



# September 2024 Investor Presentation

September 3, 2024



# Forward-Looking / Cautionary Statements

This presentation, including any oral statements made regarding the contents of this presentation, contains forward-looking statements as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, that address activities that Vital Energy, Inc. (together with its subsidiaries, the “Company”, “Vital Energy” or “VTLE”) assumes, plans, expects, believes, intends, projects, indicates, enables, transforms, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events. Such statements are not guarantees of future performance and involve risks, assumptions and uncertainties.

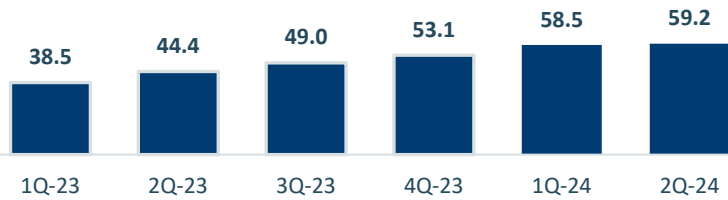
General risks relating to Vital Energy include, but are not limited to, continuing and worsening inflationary pressures and associated changes in monetary policy that may cause costs to rise; changes in domestic and global production, supply and demand for commodities, including as a result of actions by the Organization of Petroleum Exporting Countries and other producing countries (“OPEC+”) and the Russian-Ukrainian or Israel-Hamas military conflicts, the decline in prices of oil, natural gas liquids and natural gas and the related impact to financial statements as a result of asset impairments and revisions to reserve estimates, reduced demand due to shifting market perception towards the oil and gas industry; competition in the oil and gas industry; the ability of the Company to execute its strategies, including its ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to its financial results and to successfully integrate acquired businesses, assets and properties and its ability to successfully execute on its strategy to enhance well productivity, including by drilling long-lateral horseshoe wells, pipeline transportation and storage constraints in the Permian Basin, the effects and duration of the outbreak of disease and any related government policies and actions, long-term performance of wells, drilling and operating risks, the possibility of production curtailment, the impact of new laws and regulations, including those regarding the use of hydraulic fracturing, and under the Inflation Reduction Act (the “IRA”), including those related to climate change, the impact of legislation or regulatory initiatives intended to address induced seismicity on our ability to conduct our operations; uncertainties in estimating reserves and production results; hedging activities, tariffs on steel, the impacts of severe weather, including the freezing of wells and pipelines in the Permian Basin due to cold weather, technological innovations and scientific developments, physical and transition risks associated with climate change, increased attention to ESG and sustainability-related matters, risks related to our public statements with respect to such matters that may be subject to heightened scrutiny from public and governmental authorities related to the risk of potential “greenwashing,” i.e., misleading information or false claims overstating potential sustainability-related benefits, risks regarding potentially conflicting anti-ESG initiatives from certain U.S. state or other governments, possible impacts of litigation and regulations, the impact of the Company’s transactions, if any, with its securities from time to time, the impact of new environmental, health and safety requirements applicable to the Company’s business activities, the possibility of the elimination of federal income tax deductions for oil and gas exploration and development and imposition of any additional taxes under the IRA or otherwise, and other factors, including those and other risks described in its Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Annual Report”), Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024 and those set forth from time to time in other filings with the Securities and Exchange Commission (“SEC”).

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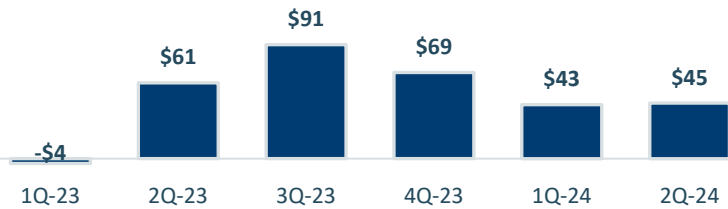
This presentation includes financial measures that are not in accordance with generally accepted accounting principles (“GAAP”), such as Adjusted Free Cash Flow, PV-10, Net Debt and Consolidated EBITDAX. While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For definitions of such non-GAAP financial measures and their reconciliations to the most comparable GAAP measures, please see the Appendix. Unless otherwise specified, references to “average sales price” refer to average sales price excluding the effects of the Company’s derivative transactions. All amounts, dollars and percentages presented in this presentation are rounded and therefore approximate.

# Expanded Permian Basin Scale Enhances Financial Performance

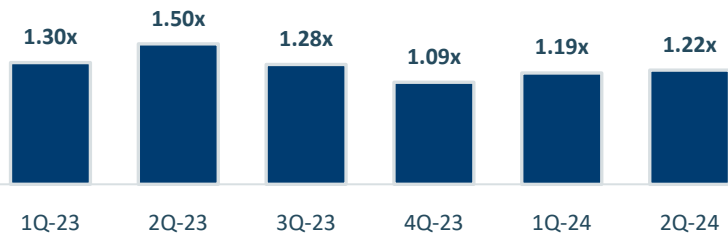
Oil Production, MBO/d



Adjusted Free Cash Flow<sup>1</sup>, \$MM

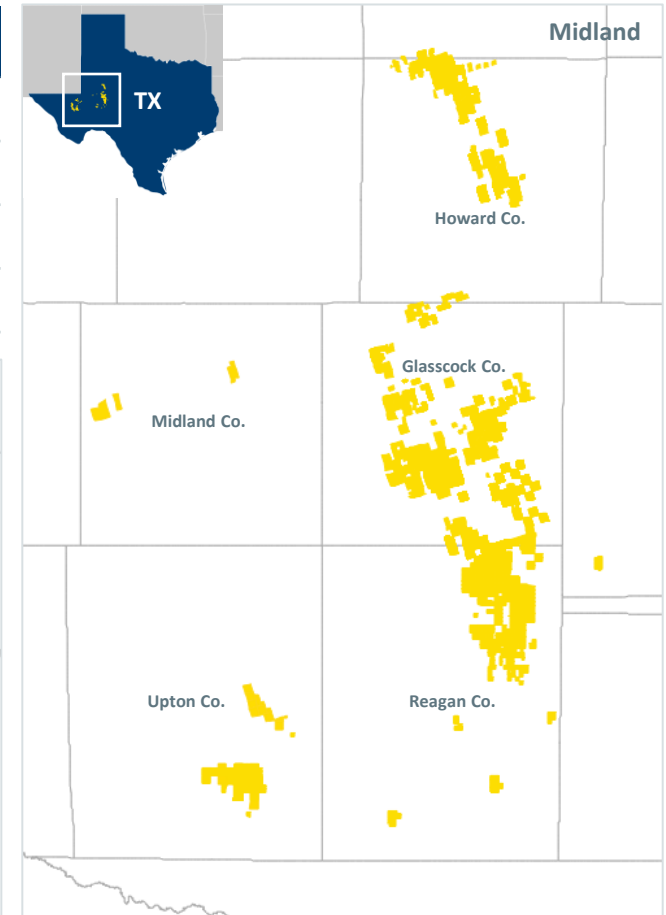
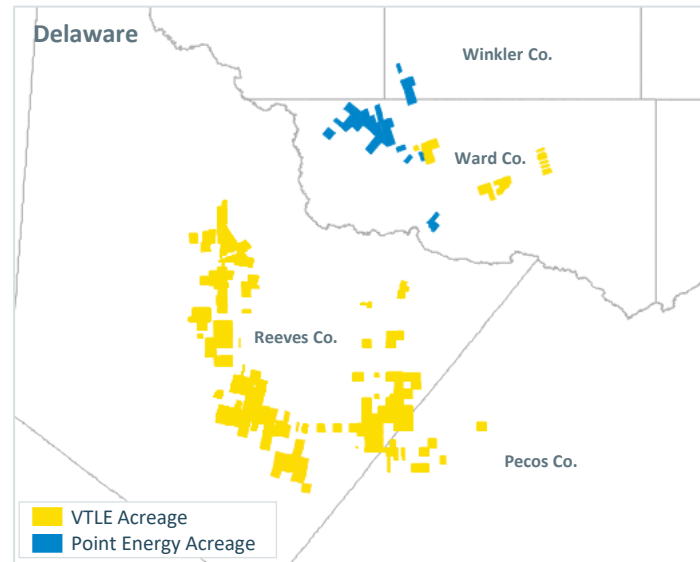


Net Debt to Consolidated EBITDAX<sup>1,2</sup>



## Permian Basin Summary

|                                  |              |
|----------------------------------|--------------|
| Net Acres <sup>3</sup>           | ~290,500     |
| 2Q-24 Total Production           | 129.4 MBOE/d |
| % Oil                            | 46%          |
| Inventory Locations <sup>4</sup> | ~885         |



