

# **Devon Energy First-Quarter 2022** **Supplemental Tables**

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## CONSOLIDATED STATEMENTS OF EARNINGS

(in millions, except per share amounts)

|   | 2022      | 2021      |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
|   | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Oil, gas and NGL sales                                | \$ 3,175  | \$ 2,985  | \$ 2,635  | \$ 2,154  | \$ 1,757  |
| Oil, gas and NGL derivatives <sup>(1)</sup>           | (683)     | 22        | (335)     | (703)     | (528)     |
| Marketing and midstream revenues                      | 1,320     | 1,266     | 1,166     | 966       | 821       |
| Total revenues  | 3,812     | 4,273     | 3,466     | 2,417     | 2,050     |
| Production expenses <sup>(2)</sup>                    | 618       | 605       | 555       | 513       | 458       |
| Exploration expenses                                  | 2         | 5         | 3         | 3         | 3         |
| Marketing and midstream expenses                      | 1,324     | 1,266     | 1,165     | 965       | 842       |
| Depreciation, depletion and amortization              | 489       | 577       | 578       | 536       | 467       |
| Asset dispositions                                    | (1)       | (49)      | —         | (87)      | (32)      |
| General and administrative expenses                   | 94        | 95        | 95        | 94        | 107       |
| Financing costs, net <sup>(3)</sup>                   | 85        | 86        | 86        | 80        | 77        |
| Restructuring and transaction costs                   | —         | 28        | 18        | 23        | 189       |
| Other, net  | (61)      | (2)       | 2         | (14)      | (29)      |
| Total expenses  | 2,550     | 2,611     | 2,502     | 2,113     | 2,082     |
| Earnings (loss) before income taxes                   | 1,262     | 1,662     | 964       | 304       | (32)      |
| Income tax expense (benefit) <sup>(4)</sup>           | 267       | 150       | 120       | 43        | (248)     |
| Net earnings  | 995       | 1,512     | 844       | 261       | 216       |
| Net earnings attributable to noncontrolling interests | 6         | 6         | 6         | 5         | 3         |
| Net earnings attributable to Devon                    | \$ 989    | \$ 1,506  | \$ 838    | \$ 256    | \$ 213    |
| Net earnings per share:                               |           |           |           |           |           |
| Basic net earnings per share                          | \$ 1.48   | \$ 2.24   | \$ 1.24   | \$ 0.38   | \$ 0.33   |
| Diluted net earnings per share                        | \$ 1.48   | \$ 2.23   | \$ 1.24   | \$ 0.38   | \$ 0.32   |
| Weighted average common shares outstanding:           |           |           |           |           |           |
| Basic   | 663       | 671       | 677       | 677       | 654       |
| Diluted   | 665       | 673       | 679       | 679       | 656       |

## SUPPLEMENTAL INFORMATION FOR CONSOLIDATED STATEMENTS OF EARNINGS

### (1) OIL, GAS AND NGL DERIVATIVES (in millions)

|                              | 2022            | 2021         |                 |                 |                 |
|------------------------------|-----------------|--------------|-----------------|-----------------|-----------------|
|                              | Quarter 1       | Quarter 4    | Quarter 3       | Quarter 2       | Quarter 1       |
| Derivative cash settlements  | \$ (344)        | \$ (493)     | \$ (370)        | \$ (367)        | \$ (232)        |
| Derivative valuation changes | (339)           | 515          | 35              | (336)           | (296)           |
| Oil, gas and NGL derivatives | <u>\$ (683)</u> | <u>\$ 22</u> | <u>\$ (335)</u> | <u>\$ (703)</u> | <u>\$ (528)</u> |

### (2) PRODUCTION EXPENSES (in millions)

|  | 2022          | 2021          |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | Quarter 1     | Quarter 4     | Quarter 3     | Quarter 2     | Quarter 1     |
| Lease operating expense                | \$ 224        | \$ 235        | \$ 215        | \$ 210        | \$ 199        |
| Gathering, processing & transportation | 161           | 173           | 157           | 147           | 129           |
| Production taxes                       | 214           | 197           | 176           | 143           | 117           |
| Property taxes                         | 19            | —             | 7             | 13            | 13            |
| Production expenses                    | <u>\$ 618</u> | <u>\$ 605</u> | <u>\$ 555</u> | <u>\$ 513</u> | <u>\$ 458</u> |

### (3) FINANCING COSTS, NET (in millions)

|                                    | 2022         | 2021         |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                    | Quarter 1    | Quarter 4    | Quarter 3    | Quarter 2    | Quarter 1    |
| Interest based on outstanding debt | \$ 92        | \$ 92        | \$ 93        | \$ 98        | \$ 105       |
| Gain on early retirement of debt   | —            | —            | —            | (10)         | (20)         |
| Interest income                    | (1)          | —            | (1)          | —            | (1)          |
| Other                              | (6)          | (6)          | (6)          | (8)          | (7)          |
| Financing costs, net               | <u>\$ 85</u> | <u>\$ 86</u> | <u>\$ 86</u> | <u>\$ 80</u> | <u>\$ 77</u> |

