



Non-GAAP Financial Measures

The following are non-GAAP financial measures not prepared in accordance with GAAP that are used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders and rating agencies. The Company believes that the foregoing are useful supplemental measures that provide an indication of the results generated by the Company's principal business activities. However, these measures are not recognized by GAAP and do not have a standardized meaning prescribed by GAAP. Therefore, these measures may not be comparable to similar measures provided by other issuers. From time to time, the Company provides forward-looking forecasts of these measures; however, the Company is unable to provide a quantitative reconciliation of the forward-looking non-GAAP measures to the most directly comparable forward-looking GAAP measures because management cannot reliably quantify certain of the necessary components of such forward-looking GAAP measures. The reconciling items in future periods could be significant. To see how the Company reconciles its historical presentations of these non-GAAP measures to the most directly comparable GAAP measures, please visit the Investors—Documents & Disclosures—Non-GAAP Reconciliation page on the Company's website at <https://ir.chordenergy.com/non-gaap>.

Cash GPT

The Company defines Cash GPT as total GPT expenses less non-cash valuation charges on pipeline imbalances. Cash GPT is not a measure of GPT expenses as determined by GAAP. Management believes that the presentation of Cash GPT provides useful additional information to investors and analysts to assess the cash costs incurred to market and transport the Company's commodities from the wellhead to delivery points for sale without regard to the change in value of its pipeline imbalances, which vary monthly based on commodity prices.

The following table presents a reconciliation of the GAAP financial measure of GPT expenses to the non-GAAP financial measure of Cash GPT for legacy Oasis for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
(In thousands)				
GPT	\$ 31,813	\$ 32,787	\$ 64,210	\$ 60,892
Pipeline imbalances	827	(738)	1,143	1,109
Cash GPT	\$ 32,640	\$ 32,049	\$ 65,353	\$ 62,001

The following table presents a reconciliation of the GAAP financial measure of GPT expenses to the non-GAAP financial measure of Cash GPT for legacy Whiting for the period presented:

	Three Months Ended June 30,	
	2022	(In thousands)
(In thousands)		
GPT	\$ —	\$ 7,921
Pipeline imbalances	—	—
Cash GPT	\$ —	\$ 7,921

Cash G&A

The Company defines Cash G&A as total general and administrative ("G&A") expenses less G&A expenses attributable to discontinued operations, non-cash equity-based compensation expenses, G&A expenses attributable to shared service allocations and other non-cash charges. Cash G&A is not a measure of G&A expenses as determined by GAAP. Management believes that the presentation of Cash G&A provides useful additional information to investors and analysts to assess the Company's operating costs in comparison to peers without regard to the aforementioned charges, which can vary substantially from company to company.

The following table presents a reconciliation of the GAAP financial measure of G&A expenses to the non-GAAP financial measure of Cash G&A for legacy Oasis for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands)			
General and administrative expenses	\$ 24,822	\$ 20,210	\$ 52,503	\$ 40,947
Less: general and administrative expenses attributable to discontinued operations	—	(789)	3,314	(465)
General and administrative expenses attributable to continuing operations⁽¹⁾	24,822	20,999	49,189	41,412
Equity-based compensation expenses	(4,815)	(4,687)	(9,616)	(6,375)
G&A expenses attributable to shared services	—	(5,291)	(1,624)	(10,030)
Other non-cash adjustments	(35)	(319)	(2,253)	350
Cash G&A⁽¹⁾	\$ 19,972	\$ 10,702	\$ 35,696	\$ 25,357

(1) Includes merger related costs of \$5.8 million and \$9.4 million for the three and six months ended June 30, 2022, respectively.

The following table presents a reconciliation of the GAAP financial measure of G&A expenses to the non-GAAP financial measure of Cash G&A for legacy Whiting for the period presented:

	Three Months Ended June 30,	
	2022	
	(In thousands)	
General and administrative expenses	\$ 17,716	
Equity-based compensation expenses	(4,165)	
Other non-cash adjustments	(990)	
Cash G&A⁽¹⁾	\$ 12,561	

(1) Includes merger related costs of \$3.2 million.