# Building a Decade of Inventory through Targeted Acquisitions and Organic Additions

**+350** Locations

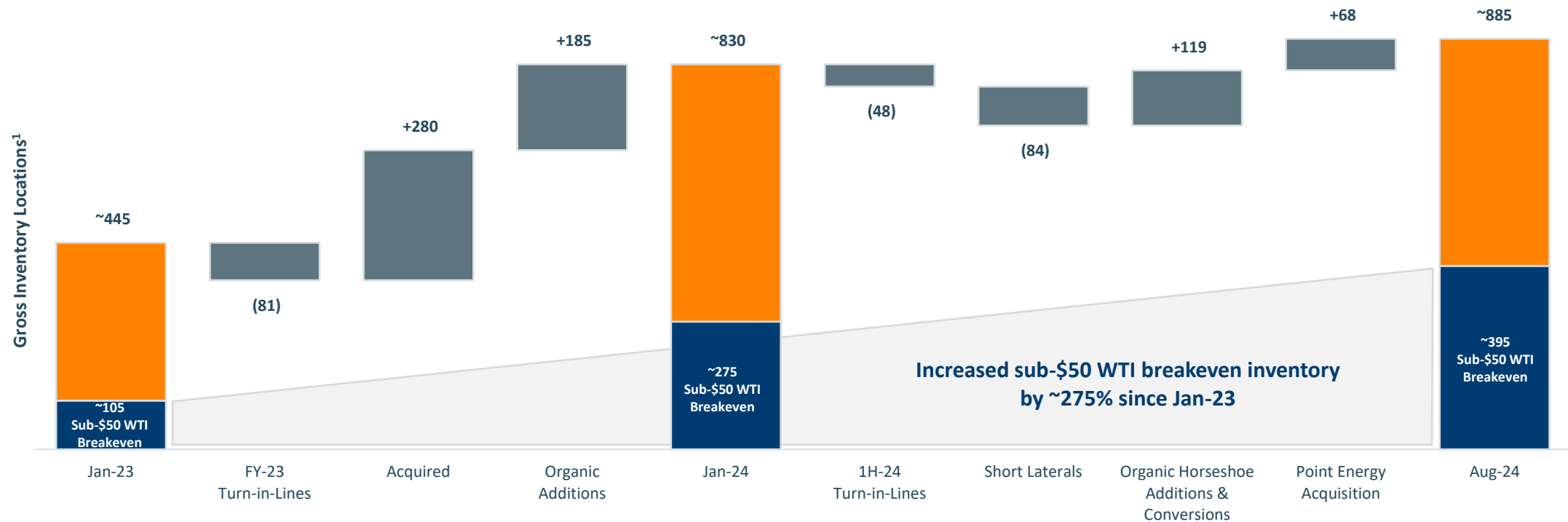
Acquired through six strategic transactions since Jan-23

**+185** Locations

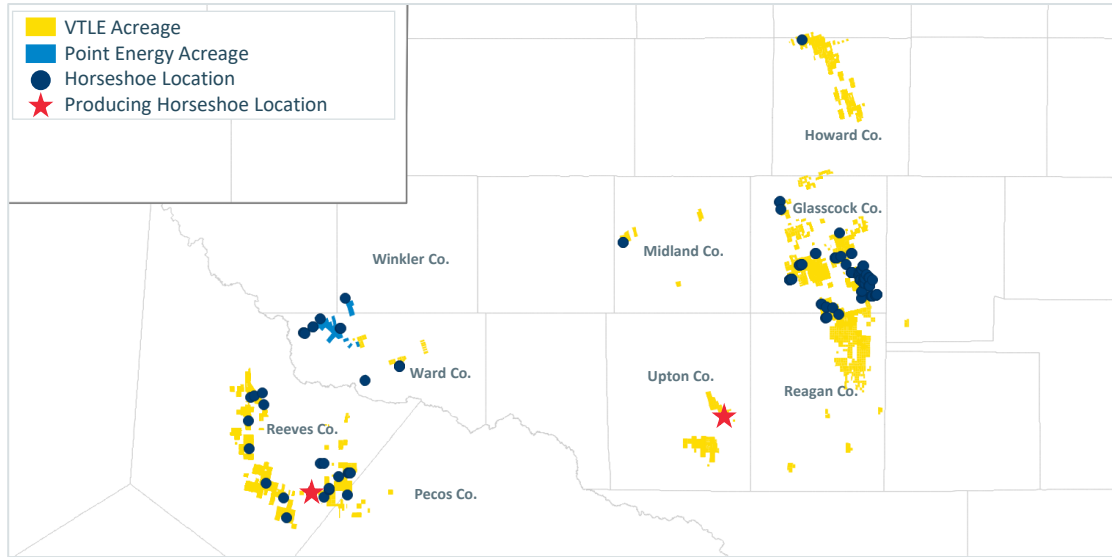
Organically added through technical evaluation, increasing well productivity and capital improvements

**+119** Locations

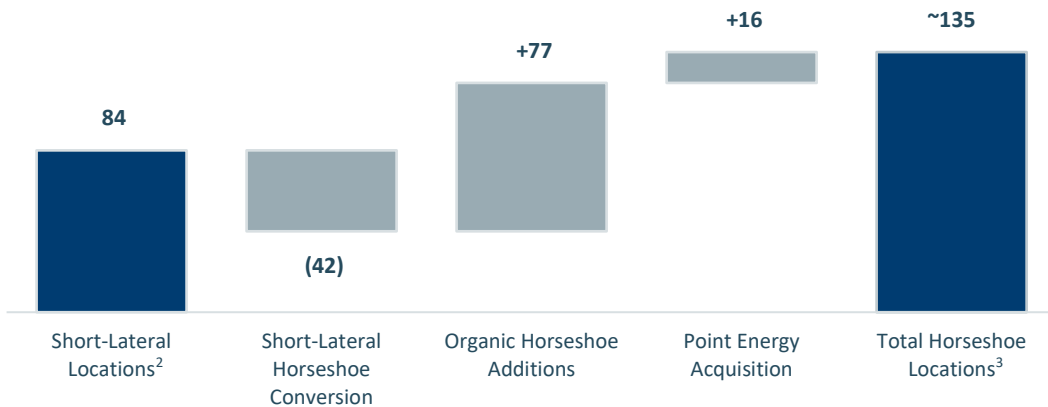
Organically added from successful horseshoe development across Midland and Delaware basins



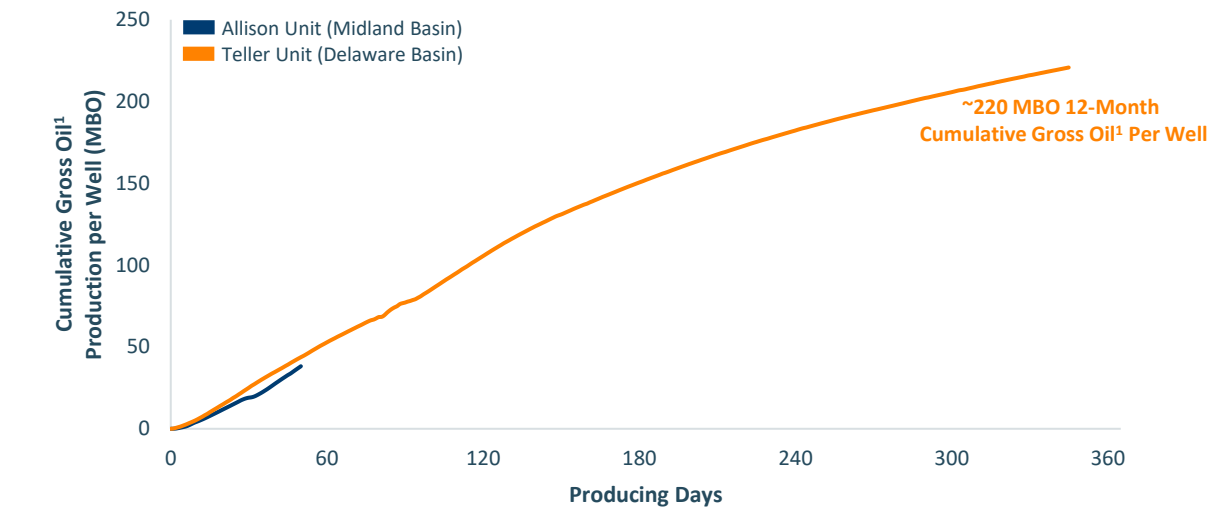
# Horseshoe Wells Lower Breakevens Across Portfolio



