

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(\$ in millions, except per share data)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 349	\$ 317
Restricted cash	78	78
Accounts receivable, net	1,361	1,226
Derivative assets	—	84
Other current assets	325	292
Total current assets	2,113	1,997
Property and equipment:		
Natural gas and oil properties, successful efforts method		
Proved natural gas and oil properties	23,874	23,093
Unproved properties	5,774	5,897
Other property and equipment	678	654
Total property and equipment	30,326	29,644
Less: accumulated depreciation, depletion and amortization	(6,066)	(5,362)
Total property and equipment, net	24,260	24,282
Long-term derivative assets	2	1
Deferred income tax assets	626	589
Other long-term assets	933	1,025
Total assets	\$ 27,934	\$ 27,894
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 654	\$ 777
Current maturities of long-term debt, net	—	389
Accrued interest	68	100
Derivative liabilities	896	71
Other current liabilities	1,971	1,786
Total current liabilities	3,589	3,123
Long-term debt, net	5,243	5,291
Long-term derivative liabilities	129	68
Asset retirement obligations, net of current portion	506	499
Long-term contract liabilities	1,159	1,227
Other long-term liabilities	117	121
Total liabilities	10,743	10,329
Contingencies and commitments		
Stockholders' equity:		
Common stock, \$0.01 par value, 450,000,000 shares authorized: 237,476,127 and 231,769,886 shares issued	2	2
Additional paid-in capital	13,700	13,687
Retained earnings	3,489	3,876
Total stockholders' equity	17,191	17,565
Total liabilities and stockholders' equity	\$ 27,934	\$ 27,894

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	Three Months Ended March 31,	
	2025	2024
<i>(\$ in millions, except per share data)</i>		
Revenues and other:		
Natural gas, oil and NGL	\$ 2,300	\$ 589
Marketing	910	312
Natural gas, oil and NGL derivatives	(1,014)	172
Gains on sales of assets	—	8
Total revenues and other	2,196	1,081
Operating expenses:		
Production	147	59
Gathering, processing and transportation	563	173
Severance and ad valorem taxes	48	29
Exploration	7	2
Marketing	919	323
General and administrative	47	47
Depreciation, depletion and amortization	711	399
Other operating expense, net	22	17
Total operating expenses	2,464	1,049
Income (loss) from operations	(268)	32
Other income (expense):		
Interest expense	(59)	(19)
Other income, net	8	20
Total other income (expense)	(51)	1
Income (loss) before income taxes	(319)	33
Income tax expense (benefit)	(70)	7
Net income (loss)	\$ (249)	\$ 26
Earnings (loss) per common share:		
Basic	\$ (1.06)	\$ 0.20
Diluted	\$ (1.06)	\$ 0.18
Weighted average common shares outstanding (in thousands):		
Basic	234,434	130,893
Diluted	234,434	141,752

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(\$ in millions)	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ (249)	\$ 26
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	711	399
Deferred income tax expense (benefit)	(37)	7
Derivative (gains) losses, net	1,014	(172)
Cash receipts (payments) on derivative settlements, net	(45)	228
Share-based compensation	9	9
Gains on sales of assets	—	(8)
Contract amortization	(52)	—
Other	(4)	(13)
Changes in assets and liabilities	(251)	76
Net cash provided by operating activities	1,096	552
Cash flows from investing activities:		
Capital expenditures	(563)	(421)
Receipts of deferred consideration	60	60
Contributions to investments	(4)	(19)
Proceeds from divestitures of property and equipment	—	6
Net cash used in investing activities	(507)	(374)
Cash flows from financing activities:		
Proceeds from Credit Facility	725	—
Payments on Credit Facility	(725)	—
Proceeds from warrant exercise	21	—
Cash paid to purchase debt	(436)	—
Cash paid for common stock dividends	(142)	(77)
Net cash used in financing activities	(557)	(77)
Net increase in cash, cash equivalents and restricted cash	32	101
Cash, cash equivalents and restricted cash, beginning of period	395	1,153
Cash, cash equivalents and restricted cash, end of period	\$ 427	\$ 1,254
Cash and cash equivalents	\$ 349	\$ 1,179
Restricted cash	78	75
Total cash, cash equivalents and restricted cash	\$ 427	\$ 1,254

NATURAL GAS, OIL AND NGL PRODUCTION AND AVERAGE SALES PRICES (unaudited)

