

## **NEWS RELEASE**

### **SOUTHWESTERN ENERGY ANNOUNCES THIRD QUARTER 2022 RESULTS**

*Returned more than \$300 million to shareholders through debt repayment and share repurchases*

SPRING, Texas – October 27, 2022...Southwestern Energy Company (NYSE: SWN) today announced financial and operating results for the third quarter ended September 30, 2022.

- *Generated \$797 million net cash provided by operating activities, \$450 million net income and \$360 million adjusted net income (non-GAAP)*
  - *\$824 million adjusted EBITDA (non-GAAP) and \$222 million free cash flow (non-GAAP)*
- *Reduced total debt by \$227 million to achieve target leverage range with 1.4x net debt to adjusted EBITDA (non-GAAP)*
- *Repurchased \$80 million of common stock, bringing total share repurchases to date to approximately \$100 million, or 10% of authorized amount*
- *Total net production of 443 Bcfe, or 4.8 Bcfe per day, including 4.2 Bcf per day of natural gas and 97 MBbls per day of liquids*
- *Invested \$543 million of capital and placed 31 wells to sales, including 14 in Appalachia and 17 in Haynesville*
- *Reinforced long-term flow assurance and marketing optionality by adding a total of 500 MMcf per day of new firm transportation starting in 2024 to LNG corridor on Momentum's New Generation Gas Gathering system (NG3) and DT Midstream's LEAP pipeline*
- *Upgraded to BB+ by Fitch in August; now rated one notch below investment grade by all three credit agencies*
- *Established longer-term GHG emission reduction goal of 50% decrease by 2035, consistent with a path to net zero by 2050*

"During the third quarter, the Company executed on its plan, progressed debt repayment and achieved our target leverage range. This was complemented by continued return of capital to our shareholders, bringing total share repurchases to date to 10% of the authorized amount. With an increasing and resilient free cash flow generation profile, a strengthening balance sheet, near investment grade credit ratings, and advantaged access to the LNG Corridor and other growing demand centers, Southwestern Energy offers a differentiated rate of change investment opportunity to what we believe is a structurally constructive long-term natural gas outlook," said Bill Way, Southwestern Energy President and Chief Executive Officer.

## Financial Results

| (in millions)                                  | For the three months ended |            | For the nine months ended |            |
|--|----------------------------|------------|---------------------------|------------|
|  | September 30,              |            | September 30,             |            |
|  | 2022                       | 2021       | 2022                      | 2021       |
| Net income (loss)                              | \$ 450                     | \$ (1,857) | \$ (1,052)                | \$ (2,386) |
| Adjusted net income (non-GAAP)                 | \$ 360                     | \$ 188     | \$ 1,175                  | \$ 513     |
| Diluted earnings (loss) per share              | \$ 0.40                    | \$ (2.36)  | \$ (0.94)                 | \$ (3.34)  |
| Adjusted diluted earnings per share (non-GAAP) | \$ 0.32                    | \$ 0.24    | \$ 1.05                   | \$ 0.72    |
| Adjusted EBITDA (non-GAAP)                     | \$ 824                     | \$ 426     | \$ 2,551                  | \$ 1,108   |
| Net cash provided by operating activities      | \$ 797                     | \$ 213     | \$ 2,196                  | \$ 830     |
| Net cash flow (non-GAAP)                       | \$ 765                     | \$ 396     | \$ 2,380                  | \$ 1,022   |
| Total capital investments <sup>(1)</sup>       | \$ 543                     | \$ 291     | \$ 1,672                  | \$ 816     |
| Free cash flow (non-GAAP)                      | \$ 222                     | \$ 105     | \$ 708                    | \$ 206     |

(1) Capital investments include a decrease of \$33 million and an increase of \$34 million for the three months ended September 30, 2022 and 2021, respectively, and increases of \$44 million and \$63 million for the nine months ended September 30, 2022 and 2021, respectively, relating to the change in accrued expenditures between periods.

For the quarter ended September 30, 2022, Southwestern Energy recorded net income of \$450 million, or \$0.40 per diluted share. Adjusting for the impact of the Company's valuation allowance and other one-time items, adjusted net income (non-GAAP) was \$360 million, or \$0.32 per diluted share, and adjusted EBITDA (non-GAAP) was \$824 million. Net cash provided by operating activities was \$797 million, net cash flow (non-GAAP) was \$765 million and free cash flow (non-GAAP) was \$222 million.

The Company primarily utilized free cash flow generated in the third quarter of 2022 to reduce the balance of its revolving credit facility. As of September 30, 2022, Southwestern Energy had total debt of \$4.9 billion and net debt to adjusted EBITDA (non-GAAP) of 1.4x. At the end of the quarter, the Company had \$180 million of borrowings under its revolving credit facility and \$109 million in outstanding letters of credit. In August 2022, the Company received an upgrade to its long-term debt issuer rating from Fitch to BB+, placing the Company one notch below an investment grade credit rating by all three credit agencies.

During the third quarter, the Company repurchased approximately 10.8 million shares for a total cost of approximately \$80 million at an average price of \$7.41 per share.

