



## ASCENT RESOURCES REPORTS THIRD QUARTER OPERATING AND FINANCIAL RESULTS AND ANNOUNCES UPDATED 2023 GUIDANCE

### Third Quarter Highlights:

- Averaged net production of 2.2 bcfe per day, while increasing liquids production by 39% over the prior year period to more than 31 mbbbls per day
- Reported Net Income and Adjusted Net Income<sup>(1)</sup> of \$17 million and \$59 million, respectively
- Generated Net Cash from Operating Activities of \$229 million and Adjusted EBITDAX<sup>(1)</sup> of \$295 million
- Optimized our 2024 natural gas hedge position, improving our downside hedge price by \$0.06 to \$3.55 per MMBtu on nearly 1.5 Tbtu per day of volume
- Paid initial distribution of \$12.5 million to unitholders in September 2023

<sup>(1)</sup> A non-GAAP financial measure. See the non-GAAP reconciliations included in this press release for the definition of, and other important information regarding, this non-GAAP financial measure.

Oklahoma City, Oklahoma, November 8, 2023 (PR Newswire) – Ascent Resources Utica Holdings, LLC (“Ascent”, “our” or the “Company”) today reported its third quarter 2023 operating and financial results and issued updated full-year 2023 guidance. Additionally, Ascent announced a conference call with analysts and investors scheduled for 9 AM CT / 10 AM ET, Thursday, November 9, 2023. For more detailed information on Ascent, please refer to the latest investor presentation and additional information located on our website at <https://www.ascentresources.com/investors>.

Commenting on the third quarter, Ascent's Chairman and Chief Executive Officer, Jeff Fisher said, “The third quarter was a continuation of the excellent operational performance and execution that was achieved in the first half of the year. The team continued to deliver on our maintenance level plan while balancing activity and delivering strong growth in the liquids window of the play. As we move through the remainder of 2023, our strategy remains focused on executing our maintenance strategy, improving operational efficiencies and reducing costs to further enhance capital efficiency.

Fisher continued, “The initial distribution in September is yet another milestone for our Company. More importantly, it demonstrates the confidence we have in our ability to generate sustainable free cash flow. Ascent's prospects have never been brighter as we create lasting value for our stakeholders while delivering clean and affordable energy to a world in need.”

### *Third Quarter 2023 Financial Results*

Third quarter 2023 net production averaged 2,165 mmcf per day, consisting of 1,977 mmcf per day of natural gas, 9,109 bbls per day of oil and 22,217 bbls per day of natural gas liquids (“NGL”).

Third quarter 2023 price realizations, including the impact of settled commodity derivatives, were \$3.04 per mcfe. Excluding the impact of settled commodity derivatives, price realizations were \$2.52 per mcfe in the third quarter of 2023.

For the third quarter of 2023, Ascent reported net income of \$17 million, Adjusted Net Income of \$59 million and Adjusted EBITDAX of \$295 million. Ascent incurred \$251 million of total capital expenditures in the third quarter of 2023 consisting of \$206 million of D&C costs, \$36 million of land and leasehold costs, and \$9 million of capitalized interest.

## *Year-to-Date 2023 Financial Results*

Net production for the nine months ended September 30, 2023 averaged 2,149 mmcfe per day, consisting of 1,974 mmcf per day of natural gas, 10,051 bbls per day of oil and 19,055 bbls per day of NGLs.

Price realizations, including the impact of settled commodity derivatives, were \$3.11 per mcf for the nine months ended September 30, 2023. Excluding the impact of settled commodity derivatives, price realizations were \$2.83 per mcf for the year-to-date period.

For the nine months ended September 30, 2023, Ascent reported net income of \$1.4 billion, Adjusted Net Income of \$231 million and Adjusted EBITDAX of \$931 million. Ascent incurred a total of \$784 million of capital expenditures during the nine months ended September 30, 2023 consisting of \$666 million of D&C costs, \$90 million of land and leasehold costs, and \$28 million for capitalized interest.