### (4) INCOME TAX EXPENSE (BENEFIT) (in millions)

|                              | 2022          | 2021          |               |              |                 |
|------------------------------|---------------|---------------|---------------|--------------|-----------------|
|                              | Quarter 1     | Quarter 4     | Quarter 3     | Quarter 2    | Quarter 1       |
| Current expense (benefit)    | \$ 103        | \$ 1          | \$ 1          | \$ 19        | \$ (5)          |
| Deferred expense (benefit)   | 164           | 149           | 119           | 24           | (243)           |
| Income tax expense (benefit) | <u>\$ 267</u> | <u>\$ 150</u> | <u>\$ 120</u> | <u>\$ 43</u> | <u>\$ (248)</u> |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

|  | 2022      | 2021      |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
|  | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Cash flows from operating activities:  |           |           |           |           |           |
| Net earnings   | \$ 995    | \$ 1,512  | \$ 844    | \$ 261    | \$ 216    |
| Adjustments to reconcile net earnings to net cash from operating activities: |           |           |           |           |           |
| Depreciation, depletion and amortization                                     | 489       | 577       | 578       | 536       | 467       |
| Leasehold impairments  | 1         | 1         | 1         | 1         | 1         |
| Amortization of liabilities  | (6)       | (6)       | (7)       | (7)       | (7)       |
| Total (gains) losses on commodity derivatives                                | 683       | (22)      | 335       | 703       | 528       |
| Cash settlements on commodity derivatives                                    | (344)     | (493)     | (370)     | (367)     | (232)     |
| Gains on asset dispositions  | (1)       | (49)      | —         | (87)      | (32)      |
| Deferred income tax expense (benefit)  | 164       | 149       | 119       | 24        | (243)     |
| Share-based compensation   | 20        | 19        | 19        | 20        | 41        |
| Early retirement of debt   | —         | —         | —         | (10)      | (20)      |
| Other  | (21)      | 2         | 11        | 2         | —         |
| Changes in assets and liabilities, net                                       | (143)     | (74)      | 68        | 17        | (127)     |
| Net cash from operating activities   | 1,837     | 1,616     | 1,598     | 1,093     | 592       |
| Cash flows from investing activities:  |           |           |           |           |           |
| Capital expenditures   | (537)     | (512)     | (474)     | (504)     | (499)     |
| Acquisitions of property and equipment                                       | (1)       | (3)       | (10)      | (5)       | —         |
| Divestitures of property and equipment                                       | 26        | 14        | 1         | 49        | 15        |
| WPX acquired cash  | —         | —         | —         | —         | 344       |
| Distributions from equity method investments                                 | 8         | 8         | 9         | 8         | 10        |
| Contributions to equity method investments                                   | (22)      | (25)      | —         | —         | —         |
| Net cash from investing activities   | (526)     | (518)     | (474)     | (452)     | (130)     |
| Cash flows from financing activities:  |           |           |           |           |           |
| Repayments of long-term debt   | —         | —         | —         | (710)     | (533)     |
| Early retirement of debt   | —         | —         | —         | (32)      | (27)      |
| Repurchases of common stock  | (211)     | (589)     | —         | —         | —         |
| Dividends paid on common stock   | (667)     | (554)     | (329)     | (229)     | (203)     |
| Contributions from noncontrolling interests                                  | —         | —         | 1         | 3         | —         |
| Distributions to noncontrolling interests                                    | (8)       | (6)       | (6)       | (5)       | (4)       |
| Acquisition of noncontrolling interests                                      | —         | —         | —         | —         | (24)      |
| Shares exchanged for tax withholdings and other                              | (73)      | —         | (3)       | (9)       | (33)      |
| Net cash from financing activities   | (959)     | (1,149)   | (337)     | (982)     | (824)     |
| Effect of exchange rate changes on cash                                      | 2         | 1         | (5)       | 2         | 3         |
| Net change in cash, cash equivalents and restricted cash                     | 354       | (50)      | 782       | (339)     | (359)     |
| Cash, cash equivalents and restricted cash at beginning of period            | 2,271     | 2,321     | 1,539     | 1,878     | 2,237     |
| Cash, cash equivalents and restricted cash at end of period                  | \$ 2,625  | \$ 2,271  | \$ 2,321  | \$ 1,539  | \$ 1,878  |
| Reconciliation of cash, cash equivalents and restricted cash:                |           |           |           |           |           |
| Cash and cash equivalents  | \$ 2,459  | \$ 2,099  | \$ 2,144  | \$ 1,348  | \$ 1,683  |
| Restricted cash  | 166       | 172       | 177       | 191       | 195       |
| Total cash, cash equivalents and restricted cash                             | \$ 2,625  | \$ 2,271  | \$ 2,321  | \$ 1,539  | \$ 1,878  |

