from October 3, 2016 through December 31, 2016, the Predecessor period from January 1, 2016 through October 2, 2016 and the years ended December 31, 2015 and 2014, respectively, arising from mark-to-market accounting for positions in the commodity contract portfolio.

	Successor	Predecessor		
	Period from October 3, 2016 through December 31, 2016	Period from January 1, 2016 through October 2, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Commodity contract net asset at beginning of period	$ 181	$ 271	$ 180	$ 525
Settlements/termination of positions(a)	(95)	(232)	(263)	(385)
Changes in fair value of positions in the portfolio(b)	(71)	194	380	17
Other activity(c)	49	(35)	(26)	23
Commodity contract net asset at end of period	$ 64	$ 198	$ 271	$ 180

(a) Represents reversals of previously recognized unrealized gains and losses upon settlement/termination (offsets realized gains and losses recognized in the settlement period). Includes reversal of $90 million in previously recorded unrealized gains related to Vista Energy beginning balances. Excludes changes in fair value in the month the position settled as well as amounts related to positions entered into and settled in the same month.
(b) Represents unrealized net gains (losses) recognized, reflecting the effect of changes in fair value. Excludes changes in fair value in the month the position settled as well as amounts related to positions entered into and settled in the same month.
(c) These amounts do not represent unrealized gains or losses. Includes initial values of positions involving the receipt or payment of cash or other consideration, generally related to options purchased/sold. The Predecessor period from January 1, 2016 through October 2, 2016 includes fair value of acquired commodity contracts as of the date of the Lamar and Forney Acquisition (see Note 6 to Vistra Energy's 2016 Financial Statements).

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Maturity Table—The following table presents the net commodity contract asset arising from recognition of fair values at September 30, 2017, scheduled by the source of fair value and contractual settlement dates of the underlying positions.

	Successor				
	Maturity dates of unrealized commodity contract net asset at September 30, 2017				
	Less than 1 year	1-3 years	4-5 years	Excess of 5 years	Total
Prices actively quoted	$ 2	$ (2)	$ (1)	$ —	$ (1)
Prices provided by other external sources	63	2	—	—	65
Prices based on models	64	73	11	9	157
Total	$ 129	$ 73	$ 10	$ 9	$221

FINANCIAL CONDITION

Cash Flows

Successor—Nine Months Ended September 30, 2017—Cash provided by operating activities totaled $845 million in 2017 and was primarily driven by cash from operations of approximately $957 million after taking into consideration depreciation and amortization, noncash impacts of the Tax Receivable Agreement and unrealized mark-to-market gains on derivatives, offset by a net use of cash of approximately $112 million in changes in operating assets and liabilities primarily driven by working capital, incentive plan payments and tax payments, partially offset by decreases in cash utilized in margin postings related to derivative contracts.

Cash used in financing activities totaled $37 million in 2017 and reflected the repayment of debt.

Cash used in investing activities totaled $597 million in 2017 and reflected payments of $355 million related to the Odessa Acquisition, capital expenditures (including nuclear fuel purchases) totaling $142 million and Upton solar development expenditures totaling $129 million. The Odessa Acquisition and the Upton solar development were funded using cash on hand.

Predecessor—Nine Months Ended September 30, 2016—Cash used in operating activities totaled $196 million in 2016 and reflected cash interest payments of $1.064 billion, mostly offset by cash from operations.

Cash provided by financing activities totaled $1.913 billion and reflected $2.040 billion in net borrowings under the DIP Roll Facilities and the DIP Facility, including $870 million in net borrowings to fund the Lamar and Forney Acquisition (see Note 3 to Vistra Energy's September 30, 2017 Quarterly Financial Statements). Activity in 2016 also reflected $112 million in fees related to the issuance of the DIP Roll Facilities.

Cash used in investing activities totaled $1.288 billion and reflected payments of $1.343 billion related to the Lamar and Forney Acquisition net of cash acquired (see Note 3 to Vistra Energy's September 30, 2017 Quarterly Financial Statements) and capital expenditures (including nuclear fuel purchases) totaling $263 million, partially offset by a $365 million decrease in restricted cash used to backstop letters of credit.

Debt Activity

See Note 9 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for details of the Vistra Operations Credit Facilities and other long-term debt.