### *Balance Sheet and Liquidity*

As of September 30, 2023, Ascent had total debt of approximately \$2.5 billion, with \$745 million of borrowings and \$168 million of letters of credit issued under the credit facility. Liquidity as of September 30, 2023 was approximately \$1.1 billion, comprised of \$1.1 billion of available borrowing capacity under the credit facility and \$4 million of cash on hand. Our leverage ratio at the end of the quarter was 1.9x based on an LTM Adjusted EBITDAX basis.

### *Operational Update*

During the third quarter of 2023, we spud 19 operated wells, hydraulically fractured 24 wells, and turned-in-line 20 wells with an average lateral length of approximately 12,500 feet. As of September 30, 2023, Ascent had 863 gross operated producing Utica wells.

### *Hedging Update*

Ascent has significant hedges in place in order to reduce exposure to the volatility in commodity prices, as well as to protect our expected operating cash flow. As of October 18, 2023, Ascent had hedged 1,472,000 mmbtu per day of natural gas production in 2023 at an average downside price of \$3.19 per mmbtu, and 1,410,000 mmbtu per day in 2024 at an average downside price of \$3.55 per mmbtu. This 2024 downside hedge price is reflective of the restructuring of a portion of our hedge book carried out in October, post quarter-end. Additionally, Ascent has also hedged 6,000 bbls per day of crude oil production at an average price of \$72.30 per bbl in 2023, and 10,000 bbls per day in 2024 at an average price of \$75.39. We also have significant natural gas hedges in place for 2025 and 2026, coupled with basis hedges for 2023-2025 to limit exposure to price volatility at our actual sales points, including in-basin. Please reference our financial statements for additional detail.

### *Guidance Update*

The Company has updated its full-year 2023 Production and Capital Expenditure guidance to primarily reflect the acceleration of \$40 million to \$50 million of activity from early 2024 into the fourth quarter of 2023. This acceleration will de-risk the 2024 development program and provide additional operational flexibility. A detailed summary including production, expense and operational counts is included in the table that follows:

#### **Updated 2023 Guidance**

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#### **Production**

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Total Production (mmcfe/d)	2,025 - 2,125
% Natural Gas	90% - 92%

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<b>Differentials</b>	
Natural Gas (\$/mcf)	(\$0.25) - (\$0.15)
Crude Oil (\$/bbl)	(\$9.00) - (\$8.00)
NGL (% of WTI)	30% - 35%
<b>Operating Expenses</b>	
Total Operating Expense <sup>(1)</sup>	\$1.45 - \$1.55
G&A <sup>(2)</sup>	\$0.08 - \$0.09
<b>Capital Expenditures Incurred (\$mm)<sup>(3)</sup></b>	
D&C	\$825 - \$850
Land	\$130 - \$140
<b>Operations / Well Counts</b>	
Operated Rigs	3.5 - 4.0
Wells Spud	70 - 75
Average Spud Lateral Length	14,250'

<sup>(1)</sup> Includes GP&T, LOE, and Taxes Other than Income

<sup>(2)</sup> Excludes long-term incentive compensation expense

<sup>(3)</sup> Excludes capitalized interest

### *About Ascent Resources*

Ascent is one of the largest private producers of natural gas in the United States and is focused on acquiring, developing, and operating natural gas and oil properties located in the Utica Shale in southern Ohio. With a continued focus on good corporate citizenship, Ascent is committed to delivering cleaner burning, affordable energy to our country and the world, while reducing environmental impacts.