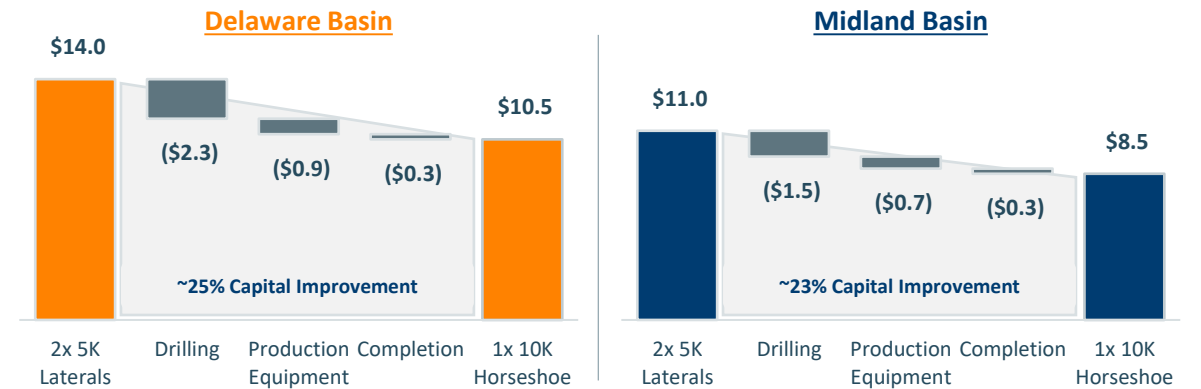
Horseshoe Wells Have an Average Estimated WTI Breakeven of \$53



## Horseshoe Well Productivity



Significant Capital Savings Increases Capital Efficiency, \$MM



<sup>1</sup>Production normalized for 10,000' lateral length. <sup>2</sup>Gross operated locations as of January 2024.

<sup>3</sup>Gross operated locations as of August 2024 (adjusted for 1H-2024 turn-in-lines) and includes recently announced Point Energy asset acquisition.

# Point Energy Acquisition Adds High-Value, Low-Breakeven Delaware Basin Inventory

## Primary targets in 3BS, WCA and WCB underpin underwritten value

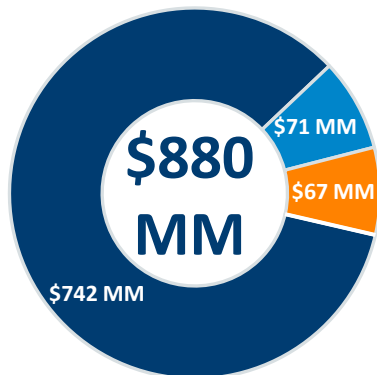
- 68 gross (49 net) locations with avg. estimated breakeven of \$47 per Bbl WTI
- Total includes 16 gross horseshoe wells with an avg. estimated breakeven of \$44 per Bbl WTI
- Greater than five years of development assuming a 1 rig pace

## Substantial upside potential in 1BS/2BS and WCC formations

- Inventory count excludes upside formations
- Multiple producing wells to date in upside formations

## Transaction Value Allocation<sup>4</sup>

- PDP, PV-10<sup>2,3</sup>
- Work-in-Process, PV-10 (8 Gross Wells)<sup>2,3</sup>
- Undeveloped Locations



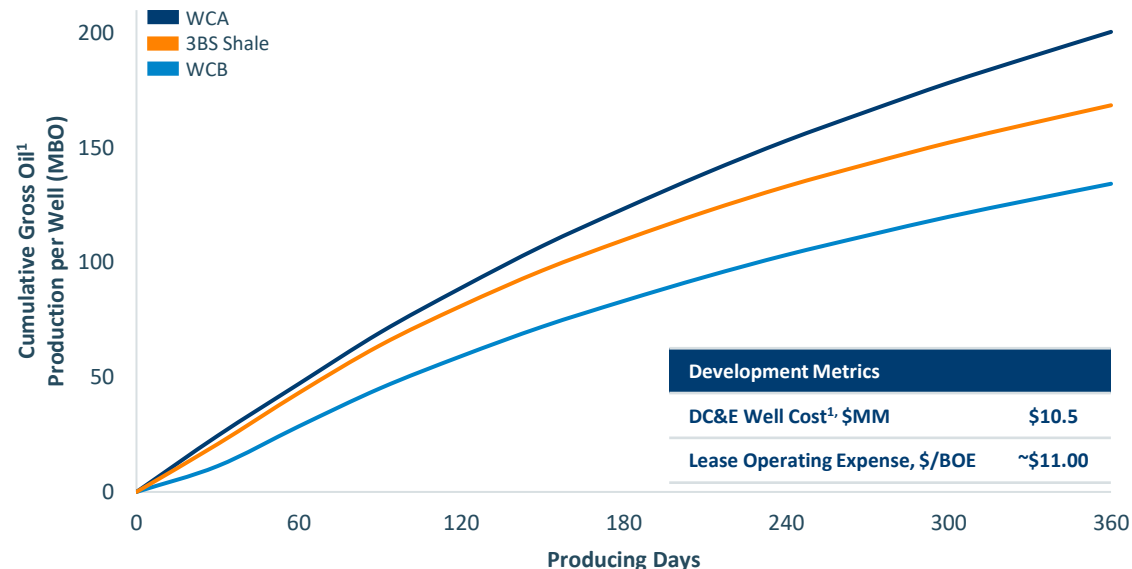
**68 Gross / 49 Net**

Undeveloped Locations

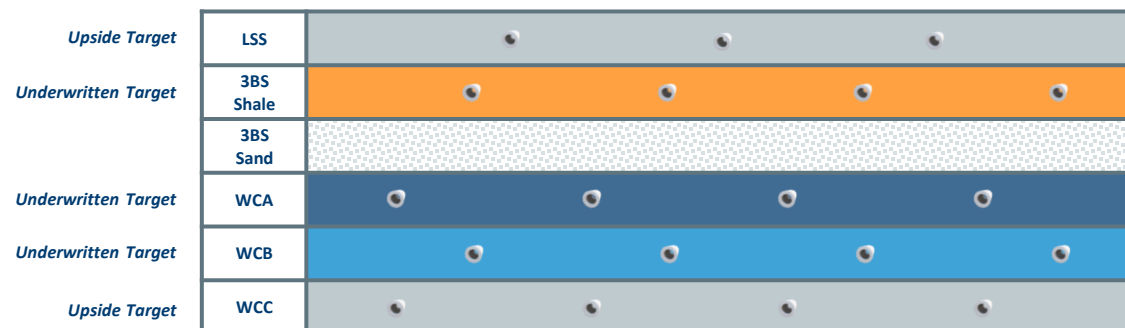
**~\$1.4 Million**

Price per Undeveloped Location

## Highly Productive, Low-Breakeven Inventory



## Conservative Development Spacing



<sup>1</sup>Expectations normalized for 10,000' lateral length. <sup>2</sup>See Appendix for definitions of non-GAAP financial measures.

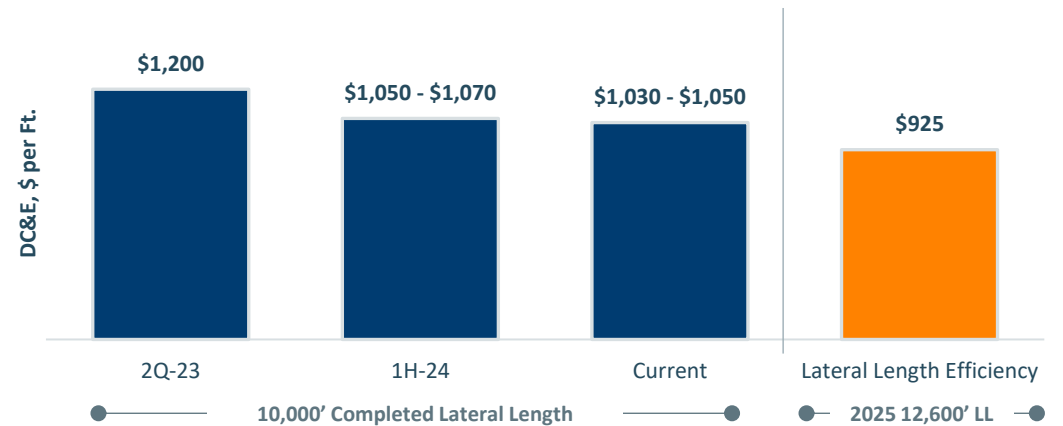
<sup>3</sup>Estimated by independent third-party reserve engineers at Ryder Scott using SEC (\$77.48 WTI oil; \$2.45 Henry Hub gas) pricing as of effective date.