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Available Liquidity

The following table summarizes changes in available liquidity for the nine months ended September 30, 2017:

	September 30, 2017	December 31, 2016	Change
Cash and cash equivalents[(a)]	$ 1,054	$ 843	$ 211
Vistra Operations Credit Facilities—Revolving Credit Facility	860	860	—
Vistra Operations Credit Facilities—Term Loan C Facility[(b)]	170	131	39
Total liquidity	$ 2,084	$ 1,834	$ 250

(a) Cash and cash equivalents excludes $650 million of restricted cash held for letter of credit support at both September 30, 2017 and December 31, 2016 (see Note 16 to Vistra Energy's September 30, 2017 Quarterly Financial Statements).

(b) The Term Loan C Facility is used for issuing letters of credit for general corporate purposes. Borrowing totaling $650 million under this facility were funded to collateral accounts that are reported as restricted cash in Vistra Energy's condensed consolidated balance sheets. The September 30, 2017 restricted cash balance represents borrowings under the Term Loan C Facility held in a collateral account that supports $480 million in letters of credit outstanding, leaving $170 million in available letter of credit capacity (see Note 9 to Vistra Energy's September 30, 2017 Quarterly Financial Statements).

The increase in available liquidity to $2.084 billion in the nine months ended September 30, 2017 compared to December 31, 2016 was primarily driven by increased available cash from operations and reduced letter of credit postings, partially offset by cash utilized in the Odessa Acquisition and Vistra Energy's development of the Upton solar facility.

Based upon Vistra Energy's current internal financial forecasts, Vistra Energy believes that it will have sufficient amounts available under the Vistra Operations Credit Facilities, plus cash generated from operations, to fund Vistra Energy's anticipated cash requirements through at least the next 12 months.

Capital Expenditures

Estimated capital expenditures and nuclear fuel purchases for 2017 are expected to total approximately $209 million and include:

- $115 million for investments in generation and mining facilities, including approximately:
  - $100 million primarily for Vistra Energy's generation operations and
  - $15 million for environmental expenditures;
- $62 million for nuclear fuel purchases; and
- $32 million for information technology and other corporate investments.

Estimated capital expenditures and nuclear fuel purchases for 2018 are expected to total approximately $360 million and include:

- $214 million for investments in generation and mining facilities, including approximately:
  - $200 million primarily for Vistra Energy's generation operations and
  - $14 million for environmental expenditures;
- $114 million for nuclear fuel purchases; and
- $32 million for information technology and other corporate investments.

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Liquidity Effects of Commodity Hedging and Trading Activities

Vistra Energy has entered into commodity hedging and trading transactions that require it to post collateral if the forward price of the underlying commodity moves such that the hedging or trading instrument Vistra Energy holds has declined in value. Vistra Energy use cash, letters of credit and other forms of credit support to satisfy such collateral posting obligations. See Note 9 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for discussion of the Vistra Operations Credit Facilities.

Exchange cleared transactions typically require initial margin (i.e., the upfront cash and/or letter of credit posted to take into account the size and maturity of the positions and credit quality) in addition to variation margin (i.e., the daily cash margin posted to take into account changes in the value of the underlying commodity). The amount of initial margin required is generally defined by exchange rules. Clearing agents, however, typically have the right to request additional initial margin based on various factors, including market depth, volatility and credit quality, which may be in the form of cash, letters of credit, a guaranty or other forms as negotiated with the clearing agent. Cash collateral received from counterparties is either used for working capital and other business purposes, including reducing borrowings under credit facilities, or is required to be deposited in a separate account and restricted from being used for working capital and other corporate purposes. With respect to over-the- counter transactions, counterparties generally have the right to substitute letters of credit for such cash collateral. In such event, the cash collateral previously posted would be returned to such counterparties, which would reduce liquidity in the event the cash was not restricted.

At September 30, 2017, Vistra Energy received or posted cash and letters of credit for commodity hedging and trading activities as follows:

- $3 million in cash has been posted with counterparties as compared to $213 million posted at December 31, 2016;
- $14 million in cash has been received from counterparties as compared to $41 million received at December 31, 2016;
- $350 million in letters of credit have been posted with counterparties as compared to $363 million posted at December 31, 2016, and
- $10 million in letters of credit have been received from counterparties as compared to $10 million received at December 31, 2016.