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This news release contains forward-looking statements within the meaning of US federal securities laws. Forward-looking statements express views of Ascent regarding future plans and expectations. Forward-looking statements in this news release include, but are not limited to, statements regarding future operations, business strategy, liquidity and cash flows of Ascent. These statements are based on numerous assumptions and are subject to known and unknown risks and uncertainties, including, commodity price volatility, inherent uncertainty in estimating natural gas, oil and NGL reserves, environmental and regulatory risks, availability of capital, and the other risks described in Ascent's most recent investor presentation provided at [www.ascentresources.com/investors](http://www.ascentresources.com/investors). Actual future results may vary materially from those expressed or implied in this news release and Ascent's business, financial condition, results of operations and cash flow could be materially and adversely affected by such risks and uncertainties. As a result, forward-looking statements should be understood to be only predictions and statements of Ascent's current beliefs; they are not guarantees of performance.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

<i>(\$ in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
Natural gas	\$ 388,727	\$ 1,625,516	\$ 1,334,008	\$ 3,653,047
Oil	61,336	52,715	188,495	184,684
NGL	52,685	54,759	136,062	192,314
Commodity derivative gain (loss)	69,253	(1,100,991)	1,339,884	(3,680,972)
Total Revenues	572,001	631,999	2,998,449	349,073
<b>Operating Expenses:</b>				
Lease operating expenses	31,252	26,826	95,219	74,019
Gathering, processing and transportation expenses	253,479	258,868	721,563	734,943
Taxes other than income	11,784	12,728	35,918	34,150
Exploration expenses	1,862	15,365	6,654	45,789
General and administrative expenses	17,852	26,535	52,824	53,635
Depreciation, depletion and amortization	186,486	192,484	545,202	494,534
Total Operating Expenses	502,715	532,806	1,457,380	1,437,070
<b>Income (Loss) from Operations</b>	69,286	99,193	1,541,069	(1,087,997)
<b>Other Income (Expense):</b>				
Interest expense, net	(50,043)	(57,553)	(153,196)	(152,305)
Change in fair value of contingent payment right	(3,760)	3,656	(1,919)	(1,347)
Losses on purchases or exchanges of debt	—	—	(26,900)	—
Other income	1,172	1,244	12,083	2,029
Total Other Expense	(52,631)	(52,653)	(169,932)	(151,623)
<b>Net Income (Loss)</b>	\$ 16,655	\$ 46,540	\$ 1,371,137	\$(1,239,620)

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(\$ in thousands)</i>	September 30, 2023	December 31, 2022
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 4,415	\$ 3,894
Accounts receivable – natural gas, oil and NGL sales	234,079	530,385
Accounts receivable – joint interest and other	44,791	35,340
Short-term derivative assets	103,204	14,061
Other current assets	6,818	12,597
Total Current Assets	<u>393,307</u>	<u>596,277</u>
<b>Property and Equipment:</b>		
Natural gas and oil properties, based on successful efforts accounting	11,336,438	10,558,533
Other property and equipment	41,139	39,641
Less: accumulated depreciation, depletion and amortization	<u>(4,441,944)</u>	<u>(3,900,730)</u>
Property and Equipment, net	<u>6,935,633</u>	<u>6,697,444</u>
<b>Other Assets:</b>		
Long-term derivative assets	21,280	6,081
Other long-term assets	45,030	44,117
Total Assets	<u>\$ 7,395,250</u>	<u>\$ 7,343,919</u>
<b>Current Liabilities:</b>		
Accounts payable	\$ 75,890	\$ 77,753
Accrued interest	45,938	50,375
Short-term derivative liabilities	69,317	684,204
Other current liabilities	517,215	771,062
Total Current Liabilities	<u>708,360</u>	<u>1,583,394</u>
<b>Long-Term Liabilities:</b>		
Long-term debt, net	2,509,692	2,475,222
Long-term derivative liabilities	39,551	495,464
Other long-term liabilities	121,969	113,061
Total Long-Term Liabilities	<u>2,671,212</u>	<u>3,083,747</u>
<b>Member's Equity</b>	<u>4,015,678</u>	<u>2,676,778</u>
Total Liabilities and Member's Equity	<u>\$ 7,395,250</u>	<u>\$ 7,343,919</u>