<sup>4</sup>Transaction value for Point Energy asset acquisition presented on a gross basis to VTLE, before expected closing price adjustments.

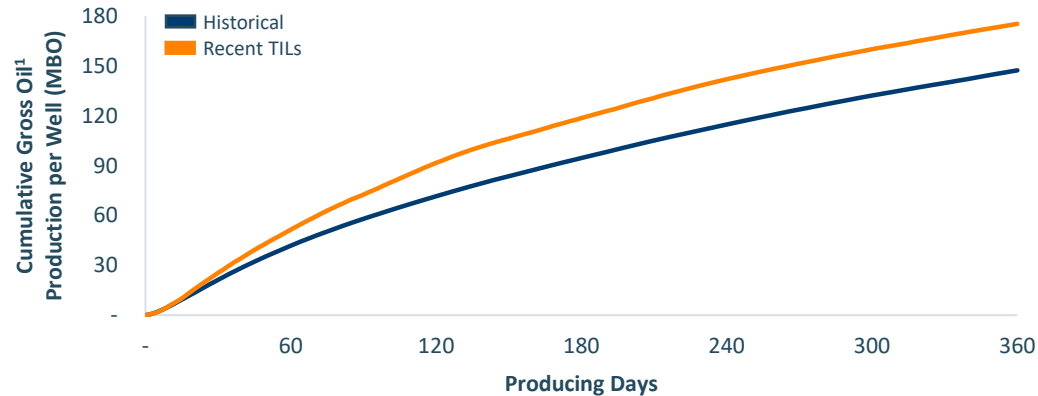
# Optimizing Delaware Basin Development Program

- ✓ ~20% increase to well productivity vs. prior operators
- ✓ ~15% decrease to current well costs vs. basin entry
- ✓ ~22% increase in expected completed lateral length
- ✓ Drilled 10,000' well in a record 16 days

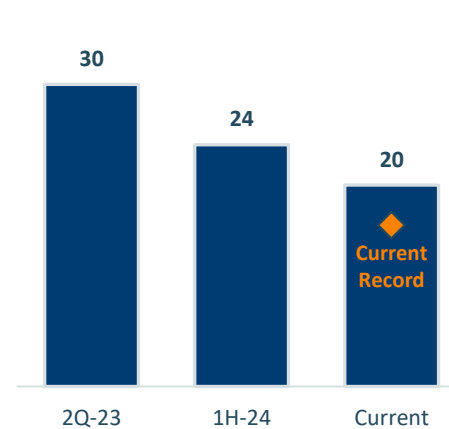
## Continuously Improving Well Cost and Optimizing Lateral Length



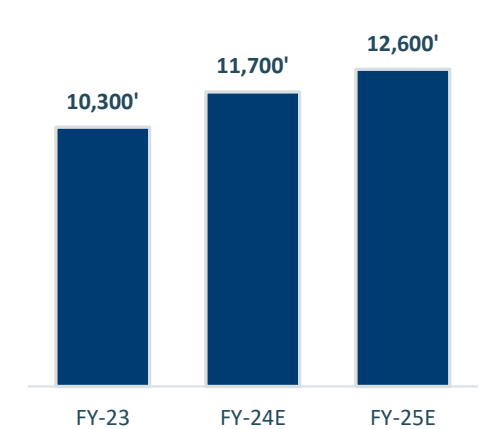
## New Well Productivity Exceeding Prior Operator's Historical Results



## Drilling Days<sup>1</sup>



## Completed Lateral Length, Ft.



# 2024 Development Program

**\$820 - \$870**

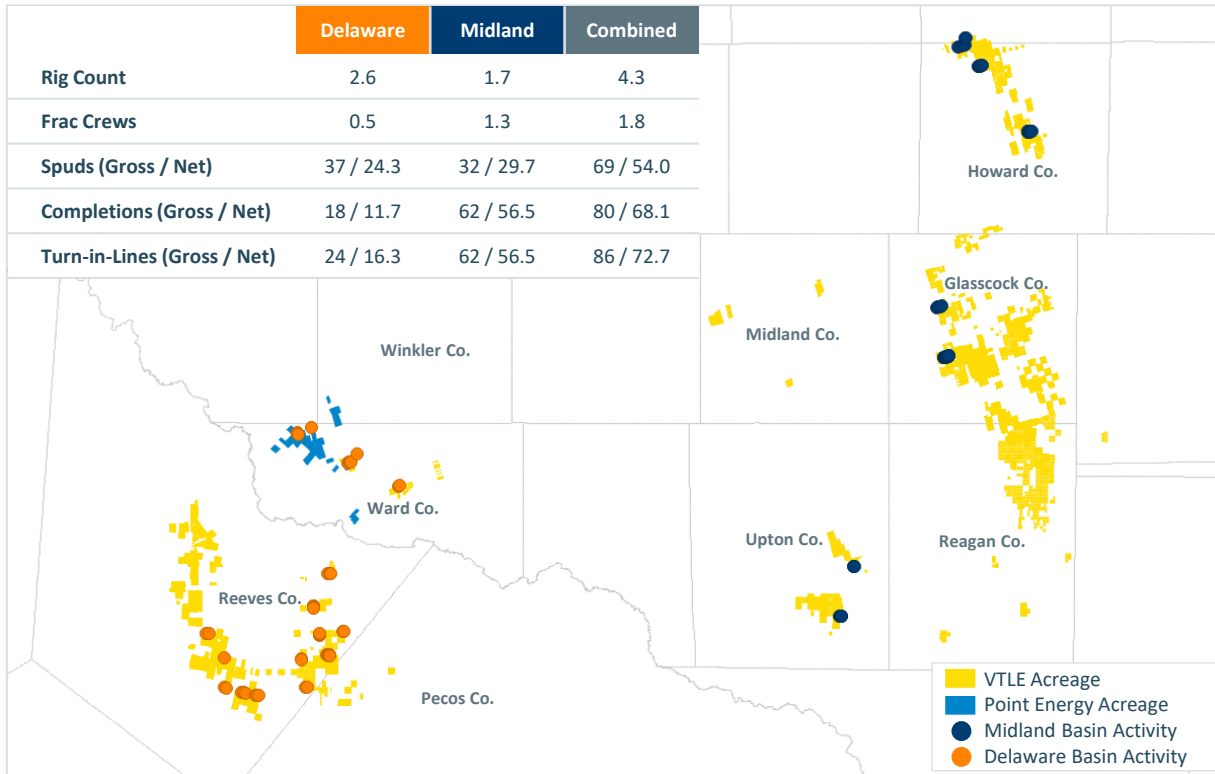
Capital Investments (MM)

**59.0 - 61.0**

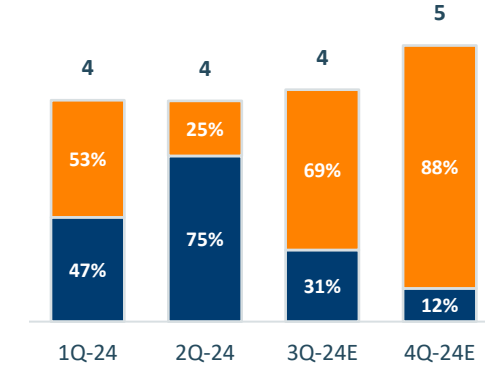
Oil Production (MBO/d)

**127.0 - 131.0**

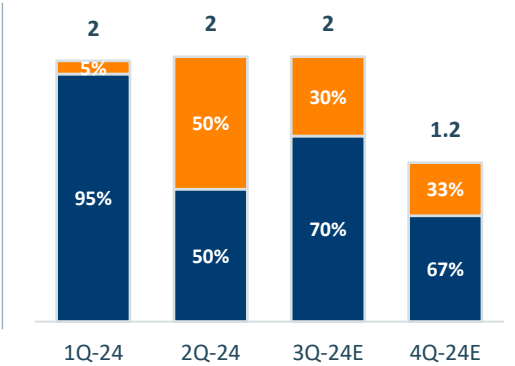
Total Production (MBOE/d)