Income Tax Matters

EFH Corp files a U.S. federal income tax return that, prior to the Plan Effective Date, included the results of Vistra Energy's Predecessor, which was classified as a disregarded entity for Vistra Energy U.S. federal income tax purposes. Subsequent to the Plan Effective Date, the TCEH Debtors and the Contributed EFH Debtors are no longer included in the EFH Corp. consolidated group and will be included in a consolidated group of which Vistra Energy is the corporate parent. Prior to the Plan Effective Date, EFH Corp. and certain of its subsidiaries (including EFCH and TCEH) were parties to a Federal and State Income Tax Allocation Agreement, which provided, among other things, that any corporate member or disregarded entity in the EFH Corp. group was required to make payments to EFH Corp. in an amount calculated to approximate the amount of tax liability such entity would have owed if it filed a separate corporate tax return. Pursuant to the Plan of Reorganization, the TCEH Debtors and the Contributed EFH Debtors rejected this agreement on the Plan Effective Date. Additionally, since the date of the Settlement Agreement, no further cash payments among the Debtors were made in respect of U.S. federal income taxes. EFH Corp. has elected to continue to allocate U.S. federal income taxes among the entities that are parties to the Federal and State Income Tax Allocation Agreement. The Settlement Agreement did not alter the allocation and payment for state income taxes, which continued to be settled prior to the Plan Effective Date.

The TCEH Debtors and the Contributed EFH Debtors emerged from the Chapter 11 Cases on the Plan Effective Date in a tax-free spin-off from EFH Corp that was part of a series of transactions that included a

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taxable component, which generated a taxable gain that will be offset with available net operating losses (NOLs) of EFH Corp., substantially reducing the NOLs available to EFH Corp. in the future. As a result of the use of the NOLs, the taxable portion of the transaction resulted in no regular tax liability due and approximately $14 million of alternative minimum tax, payable to the IRS by EFH Corp. Pursuant to the Tax Matters Agreement, Vistra Energy had an obligation to reimburse EFH Corp. 50% of the alternative minimum tax, and approximately $7 million was reimbursed during the three months ended June 30, 2017. In October 2017, the 2016 federal tax return that included the results of EFCH, EFIH, Oncor Holdings and TCEH was filed with the IRS and resulted in $3 million payable from EFH Corp to Vistra Energy.

Income Tax Payments—As of September 30, 2017, Vistra Energy expected to make U.S. federal income tax payments of approximately $33 million in the subsequent twelve months, which represents Vistra Energy's 2016 tax liability paid in October 2017 and Vistra Energy's remaining estimated 2017 U.S. federal income tax liability and which may change due to the Tax Cuts and Jobs Act of 2017. As of September 30, 2017, Vistra Energy also expected to make Texas margin tax payments of approximately $19 million in the subsequent twelve months. Income tax payments totaled $51 million and $22 million for the nine months ended September 30, 2017 and 2016, respectively.

Capitalization

At both September 30, 2017 and December 31, 2016, Vistra Energy's capitalization ratios consisted of 41% borrowing under the Vistra Energy Operations Facilities and other long-term debt (less amounts due currently) and 59% shareholders' equity. Total borrowings under the Vistra Energy Operations Facilities and other long-term debt to capitalization was 41% at both September 30, 2017 and December 31, 2016.

Financial Covenants

The agreement governing the Vistra Operations Credit Facilities includes a covenant, solely with respect to the Revolving Credit Facility and solely during a compliance period (which, in general, is applicable when the aggregate revolving borrowings and issued revolving letters of credit (in excess of $100 million) exceed 30% of the revolving commitments), that requires the consolidated first lien net leverage ratio not exceed 4.25 to 1.00. Although Vistra Energy had no borrowings under the Revolving Credit Facility as of September 30, 2017, Vistra Energy would have been in compliance with this financial covenant if it was required to be tested at such date.

See Note 9 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for discussion of other covenants related to the Vistra Operations Credit Facilities.

Collateral Support Obligations

The RCT has rules in place to assure that parties can meet their mining reclamation obligations. In September 2016, the RCT agreed to a collateral bond of up to $975 million to support Luminant's reclamation obligations. The collateral bond is effectively a first lien on all of Vistra Operations' assets (which ranks pari passu with the Vistra Operations Credit Facilities) that contractually enables the RCT to be paid (up to $975 million) before the other first lien lenders in the event of a liquidation of Vistra Energy's assets. Collateral support relates to land mined or being mined and not yet reclaimed as well as land for which permits have been obtained but mining activities have not yet begun and land already reclaimed but not released from regulatory obligations by the RCT, and includes cost contingency amounts.

The PUCT has rules in place to assure adequate creditworthiness of each REP, including the ability to return customer deposits, if necessary. Under these rules, at September 30, 2017, Vistra Energy has posted letters of credit in the amount of $55 million with the PUCT, which is subject to adjustments.