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<i>(\$ in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Cash Flows from Operating Activities:</b>				
Net income (loss)	\$ 16,655	\$ 46,540	\$ 1,371,137	\$(1,239,620)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, depletion and amortization	186,486	192,484	545,202	494,534
(Gain) loss on commodity derivatives	(69,253)	1,100,991	(1,339,884)	3,680,972
Settlements of commodity derivatives	104,269	(614,128)	164,380	(1,528,811)
Impairment of unproved natural gas and oil properties	977	14,611	4,791	44,118
Non-cash interest expense	6,606	3,439	15,854	11,541
Long-term incentive compensation	999	8,914	1,212	13,965
Change in fair value of contingent payment right	3,760	(3,656)	1,919	1,347
Losses on purchases or exchanges of debt	—	—	26,038	—
Other	95	106	228	78
Changes in operating assets and liabilities	(21,877)	11,750	93,265	(177,753)
<b>Net Cash Provided by Operating Activities</b>	<b>228,717</b>	<b>761,051</b>	<b>884,142</b>	<b>1,300,371</b>
<b>Cash Flows from Investing Activities:</b>				
Natural gas and oil capital expenditures	(259,516)	(237,857)	(789,795)	(735,687)
Cash paid for acquisition	—	(223,882)	—	(250,882)
Additions to other property and equipment	(323)	(542)	(2,151)	(1,537)
<b>Net Cash Used in Investing Activities</b>	<b>(259,839)</b>	<b>(462,281)</b>	<b>(791,946)</b>	<b>(988,106)</b>
<b>Cash Flows from Financing Activities:</b>				
Proceeds from credit facility borrowings	400,000	1,440,000	1,820,000	3,520,000
Repayment of credit facility borrowings	(360,000)	(1,495,000)	(1,445,000)	(3,210,000)
Proceeds from issuance of long-term debt	—	—	210,000	—
Repayment of long-term debt	—	—	(549,822)	—
Cash paid for debt issuance and amendment costs	—	(121)	(11,219)	(16,852)
Cash paid for debt prepayment costs	—	—	(27,491)	—
Cash paid for settlements of commodity derivatives	—	(241,876)	(53,530)	(297,911)
Cash paid to restructure commodity derivatives	—	—	—	(300,000)
Cash paid to Member for long-term incentive Cash Awards	—	—	(17,856)	—
Cash paid to Member for equity distribution	(12,503)	—	(12,503)	—
Other	(375)	(476)	(4,254)	(5,052)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>27,122</b>	<b>(297,473)</b>	<b>(91,675)</b>	<b>(309,815)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(4,000)</b>	<b>1,297</b>	<b>521</b>	<b>2,450</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>8,415</b>	<b>6,827</b>	<b>3,894</b>	<b>5,674</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 4,415</b>	<b>\$ 8,124</b>	<b>\$ 4,415</b>	<b>\$ 8,124</b>

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**NATURAL GAS, OIL AND NGL PRODUCTION AND PRICES**  
**(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Net Production Volumes:</b>				
Natural gas (mmcf)	181,873	202,795	539,011	533,048
Oil (mbbls)	838	613	2,744	1,995
NGL (mbbls)	2,044	1,456	5,202	4,255
Natural Gas Equivalents (mmcfe)	199,163	215,208	586,687	570,547
<b>Average Daily Net Production Volumes:</b>				
Natural gas (mmcf/d)	1,977	2,204	1,974	1,953
Oil (mbbls/d)	9	7	10	7
NGL (mbbls/d)	22	16	19	16
Natural Gas Equivalents (mmcfe/d)	2,165	2,339	2,149	2,090
% Natural Gas	91 %	94 %	92 %	94 %
% Liquids	9 %	6 %	8 %	6 %
<b>Average Sales Prices:</b>				
Natural gas (\$/mcf)	\$ 2.14	\$ 8.02	\$ 2.47	\$ 6.85
Oil (\$/bbl)	\$ 73.23	\$ 86.00	\$ 68.69	\$ 92.58
NGL (\$/bbl)	\$ 25.78	\$ 37.61	\$ 26.16	\$ 45.20
Natural Gas Equivalents (\$/mcfe)	\$ 2.52	\$ 8.05	\$ 2.83	\$ 7.06
Settlements of commodity derivatives (\$/mcfe) <sup>(a)</sup>	0.52	(3.98)	0.28	(3.20)
Average sales price, after effects of settled derivatives (\$/mcfe)	<u>\$ 3.04</u>	<u>\$ 4.07</u>	<u>\$ 3.11</u>	<u>\$ 3.86</u>