## CONSOLIDATED BALANCE SHEETS

(in millions)

|   | March 31,<br>2022 | December 31,<br>2021 |
|---|-------------------|----------------------|
| Current assets:   |                   |                      |
| Cash, cash equivalents and restricted cash                                      | \$ 2,625          | \$ 2,271             |
| Accounts receivable   | 2,002             | 1,543                |
| Other current assets  | 346               | 435                  |
| Total current assets  | 4,973             | 4,249                |
| Oil and gas property and equipment, based on successful efforts accounting, net | 13,566            | 13,536               |
| Other property and equipment, net   | 1,508             | 1,472                |
| Total property and equipment, net   | 15,074            | 15,008               |
| Goodwill  | 753               | 753                  |
| Right-of-use assets   | 229               | 235                  |
| Investments   | 416               | 402                  |
| Other long-term assets  | 333               | 378                  |
| Total assets  | \$ 21,778         | \$ 21,025            |
| Current liabilities:  |                   |                      |
| Accounts payable  | \$ 576            | \$ 500               |
| Revenues and royalties payable  | 1,672             | 1,456                |
| Other current liabilities   | 1,506             | 1,131                |
| Total current liabilities   | 3,754             | 3,087                |
| Long-term debt  | 6,471             | 6,482                |
| Lease liabilities   | 251               | 252                  |
| Asset retirement obligations  | 443               | 468                  |
| Other long-term liabilities   | 974               | 1,050                |
| Deferred income taxes   | 450               | 287                  |
| Stockholders' equity:   |                   |                      |
| Common stock  | 66                | 66                   |
| Additional paid-in capital  | 7,371             | 7,636                |
| Retained earnings   | 2,013             | 1,692                |
| Accumulated other comprehensive loss  | (131)             | (132)                |
| Treasury stock, at cost, 0.3 million shares in 2022                             | (19)              | —                    |
| Total stockholders' equity attributable to Devon                                | 9,300             | 9,262                |
| Noncontrolling interests  | 135               | 137                  |
| Total equity  | 9,435             | 9,399                |
| Total liabilities and equity  | \$ 21,778         | \$ 21,025            |
| Common shares outstanding   | 661               | 663                  |

## PRODUCTION

|                                      | 2022      | 2021      |           |           |           |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                      | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| <b>Oil (MBbls/d)</b>                 |           |           |           |           |           |
| Delaware Basin                       | 209       | 213       | 213       | 191       | 172       |
| Anadarko Basin                       | 14        | 14        | 14        | 17        | 13        |
| Williston Basin                      | 32        | 36        | 39        | 46        | 44        |
| Eagle Ford                           | 17        | 19        | 20        | 18        | 16        |
| Powder River Basin                   | 12        | 14        | 14        | 16        | 17        |
| Other                                | 4         | 4         | 3         | 3         | 6         |
| Total                                | 288       | 300       | 303       | 291       | 268       |
| <b>Natural gas liquids (MBbls/d)</b> |           |           |           |           |           |
| Delaware Basin                       | 92        | 107       | 100       | 82        | 60        |
| Anadarko Basin                       | 25        | 27        | 25        | 26        | 21        |
| Williston Basin                      | 8         | 9         | 9         | 9         | 8         |
| Eagle Ford                           | 9         | 9         | 11        | 9         | 6         |
| Powder River Basin                   | 2         | 2         | 3         | 3         | 3         |
| Other                                | —         | —         | —         | —         | 1         |
| Total                                | 136       | 154       | 148       | 129       | 99        |
| <b>Gas (MMcf/d)</b>                  |           |           |           |           |           |
| Delaware Basin                       | 561       | 577       | 578       | 513       | 471       |
| Anadarko Basin                       | 210       | 222       | 219       | 225       | 200       |
| Williston Basin                      | 54        | 64        | 59        | 61        | 49        |
| Eagle Ford                           | 61        | 60        | 67        | 59        | 47        |
| Powder River Basin                   | 19        | 19        | 19        | 21        | 21        |
| Other                                | 1         | 1         | 1         | 2         | 3         |
| Total                                | 906       | 943       | 943       | 881       | 791       |
| <b>Total oil equivalent (MBoe/d)</b> |           |           |           |           |           |
| Delaware Basin                       | 394       | 416       | 409       | 358       | 310       |
| Anadarko Basin                       | 75        | 78        | 75        | 80        | 68        |
| Williston Basin                      | 48        | 55        | 58        | 66        | 61        |
| Eagle Ford                           | 36        | 38        | 42        | 37        | 30        |
| Powder River Basin                   | 18        | 19        | 20        | 22        | 23        |
| Other                                | 4         | 5         | 4         | 4         | 7         |
| Total                                | 575       | 611       | 608       | 567       | 499       |

## CAPITAL EXPENDITURES

(in millions)

|                              | 2022      | 2021      |           |           |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
|                              | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Delaware Basin               | \$ 413    | \$ 392    | \$ 363    | \$ 394    | \$ 355    |
| Anadarko Basin               | 16        | 19        | 15        | 11        | 13        |
| Williston Basin              | 17        | 25        | 13        | 19        | 20        |
| Eagle Ford                   | 27        | 21        | 34        | 36        | 29        |
| Powder River Basin           | 27        | 27        | 15        | 5         | 27        |
| Other                        | 1         | 2         | 2         | 2         | 3         |
| Total upstream capital       | \$ 501    | \$ 486    | \$ 442    | \$ 467    | \$ 447    |
| Environmental <sup>(1)</sup> | 16        | —         | —         | —         | —         |
| Midstream                    | 32        | 14        | 11        | 22        | 24        |
| Other                        | 15        | 21        | 28        | 20        | 16        |
| Total capital                | \$ 564    | \$ 521    | \$ 481    | \$ 509    | \$ 487    |

(1) Devon began tracking environmental capital separately in 2022.