Rig Count

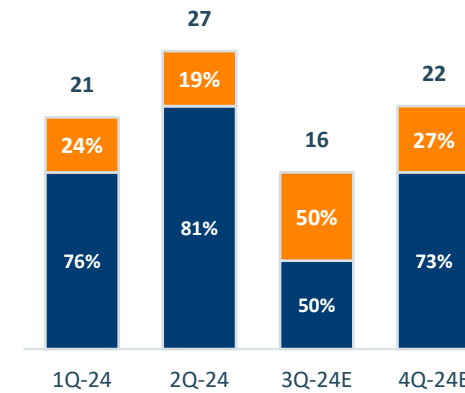


Completion Crews

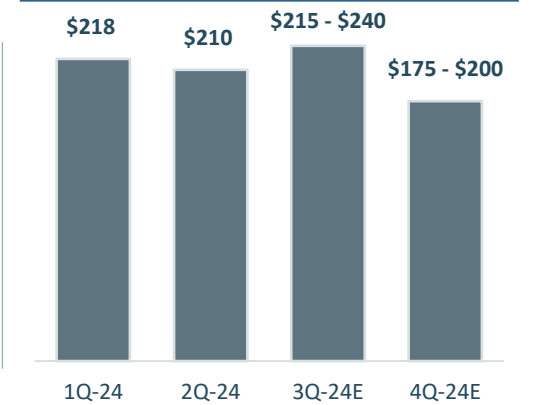


Midland Basin Delaware Basin

Turn-in-Lines



Quarterly Capital, \$MM

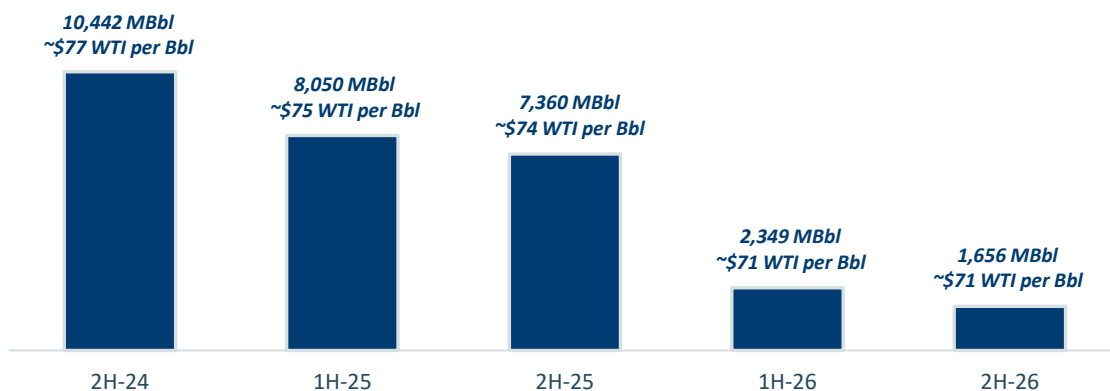




# Strong Capital Structure Supported by Robust 2024 and 2025 Oil Hedges

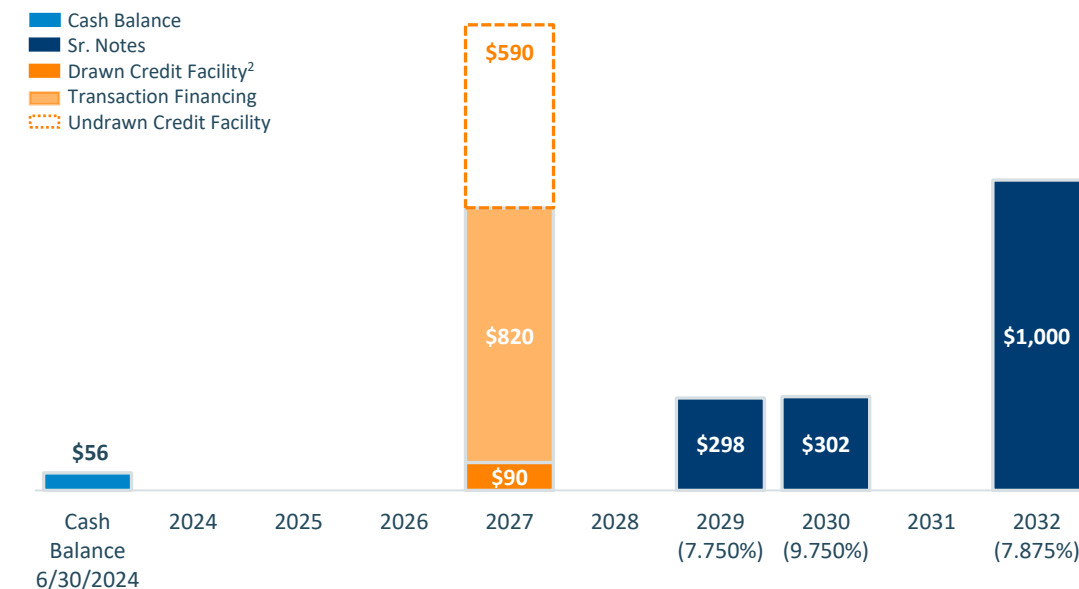
- Debt refinancing reduced weighted-average coupon on term debt from 9.5% to 8.2%
- Increased 2025 oil hedges to 15.4 million barrels at ~\$75 WTI
- Expanded credit facility supported by acquisition of Point Energy assets<sup>1</sup>

Current Oil Hedge Position as of September 3, 2024 MBO



Pro Forma Debt Maturity Profile, \$MM

| Credit Facility    | Current  | Pro Forma | Impact <sup>1</sup> |
|--------------------|----------|-----------|---------------------|
| Borrowing Base     | \$1.50 B | \$1.50 B  | -                   |
| Elected Commitment | \$1.35 B | \$1.50 B  | +\$150 MM           |



# Investment Opportunity Driven by Consistent Value Creation

- 1 Proven track record of integrating acquisitions and improving returns
- 2 Consistently expanding inventory of <\$50 WTI breakeven<sup>1</sup> locations
- 3 Disciplined development strategy prioritizes sustainable Adjusted Free Cash Flow<sup>2</sup>
- 4 Strong capital structure supported by robust oil hedges in 2024 and 2025



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## Appendix

# 2H-24 & FY-24 Guidance

## Guidance

|  | 3Q-24         | 4Q-24         | FY-24         |
|--|---------------|---------------|---------------|
| <b>Production:</b>   |               |               |               |
| Total Production (MBOE/D)  | 121.0 - 127.0 | 134.0 - 140.0 | 127.0 - 131.0 |
| Crude Oil Production (MBO/D)   | 55.0 - 58.0   | 65.0 - 68.0   | 59.0 - 61.0   |
| <b>Capital Expenditures (\$MM):</b>  |               |               |               |
|  | \$215 - \$240 | \$175 - \$200 | \$820 - \$870 |
| <b>Average Sales Price Realizations (excluding derivatives):</b>                 |               |               |               |
| Crude Oil (% of WTI)   | 102%          | —             | —             |
| Natural Gas Liquids (% of WTI)   | 16%           | —             | —             |
| Natural Gas (% of Henry Hub)   | (5)%          | —             | —             |
| <b>Net Settlements Received (Paid) for Matured Commodity Derivatives (\$MM):</b> |               |               |               |
| Crude Oil (\$MM)   | \$9           | —             | —             |
| Natural Gas Liquids (\$MM)   | \$0           | —             | —             |
| Natural Gas (\$MM)   | \$17          | —             | —             |
| <b>Operating Costs and Expenses (\$/BOE):</b>                                    |               |               |               |
| Lease Operating Expenses   | \$8.95        | —             | —             |
| Production and Ad Valorem Taxes (% of Oil, NGL & Natural Gas Revenues)           | 6.10%         | —             | —             |
| Oil Transportation and Marketing Expenses  | \$1.05        | —             | —             |
| Gas Gathering, Processing and Transportation Expenses <sup>1</sup>               | \$0.45        | —             | —             |
| General and Administrative Expenses (excluding LTIP & Transaction Expense)       | \$1.85        | —             | —             |
| General and Administrative Expenses (LTIP Cash)                                  | \$0.10        | —             | —             |
| General and Administrative Expenses (LTIP Non-Cash)                              | \$0.30        | —             | —             |
| Depletion, Depreciation and Amortization   | \$15.00       | —             | —             |