<sup>(a)</sup> Excludes the one-time payment of \$300 million in April 2022 to restructure a portion of our May through December 2022 natural gas swaps, resulting in an increase of our weighted average strike prices for these periods.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CAPITAL EXPENDITURES INCURRED**  
**(Unaudited)**

<i>(\$ in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<b>Capital Expenditures Incurred:</b>				
Drilling and completion costs incurred	\$ 206,088	\$ 195,150	\$ 666,441	\$ 629,037
Land and leasehold costs incurred	36,176	23,902	89,976	79,057
Capitalized interest incurred	8,377	10,221	27,985	32,519
Total Capital Expenditures Incurred <sup>(a)</sup>	\$ 250,641	\$ 229,273	\$ 784,402	\$ 740,613

<sup>(a)</sup> Excludes the \$250.9 million paid for the XTO Acquisition in 2022.



**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF ADJUSTED NET INCOME (LOSS)**  
**(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
<i>(\$ in thousands)</i>	2023	2022	2023	2022
Net Income (Loss) (GAAP)	\$ 16,655	\$ 46,540	\$ 1,371,137	\$(1,239,620)
Adjustments to reconcile net income (loss) to Adjusted Net Income:				
(Gain) loss on commodity derivatives	(69,253)	1,100,991	(1,339,884)	3,680,972
Commodity derivative settlements <sup>(a)</sup>	104,269	(856,004)	164,380	(1,826,722)
Unrealized (gain) loss on interest rate derivatives	1,366	(1,527)	361	(5,102)
Change in fair value of contingent payment right	3,760	(3,656)	1,919	1,347
Long-term incentive compensation	999	8,914	1,212	13,965
Losses on purchases or exchanges of debt	—	—	26,900	—
Impairment of unproved natural gas and oil properties	977	14,611	4,791	44,118
Other	—	(3,352)	—	(4,724)
Adjusted Net Income (Non-GAAP) <sup>(b)(c)</sup>	<u>\$ 58,773</u>	<u>\$ 306,517</u>	<u>\$ 230,816</u>	<u>\$ 664,234</u>

<sup>(a)</sup> Excludes the one-time payment of \$300 million in April 2022 to restructure a portion of our May through December 2022 natural gas swaps, resulting in an increase of our weighted average strike prices for these periods.

<sup>(b)</sup> As shown above and on the following pages, Ascent uses Adjusted Net Income (Loss), Adjusted EBITDAX, Last Twelve Months ("LTM") Adjusted EBITDAX, Net Debt, and Adjusted Free Cash Flow (non-GAAP measures) as supplemental measures to evaluate the performance of its assets. Ascent believes these non-GAAP measures provide meaningful information to our investors and lenders, as discussed below. These non-GAAP measures, as used and defined by Ascent, are not measures of performance as determined by United States generally accepted accounting principles (US GAAP) and may not be comparable to similarly titled measures employed by other companies.