## SUPPLEMENTAL INFORMATION FOR CAPITAL EXPENDITURES

### GROSS OPERATED SPUDS

|                    | 2022      | 2021      |           |           |           |
|--------------------|-----------|-----------|-----------|-----------|-----------|
|                    | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Delaware Basin     | 59        | 54        | 50        | 55        | 60        |
| Anadarko Basin     | 13        | 6         | 9         | 8         | 8         |
| Williston Basin    | —         | 9         | —         | —         | 7         |
| Eagle Ford         | 11        | 9         | 10        | 11        | 14        |
| Powder River Basin | —         | 4         | 9         | 1         | —         |
| Total              | 83        | 82        | 78        | 75        | 89        |

### GROSS OPERATED WELLS TIED-IN

|                    | 2022      | 2021      |           |           |           |
|--------------------|-----------|-----------|-----------|-----------|-----------|
|                    | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Delaware Basin     | 52        | 65        | 52        | 88        | 52        |
| Anadarko Basin     | —         | 12        | 4         | 6         | —         |
| Williston Basin    | —         | —         | 4         | 13        | —         |
| Eagle Ford         | 8         | 7         | 19        | 9         | 12        |
| Powder River Basin | 4         | 2         | 2         | —         | 10        |
| Total              | 64        | 86        | 81        | 116       | 74        |

### AVERAGE LATERAL LENGTH

(based on wells tied-in)

|                    | 2022      | 2021      |           |           |           |
|--------------------|-----------|-----------|-----------|-----------|-----------|
|                    | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Delaware Basin     | 8,900'    | 10,100'   | 9,700'    | 10,000'   | 10,000'   |
| Anadarko Basin     | —         | 11,700'   | 9,200'    | 9,600'    | —         |
| Williston Basin    | —         | —         | 9,600'    | 10,000'   | —         |
| Eagle Ford         | 7,500'    | 7,100'    | 6,300'    | 5,600'    | 4,400'    |
| Powder River Basin | 10,400'   | 9,600'    | 10,500'   | —         | 9,800'    |
| Total              | 8,800'    | 10,100'   | 8,900'    | 9,600'    | 9,100'    |

## REALIZED PRICING

### BENCHMARK PRICES

(average prices)

|  | 2022      | 2021      |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
|  | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Oil (\$/Bbl) - West Texas Intermediate (Cushing) | \$ 94.45  | \$ 76.91  | \$ 70.64  | \$ 66.04  | \$ 57.87  |
| Natural Gas (\$/Mcf) - Henry Hub                 | \$ 4.96   | \$ 5.84   | \$ 4.02   | \$ 2.83   | \$ 2.71   |
| NGL (\$/Bbl) - Mont Belvieu Blended              | \$ 43.99  | \$ 40.39  | \$ 36.85  | \$ 28.54  | \$ 25.81  |

### REALIZED PRICES

|  | 2022      | 2021      |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
|  | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| <b>Oil (Per Bbl)</b>                       |           |           |           |           |           |
| Delaware Basin                             | \$ 93.12  | \$ 75.67  | \$ 68.44  | \$ 63.93  | \$ 56.07  |
| Anadarko Basin                             | 92.70     | 76.07     | 69.11     | 63.51     | 55.86     |
| Williston Basin                            | 90.87     | 74.02     | 66.60     | 62.00     | 52.74     |
| Eagle Ford                                 | 94.51     | 75.35     | 68.32     | 64.04     | 54.90     |
| Powder River Basin                         | 92.69     | 72.86     | 65.81     | 62.36     | 53.77     |
| Other                                      | 94.80     | 76.57     | 75.68     | 72.85     | 55.65     |
| Realized price without hedges              | 92.94     | 75.36     | 68.19     | 63.63     | 55.28     |
| Cash settlements                           | (11.32)   | (13.14)   | (10.60)   | (13.29)   | (9.13)    |
| Realized price, including cash settlements | \$ 81.62  | \$ 62.22  | \$ 57.59  | \$ 50.34  | \$ 46.15  |
| <b>Natural gas liquids (Per Bbl)</b>       |           |           |           |           |           |
| Delaware Basin                             | \$ 38.43  | \$ 35.56  | \$ 31.34  | \$ 23.81  | \$ 26.25  |
| Anadarko Basin                             | 38.38     | 35.66     | 33.20     | 25.55     | 23.14     |
| Williston Basin                            | 20.71     | 24.97     | 19.36     | 14.76     | 18.51     |
| Eagle Ford                                 | 39.68     | 38.17     | 32.80     | 25.46     | 24.44     |
| Powder River Basin                         | 52.49     | 47.30     | 40.66     | 35.46     | 30.19     |
| Other                                      | 56.00     | 66.22     | 54.51     | 41.19     | 31.86     |
| Realized price without hedges              | 37.76     | 35.36     | 31.25     | 23.89     | 25.01     |
| Cash settlements                           | —         | (0.54)    | (0.45)    | (0.25)    | (0.20)    |
| Realized price, including cash settlements | \$ 37.76  | \$ 34.82  | \$ 30.80  | \$ 23.64  | \$ 24.81  |
| <b>Gas (Per Mcf)</b>                       |           |           |           |           |           |
| Delaware Basin                             | \$ 3.83   | \$ 4.60   | \$ 3.58   | \$ 2.31   | \$ 3.19   |
| Anadarko Basin                             | 4.00      | 5.37      | 4.05      | 3.15      | 2.49      |
| Williston Basin                            | 0.74      | 1.53      | 0.65      | (1.60)    | (0.48)    |
| Eagle Ford                                 | 4.91      | 5.76      | 4.08      | 3.25      | 3.15      |
| Powder River Basin                         | 4.24      | 6.10      | 4.15      | 3.54      | 5.27      |
| Other                                      | 4.09      | 4.11      | 2.60      | 2.74      | 2.57      |
| Realized price without hedges              | 3.77      | 4.68      | 3.55      | 2.35      | 2.84      |
| Cash settlements                           | (0.62)    | (1.42)    | (0.78)    | (0.15)    | (0.15)    |
| Realized price, including cash settlements | \$ 3.15   | \$ 3.26   | \$ 2.77   | \$ 2.20   | \$ 2.69   |
| <b>Total oil equivalent (Per Boe)</b>      |           |           |           |           |           |
| Delaware Basin                             | \$ 63.75  | \$ 54.28  | \$ 48.29  | \$ 42.84  | \$ 40.95  |
| Anadarko Basin                             | 42.08     | 41.39     | 35.62     | 30.34     | 25.35     |
| Williston Basin                            | 63.31     | 53.44     | 48.55     | 43.98     | 40.79     |
| Eagle Ford                                 | 62.74     | 56.06     | 47.40     | 42.84     | 38.90     |
| Powder River Basin                         | 75.75     | 63.45     | 55.93     | 52.55     | 47.58     |
| Other                                      | 89.47     | 73.63     | 70.49     | 65.37     | 50.58     |
| Realized price without hedges              | 61.40     | 53.12     | 47.08     | 41.75     | 39.14     |
| Cash settlements                           | (6.65)    | (8.78)    | (6.60)    | (7.11)    | (5.17)    |
| Realized price, including cash settlements | \$ 54.75  | \$ 44.34  | \$ 40.48  | \$ 34.64  | \$ 33.97  |