ERCOT has rules in place to assure adequate creditworthiness of parties that participate in the day-ahead, real-time and congestion revenue rights markets operated by ERCOT. Under these rules, Vistra Energy has posted collateral support, in the form of letters of credit, totaling $110 million at September 30, 2017 (which is subject to daily adjustments based on settlement activity with ERCOT).

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Material Cross Default/Acceleration Provisions

Certain of Vistra Energy's contractual arrangements contain provisions that could result in an event of default if there was a failure under financing arrangements to meet payment terms or to observe covenants that could result in an acceleration of payments due. Such provisions are referred to as "cross default" or "cross acceleration" provisions.

A default by Vistra Operations or any of its restricted subsidiaries in respect of certain specified indebtedness in an aggregate amount in excess of $300 million may result in a cross default under the Vistra Operations Credit Facilities. Such a default would allow the lenders to accelerate the maturity of outstanding balances (approximately $4.5 billion at September 30, 2017) under such facilities.

Each of Vistra Operations' (or its subsidiaries') commodity hedging agreements and interest rate swap agreements that are secured with a lien on its assets on a pari passu basis with the Vistra Operations Credit Facilities lenders contains a cross default provision. An event of a default by Vistra Operations or any of its subsidiaries relating to indebtedness in excess of $300 million that results in the acceleration of such debt, would give each counterparty under these hedging agreements the right to terminate its hedge or interest rate swap agreement with Vistra Operations (or its applicable subsidiary) and require all outstanding obligations under such agreement to be settled.

Additionally, Vistra Energy enters into energy-related physical and financial contracts, the master forms of which contain provisions whereby an event of default or acceleration of settlement would occur if Vistra Energy were to default under an obligation in respect of borrowings in excess of thresholds, which may vary by contract.

Contractual Obligations and Commitments

The following table summarizes the amounts and related maturities of Vistra Energy's contractual cash obligations at September 30, 2017 (see Notes 13 and 14 to Vistra Energy's 2016 Annual Financial Statements for additional disclosures regarding these debts and noncancellable purchase obligations).

Contractual Cash Obligations:	**Less Than One Year**(a)	**One to Three Years**	**Three to Five Years**	**More Than Five Years**	**Total**
Debt—principal, including capital leases(b)	$ 11	$ 88	$ 89	$ 4,380	$4,568
Debt—interest	47	369	363	319	1,098
Operating leases	4	31	21	155	211
Obligations under commodity purchase and services agreements(c)	264	613	291	684	1,852
Total contractual cash obligations	$ 326	$1,101	$ 764	$ 5,538	$7,729

(a) Represents the period from October 1, 2017 to December 31, 2017.
(b) Includes $4.471 billion of borrowings under the Vistra Operations Credit Facility and $97 million principal amount of long-term debt, including mandatorily redeemable preferred stock and capital leases. Excludes unamortized premiums, discounts and debt costs.
(c) Includes a long-term service and maintenance contract related to Vistra Energy's generation assets, capacity payments, nuclear fuel and natural gas take-or-pay contracts, coal contracts, business services and nuclear related outsourcing and other purchase commitments. Amounts presented for variable priced contracts reflect the year-end 2016 price for all periods except where contractual price adjustment or index-based prices are specified.

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The following are not included in the table above:

- the Tax Receivable Agreement obligation (see Note 6 to Vistra Energy's September 30, 2017 Quarterly Financial Statements);
- arrangements between affiliated entities and intercompany debt (see Note 20 to Vistra Energy's 2016 Annual Financial Statements);
- individual contracts that have an annual cash requirement of less than $1 million (however, multiple contracts with one counterparty that are more than $1 million on an aggregated basis have been included);
- contracts that are cancellable without payment of a substantial cancellation penalty, and
- employment contracts with management.

Guarantees

See Note 10 to Vistra Energy's September 30, 2017 Quarterly Financial Statements for discussion of guarantees.

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COMPENSATION DISCUSSION & ANALYSIS

EXECUTIVE SUMMARY

Vistra Energy is a recently formed entity created in connection with its emergence from bankruptcy on October 3, 2016. Throughout 2017, the Vistra Energy Compensation Committee ("Compensation Committee") took steps to facilitate the transition of Vistra Energy's compensation practices towards those of a public company and further strengthen the alignment between its executives' interests and those of its stakeholders in accordance with Vistra Energy's compensation philosophy. Most notably, in 2017, the Compensation Committee approved Vistra Energy's first annual equity awards. These awards include stock options, restricted stock units that are subject to only time-vesting conditions ("RSUs") and restricted stock units that are subject to both time and performance-vesting conditions ("PSUs"). These awards also include extended vesting schedules in order to align the annual grant process with an ongoing first quarter timeline.