Non-GAAP measures should not be considered in isolation or as substitutes for operating income, net income or loss, cash flows provided by or used in operating, investing and financing activities or other income or cash flow statement data prepared in accordance with GAAP. Non-GAAP measures provide no information regarding a company's capital structure, borrowings, interest costs, capital expenditures and working capital movement. Non-GAAP measures do not represent funds available for discretionary use because those funds may be required for debt service, capital expenditures, working capital, exploration expenses and other commitments and obligations. However, Ascent's management team believes these non-GAAP measures are useful to an investor in evaluating Ascent's financial performance because these measures:

- are widely used by investors in the natural gas and oil industry to measure a company's operating performance without regard to items excluded from the calculation of such terms, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;
- are more comparable to estimates used by analysts;
- help investors to more meaningfully evaluate and compare the results of Ascent's operations from period to period by removing the effect of its capital structure from its operating structure;
- excludes one-time items, non-cash items or items whose timing or amount cannot be reasonably estimated; and
- are used by Ascent's management team for various purposes, including as a measure of operating performance, in presentations to its Board of Managers and as a basis for strategic planning and forecasting.

There are significant limitations to using non-GAAP measures as measures of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect Ascent's net income or loss, the lack of comparability of results of operations of different companies, and the different methods of calculating non-GAAP measures reported by different companies.

<sup>(c)</sup> Ascent defines "Adjusted Net Income (Loss)" as net income (loss) before impairment of unproved natural gas and oil properties; the revenue impact of changes in the fair value of commodity derivative instruments prior to settlement; unrealized (gain) loss on interest rate derivatives; change in fair value of contingent payment right; long-term incentive compensation; (gains) losses on purchases or exchanges of debt; and other expense (benefits) including changes in legal reserves, settlements and other items which affect the comparability of results or that are not indicative of trends in the ongoing business. Adjusted Net Income is a supplemental measure of operating performance monitored by management that is not defined under GAAP and does not represent, and should not be considered as, an alternative to net income (loss), as determined by GAAP.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF ADJUSTED EBITDAX AND NET DEBT**  
**(Unaudited)**

*Adjusted EBITDAX*

<i>(\$ in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net Income (Loss) (GAAP)	\$ 16,655	\$ 46,540	\$ 1,371,137	\$(1,239,620)
Adjustments to reconcile net income (loss) to Adjusted EBITDAX:				
Exploration expenses	1,862	15,365	6,654	45,789
Depreciation, depletion and amortization	186,486	192,484	545,202	494,534
Interest expense, net	50,043	57,553	153,196	152,305
(Gain) loss on commodity derivatives	(69,253)	1,100,991	(1,339,884)	3,680,972
Commodity derivative settlements <sup>(a)</sup>	104,269	(856,004)	164,380	(1,826,722)
Change in fair value of contingent payment right	3,760	(3,656)	1,919	1,347
Long-term incentive compensation <sup>(b)</sup>	999	8,914	1,212	13,965
Losses on purchases or exchanges of debt	—	—	26,900	—
Other	—	(3,352)	—	(6,701)
Adjusted EBITDAX (Non-GAAP) <sup>(c)(d)</sup>	\$ 294,821	\$ 558,835	\$ 930,716	\$ 1,315,869

<sup>(a)</sup> Excludes the one-time payment of \$300 million in April 2022 to restructure a portion of our May through December 2022 natural gas swaps, resulting in an increase of our weighted average strike prices for these periods.

<sup>(b)</sup> The expense associated with the Long Term Incentive Plan Cash Award of \$8.1 million and \$11.4 million for the three and nine months ended September 30, 2022, respectively, is non-cash to the Company as the Plan was established by our Parent, Ascent Resources, LLC. We did not recognize any expense associated with the Cash Award in 2023.

<sup>(c)</sup> See footnote (a) on the Reconciliations of Adjusted Net Income (Loss) for a discussion of our uses of non-GAAP measures.