	Three Months Ended March 31, 2025							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Haynesville	2,617	3.48	—	—	—	—	2,617	3.48
Northeast Appalachia	2,668	3.75	—	—	—	—	2,668	3.75
Southwest Appalachia	969	3.38	14	63.40	75	30.54	1,503	4.28
Total	<u>6,254</u>	3.58	<u>14</u>	63.40	<u>75</u>	30.54	<u>6,788</u>	3.76
Average NYMEX Price		3.65		71.42				
Average Realized Price (including realized derivatives)		3.51		63.76		29.35		3.69

	Three Months Ended March 31, 2024							
	Natural Gas		Oil		NGL		Total	
	MMcf per day	\$/Mcf	MBbl per day	\$/Bbl	MBbl per day	\$/Bbl	MMcfe per day	\$/Mcf
Haynesville	1,478	2.03	—	—	—	—	1,478	2.03
Northeast Appalachia	1,720	2.03	—	—	—	—	1,720	2.03
Total	<u>3,198</u>	2.03	<u>—</u>	—	<u>—</u>	—	<u>3,198</u>	2.03
Average NYMEX Price		2.24		—				
Average Realized Price (including realized derivatives)		2.85		—		—		2.85

CAPITAL EXPENDITURES ACCRUED (unaudited)

	Three Months Ended March 31,	
	2025	2024
<i>(\$ in millions)</i>		
Drilling and completion capital expenditures:		
Haynesville	\$ 286	\$ 195
Northeast Appalachia	103	105
Southwest Appalachia	165	—
Total drilling and completion capital expenditures	<u>554</u>	<u>300</u>
Non-drilling and completion - field	56	35
Non-drilling and completion - corporate	52	19
Total capital expenditures	<u>\$ 662</u>	<u>\$ 354</u>

NON-GAAP FINANCIAL MEASURES

As a supplement to the financial results prepared in accordance with U.S. GAAP, Expand Energy's quarterly earnings releases contain certain financial measures that are not prepared or presented in accordance with U.S. GAAP. These non-GAAP financial measures include Adjusted Net Income, Adjusted Diluted Earnings Per Common Share, Adjusted EBITDAX, Free Cash Flow, Adjusted Free Cash Flow and Net Debt. A reconciliation of each financial measure to its most directly comparable GAAP financial measure is included in the tables below. Management believes these adjusted financial measures are a meaningful adjunct to earnings and cash flows calculated in accordance with GAAP because (a) management uses these financial measures to evaluate the Company's trends and performance, (b) these financial measures are comparable to estimates provided by securities analysts, and (c) items excluded generally are one-time items or items whose timing or amount cannot be reasonably estimated. Accordingly, any guidance provided by the Company generally excludes information regarding these types of items.

Expand Energy's definitions of each non-GAAP measure presented herein are provided below. Because not all companies or securities analysts use identical calculations, Expand Energy's non-GAAP measures may not be comparable to similarly titled measures of other companies or securities analysts.

Adjusted Net Income: Adjusted Net Income is defined as net income (loss) adjusted to exclude unrealized (gains) losses on natural gas and oil derivatives, (gains) losses on sales of assets, and certain items management believes affect the comparability of operating results, less a tax effect using applicable rates. Expand Energy believes that Adjusted Net Income facilitates comparisons of the Company's period-over-period performance, by excluding the impact of items that, in the opinion of management, do not reflect Expand Energy's core operating performance. Adjusted Net Income should not be considered an alternative to, or more meaningful than, net income (loss) as presented in accordance with GAAP.

Adjusted Diluted Earnings Per Common Share: Adjusted Diluted Earnings Per Common Share is defined as diluted earnings (loss) per common share adjusted to exclude the per diluted share amounts attributed to unrealized (gains) losses on natural gas and oil derivatives, (gains) losses on sales of assets, and certain items management believes affect the comparability of operating results, less a tax effect using applicable rates. Expand Energy believes that Adjusted Diluted Earnings Per Common Share facilitates comparisons of the Company's period-over-period performance, by excluding the impact of items that, in the opinion of management, do not reflect Expand Energy's core operating performance. Adjusted Diluted Earnings Per Common Share should not be considered an alternative to, or more meaningful than, earnings (loss) per common share as presented in accordance with GAAP.

Adjusted EBITDAX: Adjusted EBITDAX is defined as net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization expense, exploration expense, unrealized (gains) losses on natural gas and oil derivatives, separation and other termination costs, (gains) losses on sales of assets, and certain items management believes affect the comparability of operating results. Adjusted EBITDAX is presented as it provides investors an indication of the Company's ability to internally fund exploration and development activities and service or incur debt. Adjusted EBITDAX should not be considered an alternative to, or more meaningful than, net income (loss) as presented in accordance with GAAP.

