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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 financial 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 and non-cash mark-to-market adjustments on transportation contracts accounted for as derivative instruments. 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, and without regard to the non-cash mark-to-market adjustments on transportation contracts classified as derivative instruments.

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|------------------|---------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| GPT | \$ 52,294 | \$ 35,549 | \$ 132,706 | \$ 99,759 |
| Pipeline imbalances | 234 | (4,582) | (7,902) | (3,439) |
| (Gain) loss on derivative transportation contracts | (1,432) | 6,939 | 16,847 | 6,939 |
| Cash GPT | \$ 51,096 | \$ 37,906 | \$ 141,651 | \$ 103,259 |

Cash G&A

The Company defines Cash G&A as total G&A expenses less G&A expenses directly attributable to the merger of equals with Whiting, 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 the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|------------------|---------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| General and administrative expenses | \$ 26,117 | \$ 102,226 | \$ 100,775 | \$ 151,415 |
| Merger costs ⁽¹⁾ | — | (73,443) | (9,701) | (82,817) |
| Equity-based compensation expenses | (10,082) | (12,844) | (37,260) | (22,460) |
| G&A expenses attributable to shared services | — | — | — | (1,624) |
| Other non-cash adjustments | (2,292) | 369 | (4,165) | (1,884) |
| Cash G&A | \$ 13,743 | \$ 16,308 | \$ 49,649 | \$ 42,630 |

(1) Includes costs directly attributable to the merger of equals with Whiting for the nine months ended September 30, 2023 and the three and nine months ended September 30, 2022.

Cash Interest

The Company defines Cash Interest as interest expense 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 the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-----------------|---------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| Interest expense | \$ 7,923 | \$ 8,645 | \$ 22,286 | \$ 22,810 |
| Capitalized interest | 857 | 1,323 | 3,601 | 2,803 |
| Amortization of deferred financing costs | (1,224) | (1,097) | (3,633) | (2,816) |
| Cash Interest | \$ 7,556 | \$ 8,871 | \$ 22,254 | \$ 22,797 |

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”), merger costs, exploration expenses and impairment 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. 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 table presents 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 the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------------|---------------------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| Net income including non-controlling interests | \$ 209,076 | \$ 881,751 | \$ 722,146 | \$ 1,480,904 |
| Interest expense, net of capitalized interest | 7,923 | 8,645 | 22,286 | 26,495 |
| Income tax expense | 65,696 | 58,551 | 227,199 | 97,728 |
| Depreciation, depletion and amortization | 160,293 | 141,047 | 431,131 | 227,856 |
| Merger costs ⁽¹⁾ | — | 73,443 | 9,701 | 82,817 |
| Exploration and impairment expenses | 1,611 | 910 | 33,257 | 1,698 |
| Gain on sale of assets | (899) | (755) | (3,739) | (521,495) |
| Net (gain) loss on derivative instruments | 85,205 | (337,409) | (11,247) | 128,766 |
| Realized loss on derivative instruments | (63,131) | (210,228) | (206,229) | (431,332) |
| Net gain from investment in unconsolidated affiliate | (13,512) | (75,093) | (21,421) | (38,977) |
| Distributions from investment in unconsolidated affiliate | 2,515 | 13,746 | 8,499 | 40,607 |
| Equity-based compensation expenses | 10,082 | 12,844 | 37,260 | 22,507 |
| Other non-cash adjustments | 4,246 | (2,842) | (1,813) | (2,570) |
| Adjusted EBITDA | 469,105 | 564,610 | 1,247,030 | 1,115,004 |
| Adjusted EBITDA from discontinued operations | — | — | — | (12,296) |
| Adjusted EBITDA from continuing operations | 469,105 | 564,610 | 1,247,030 | 1,102,708 |
| Cash Interest | (7,556) | (8,871) | (22,254) | (22,797) |
| E&P and other capital expenditures | (254,183) | (230,069) | (713,491) | (338,997) |
| Adjusted Free Cash Flow | \$ 207,366 | \$ 325,670 | \$ 511,285 | \$ 740,914 |
| Net cash provided by operating activities | \$ 399,470 | \$ 783,643 | \$ 1,276,517 | \$ 1,445,634 |
| Changes in working capital | 86,704 | (77,718) | 84,328 | (59,245) |
| Interest expense, net of capitalized interest | 7,923 | 8,645 | 22,286 | 26,495 |
| Current income tax (benefit) expense | 34,874 | (8,125) | 50,521 | 31,059 |
| Merger costs ⁽¹⁾ | — | 55,600 | 9,701 | 64,973 |
| Exploration expenses | 1,611 | (163) | 4,292 | 625 |
| Realized loss on derivative instruments | (63,131) | (210,228) | (206,229) | (431,332) |
| Distributions from investment in unconsolidated affiliate | 2,515 | 13,746 | 8,499 | 40,607 |
| Deferred financing costs amortization and other | (5,107) | 2,052 | (1,072) | (1,242) |
| Other non-cash adjustments | 4,246 | (2,842) | (1,813) | (2,570) |
| Adjusted EBITDA | 469,105 | 564,610 | 1,247,030 | 1,115,004 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| Adjusted EBITDA from discontinued operations | — | — | — | (12,296) |
| Adjusted EBITDA from continuing operations | 469,105 | 564,610 | 1,247,030 | 1,102,708 |
| Cash Interest | (7,556) | (8,871) | (22,254) | (22,797) |
| E&P and other capital expenditures ⁽²⁾ | (254,183) | (230,069) | (713,491) | (338,997) |
| Adjusted Free Cash Flow | \$ 207,366 | \$ 325,670 | \$ 511,285 | \$ 740,914 |

- (1) Includes costs directly attributable to the merger of equals with Whiting for the nine months ended September 30, 2023 and the three and nine months ended September 30, 2022.
- (2) The nine months ended September 30, 2023 includes \$10.9MM of E&P and other CapEx related to divested non-operated assets that will be reimbursed.