Cash Interest

The Company defines Cash Interest as interest expense less interest expense attributable to discontinued operations plus capitalized interest less amortization and write-offs of deferred financing costs. Cash Interest is not a measure of interest expense as determined by GAAP. Management believes that the presentation of Cash Interest provides useful additional information to investors and analysts for assessing the interest charges incurred on the Company's debt to finance its operating activities and the Company's ability to maintain compliance with its debt covenants.

The following table presents a reconciliation of the GAAP financial measure of interest expense to the non-GAAP financial measure of Cash Interest for legacy Oasis for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands)			
Interest expense	\$ 6,949	\$ 22,571	\$ 17,850	\$ 31,268
Less: Interest expense from discontinued operations	—	11,148	3,685	14,980
Interest expense from continuing operations	6,949	11,423	14,165	16,288
Capitalized interest	879	543	1,480	961
Amortization of deferred financing costs	(864)	(9,601)	(1,719)	(11,967)
Cash Interest	\$ 6,964	\$ 2,365	\$ 13,926	\$ 5,282

The following table presents a reconciliation of the GAAP financial measure of interest expense to the non-GAAP financial measure of Cash Interest for legacy Whiting for the period presented:

	<u>Three Months Ended June 30,</u> <u>2022</u>
	(In thousands)
Interest expense	\$ 3,524
Amortization of deferred financing costs	(895)
Cash Interest	\$ 2,629

Net Debt

The Company defines Net Debt as total debt less cash and cash equivalents. Total debt is defined as long-term debt plus unamortized deferred financing costs included in long-term debt and the current portion of long-term debt. Net Debt is not a measure of total debt as determined by GAAP. Management believes that the presentation of Net Debt provides useful additional information to investors and analysts for assessing the Company's financial position and ability to maintain compliance with its debt covenants.

The following table presents reconciliations of the GAAP financial measure of total debt to the non-GAAP financial measure of Net Debt for legacy Oasis for the periods presented:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	(In thousands)	
Long-term debt, net	\$ 393,354	\$ 392,524
Unamortized deferred financing costs	6,646	7,476
Total debt	400,000	400,000
Cash and cash equivalents	(571,114)	(172,114)
Net Debt	\$ —	\$ 227,886

Adjusted EBITDA and Adjusted Free Cash Flow

The Company defines Adjusted EBITDA as earnings before interest expense, income taxes, depreciation, depletion and amortization ("DD&A"), exploration expenses and other similar non-cash or non-recurring charges. The Company defines Adjusted EBITDA from continuing operations as Adjusted EBITDA less Adjusted EBITDA from discontinued operations, plus cash distributions from Oasis Midstream Partners LP ("OMP"). The Company defines Adjusted Free Cash Flow as Adjusted EBITDA from continuing operations less Cash Interest and E&P and other capital expenditures (excluding capitalized interest and acquisition capital).

Adjusted EBITDA and Adjusted Free Cash Flow are not measures of net income or cash flows from operating activities as determined by GAAP. Management believes that the presentation of Adjusted EBITDA and Adjusted Free Cash Flow provides useful additional information to investors and analysts for assessing the Company's results of operations, financial performance, ability to generate cash from its business operations without regard to its financing methods or capital structure and the Company's ability to maintain compliance with its debt covenants.

The following tables present reconciliations of the GAAP financial measures of net income including non-controlling interests and net cash provided by operating activities to the non-GAAP financial measures of Adjusted EBITDA and Adjusted Free Cash Flow for legacy Oasis for the periods presented:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(In thousands)			
Net income including non-controlling interests	\$ 130,839	\$ 81,309	\$ 599,153	\$ 46,044
Gain on sale of properties	(319)	(222,980)	(520,740)	(223,068)
Net loss on derivative instruments	98,253	267,037	466,175	448,552
Realized derivative instruments	(135,840)	(55,979)	(221,104)	(78,575)
Net loss from investment in unconsolidated affiliate	96,253	—	36,116	—
Distributions from investment in unconsolidated affiliate	13,746	—	26,862	—
Interest expense, net of capitalized interest	6,949	22,571	17,850	31,268
Depreciation, depletion and amortization	42,136	38,968	86,809	78,958