Compensation Philosophy

Vistra Energy has a pay-for-performance compensation philosophy, which places an emphasis on pay-at-risk; a significant portion of its executive officers' compensation is comprised of variable compensation. Vistra Energy's compensation program is intended to attract and motivate top-talent executive officers as leaders and compensate executive officers appropriately for their contribution to the attainment of Vistra Energy's financial, operational and strategic objectives. In addition, Vistra Energy believes it is important to retain its top-tier talent and strongly align their interests with Vistra Energy's stakeholders by emphasizing incentive-based compensation. To achieve the goals of its compensation philosophy, Vistra Energy believes that:

- the overall compensation program should emphasize variable compensation elements that have a direct link to overall corporate performance and stockholder value;
- the overall compensation program should place an increased emphasis on pay-at-risk with increased responsibility;
- the overall compensation program should attract, motivate and engage top-talent executive officers to serve in key roles; and
- an executive officer's individual compensation level should be based upon an evaluation of the financial and operational performance of that executive officer's business unit or area of responsibility as well as the executive officer's individual performance.

2017 Named Executive Officers

Name	Title	Recent Experience
Curtis A. Morgan	President & Chief Executive Officer ("CEO")	Prior to joining Vistra Energy, he served as the CEO and President of EquiPower Resources Corp., a power generation company, since May 2010.
James A. Burke	EVP & Chief Operating Officer	Prior to joining Vistra Energy, he served as Executive Vice President of the Predecessor since February 2013 and President and Chief Executive of TXU Energy (a subsidiary of Vistra Energy) since August 2005.
J. William Holden	EVP & Chief Financial Officer	Prior to joining Vistra Energy, he served as an EVP and Senior Advisor at The Taffrail Group, LLC, an international strategic-advisory firm, since February 2013. From December 2010 until January 2013, Mr. Holden served as the EVP and CFO of GenOn Energy, Inc.

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Name	Title	Recent Experience
Scott A. Hudson	SVP & President of Retail	Prior to joining Vistra Energy, he served as Senior Vice President and Chief Operating Officer of TXU Energy (a subsidiary of Vistra Energy) since 2011.
Stephen J. Muscato	SVP	Prior to joining Vistra Energy, he served as Senior Vice President and Chief Commercial Officer of Luminant (a subsidiary of Vistra Energy) since 2011.

These five employees represent Vistra Energy's Named Executive Officers for 2017—while this joint proxy statement and prospectus specifically discusses the compensation relating to Vistra Energy's Named Executive Officers, the practices and programs described herein generally extend more broadly across Vistra Energy's executive leadership team.

PERFORMANCE OVERVIEW

In this section, *Vistra Energy provides highlights of its performance in 2017, reflecting factors considered by the Compensation Committee in assessing variable pay outcomes for the Named Executive Officers.*

Pay for Performance

The Compensation Committee designed the majority of Vistra Energy's Named Executive Officers' compensation to be linked directly to corporate, business unit (or area of responsibility) and stock price performance of Vistra Energy. For example, each Named Executive Officer's annual performance-based cash bonus is primarily based on the achievement of certain corporate and business unit financial and operational targets, and the annual equity grants made in the fourth quarter of 2017 to the Named Executive Officers were awarded in the form of stock options, RSUs and PSUs.

CEO—Annualized 2017 Targeted Pay Mix

Average Other Named Executive Officers—Annualized 2017 Targeted Pay Mix

Performance Highlights

Highlights of Vistra Energy's 2017 performance will be reported in a future amendment to this joint proxy statement and prospectus after ratification by the Vistra Energy Board.

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Vistra Energy's Executive Annual Incentive Plan ("EAIP") places the greatest weighting on adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), a strategically important measure of the performance of Vistra Energy and its business units—Luminant and TXU Energy.

CORPORATE GOVERNANCE PRACTICES

In this section, Vistra Energy provides details of its corporate governance framework, procedures and practices as they relate to Named Executive Officer compensation.

Compensation Committee

Vistra Energy's Compensation Committee is comprised of two independent directors (Gavin R. Baiera and Jennifer Box), whose primary responsibilities are to:

- Determine and oversee the compensation program of Vistra Energy, including making recommendations to the Vistra Energy Board with respect to the adoption, amendment or termination of compensation and benefits plans, arrangements, policies and practices;
- Evaluate the performance of Vistra Energy's executive officers;
- Approve compensation of Vistra Energy's executive officers (other than the CEO) based on those evaluations, together with the CEO's recommendations; and
- Recommend CEO compensation to the full Vistra Energy Board for approval.