Free Cash Flow: Free Cash Flow is defined as net cash provided by operating activities less cash capital expenditures. Free Cash Flow is a liquidity measure that provides investors additional information regarding the Company's ability to service or incur debt and return cash to shareholders. Free Cash Flow should not be considered an alternative to, or more meaningful than, net cash provided by (used in) operating activities, or any other measure of liquidity presented in accordance with GAAP.

Adjusted Free Cash Flow: Adjusted Free Cash Flow is defined as net cash provided by operating activities less cash capital expenditures and cash contributions to investments, adjusted to exclude certain items management believes affect the comparability of operating results. Adjusted Free Cash Flow is a liquidity measure that provides investors additional information regarding the Company's ability to service or incur debt and return cash to shareholders and is used to determine Expand Energy's payout of enhanced returns framework. Adjusted Free Cash Flow should not be considered an alternative to, or more meaningful than, net cash provided by (used in) operating activities, or any other measure of liquidity presented in accordance with GAAP.

Net Debt: Net Debt is defined as GAAP total debt excluding premiums, discounts, and deferred issuance costs less cash and cash equivalents. Net Debt is useful to investors as a widely understood measure of liquidity and leverage, but this measure should not be considered as an alternative to, or more meaningful than, total debt presented in accordance with GAAP.

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED NET INCOME (unaudited)

(\$ in millions)	Three Months Ended March 31,	
	2025	2024
Net income (loss) (GAAP)	\$ (249)	\$ 26
Adjustments:		
Unrealized losses on natural gas and oil derivatives	969	67
Gains on sales of assets	—	(8)
Other operating expense, net	26	19
Contract amortization	(52)	—
Other	(4)	(8)
Tax effect of adjustments ^(a)	(203)	(16)
Adjusted net income (Non-GAAP)	\$ 487	\$ 80

(a) The three month periods ended March 31, 2025 and March 31, 2024 include a tax effect attributed to reconciling adjustments using a statutory rate of 22% and 23%, respectively.

RECONCILIATION OF EARNINGS (LOSS) PER COMMON SHARE TO ADJUSTED DILUTED EARNINGS PER COMMON SHARE (unaudited)

(\$/share)	Three Months Ended March 31,	
	2025	2024
Earnings (loss) per common share (GAAP)	\$ (1.06)	\$ 0.20
Effect of dilutive securities	—	(0.02)
Diluted earnings (loss) per common share (GAAP)	\$ (1.06)	\$ 0.18
Adjustments:		
Unrealized losses on natural gas and oil derivatives	4.14	0.47
Gains on sales of assets	—	(0.06)
Other operating expense, net	0.11	0.14
Contract amortization	(0.22)	—
Other	(0.02)	(0.06)
Tax effect of adjustments ^(a)	(0.87)	(0.11)
Effect of dilutive securities	(0.06)	—
Adjusted diluted earnings per common share (Non-GAAP)	\$ 2.02	\$ 0.56

(a) The three month periods ended March 31, 2025 and March 31, 2024 include a tax effect attributed to reconciling adjustments using a statutory rate of 22% and 23%, respectively.

RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDAX (unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<i>(\$ in millions)</i>		
Net income (loss) (GAAP)	\$ (249)	\$ 26
Adjustments:		
Interest expense	59	19
Income tax expense (benefit)	(70)	7
Depreciation, depletion and amortization	711	399
Exploration	7	2
Unrealized losses on natural gas and oil derivatives	969	67
Gains on sales of assets	—	(8)
Other operating expense, net	26	19
Contract amortization	(52)	—
Other	(6)	(23)
Adjusted EBITDAX (Non-GAAP)	<u>\$ 1,395</u>	<u>\$ 508</u>

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH FLOW (unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<i>(\$ in millions)</i>		
Net cash provided by operating activities (GAAP)	\$ 1,096	\$ 552
Cash capital expenditures	(563)	(421)
Free cash flow (Non-GAAP)	533	131
Cash paid for merger expenses	48	—
Cash contributions to investments	(4)	(19)
Adjusted free cash flow (Non-GAAP)	<u>\$ 577</u>	<u>\$ 112</u>

RECONCILIATION OF TOTAL DEBT TO NET DEBT (unaudited)

	<u>March 31, 2025</u>
<i>(\$ in millions)</i>	
Total debt (GAAP)	\$ 5,243
Premiums, discounts and issuance costs on debt	7
Principal amount of debt	5,250
Cash and cash equivalents	(349)
Net debt (Non-GAAP)	<u>\$ 4,901</u>