## Commodity Prices Used for 3Q-24

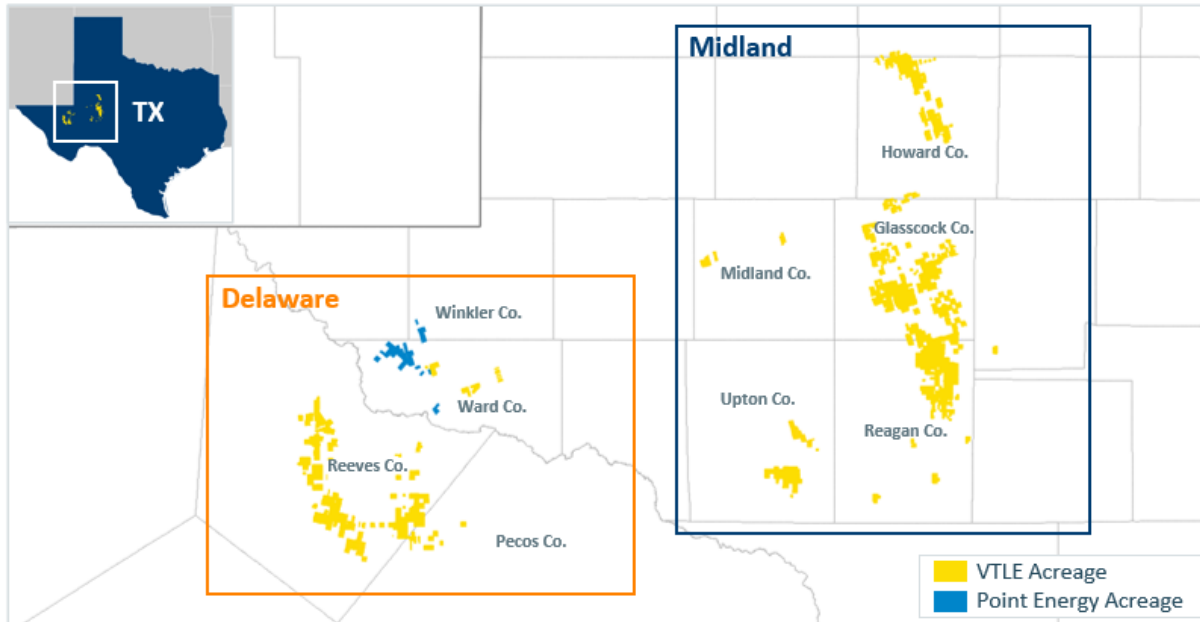
|                                 | Jul-24  | Aug-24  | Sep-24   | 3Q-24 Avg. |
|---------------------------------|---------|---------|----------|------------|
| <b>Crude Oil:</b>               |         |         |          |            |
| WTI NYMEX (\$/BBO)              | \$80.48 | \$72.31 | \$72.40  | \$75.43    |
| WTI Midland (\$/BBO)            | \$81.34 | \$74.04 | \$73.17  | \$76.22    |
| WTI Houston (\$/BBO)            | \$81.77 | \$74.38 | \$73.61  | \$76.62    |
| <b>Natural Gas:</b>             |         |         |          |            |
| Henry Hub (\$/MMBTU)            | \$2.63  | \$1.91  | \$1.97   | \$2.17     |
| Waha (\$/MMBTU)                 | \$0.56  | \$0.22  | (\$0.23) | \$0.19     |
| <b>Natural Gas Liquids:</b>     |         |         |          |            |
| C2 (\$/BBL)                     | \$6.47  | \$4.71  | \$5.93   | \$5.70     |
| C3 (\$/BBL)                     | \$33.50 | \$31.19 | \$30.87  | \$31.86    |
| IC4 (\$/BBL)                    | \$47.65 | \$46.78 | \$43.68  | \$46.06    |
| NC4 (\$/BBL)                    | \$40.83 | \$39.57 | \$38.59  | \$39.68    |
| C5+ (\$/BBL)                    | \$64.08 | \$61.69 | \$60.80  | \$62.20    |
| Composite (\$/BBL) <sup>2</sup> | \$26.74 | \$24.81 | \$24.92  | \$25.50    |

# Active Hedge Program Protecting Adjusted Free Cash Flow and Returns

|   |                        | 3Q-24     | 4Q-24      | 2H-24      | 1Q-25     | 2Q-25     | 3Q-25     | 4Q-25     | FY-25      | 1Q-26     | 2Q-26     | 3Q-26     | 4Q-26     | FY-26      |
|---|------------------------|-----------|------------|------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|------------|
| Crude Oil (MBO)<br>(Price \$/BBO) <sup>1</sup>            | WTI Swaps              | 5,384     | 4,957      | 10,342     | 4,410     | 3,640     | 3,772     | 3,588     | 15,410     | 1,530     | 819       | 828       | 828       | 4,005      |
|   | Price                  | \$77.02   | \$76.71    | \$76.87    | \$75.39   | \$75.14   | \$74.56   | \$74.20   | \$74.85    | \$71.72   | \$71.24   | \$71.24   | \$71.24   | \$71.42    |
|   | WTI Three-Way Collars  | 52        | 49         | 100        | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Sold Put               | \$50.00   | \$50.00    | \$50.00    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Bought Put             | \$66.47   | \$66.45    | \$66.46    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Sold Call              | \$87.06   | \$87.05    | \$87.06    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
| WTI Midland Basis Swaps                                   | 70                     | 66        | 136        | -          | -         | -         | -         | -         | -          | -         | -         | -         | -         |            |
| Price   | \$0.11                 | \$0.12    | \$0.11     | -          | -         | -         | -         | -         | -          | -         | -         | -         | -         |            |
| Natural Gas (MMBTU)<br>(Price \$/MMBTU) <sup>1</sup>      | Henry Hub Swaps        | 6,562,600 | 6,558,250  | 13,120,850 | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Price                  | \$3.47    | \$3.47     | \$3.47     | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Henry Hub Collars      | 169,320   | 149,511    | 318,831    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | WTD Floor Price        | \$3.44    | \$3.40     | \$3.42     | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | WTD Ceiling Price      | \$6.22    | \$6.12     | \$6.17     | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Waha Inside FERC Swaps | -         | -          | -          | 3,780,000 | 3,822,000 | 3,864,000 | 3,864,000 | 15,330,000 | 3,780,000 | 3,822,000 | 3,864,000 | 3,864,000 | 15,330,000 |
| Price   | -                      | -         | -          | \$2.61     | \$2.61    | \$2.61    | \$2.61    | \$2.61    | \$2.76     | \$2.76    | \$2.76    | \$2.76    | \$2.76    |            |
| Waha Basis Swaps  | 6,731,920              | 6,707,761 | 13,439,681 | -          | -         | -         | -         | -         | -          | -         | -         | -         | -         |            |
| Price   | (\$0.74)               | (\$0.74)  | (\$0.74)   | -          | -         | -         | -         | -         | -          | -         | -         | -         | -         |            |
| Natural Gas Liquids (MBBL)<br>Price (\$/BBL) <sup>1</sup> | Propane Swaps          | 124       | -          | 124        | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Price                  | \$34.23   | -          | \$34.23    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Butane Swaps           | 27        | -          | 27         | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Price                  | \$39.78   | -          | \$39.78    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Isobutane Swaps        | 89        | -          | 89         | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
|   | Price                  | \$42.26   | -          | \$42.26    | -         | -         | -         | -         | -          | -         | -         | -         | -         | -          |
| Pentane Swaps   | 86                     | -         | 86         | -          | -         | -         | -         | -         | -          | -         | -         | -         | -         |            |
| Price   | \$65.15                | -         | \$65.15    | -          | -         | -         | -         | -         | -          | -         | -         | -         | -         |            |

<sup>1</sup>Hedges executed as of September 3, 2024.

# Asset Overview<sup>1</sup>



|   | Delaware           | Midland          | Combined         |
|---|--------------------|------------------|------------------|
| <b>Net Acres</b>                          | ~87,800            | ~202,700         | ~290,500         |
| <b>Inventory Locations<sup>2</sup></b>    | ~350 Gross         | ~535 Gross       | ~885 Gross       |
| <b>Avg. Lateral Length</b>                | 11,250'            | 11,800'          | 11,600'          |
| <b>DC&amp;E Well Cost<sup>3</sup></b>     | \$10.3 - \$10.5 MM | \$8.4 MM         | -                |
| <b>Wells per Rig per Year<sup>3</sup></b> | 15 wells           | 25 wells         | -                |
| <b>Inventory Ownership</b>                | 75% WI   56% NRI   | 86% WI   66% NRI | 81% WI   62% NRI |
| <b>PDP Ownership</b>                      | 80% WI   60% NRI   | 71% WI   54% NRI | 72% WI   55% NRI |

<sup>1</sup>As of June 30, 2024, and includes recently announced Point Energy asset acquisition and incremental bolt-on leasing.

<sup>2</sup>Gross operated locations as of August 2024 (adjusted for 1H-2024 turn-in-lines) and includes recently announced Point Energy asset acquisition. <sup>3</sup>Data normalized to 10,000' lateral length.