## ASSET MARGINS

### BENCHMARK PRICES

(average prices)

|  | 2022      | 2021      |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
|  | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| Oil (\$/Bbl) - West Texas Intermediate (Cushing) | \$ 94.45  | \$ 76.91  | \$ 70.64  | \$ 66.04  | \$ 57.87  |
| Natural Gas (\$/Mcf) - Henry Hub                 | \$ 4.96   | \$ 5.84   | \$ 4.02   | \$ 2.83   | \$ 2.71   |
| NGL (\$/Bbl) - Mont Belvieu Blended              | \$ 43.99  | \$ 40.39  | \$ 36.85  | \$ 28.54  | \$ 25.81  |

### PER-UNIT CASH MARGIN BY ASSET (per Boe)

|  | 2022      | 2021      |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
|  | Quarter 1 | Quarter 4 | Quarter 3 | Quarter 2 | Quarter 1 |
| <b>Delaware Basin</b>                  |           |           |           |           |           |
| Realized price                         | \$ 63.75  | \$ 54.28  | \$ 48.29  | \$ 42.84  | \$ 40.95  |
| Lease operating expenses               | (3.79)    | (4.02)    | (3.52)    | (3.91)    | (3.97)    |
| Gathering, processing & transportation | (2.32)    | (2.27)    | (2.18)    | (2.06)    | (1.96)    |
| Production & property taxes            | (4.65)    | (3.40)    | (3.31)    | (3.08)    | (2.95)    |
| Field-level cash margin                | \$ 52.99  | \$ 44.59  | \$ 39.28  | \$ 33.79  | \$ 32.07  |
| <b>Anadarko Basin</b>                  |           |           |           |           |           |
| Realized price                         | \$ 42.08  | \$ 41.39  | \$ 35.62  | \$ 30.34  | \$ 25.35  |
| Lease operating expenses               | (2.75)    | (2.70)    | (2.58)    | (2.96)    | (3.82)    |
| Gathering, processing & transportation | (6.67)    | (6.60)    | (6.14)    | (6.06)    | (6.31)    |
| Production & property taxes            | (2.35)    | (2.44)    | (1.70)    | (1.46)    | (1.21)    |
| Field-level cash margin                | \$ 30.31  | \$ 29.65  | \$ 25.20  | \$ 19.86  | \$ 14.01  |
| <b>Williston Basin</b>                 |           |           |           |           |           |
| Realized price                         | \$ 63.31  | \$ 53.44  | \$ 48.55  | \$ 43.98  | \$ 40.79  |
| Lease operating expenses               | (7.67)    | (5.76)    | (5.83)    | (4.87)    | (5.13)    |
| Gathering, processing & transportation | (2.32)    | (2.09)    | (2.13)    | (1.86)    | (2.14)    |
| Production & property taxes            | (5.67)    | (4.64)    | (4.47)    | (4.27)    | (3.82)    |
| Field-level cash margin                | \$ 47.65  | \$ 40.95  | \$ 36.12  | \$ 32.98  | \$ 29.70  |
| <b>Eagle Ford</b>                      |           |           |           |           |           |
| Realized price                         | \$ 62.74  | \$ 56.06  | \$ 47.40  | \$ 42.84  | \$ 38.90  |
| Lease operating expenses               | (4.63)    | (3.78)    | (3.43)    | (3.47)    | (3.89)    |
| Gathering, processing & transportation | (5.67)    | (6.65)    | (4.17)    | (5.56)    | (6.73)    |
| Production & property taxes            | (3.52)    | (2.93)    | (1.99)    | (1.93)    | (1.71)    |
| Field-level cash margin                | \$ 48.92  | \$ 42.70  | \$ 37.81  | \$ 31.88  | \$ 26.57  |
| <b>Powder River Basin</b>              |           |           |           |           |           |
| Realized price                         | \$ 75.75  | \$ 63.45  | \$ 55.93  | \$ 52.55  | \$ 47.58  |
| Lease operating expenses               | (9.01)    | (7.49)    | (8.09)    | (6.65)    | (7.45)    |
| Gathering, processing & transportation | (3.19)    | (2.86)    | (2.93)    | (3.02)    | (2.66)    |
| Production & property taxes            | (9.23)    | (7.49)    | (6.73)    | (6.10)    | (5.48)    |
| Field-level cash margin                | \$ 54.32  | \$ 45.61  | \$ 38.18  | \$ 36.78  | \$ 31.99  |
| <b>Other</b>                           |           |           |           |           |           |
| Realized price                         | \$ 89.47  | \$ 73.63  | \$ 70.49  | \$ 65.37  | \$ 50.58  |
| Lease operating expenses               | (21.34)   | (13.34)   | (16.42)   | (16.69)   | (17.15)   |