As indicated in the table below, third quarter 2022 weighted average realized price, including \$0.26 per Mcfe of transportation expenses, was \$7.33 per Mcfe excluding the impact of derivatives. Including derivatives, weighted average realized price (including transportation) for the third quarter was up 23% from \$2.49 per Mcfe in 2021 to \$3.06 per Mcfe in 2022 primarily due to higher commodity prices including a 104% increase in NYMEX Henry Hub and a 30% increase in WTI. Third quarter 2022 weighted average realized price before transportation expense and excluding the impact of derivatives was \$7.59 per Mcfe.

**Realized Prices***(includes transportation costs)*

|  | For the three months ended |          | For the nine months ended |          |
|--|----------------------------|----------|---------------------------|----------|
|  | September 30,              |          | September 30,             |          |
|  | 2022                       | 2021     | 2022                      | 2021     |
| <b>Natural Gas Price:</b>                                  |                            |          |                           |          |
| NYMEX Henry Hub price (\$/MMBtu) <sup>(1)</sup>            | \$ 8.20                    | \$ 4.01  | \$ 6.77                   | \$ 3.18  |
| Discount to NYMEX <sup>(2)</sup>                           | (0.78)                     | (0.83)   | (0.62)                    | (0.74)   |
| Average realized gas price, excluding derivatives (\$/Mcf) | \$ 7.42                    | \$ 3.18  | \$ 6.15                   | \$ 2.44  |
| Gain on settled financial basis derivatives (\$/Mcf)       | 0.10                       | 0.11     | 0.06                      | 0.11     |
| Loss on settled commodity derivatives (\$/Mcf)             | (4.71)                     | (1.14)   | (3.38)                    | (0.43)   |
| Average realized gas price, including derivatives (\$/Mcf) | \$ 2.81                    | \$ 2.15  | \$ 2.83                   | \$ 2.12  |
| <b>Oil Price:</b>  |                            |          |                           |          |
| WTI oil price (\$/Bbl) <sup>(3)</sup>                      | \$ 91.56                   | \$ 70.56 | \$ 98.09                  | \$ 64.82 |
| Discount to WTI <sup>(4)</sup>                             | (7.22)                     | (8.24)   | (7.39)                    | (8.71)   |
| Average realized oil price, excluding derivatives (\$/Bbl) | \$ 84.34                   | \$ 62.32 | \$ 90.70                  | \$ 56.11 |
| Average realized oil price, including derivatives (\$/Bbl) | \$ 49.06                   | \$ 44.83 | \$ 52.29                  | \$ 40.06 |
| <b>NGL Price:</b>  |                            |          |                           |          |
| Average realized NGL price, excluding derivatives (\$/Bbl) | \$ 33.33                   | \$ 31.76 | \$ 37.50                  | \$ 26.05 |
| Average realized NGL price, including derivatives (\$/Bbl) | \$ 26.55                   | \$ 19.31 | \$ 27.64                  | \$ 17.13 |
| Percentage of WTI, excluding derivatives                   | 36%                        | 45%      | 38%                       | 40%      |
| <b>Total Weighted Average Realized Price:</b>              |                            |          |                           |          |
| Excluding derivatives (\$/Mcf)                             | \$ 7.33                    | \$ 3.74  | \$ 6.32                   | \$ 3.01  |
| Including derivatives (\$/Mcf)                             | \$ 3.06                    | \$ 2.49  | \$ 3.11                   | \$ 2.41  |

(1) Based on last day settlement prices from monthly futures contracts.

(2) This discount includes a basis differential, a heating content adjustment, physical basis sales, third-party transportation charges and fuel charges, and excludes financial basis derivatives.

(3) Based on the average daily settlement price of the nearby month futures contract over the period.

(4) This discount primarily includes location and quality adjustments.

**Operational Results**

Total net production for the quarter ended September 30, 2022 was 443 Bcfe, of which 88% was natural gas, 10% NGLs and 2% oil. Capital investments totaled \$543 million for the third quarter of 2022 with 31 wells drilled, 36 wells completed and 31 wells placed to sales.

|  | For the three months ended<br>September 30, |         | For the nine months ended<br>September 30, |         |
|--|---|---------|--|---------|
|  | 2022  | 2021    | 2022                                       | 2021    |
| <b>Production</b>                                  |   |         |  |         |
| Natural gas production (Bcf)                       | 389   | 251     | 1,148                                      | 684     |
| Oil production (MBbls)                             | 1,173                                       | 1,729   | 3,806                                      | 5,222   |
| NGL production (MBbls)                             | 7,788                                       | 8,011   | 22,445                                     | 23,255  |
| Total production (Bcfe)                            | 443   | 310     | 1,306                                      | 855     |
| <b>Average unit costs per Mcfe</b>                 |   |         |  |         |
| Lease operating expenses <sup>(1)</sup>            | \$ 1.02                                     | \$ 0.95 | \$ 0.98                                    | \$ 0.94 |
| General & administrative expenses <sup>(2,3)</sup> | \$ 0.08                                     | \$ 0.09 | \$ 0.08                                    | \$ 0.11 |
| Taxes, other than income taxes                     | \$ 0.17                                     | \$ 0.11 | \$ 0.15                                    | \$ 0.10 |
| Full cost pool amortization                        | \$ 0.66                                     | \$ 0.43 | \$ 0.65                                    | \$ 0.37 |

(1) Includes post-production costs such as gathering, processing, fractionation and compression.