# 2023 Sustainability Report Highlights<sup>1</sup>

## Significant Progress Toward Our Environmental Targets

|            | Category                                       | 2019 Baseline                                       | Target  | 2022 Performance  | Target Status  |
|------------|--|---|---|---|--|
| by<br>2025 | Scope 1 GHG emissions intensity                | 26.03 mtCO <sub>2</sub> e / MBOE                    | below 12.5 mtCO <sub>2</sub> e / MBOE (52% reduction from baseline) | <b>10.70</b> mtCO <sub>2</sub> e / MBOE                       |  <b>Achieved</b><br>(59% reduction from baseline) |
|            | Methane emissions                              | 0.87% <sup>2</sup>                                  | below 0.20% (77% reduction from baseline)                           | <b>0.11%</b>  |  <b>Achieved</b><br>(87% reduction from baseline) |
|            | Routine flaring                                | 867 MMCF / year                                     | Zero  | <b>500</b> MMCF / year  | <b>42%</b> reduction to date   |
|            | Recycled water                                 | 35% water recycling rate<br>8 million bbls recycled | 50% for completion operations                                       | <b>49%</b> water recycling rate<br>18.5 million bbls recycled | <b>99%</b> toward our target   |
| by<br>2030 | Combined Scope 1 and 2 GHG emissions intensity | 26.53 mtCO <sub>2</sub> e / MBOE                    | below 10 mtCO <sub>2</sub> e / MBOE (62% reduction from baseline)   | <b>12.37</b> mtCO <sub>2</sub> e / MBOE                       | <b>86%</b> toward our target<br><b>53%</b> reduction to date   |

## Social and Governance Highlights

### Diversity, Equity and Inclusion



**60%**

Board diversity

**75%**

Board Committees led by diverse directors

**55%**

Employee new hires were diverse

### Governance



**2**

New board directors

**50%**

Of directors have environmental and sustainability expertise

**20%**

Of STIP and 15% of executive LTIP tied to sustainability and safety performance

### Certification



**2024**

United Nations Oil & Gas Methane Partnership (OGMP 2.0) Commitment

**1<sup>st</sup>**

Operator to achieve TrustWell Low Methane Rating

**1<sup>st</sup>**

Operator in Permian Basin to be Certified as a Responsibly Sourced Producer by TrustWell

# Supplemental Non-GAAP Financial Measures

## Adjusted Free Cash Flow

Adjusted Free Cash Flow is a non-GAAP financial measure that the Company defines as net cash provided by operating activities (GAAP) before net changes in operating assets and liabilities and transaction expenses related to non-budgeted acquisitions, less capital investments, excluding non-budgeted acquisition costs. Management believes Adjusted Free Cash Flow is useful to management and investors in evaluating operating trends in its business that are affected by production, commodity prices, operating costs and other related factors. There are significant limitations to the use of Adjusted Free Cash Flow as a measure of performance, including the lack of comparability due to the different methods of calculating Adjusted Free Cash Flow reported by different companies.

The following table presents a reconciliation of net cash provided by operating activities (GAAP) to Adjusted Free Cash Flow (non-GAAP) for the periods presented:

| <i>(in thousands, unaudited)</i>  | Three months ended |                   |                      |                       |                  |                   |
|---|--------------------|-------------------|----------------------|-----------------------|------------------|-------------------|
|   | June 30,<br>2024   | March 31,<br>2024 | December 31,<br>2023 | September 30,<br>2023 | June 30,<br>2023 | March 31,<br>2023 |
| Net cash provided by operating activities   | \$338,401          | \$158,590         | \$233,734            | \$214,209             | \$248,888        | \$116,125         |
| Less:   |                    |                   |                      |                       |                  |                   |
| Net changes in operating assets and liabilities   | 83,712             | (102,326)         | (11,285)             | (32,145)              | 38,742           | (66,756)          |
| General and administrative (transaction expenses)   | (15)               | (332)             | (8,221)              | (3,120)               | 861              | (861)             |
| Cash flows from operating activities before net changes in operating assets and liabilities and transaction expenses related to non-budgeted acquisitions | 254,704            | 261,248           | 253,240              | 249,474               | 209,285          | 183,742           |
| Less capital investments, excluding non-budgeted acquisition costs:   |                    |                   |                      |                       |                  |                   |
| Oil and natural gas properties <sup>1</sup>   | 205,521            | 213,265           | 179,696              | 154,865               | 144,350          | 184,114           |
| Midstream and other fixed assets <sup>1</sup>   | 4,489              | 4,635             | 4,511                | 3,321                 | 4,239            | 3,530             |
| Total capital investments, excluding non-budgeted acquisition costs   | 210,010            | 217,900           | 184,207              | 158,186               | 148,589          | 187,644           |
| <b>Adjusted Free Cash Flow (non-GAAP)</b>   | <b>\$44,694</b>    | <b>\$43,348</b>   | <b>\$69,033</b>      | <b>\$91,288</b>       | <b>\$60,696</b>  | <b>(\$3,902)</b>  |

<sup>1</sup>Includes capitalized share-settled equity-based compensation and asset retirement costs.



# Supplemental Non-GAAP Financial Measures

## Consolidated EBITDAX

Consolidated EBITDAX is a non-GAAP financial measure defined in the Company's Senior Secured Credit Facility as net income or loss (GAAP) plus adjustments for share-settled equity-based compensation, depletion, depreciation and amortization, impairment expense, organizational restructuring expenses, gains or losses on disposal of assets, mark-to-market on derivatives, accretion expense, interest expense, income taxes and other non-recurring income and expenses. Consolidated EBITDAX provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, working capital movement or tax position. Consolidated EBITDAX does not represent funds available for future discretionary use because it excludes funds required for debt service, capital expenditures, working capital, income taxes, franchise taxes and other commitments and obligations. However, management believes Consolidated EBITDAX is useful to an investor because this measure:

- is used by investors in the oil and natural gas industry to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon accounting methods, the book value of assets, capital structure and the method by which assets were acquired, among other factors;
- helps investors to more meaningfully evaluate and compare the results of the Company's operations from period to period by removing the effect of the Company's capital structure from the Company's operating structure; and
- is used by management for various purposes, including (i) as a measure of operating performance, (ii) as a measure of compliance under the Senior Secured Credit Facility, (iii) in presentations to the board of directors and (iv) as a basis for strategic planning and forecasting.

There are significant limitations to the use of Consolidated EBITDAX as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the Company's net income or loss and the lack of comparability of results of operations to different companies due to the different methods of calculating Consolidated EBITDAX, or similarly titled measures, reported by different companies. The Company is subject to financial covenants under the Senior Secured Credit Facility, one of which establishes a maximum permitted ratio of Net Debt, as defined in the Senior Secured Credit Facility, to Consolidated EBITDAX. See Note 7 in the 2023 Annual Report for additional discussion of the financial covenants under the Senior Secured Credit Facility. Additional information on Consolidated EBITDAX can be found in the Company's Eleventh Amendment to the Senior Secured Credit Facility, as filed with the SEC on September 13, 2023.

# Supplemental Non-GAAP Financial Measures

## Consolidated EBITDAX

The following table presents a reconciliation of net income (loss) (GAAP) to Consolidated EBITDAX (non-GAAP) for the periods presented:

| <i>(in thousands, unaudited)</i>   | Three months ended |                    | Trailing twelve months ended |                    |                    |                    |                  |
|--|--------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|------------------|
|  | June 30, 2024      | June 30, 2024      | March 31, 2024               | December 31, 2023  | September 30, 2023 | June 30, 2023      | March 31, 2023   |
| Net income   | \$36,702           | \$256,898          | \$515,007                    | \$695,078          | \$531,868          | \$864,498          | \$832,233        |
| Plus:  |                    |                    |                              |                    |                    |                    |                  |
| Share-settled equity-based compensation  | 3,934              | 12,964             | 11,923                       | 10,994             | 10,510             | 9,211              | 8,922            |
| Depletion, depreciation and amortization   | 174,298            | 613,530            | 542,572                      | 463,244            | 395,703            | 350,132            | 324,927          |
| Impairment expense   | —                  | —                  | —                            | —                  | 40                 | 40                 | 40               |
| Organizational restructuring expenses  | —                  | 1,654              | 1,654                        | 1,654              | —                  | 10,420             | 10,420           |
| (Gain) loss on disposal of assets, net   | (36)               | (447)              | (565)                        | (672)              | 5,491              | 1,358              | 582              |
| Mark-to-market on derivatives:   |                    |                    |                              |                    |                    |                    |                  |
| (Gain) loss on derivatives, net  | (7,658)            | 50,705             | 76,407                       | (96,230)           | 140,603            | (95,466)           | (47,583)         |
| Settlements paid for matured derivatives, net  | (9,262)            | (44,350)           | (24,305)                     | (17,068)           | (76,503)           | (178,354)          | (363,146)        |
| Settlements received for contingent consideration  | —                  | 358                | 358                          | 1,813              | 2,082              | 2,357              | 3,912            |
| Accretion expense  | 1,036              | 3,957              | 3,824                        | 3,703              | 3,648              | 3,689              | 3,759            |
| Interest expense   | 40,690             | 173,847            | 164,686                      | 149,819            | 128,258            | 119,920            | 121,198          |
| Loss on extinguishment of debt, net  | 40,301             | 70,154             | 29,853                       | 4,039              | 1,214              | 661                | 1,459            |
| Income tax (benefit) expense   | 10,409             | 31,547             | (200,693)                    | (183,337)          | (214,796)          | (220,937)          | 7,986            |
| General and administrative (transaction expenses)  | 15                 | 11,688             | 10,812                       | 11,341             | 3,120              | —                  | 861              |
| <b>Consolidated EBITDAX (non-GAAP)</b>   | <b>\$290,429</b>   | <b>\$1,182,505</b> | <b>\$1,131,533</b>           | <b>\$1,044,378</b> | <b>\$931,238</b>   | <b>\$867,529</b>   | <b>\$905,570</b> |
| Transaction adjustments (Senior Secured Credit Facility covenant calculation) <sup>1</sup>               |                    | 157,232            | 303,169                      | 444,314            | 133,144            | 185,470            | (21,562)         |
| <b>Consolidated EBITDAX (non-GAAP) (Senior Secured Credit Facility covenant calculation)<sup>1</sup></b> |                    | <b>\$1,339,737</b> | <b>\$1,434,702</b>           | <b>\$1,488,692</b> | <b>\$1,064,382</b> | <b>\$1,052,999</b> | <b>\$884,008</b> |

<sup>1</sup>Calculation conforms to Senior Secured Credit Facility covenant which requires various treatment of asset transaction impacts.

# Supplemental Non-GAAP Financial Measures

## Consolidated EBITDAX

The following table presents a reconciliation of net cash provided by operating activities (GAAP) to Consolidated EBITDAX (non-GAAP) for the periods presented:

| <i>(in thousands, unaudited)</i>   | Three months ended |                    | Trailing twelve months ended |                    |                    |                    |                  |
|--|--------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|------------------|
|  | June 30, 2024      | June 30, 2024      | March 31, 2024               | December 31, 2023  | September 30, 2023 | June 30, 2023      | March 31, 2023   |
| Net cash provided by operating activities  | \$338,401          | \$944,934          | \$855,421                    | \$812,956          | \$688,138          | \$656,546          | \$775,783        |
| Plus:  |                    |                    |                              |                    |                    |                    |                  |
| Interest expense   | 40,690             | 173,847            | 164,686                      | 149,819            | 128,258            | 119,920            | 121,198          |
| Organizational restructuring expenses  | —                  | 1,654              | 1,654                        | 1,654              | —                  | 10,420             | 10,420           |
| Current income tax expense   | 1,062              | 6,126              | 5,567                        | 5,723              | 3,648              | 2,224              | 6,234            |
| Net changes in operating assets and liabilities  | (83,712)           | 62,044             | 107,014                      | 71,444             | 119,391            | 96,093             | 15,148           |
| General and administrative (transaction expenses)  | 15                 | 11,688             | 10,812                       | 11,341             | 3,120              | —                  | 861              |
| Settlements received for contingent consideration  | —                  | 358                | 358                          | 1,813              | 2,082              | 2,357              | 3,912            |
| Other, net   | (6,027)            | (18,146)           | (13,979)                     | (10,372)           | (13,399)           | (20,031)           | (27,986)         |
| <b>Consolidated EBITDAX (non-GAAP)</b>   | <b>\$290,429</b>   | <b>\$1,182,505</b> | <b>\$1,131,533</b>           | <b>\$1,044,378</b> | <b>\$931,238</b>   | <b>\$867,529</b>   | <b>\$905,570</b> |
| Transaction adjustments (Senior Secured Credit Facility covenant calculation) <sup>1</sup>               |                    | 157,232            | 303,169                      | 444,314            | 133,144            | 185,470            | (21,562)         |
| <b>Consolidated EBITDAX (non-GAAP) (Senior Secured Credit Facility covenant calculation)<sup>1</sup></b> |                    | <b>\$1,339,737</b> | <b>\$1,434,702</b>           | <b>\$1,488,692</b> | <b>\$1,064,382</b> | <b>\$1,052,999</b> | <b>\$884,008</b> |

<sup>1</sup>Calculation conforms to Senior Secured Credit Facility covenant which requires various treatment of asset transaction impacts.

# Supplemental Non-GAAP Financial Measures

## Net Debt

Net Debt is a non-GAAP financial measure defined in the Company's Senior Secured Credit Facility as the face value of long-term debt plus any outstanding letters of credit, less cash and cash equivalents, where cash and cash equivalents are capped at \$100 million when there are borrowings on the Senior Secured Credit Facility. Management believes Net Debt is useful to management and investors in determining the Company's leverage position since the Company has the ability, and may decide, to use a portion of its cash and cash equivalents to reduce debt.

| <i>(in thousands, unaudited)</i> | June 30, 2024      | March 31, 2024 <sup>1</sup> | December 31, 2023  | September 30, 2023 | June 30, 2023 <sup>2</sup> | March 31, 2023 <sup>2</sup> |
|----------------------------------|--------------------|-----------------------------|--------------------|--------------------|----------------------------|-----------------------------|
| Total senior unsecured notes     | \$1,600,578        | \$1,867,373                 | \$1,498,523        | \$1,954,151        | \$1,054,151                | \$1,054,151                 |
| Senior Secured Credit Facility   | 90,000             | 265,000                     | 135,000            | —                  | 575,000                    | 120,000                     |
| Total long-term debt             | 1,690,578          | 2,132,373                   | 1,633,523          | 1,954,151          | 1,629,151                  | 1,174,151                   |
| Less: cash and cash equivalents  | 56,564             | 423,325                     | 14,061             | 589,695            | 50,000                     | 27,682                      |
| <b>Net Debt (non-GAAP)</b>       | <b>\$1,634,014</b> | <b>\$1,709,408</b>          | <b>\$1,619,462</b> | <b>\$1,364,456</b> | <b>\$1,579,151</b>         | <b>\$1,146,469</b>          |

## Net Debt to Consolidated EBITDAX

Net Debt to Consolidated EBITDAX is a non-GAAP financial measure defined in the Company's Senior Secured Credit Facility as Net Debt divided by Consolidated EBITDAX for the previous four quarters, which requires various treatment of asset transaction impacts. Net Debt to Consolidated EBITDAX is used by the Company's management for various purposes, including as a measure of operating performance, in presentations to its board of directors and as a basis for strategic planning and forecasting.

<sup>1</sup>Net Debt as of March 31, 2024, is calculated using actual cash and cash equivalents to show the impacts of our April 2024 financing transactions.

<sup>2</sup>Cash and cash equivalents are capped at \$50 million for periods prior to the Eleventh Amendment to the Fifth Amended and Restated Credit Agreement, which became effective on September 13, 2023.

# Supplemental Non-GAAP Financial Measures

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## **PV-10**

PV-10 is a non-GAAP financial measure that is derived from the standardized measure of discounted future net cash flows, which is the most directly comparable GAAP financial measure. PV-10 is a computation of the standardized measure of discounted future net cash flows on a pre-tax basis. PV-10 is equal to the standardized measure of discounted future net cash flows at the applicable date, before deducting future income taxes, discounted at 10 percent. Management believes that the presentation of PV-10 is relevant and useful to investors because it presents the discounted future net cash flows attributable to the Company's estimated proved reserves prior to taking into account future corporate income taxes, and it is a useful measure for evaluating the relative monetary significance of the Company's proved oil, NGL and natural gas assets. Further, investors may utilize the measure as a basis for comparison of the relative size and value of proved reserves to other companies. The Company uses this measure when assessing the potential return on investment related to proved oil, NGL and natural gas assets. However, PV-10 is not a substitute for the standardized measure of discounted future net cash flows. The PV-10 measure and the standardized measure of discounted future net cash flows do not purport to present the fair value of the Company's oil, NGL and natural gas reserves of the property.