Impairment	—	2	—	5
Exploration expenses	278	1,250	788	1,673
Equity-based compensation expenses	4,815	4,702	9,663	6,900
Income tax (benefit) expense	(219)	3,654	39,178	—
Other non-cash adjustments	(988)	1,720	272	(303)
Adjusted EBITDA	255,903	142,254	541,022	311,454
Adjusted EBITDA from discontinued operations	—	(55,120)	(12,296)	(111,468)
Cash distributions from OMP and DevCo Interests	—	20,608	—	33,874
Adjusted EBITDA from continuing operations	255,903	107,742	528,726	233,860
Cash Interest	(6,964)	(2,365)	(13,926)	(5,282)
E&P and other capital expenditures	(46,893)	(53,015)	(110,408)	(82,024)
Capitalized interest	879	543	1,480	961
Adjusted Free Cash Flow	\$ 202,925	\$ 52,905	\$ 405,872	\$ 147,515
Net cash provided by operating activities	\$ 396,411	\$ 159,950	\$ 661,991	\$ 350,363
Realized derivative instruments	(135,840)	(55,979)	(221,104)	(78,575)
Distributions from investment in unconsolidated affiliate	13,746	—	26,862	—
Interest expense, net of capitalized interest	6,949	22,571	17,850	31,268
Exploration expenses	278	1,250	788	1,673
Deferred financing costs amortization and other	139	(13,969)	(3,294)	(16,289)
Current tax expense	(219)	—	39,184	—
Changes in working capital	(24,573)	26,711	18,473	23,317
Other non-cash adjustments	(988)	1,720	272	(303)
Adjusted EBITDA	255,903	142,254	541,022	311,454
Adjusted EBITDA from discontinued operations	—	(55,120)	(12,296)	(111,468)
Cash distributions from OMP and DevCo Interests	—	20,608	—	33,874
Adjusted EBITDA from continuing operations	255,903	107,742	528,726	233,860
Cash Interest	(6,964)	(2,365)	(13,926)	(5,282)
E&P and other capital expenditures	(46,893)	(53,015)	(110,408)	(82,024)
Capitalized interest	879	543	1,480	961
Adjusted Free Cash Flow	\$ 202,925	\$ 52,905	\$ 405,872	\$ 147,515

The following tables present reconciliations of the GAAP financial measures of net income and net cash provided by operating activities to the non-GAAP financial measures of Adjusted EBITDA and Adjusted Free Cash Flow for legacy Whiting for the period presented:

	Three Months Ended June 30, <hr/> 2022
	(In thousands)
Net income	\$ 262,110
Gain on sale of properties	(1,910)
Net loss on derivative instruments	116,591
Derivative settlements	(214,678)
Interest expense	3,524
Depreciation, depletion and amortization	48,141
Impairment	866
Exploration expenses	1,319
Equity-based compensation expenses	4,165
Income tax expense	6,868
Other non-cash G&A adjustments	990
Bargain purchase gain	(230)
Adjusted EBITDA	<u>227,756</u>
Cash interest	(2,629)
E&P and other capital expenditures	(126,724)
Cash taxes paid	(1,038)
Adjusted Free Cash Flow	<u>\$ 97,365</u>
 Net cash provided by operating activities⁽¹⁾	 \$ 245,264
Interest expense	3,524
Exploration expenses	1,319
Amortization of deferred financing costs	(895)
Current tax expense	6,868
Changes in working capital	(22,768)
Other non-cash adjustments	(5,556)
Adjusted EBITDA	<u>227,756</u>
Cash interest	(2,629)
E&P and other capital expenditures	(126,724)
Cash taxes paid	(1,038)
Adjusted Free Cash Flow	<u>\$ 97,365</u>

(1) Includes the impact of realized derivative instruments.

Adjusted Net Income Attributable to Chord and Adjusted Diluted Earnings Attributable to Chord Per Share

Adjusted Net Income Attributable to Chord and Adjusted Diluted Earnings Attributable to Chord Per Share are supplemental non-GAAP financial measures that are used by management and external users of the Company's financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Adjusted Net Income Attributable to Chord as net income after adjusting for (1) the impact of certain non-cash items, including non-cash changes in the fair value of derivative instruments, impairment, and other similar non-cash charges, or non-recurring items, (2) the impact of net income attributable to non-controlling interests, and (3) the non-cash and non-recurring items' impact on taxes based on the Company's

effective tax rate applicable to those adjusting items in the same period. Adjusted Net Income Attributable to Chord is not a measure of net income as determined by GAAP. The Company defines Adjusted Diluted Earnings Attributable to Chord Per Share as Adjusted Net Income Attributable to Chord divided by diluted weighted average shares outstanding.