<sup>(d)</sup> Ascent defines "Adjusted EBITDAX" as net income (loss) before exploration expenses; depreciation, depletion and amortization; interest expense, net; the revenue impact of changes in the fair value of commodity derivative instruments prior to settlement; change in fair value of contingent payment right; long-term incentive compensation; (gains) losses on purchases or exchanges of debt; and other expenses (benefits) including changes in legal reserves, settlements and other items which affect the comparability of results or that are not indicative of trends in the ongoing business. Adjusted EBITDAX is a supplemental measure of operating performance monitored by management that is not defined under GAAP and does not represent, and should not be considered as, an alternative to net income (loss), as determined by GAAP.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF ADJUSTED EBITDAX AND NET DEBT (CONTINUED)**  
**(Unaudited)**

*LTM Adjusted EBITDAX*

	Three Months Ended				Twelve Months Ended
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2023
<i>(\$ in thousands)</i>					
Net Income (GAAP)	\$ 16,655	\$ 250,036	\$ 1,104,446	\$ 1,600,999	\$ 2,972,136
Adjustments to reconcile net income to Adjusted EBITDAX:					
Exploration expenses	1,862	4,185	607	3,353	10,007
Depreciation, depletion and amortization	186,486	175,677	183,039	181,519	726,721
Interest expense, net	50,043	47,818	55,335	57,426	210,622
(Gain) loss on commodity derivatives	(69,253)	(348,982)	(921,649)	(993,155)	(2,333,039)
Commodity derivative settlements	104,269	126,929	(66,818)	(473,217)	(308,837)
Change in fair value of contingent payment right	3,760	2,039	(3,880)	1,955	3,874
Losses on purchases or exchanges of debt	—	26,900	—	—	26,900
Long-term incentive compensation <sup>(c)</sup>	999	859	(646)	8,780	9,992
Other	—	—	—	(59)	(59)
Adjusted EBITDAX (Non-GAAP) <sup>(a)</sup>	<u>\$ 294,821</u>	<u>\$ 285,461</u>	<u>\$ 350,434</u>	<u>\$ 387,601</u>	<u>\$ 1,318,317</u>

	Three Months Ended				Twelve Months Ended
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2022
<i>(\$ in thousands)</i>					
Net Income (Loss) (GAAP)	\$ 46,540	\$ 284,927	\$ (1,571,087)	\$ 1,110,012	\$ (129,608)
Adjustments to reconcile net income (loss) to Adjusted EBITDAX:					
Exploration expenses	15,365	12,015	18,409	26,061	71,850
Depreciation, depletion and amortization	192,484	149,771	152,279	159,286	653,820
Interest expense, net	57,553	49,787	44,965	47,034	199,339
(Gain) loss on commodity derivatives	1,100,991	584,421	1,995,560	(532,585)	3,148,387
Commodity derivative settlements <sup>(b)</sup>	(856,004)	(603,555)	(367,163)	(534,216)	(2,360,938)
Change in fair value of contingent payment right	(3,656)	(2,977)	7,980	(407)	940
Long-term incentive compensation <sup>(c)</sup>	8,914	4,176	875	815	14,780
Other	(3,352)	(1,565)	(1,784)	7,219	518
Adjusted EBITDAX (Non-GAAP) <sup>(a)</sup>	<u>\$ 558,835</u>	<u>\$ 477,000</u>	<u>\$ 280,034</u>	<u>\$ 283,219</u>	<u>\$ 1,599,088</u>

<sup>(a)</sup> See footnote (a) on the Reconciliations of Adjusted Net Income (Loss) for a discussion of our uses of non-GAAP measures.

<sup>(b)</sup> Excludes the one-time payment of \$300 million in April 2022 to restructure a portion of our May through December 2022 natural gas swaps, resulting in an increase of our weighted average strike prices for these periods.