| Gathering, processing & transportation | (0.24)    | (0.31)    | (0.35)    | (0.58)    | (0.62)    |
| Production & property taxes            | (5.93)    | (4.84)    | (4.19)    | (5.25)    | (4.60)    |
| Field-level cash margin                | \$ 61.96  | \$ 55.14  | \$ 49.53  | \$ 42.85  | \$ 28.21  |
| <b>Devon - Total</b>                   |           |           |           |           |           |
| Realized price                         | \$ 61.40  | \$ 53.12  | \$ 47.08  | \$ 41.75  | \$ 39.14  |
| Lease operating expenses               | (4.33)    | (4.18)    | (3.85)    | (4.06)    | (4.44)    |
| Gathering, processing & transportation | (3.11)    | (3.08)    | (2.81)    | (2.85)    | (2.87)    |
| Production & property taxes            | (4.51)    | (3.49)    | (3.25)    | (3.05)    | (2.88)    |
| Field-level cash margin                | \$ 49.45  | \$ 42.37  | \$ 37.17  | \$ 31.79  | \$ 28.95  |

## NON-GAAP MEASURES

(all monetary values in millions, except per share amounts)

Devon's earnings materials include non-GAAP financial measures. These non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of our results as reported under GAAP. Below is additional disclosure regarding each of the non-GAAP measures used in the earnings materials, including reconciliations to their most directly comparable GAAP measure.

The earnings materials may include forward-looking non-GAAP measures. The company is unable to provide reconciliations of these forward-looking non-GAAP measures, because components of the calculations are inherently unpredictable, such as changes to current assets and liabilities, the timing of changes in capital accruals, unknown future events and estimating certain future GAAP measures. The inability to reliably quantify certain components of the calculation would significantly affect the usefulness and accuracy of a reconciliation.

### CORE EARNINGS

Devon's reported net earnings include items of income and expense that are typically excluded by securities analysts in their published estimates of the company's financial results. Accordingly, the company also uses the measures of core earnings (loss) and core earnings (loss) per share attributable to Devon. Devon believes these non-GAAP measures facilitate comparisons of its performance to earnings estimates published by securities analysts. Devon also believes these non-GAAP measures can facilitate comparisons of its performance between periods and to the performance of its peers. The following table summarizes the effects of these items on first-quarter 2022 earnings.

|   | Quarter Ended March 31, 2022 |                 |                                |                   |
|---|------------------------------|-----------------|--------------------------------|-------------------|
|   | Before-tax                   | After-tax       | After Noncontrolling Interests | Per Diluted Share |
| <b>Total</b>                                |                              |                 |                                |                   |
| Earnings (GAAP)                             | \$ 1,262                     | \$ 995          | \$ 989                         | \$ 1.48           |
| Adjustments:                                |                              |                 |                                |                   |
| Asset dispositions                          | (1)                          | —               | —                              | —                 |
| Deferred tax asset valuation allowance      | —                            | 6               | 6                              | 0.01              |
| Fair value changes in financial instruments | 338                          | 260             | 260                            | 0.39              |
| Core earnings (Non-GAAP)                    | <u>\$ 1,599</u>              | <u>\$ 1,261</u> | <u>\$ 1,255</u>                | <u>\$ 1.88</u>    |

\* The tax impact for the adjustments to core earnings in the table above are all deferred.