Governance Structure

Vistra Energy Board of Directors

Compensation Committee

WTW—Independent Compensation Consultant

The Compensation Committee's charter can be found on Vistra Energy's website at: https://www.vistraenergy.com/wp-content/uploads/2016/12/Compensation-Committee-Charter-2017-01-24-002.pdf

Advisors to the Compensation Committee

Independent Advisors

During 2017, Willis Towers Watson, who advised Vistra Energy's Predecessor's Compensation Committee as well, provided ongoing advisory services to Vistra Energy and its Compensation Committee on various aspects of its executive compensation and benefits practices, including, but not limited to, the development of the compensation structure.

In accordance with the Compensation Committee's charter, the Compensation Committee determined that Willis Towers Watson is sufficiently independent to appropriately advise the Compensation Committee on compensation matters and that its relationship with Willis Towers Watson does not give rise to any conflict of interest. Going forward, the Compensation Committee expects that it will continue to engage compensation consultants when and as appropriate, and will conduct an assessment of consultants' independence prior to any such engagement.

COMPENSATION PHILOSOPHY

In this section, Vistra Energy provides details of its Named Executive Officer compensation framework, practices and outcomes for 2017.

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Compensation Philosophy

Vistra Energy's compensation program is intended to attract and motivate top-talent executive officers as leaders and compensate executive officers appropriately for their contribution to the attainment of its financial, operational and strategic objectives. In addition, Vistra Energy believes it is important to retain its top tier talent and strongly align their interests with Vistra Energy stakeholders by emphasizing incentive-based compensation. Vistra Energy utilizes the following elements of compensation to achieve these objectives:

Compensation Element	Summary and Linkage to Philosophy
Base Salary	✓ A fixed element of compensation to provide a stable source of income
	✓ Provides market competitive compensation to attract and retain talent
Annual Incentive	✓ A cash-based award that encourages executives to focus on specific corporate, business unit and individual performance goals
	✓ Is earned only if threshold financial, operational and/or strategic objectives are met
Stock Options	✓ Rewards long-term stockholder value creation as stock options only provide value when the stock price appreciates
	✓ Provides wealth-building opportunity and aligns executives with stockholder interests
Restricted Stock Units	✓ Rewards long-term stockholder value creation
	✓ Enhances executive stock ownership and promotes retention
Performance Share Units	✓ Rewards long-term stockholder value creation and encourages executives to focus on long-term performance goals
	✓ Emphasizes long-term view with three-year horizon
Benefits	✓ Keeps program competitive and provides protection for executives
Perquisites	✓ Perquisites are limited in amount and use

Compensation Determination Process

Use of Market Data

Vistra Energy establishes target compensation levels that are consistent with market practice and internal equity considerations (including position, responsibility and contribution) relative to base salaries, annual incentives and long-term incentives, as well as with the Compensation Committee's assessment of the appropriate pay mix for a particular position. In order to gauge the competitiveness of its compensation programs, Vistra Energy reviews compensation practices and pay opportunities from the energy services industry and general industry survey data, as well as from a selection of publicly-traded peer companies. Vistra Energy attempts to position itself to attract and retain qualified senior executives in the face of competitive pressures in its relevant labor markets.

Specifically during 2017, Vistra Energy used information regarding the pay practices of the energy services industry and general industry companies provided by its compensation consultant, regressed to Vistra Energy's revenue size. Vistra Energy believes that revenue is an appropriate indicator of the size and complexity of an organization, which should be considered in determining compensation levels. The compensation data resulting from this analysis was a significant factor considered by the Compensation Committee with respect to its executive compensation decisions for the Named Executive Officers.

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During 2017, Vistra Energy also utilized a compensation peer group as an additional reference point when determining executive compensation. This peer group consisted of a select group of companies that the Compensation Committee believes are representative of the talent market in which Vistra Energy competes. Vistra Energy's compensation peer group consisted of the following companies for 2017:

The AES Corporation	Calpine Corporation	Dynegy Inc.(1)
Entergy Corporation	FirstEnergy Corp.	NRG Energy, Inc.
PG&E Corporation	Public Service Enterprise Group Incorporated	Talen Energy Corporation(1)

(1) Starting in 2018, Dynegy and Talen have been excluded from the peer group on an ongoing basis due to their respective acquisitions

The Compensation Committee does not target any particular level of total compensation or individual component of compensation against the peer group; rather, the Compensation Committee considers the range of total compensation provided by Vistra Energy's peers, together with information from published surveys, in determining the appropriate mix and level of total compensation for its executives.