<sup>(c)</sup> The expense associated with the Long Term Incentive Plan Cash Award of \$6.5 million, \$8.1 million and \$3.3 million for the three months ended December 31, 2022, September 30, 2022 and June 30, 2022, respectively, is non-cash to the Company as the Plan was established by our Parent, Ascent Resources, LLC. We did not recognize any expense associated with the Cash Award in 2023.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF ADJUSTED EBITDAX AND NET DEBT (CONTINUED)**  
**(Unaudited)**

*Net Debt and Net Debt to LTM Adjusted EBITDAX*

<i>(\$ in thousands)</i>	September 30,	
	2023	2022
<b>Net Debt:</b>		
Total debt	\$ 2,509,692	\$ 2,909,287
Less: cash and cash equivalents	4,415	8,124
<b>Net Debt<sup>(a)</sup></b>	<b><u>\$ 2,505,277</u></b>	<b><u>\$ 2,901,163</u></b>
<b>Net Debt to LTM Adjusted EBITDAX:</b>		
Net Debt <sup>(a)</sup>	\$ 2,505,277	\$ 2,901,163
LTM Adjusted EBITDAX (Non-GAAP) <sup>(b)</sup>	\$ 1,318,317	\$ 1,599,088
<b>Net Debt to LTM Adjusted EBITDAX</b>	<b>1.9 x</b>	<b>1.8 x</b>

(a) Ascent defines "Net Debt" as total debt less cash and cash equivalents. Management uses Net Debt to determine our outstanding debt obligations that would not be readily satisfied by our cash and cash equivalents on hand. Net Debt does not represent, and should not be considered as, an alternative to total debt, as determined by GAAP.

(b) Refer to our Reconciliations of Adjusted EBITDAX and Net Debt for more details regarding our LTM Adjusted EBITDAX calculations. Only includes impact of XTO acquisition since August 5, 2022.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF ADJUSTED FREE CASH FLOW**  
**(Unaudited)**

<i>(\$ in thousands)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net Cash Provided by Operating Activities (GAAP)	\$ 228,717	\$ 761,051	\$ 884,142	\$ 1,300,371
Adjustments to reconcile Net Cash Provided by Operating Activities to Adjusted Free Cash Flow:				
Changes in operating assets and liabilities	21,877	(11,750)	(93,265)	177,753
Drilling and completion costs incurred	(206,088)	(195,150)	(666,441)	(629,037)
Land and leasehold costs incurred	(36,176)	(23,902)	(89,976)	(79,057)
Capitalized interest incurred	(8,377)	(10,221)	(27,985)	(32,519)
Financing commodity derivative settlements	—	(241,876)	—	(297,911)
Other	3,039	(1,300)	3,901	(4,649)
Adjusted Free Cash Flow (Non-GAAP) <sup>(a)(b)(c)</sup>	\$ 2,992	\$ 276,852	\$ 10,376	\$ 434,951

(a) See footnote (a) on the Reconciliations of Adjusted Net Income (Loss) for a discussion of our uses of non-GAAP measures.

(b) Adjusted Free Cash Flow is an indicator of a company's ability to generate funding to maintain or expand its asset base, make distributions and repurchase or extinguish debt. Ascent defines "Adjusted Free Cash Flow" as net cash provided by operating activities adjusted for changes in operating assets and liabilities; drilling and completion costs incurred; land and leasehold costs incurred; capitalized interest incurred; financing commodity derivative settlements; and certain other expenses (benefits) including changes in legal reserves, including settlements and other items which affect the comparability of results or that are not indicative of trends in the ongoing business. Adjusted Free Cash Flow is a supplemental measure of liquidity monitored by management that is not defined under GAAP and that does not represent, and should not be considered as, an alternative to net cash provided by operating activities, as determined by GAAP.

(c) Adjusted Free Cash Flow does not include the impact of the Long Term Incentive Cash Award of \$8.1 million and \$11.4 million for the three and nine months ended September 30, 2022, respectively. It is reflected in our consolidated financial statements as a non-cash equity contribution received from our Parent as the Plan was established by our Parent, Ascent Resources, LLC. We did not recognize any expense associated with the Cash Award in 2023.