The following table presents reconciliations of the GAAP financial measure of net income attributable to Chord to the non-GAAP financial measure of Adjusted Net Income Attributable to Chord and the GAAP financial measure of diluted earnings attributable to Chord per share to the non-GAAP financial measure of Adjusted Diluted Earnings Attributable to Chord Per Share for legacy Oasis the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022		2021	
	(In thousands, except per share data)			
Net income attributable to Chord	\$ 130,839	\$ 73,364	\$ 596,842	\$ 29,772
Gain on sale of properties	(319)	(222,980)	(520,740)	(223,068)
Net loss on derivative instruments	98,253	267,037	466,175	448,552
Realized derivative instruments	(135,840)	(55,979)	(221,104)	(78,575)
Net loss from investment in unconsolidated affiliate	96,253	—	36,116	—
Distributions from investment in unconsolidated affiliate	13,746	—	26,862	—
Impairment	—	2	—	5
Amortization of deferred financing costs	864	9,883	1,888	12,981
Other non-cash adjustments	(988)	1,720	272	(303)
Tax impact ⁽¹⁾	(18,166)	85	45,851	(36,826)
Other tax adjustments ⁽²⁾	(31,157)	(15,567)	(109,466)	(10,728)
Adjusted net income attributable to Chord	153,485	57,565	322,696	141,810
Less: Adjusted net income attributable to Chord from discontinued operations	—	31,776	6,142	71,803
Adjusted net income attributable to Chord from continuing operations	\$ 153,485	\$ 25,789	\$ 316,554	\$ 70,007
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Diluted earnings attributable to Chord per share	\$ 6.23	\$ 3.52	\$ 28.44	\$ 1.49
Gain on sale of properties	(0.02)	(10.71)	(24.82)	(10.92)
Net loss on derivative instruments	4.68	12.82	22.22	21.97
Realized derivative instruments	(6.47)	(2.69)	(10.54)	(3.85)
Net loss from investment in unconsolidated affiliate	4.59	—	1.72	—
Distributions from investment in unconsolidated affiliate	0.65	—	1.28	—
Amortization of deferred financing costs	0.04	0.47	0.09	0.64
Other non-cash adjustments	(0.05)	0.10	0.01	(0.01)
Tax impact ⁽¹⁾	(0.87)	—	2.19	(1.80)
Other tax adjustments ⁽²⁾	(1.48)	(0.75)	(5.22)	(0.53)
Impact of diluted shares ⁽³⁾	—	—	—	(0.04)
Adjusted Diluted Earnings Attributable to Chord Per Share	7.30	2.76	15.37	6.95
Less: Adjusted Diluted Earnings From Discontinued Operations Attributable to Chord Per Share	—	1.53	0.29	3.52
Adjusted Diluted Earnings From Continuing Operations Attributable to Chord Per Share	\$ 7.30	\$ 1.23	\$ 15.08	\$ 3.43
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Diluted weighted average shares outstanding ⁽³⁾	20,990	20,822	20,983	20,419
Effective tax rate applicable to adjustment items ⁽¹⁾	25.2%	26.7%	21.8%	23.1%

- (1) The tax impact is computed utilizing the Company's effective tax rate applicable to the adjustments for certain non-cash and non-recurring items.
- (2) Other tax adjustments relate to the deferred tax asset valuation allowance, which is adjusted to reflect the tax impact of the other adjustments using an assumed effective tax rate that excludes its impact.
- (3) For the six months ended June 30, 2022, the Company included the dilutive effect of 467,535 potentially dilutive shares in computing Adjusted Diluted Earnings Attributable to Chord Per Share, which were excluded from the GAAP calculation of diluted earnings attributable to Chord per share due to their anti-dilutive effect.