Compensation of the Chief Executive Officer

In determining the compensation of the CEO, the Compensation Committee annually follows a thorough and detailed process. At the end of each year, the Compensation Committee reviews a self-assessment prepared by the CEO regarding his performance and the performance of Vistra Energy's businesses and meets (with and without the CEO) to evaluate and discuss his performance and the performance of Vistra Energy's businesses.

While the Compensation Committee tries to ensure that a substantial portion of the CEO's compensation is directly linked to his performance and the performance of Vistra Energy's businesses, the Compensation Committee also seeks to set his compensation in a manner that is competitive with compensation for similarly performing executive officers with similar responsibilities in companies Vistra Energy considers to be its peers.

As discussed under "Employment Agreements" below, Vistra Energy has entered into an employment agreement with its current CEO, Curtis A. Morgan, which addresses certain elements of his compensation and benefit package.

Compensation of Other Named Executive Officers

In determining the compensation of each of Vistra Energy's Named Executive Officers (other than the CEO), the Compensation Committee seeks the input of the CEO. At the end of each year, the CEO reviews a self-assessment prepared by each Named Executive Officer and assesses the Named Executive Officer's performance against business unit (or area of responsibility) and individual goals and objectives. The Compensation Committee and the CEO then review the CEO's assessments of such Named Executive Officers and, in that context, the Compensation Committee approves the compensation for each Named Executive Officer.

Role of the Compensation Consultant

To add rigor in the review process and to inform the Compensation Committee of market trends, the Compensation Committee engages the services of Willis Towers Watson, an independent executive compensation consultant, to analyze Vistra Energy's executive compensation structure and plan designs and to assess whether the compensation program is competitive and supports the Compensation Committee's goal to align the interests of executive officers with those of stockholders. Willis Towers Watson may also directly provide the Compensation Committee with market data, which the Compensation Committee references when determining compensation for executive officers. The Compensation Committee has authorized Willis Towers Watson to interact with Vistra Energy's management, as needed, on behalf of the Compensation Committee.

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Willis Towers Watson does not provide any other services to Vistra Energy outside of matters pertaining to executive and director compensation and related corporate governance matters.

The Compensation Committee has the sole authority to approve the independent compensation consultant's fees and terms of the engagement. Thus, the Compensation Committee annually reviews its relationship with, and assesses the independence of, Willis Towers Watson to ensure executive compensation consulting independence.

Base Salary

Vistra Energy believes that base salary should consider the scope and complexity of an executive officer's position and the level of responsibility required to perform his or her job. It also believes that a competitive level of base salary is required to attract, motivate and retain qualified talent. Vistra Energy wants to ensure its cash compensation is competitive and sufficient to incent executive officers to remain with Vistra Energy, recognizing its high-performance expectations across a broad set of operational, financial, customer service and community-oriented goals and objectives.

The Compensation Committee regularly reviews base salaries and periodically uses independent compensation consultants to ensure the base salaries are market-competitive. The Compensation Committee may also review an executive officer's base salary from time to time during a year, including if the executive officer is given a promotion or if his or her responsibilities are significantly modified.

The following table provides detail on the base salaries of Vistra Energy's Named Executive Officers. Base salaries for Messrs. Morgan, Burke and Holden were initially set by their employment agreements and for Messrs. Hudson and Muscato were determined based on market data and role and responsibilities. The Compensation Committee may change the base salaries for any of the Named Executive Officers at any time, other than Mr. Morgan, based on updated market data, updated roles and responsibilities and recommendation by the CEO. Board approval is required to change the base salary for Mr. Morgan.

2017 Base Salaries

Name	2017 Salary
Curtis A. Morgan	$ 950,000
James A. Burke	$ 750,000
J. William Holden	$ 590,000
Scott A. Hudson	$ 500,000
Stephen J. Muscato	$ 500,000

Annual Incentive Plan

Summary

The EAIP provides an annual performance-based cash bonus for the successful attainment of certain financial and operational performance targets that are established annually by the Compensation Committee. Under the terms of the EAIP, performance against these targets, which are set at challenging levels to incentivize exceptional performance (while at the same time balancing the needs for safety and investment in Vistra Energy's business), drives bonus funding.