|   | Quarter Ended December 31, 2021 |               |                                |                   |
|---|---------------------------------|---------------|--------------------------------|-------------------|
|   | Before-tax                      | After-tax     | After Noncontrolling Interests | Per Diluted Share |
| <b>Total</b>                                |                                 |               |                                |                   |
| Earnings (GAAP)                             | \$ 1,662                        | \$ 1,512      | \$ 1,506                       | \$ 2.23           |
| Adjustments:                                |                                 |               |                                |                   |
| Asset dispositions                          | (49)                            | (38)          | (38)                           | (0.06)            |
| Asset and exploration impairments           | 3                               | 3             | 3                              | —                 |
| Deferred tax asset valuation allowance      | —                               | (160)         | (160)                          | (0.23)            |
| Change in tax legislation                   | —                               | (2)           | (2)                            | —                 |
| Fair value changes in financial instruments | (515)                           | (397)         | (397)                          | (0.59)            |
| Restructuring and transaction costs         | 28                              | 23            | 23                             | 0.04              |
| Core earnings (Non-GAAP)                    | <u>\$ 1,129</u>                 | <u>\$ 941</u> | <u>\$ 935</u>                  | <u>\$ 1.39</u>    |

## RETURN ON CAPITAL EMPLOYED

Devon defines return on capital employed as pre-interest core earnings divided by average capital employed. Devon believes return on capital employed provides a useful measure of how efficiently the company is using its capital to generate profits. Average capital employed is the average of the capital employed as of the beginning and ending of the relevant period, with capital employed calculated as debt plus stockholders' equity attributable to Devon less cash and cash equivalents. The table below provides Devon's return on capital employed for the most recent fiscal year. Because we completed our merger with WPX on January 7, 2021, we have adjusted the beginning capital employed amount to include the associated merger consideration amounts.

|  | Year Ended<br>December 31, 2021 |
|--|---------------------------------|
| <b>Earnings (GAAP)</b>                       | \$ 2,813                        |
| Non-GAAP adjustments                         | (439)                           |
| <b>Core earnings (Non-GAAP)</b>              | 2,374                           |
| Net financing costs (GAAP)                   | 329                             |
| Less gain on early retirement of debt        | 30                              |
| Adjusted net financing costs (Non-GAAP)      | 359                             |
| Less tax impact (21%)                        | (77)                            |
| After-tax net financing costs (Non-GAAP)     | 282                             |
| <b>Pre-interest core earnings (Non-GAAP)</b> | \$ 2,656                        |
| <b>Beginning balance:</b>                    |                                 |
| Devon legacy                                 | \$ 4,298                        |
| Assumed in merger                            | 3,562                           |
| <b>Gross debt</b>                            | 7,860                           |
| Devon legacy                                 | 2,885                           |
| Equity consideration in merger               | 5,432                           |
| <b>Stockholders' equity</b>                  | 8,317                           |
| Devon legacy                                 | (2,237)                         |
| Acquired in merger                           | (344)                           |
| <b>Less cash</b>                             | (2,581)                         |
| <b>Beginning capital employed</b>            | \$ 13,596                       |
| <b>Ending balance:</b>                       |                                 |
| Gross debt                                   | \$ 6,482                        |
| Stockholders' equity                         | 9,262                           |
| Less cash                                    | (2,271)                         |
| <b>Ending capital employed</b>               | \$ 13,473                       |
| <b>Average capital employed</b>              | \$ 13,535                       |
| <b>ROCE</b>                                  | <b>20%</b>                      |

## EBITDAX

Devon believes EBITDAX provides information useful in assessing operating and financial performance across periods. Devon computes EBITDAX as net earnings before income tax expense; financing costs, net; exploration expenses; depreciation, depletion and amortization; asset impairments; asset disposition gains and losses; non-cash share-based compensation; non-cash valuation changes for derivatives and financial instruments; restructuring and transaction costs; accretion on discounted liabilities; and other items not related to normal operations. EBITDAX as defined by Devon may not be comparable to similarly titled measures used by other companies.

|  | Q1 '22          | Q4 '21          | Q3 '21          | Q2 '21          | TTM             | Q1 '21        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Net earnings (GAAP)</b>                                     | \$ 995          | \$ 1,512        | \$ 844          | \$ 261          | \$ 3,612        | \$ 216        |
| Financing costs, net   | 85              | 86              | 86              | 80              | 337             | 77            |
| Income tax expense (benefit)                                   | 267             | 150             | 120             | 43              | 580             | (248)         |
| Exploration expenses   | 2               | 5               | 3               | 3               | 13              | 3             |
| Depreciation, depletion and amortization                       | 489             | 577             | 578             | 536             | 2,180           | 467           |
| Asset dispositions   | (1)             | (49)            | —               | (87)            | (137)           | (32)          |
| Share-based compensation                                       | 20              | 19              | 18              | 20              | 77              | 20            |
| Derivative and financial instrument non-cash valuation changes | 339             | (515)           | (35)            | 336             | 125             | 296           |
| Restructuring and transaction costs                            | —               | 28              | 18              | 23              | 69              | 189           |
| Accretion on discounted liabilities and other                  | (61)            | (2)             | 2               | (14)            | (75)            | (29)          |
| <b>EBITDAX (Non-GAAP)</b>                                      | <u>\$ 2,135</u> | <u>\$ 1,811</u> | <u>\$ 1,634</u> | <u>\$ 1,201</u> | <u>\$ 6,781</u> | <u>\$ 959</u> |
| <b>Annualized EBITDAX for first-quarter 2021 (Non-GAAP)</b>    |                 |                 |                 |                 |                 | \$ 3,836      |