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 attributable to Chord after adjusting for (1) the impact of certain non-cash items, including non-cash changes in the fair value of derivative instruments, non-cash changes in the fair value of the Company's investment in an unconsolidated affiliate, impairment and other similar non-cash charges, (2) merger costs and (3) the impact of 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 calculates earnings per share under the two-class method in accordance with GAAP. The two-class method is an earnings allocation formula that computes earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. Adjusted Diluted Earnings Attributable to Chord Per Share is calculated as (i) Adjusted Net Income Attributable to Chord (ii) less distributed and undistributed earnings allocated to participating securities (iii) divided by the weighted average number of diluted shares outstanding for the periods presented.

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 the periods presented:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| Net income attributable to Chord | \$ 209,076 | \$ 881,751 | \$ 722,146 | \$ 1,478,593 |
| Net (gain) loss on derivative instruments | 85,205 | (337,409) | (11,247) | 128,766 |
| Realized loss on derivative instruments | (63,131) | (210,228) | (206,229) | (431,332) |
| Net gain from investment in unconsolidated affiliate | (13,512) | (75,093) | (21,421) | (38,977) |
| Distributions from investment in unconsolidated affiliate | 2,515 | 13,746 | 8,499 | 40,607 |
| Impairment | — | 1,073 | 28,964 | 1,073 |
| Merger costs ⁽¹⁾ | — | 73,443 | 9,701 | 82,817 |
| Gain on sale of assets | (899) | (755) | (3,739) | (521,495) |
| Amortization of deferred financing costs | 1,224 | 1,097 | 3,633 | 2,986 |
| Other non-cash adjustments | 4,246 | (2,842) | (1,813) | (2,570) |
| Tax impact ⁽²⁾ | (3,742) | 131,708 | 46,270 | 180,502 |
| Other tax adjustments ⁽³⁾ | — | (166,041) | — | (275,358) |
| Adjusted net income attributable to Chord | 220,982 | 310,450 | 574,764 | 645,612 |
| Adjusted net income attributable to Chord from discontinued operations | — | — | — | (6,142) |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (In thousands) | | | |
| Distributed and undistributed earnings allocated to participating securities | (817) | (43) | (1,674) | (24) |
| Adjusted net income from continuing operations attributable to common stockholders | \$ 220,165 | \$ 310,407 | \$ 573,090 | \$ 639,446 |
| Diluted earnings attributable to Chord per share | 4.79 | \$ 20.45 | 16.59 | \$ 51.99 |
| Net (gain) loss on derivative instruments | 1.95 | (7.83) | (0.26) | 4.53 |
| Realized loss on derivative instruments | (1.45) | (4.88) | (4.74) | (15.17) |
| Net gain from investment in unconsolidated affiliate | (0.31) | (1.74) | (0.49) | (1.37) |
| Distributions from investment in unconsolidated affiliate | 0.06 | 0.32 | 0.20 | 1.43 |
| Impairment | — | 0.02 | 0.67 | 0.04 |
| Merger costs ⁽¹⁾ | — | 1.70 | 0.22 | 2.91 |
| Gain on sale of assets | (0.02) | (0.02) | (0.09) | (18.34) |
| Amortization of deferred financing costs | 0.03 | 0.03 | 0.08 | 0.11 |
| Other non-cash adjustments | 0.10 | (0.06) | (0.04) | (0.09) |
| Tax impact ⁽²⁾ | (0.09) | 3.06 | 1.06 | 6.35 |
| Other tax adjustments ⁽³⁾ | — | (3.85) | — | (9.68) |
| Adjusted Diluted Earnings Attributable to Chord Per Share | 5.06 | 7.20 | 13.20 | 22.71 |
| Less: Adjusted Diluted Earnings From Discontinued Operations Attributable to Chord Per Share | — | — | — | (0.22) |
| Less: Distributed and undistributed earnings allocated to participating securities | (0.02) | — | (0.04) | — |
| Adjusted Diluted Earnings From Continuing Operations Attributable to Chord Per Share | \$ 5.04 | \$ 7.20 | \$ 13.16 | \$ 22.49 |
| Diluted weighted average shares outstanding | 43,662 | 43,107 | 43,527 | 28,438 |
| Effective tax rate applicable to adjustment items ⁽²⁾ | 23.9 % | 24.5 % | 23.9 % | 24.5 % |

- (1) Includes costs directly attributable to the merger of equals with Whiting for the nine months ended September 30, 2023 and the three and nine months ended September 30, 2022.
- (2) The tax impact is computed utilizing the Company's effective tax rate applicable to the adjustments for certain non-cash and non-recurring items.
- (3) Other tax adjustments relate to the change in the deferred tax asset valuation allowance, which was adjusted to reflect the tax impact of the other adjustments using an assumed effective tax rate that excludes its impact.