Performance Framework

As a general matter, target-level performance is based on Vistra Energy's board-approved financial and operational plan (the "Financial Plan") for each upcoming year. The Compensation Committee sets high

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expectations for Vistra Energy's executive officers and therefore annually selects a target performance level that constitutes above average performance for the business, which the Compensation Committee expects the business to achieve during the upcoming year. Threshold and superior levels are for performance levels that are below or above Financial Plan-based expectations, respectively. Based on the level of attainment of these performance targets, an aggregate EAIP funding percentage amount for all participants is determined.

Target Opportunity (as a % of Salary)

Performance payouts on financial metrics are equal to 100% if the target amount is achieved for a particular metric, 50% if the threshold amount is achieved and 200% if the superior amount is achieved.

Actual performance payouts are interpolated on a linear basis, as applicable, with a maximum performance payout for any particular metric being equal to 200%. These results are then adjusted by an individual performance modifier as described below.

2017 Annual Incentive Plan Target Opportunities	Target %(1)
Morgan – Chief Executive Officer	100%
Burke – EVP & Chief Operating Officer	90%
Holden – EVP & Chief Financial Officer	90%
Hudson – SVP & President of Retail	75%
Muscato – SVP	75%

(1) Described as a percentage of base salary

Financial and Operational Performance Targets for 2017

The following table provides a summary (including relevant weighting) of the performance targets under the EAIP for Vistra Energy's Named Executive Officers:

Named Executive Officer Vistra Scorecard Metrics	Weight	Performance(1)	Payout(1)
Vistra Energy Management Adjusted EBITDA ($ mm)	20.0%		
Cost Management ($ mm)	20.0%		
Free Cash Flow ($ mm)	20.0%		
Luminant Scorecard Multiplier (%)	20.0%		
TXU Energy Scorecard Multiplier (%)	20.0%		
Total	100.0%		

(1) These numbers will be provided in a future amendment to this joint proxy statement and prospectus after they have been confirmed in connection with the completion of Vistra Energy's 2017 annual financial statements.

Individual Performance Modifier

After approving actual performance against the applicable targets under the EAIP, and on a basis independent of such target performance calculations, the Compensation Committee and the CEO review the performance of each of Vistra Energy's executive officers on an individual and comparative basis. Based on this review, which includes an analysis of both objective and subjective criteria, as determined by the Compensation Committee in its sole discretion, including the CEO's recommendations (with respect to all executive officers other than himself), the Compensation Committee approves an individual performance modifier for each executive officer.

Under the terms of the EAIP, the individual performance modifier can range from an outstanding rating (150%) to an unacceptable rating (0%). To calculate an executive officer's final annual cash incentive bonus, the executive officer's corporate/business unit payout percentages are multiplied by the executive officer's target incentive level, which is computed as a percentage of annualized base salary, and then by the executive officer's individual performance modifier, subject to the aggregate cap of 200% of such executive officer's target bonus for executives under employment agreements.

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Actual Awards

The following table provides a summary of the 2017 performance-based cash bonus for each Named Executive Officer under the EAIP, and the discussion below highlights the key factors used in determining the awards. As of the date of this joint proxy statement and prospectus, the full year-end performance review and bonus process has not been completed. Vistra Energy paid 80% of the target bonus percentage to Named Executive Officers in December 2017 in anticipation of tax law changes that would impact deductions for executive compensation. However, Vistra Energy chose 80% based on a conservative review of projected year-end results and the fact that the Compensation Committee had not yet reviewed the recommendations for individual performance modifiers for the Named Executive Officers.

Mr. Morgan led the Vistra Energy organization through a transformational year in 2017. Key CCGT acquisitions were made in the first half of the year, plant closure decisions were made in the second half of the year, and the Merger was announced in the fourth quarter as well. While the generation business was transforming, the retail business continued to deliver strong performance.

Mr. Burke played a key role in all of the decisions around the generation fleet in 2017. In addition, he continued to lead the retail organization to continued strong market share and innovation.

Mr. Holden also played a key role in the mergers and acquisitions activity conducted in 2017, while leading the finance organization and interfacing with external stockholders.

Mr. Hudson continued to drive performance in the competitive ERCOT retail market. The retail business continues to deliver market leading customer service and innovation.

Mr. Muscato led the commercial organization to a strong year. The commercial team supported the generation fleet and retail business and identified key market dynamics to drive value.

Name	Target (% of salary)	Target Award ($ Value)	Actual Award ($)(1)
Curtis A. Morgan	100%	950,000	
James A. Burke	90%	675,000	
J. William Holden	90%	531,000	
Scott A. Hudson	75%	375,000	
Stephen J. Muscato	75%	375,0	