## NET DEBT

Devon defines net debt as debt less cash, cash equivalents and cash restricted for discontinued operations. Devon believes that netting these sources of cash against debt provides a clearer picture of the future demands on cash from Devon to repay debt.

|  | Mar. 31, 2022   | Dec. 31, 2021   | Sep. 30, 2021   | Jun. 30, 2021   | Mar. 31, 2021   |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total debt (GAAP)                          | \$ 6,471        | \$ 6,482        | \$ 6,492        | \$ 6,502        | \$ 7,268        |
| Less:                                      |                 |                 |                 |                 |                 |
| Cash, cash equivalents and restricted cash | (2,625)         | (2,271)         | (2,321)         | (1,539)         | (1,878)         |
| Net debt (Non-GAAP)                        | <u>\$ 3,846</u> | <u>\$ 4,211</u> | <u>\$ 4,171</u> | <u>\$ 4,963</u> | <u>\$ 5,390</u> |

## NET DEBT-TO-EBITDAX

Devon defines net debt-to-EBITDAX as net debt divided by an annualized EBITDAX measure. Devon believes this ratio provides information useful to investors in assessing the company's credit position and debt leverage.

|                                   | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|-----------------------------------|----------------|-------------------|----------------|
| Net debt (Non-GAAP)               | \$ 3,846       | \$ 4,211          | \$ 5,390       |
| EBITDAX (Non-GAAP) <sup>(1)</sup> | \$ 6,781       | \$ 5,605          | \$ 3,836       |
| Net debt-to-EBITDAX (Non-GAAP)    | <u>0.6</u>     | <u>0.8</u>        | <u>1.4</u>     |

- (1) The first quarter 2022 EBITDAX is an annualized measure using a trailing twelve month calculation. The first quarter 2021 EBITDAX is an annualized measure. See the EBITDAX table on the previous page for details. Due to the merger with WPX closing in the first quarter of 2021, Devon has shown Q1 2021 EBITDAX annualized divided by net debt to show a more meaningful net debt-to-EBITDAX measure.

## FREE CASH FLOW AND ADJUSTED FREE CASH FLOW

Devon defines free cash flow as total operating cash flow less capital expenditures, and Devon defines adjusted free cash flow as free cash flow less cash restructuring and transaction costs. Devon believes that free cash flow and adjusted free cash flow provide a useful measure of available cash generated by operating activities for other investing and financing activities.

|   | Quarter Ended<br>Mar. 31, 2022 | Quarter Ended<br>Dec. 31, 2021 | Quarter Ended<br>Sep. 30, 2021 | Quarter Ended<br>Jun. 30, 2021 | Quarter Ended<br>Mar. 31, 2021 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Total operating cash flow (GAAP)                    | \$ 1,837                       | \$ 1,616                       | \$ 1,598                       | \$ 1,093                       | \$ 592                         |
| Less capital expenditures:                          |                                |                                |                                |                                |                                |
| Capital expenditures                                | (537)                          | (512)                          | (474)                          | (504)                          | (499)                          |
| Free cash flow (Non-GAAP)                           | 1,300                          | 1,104                          | 1,124                          | 589                            | 93                             |
| Cash restructuring and transaction costs (Non-GAAP) | —                              | 28                             | 14                             | 23                             | 167                            |
| Adjusted free cash flow (Non-GAAP)                  | <u>\$ 1,300</u>                | <u>\$ 1,132</u>                | <u>\$ 1,138</u>                | <u>\$ 612</u>                  | <u>\$ 260</u>                  |

## REINVESTMENT RATE

Devon defines reinvestment rate as accrued capital expenditures divided by operating cash flow. Devon believes this measure provides useful information to our investors as an indicator of the capital demands of our business relative to the cash flow generated from normal business operations.

|                                | Quarter Ended<br>March 31, 2022 | Quarter Ended<br>December 31, 2021 |
|--------------------------------|---------------------------------|------------------------------------|
| Capital expenditures (accrued) | \$ 564                          | \$ 521                             |
| Operating cash flow            | \$ 1,837                        | \$ 1,616                           |
| Reinvestment rate (Non-GAAP)   | 31%                             | 32%                                |

## VARIABLE DIVIDEND

Devon may pay a variable dividend up to 50 percent of its excess cash flow. Each quarter's excess cash flow is computed as adjusted cash flow less capital expenditures and the fixed dividend.

|  | Quarter Ended<br>March 31, 2022 |
|--|---------------------------------|
| Operating cash flow (GAAP)                                   | \$ 1,837                        |
| Changes in assets and liabilities, net                       | 143                             |
| Cash from operations before balance sheet changes (Non-GAAP) | 1,980                           |
| Ukraine charitable pledge                                    | 20                              |
| Adjusted cash flow (Non-GAAP)                                | 2,000                           |
| Capital expenditures (Accrued)                               | (564)                           |
| Adjusted free cash flow (Non-GAAP)                           | 1,436                           |
| Fixed quarterly dividend (\$0.16/share)                      | (109)                           |
| Excess free cash flow (Non-GAAP)                             | 1,327                           |
| ~50% Pay out (Board Discretion: Up to 50%)                   | 50%                             |
| ~50% of excess free cash flow                                | 663                             |
| Contingent proceeds (Barnett and Wind River)                 | 69                              |
| Total variable dividend                                      | \$ 732                          |