(2) Excludes \$27 million in merger-related expenses for the nine months ended September 30, 2022.

(3) Excludes \$35 million and \$39 million in merger-related expenses for the three and nine months ended September 30, 2021, respectively, and \$7 million in restructuring charges for the nine months ended September 30, 2021.

**Appalachia** – In the third quarter, total production was 267 Bcfe, with NGL production of 84 MBbls per day and oil production of 13 MBbls per day. The Company drilled 16 wells, completed 21 wells and placed 14 wells to sales with an average lateral length of 15,629 feet.

**Haynesville** – In the third quarter, total production was 176 Bcf. There were 15 wells drilled, 15 wells completed and 17 wells placed to sales in the quarter with an average lateral length of 9,332 feet.

| <b>E&amp;P Division Results</b>  | For the three months ended<br>September 30, 2022 |             | For the nine months ended<br>September 30, 2022 |             |
|--|--|-------------|---|-------------|
|  | Appalachia                                       | Haynesville | Appalachia                                      | Haynesville |
| Natural gas production (Bcf)   | 213  | 176         | 637   | 511         |
| Liquids production   |  |             |   |             |
| Oil (MBbls)  | 1,169  | 4           | 3,786   | 15          |
| NGL (MBbls)  | 7,787  | —           | 22,444  | —           |
| Production (Bcfe)  | 267  | 176         | 795   | 511         |
| <b>Capital investments (in millions)</b>                                     |  |             |   |             |
| Drilling and completions, including workovers                                | \$ 193   | \$ 278      | \$ 577  | \$ 868      |
| Land acquisition and other   | 12   | 2           | 45  | 14          |
| Capitalized interest and expense   | 32   | 21          | 94  | 60          |
| Total capital investments  | \$ 237   | \$ 301      | \$ 716  | \$ 942      |
| <b>Gross operated well activity summary</b>                                  |  |             |   |             |
| Drilled  | 16   | 15          | 52  | 53          |
| Completed  | 21   | 15          | 55  | 53          |
| Wells to sales   | 14   | 17          | 48  | 57          |
| <b>Total weighted average realized price per Mcfe, excluding derivatives</b> | \$ 7.03  | \$ 7.78     | \$ 6.26   | \$ 6.41     |

**Wells to sales summary**

|                              | For the three months ended September 30, 2022 |                        |
|------------------------------|---|------------------------|
|                              | Gross wells to sales                          | Average lateral length |
| Appalachia                   |   |                        |
| Super Rich Marcellus         | 8   | 15,425                 |
| Dry Gas Utica <sup>(1)</sup> | 3   | 11,989                 |
| Dry Gas Marcellus            | 3   | 19,814                 |
| Haynesville                  | 17  | 9,332                  |
| Total                        | 31  |                        |
| (1) Ohio Utica               |   |                        |

**Fourth Quarter 2022 Guidance**

Based on current market conditions, Southwestern expects fourth quarter production and price differentials to be within the following ranges.

| PRODUCTION                | For the quarter ended December 31, 2022 |
|---------------------------|---|
| Gas production (Bcf)      | 368 – 384                               |
| Liquids (% of production) | ~12.0%                                  |
| Total (Bcfe)              | 417 – 437                               |
| Total (Bcfe/day)          | ~4.6                                    |

**PRICING**

|   |                         |
|---|-------------------------|
| Natural gas discount to NYMEX including transportation <sup>(1)</sup>   | \$0.55 – \$0.70 per Mcf |
| Oil discount to West Texas Intermediate (WTI) including transportation  | \$7.00 – \$9.00 per Bbl |
| Natural gas liquids realization as a % of WTI including transportation  | 26% – 32%               |
| (1) Includes impact of transportation costs and expected \$0.15 – \$0.17 per Mcf gain in Q4 2022 from financial basis hedges. |                         |

**Conference Call**

Southwestern Energy will host a conference call and webcast on Friday, October 28, 2022 at 9:30 a.m. Central to discuss third quarter 2022 results. To participate, dial US toll-free 877-883-0383, or international 412-902-6506 and enter access code 5197466. The conference call will webcast live at [www.swn.com](http://www.swn.com).

A replay will also be available on SWN's website at [www.swn.com](http://www.swn.com) following the call.

**About Southwestern Energy**

Southwestern Energy Company (NYSE: SWN) is a leading U.S. producer and marketer of natural gas and natural gas liquids focused on responsibly developing large-scale energy assets in the nation's most prolific shale gas basins. SWN's returns-driven strategy strives to create sustainable value for its stakeholders by leveraging its scale, financial strength and operational execution. For additional information, please visit [www.swn.com](http://www.swn.com) and [www.swn.com/responsibility](http://www.swn.com/responsibility).

**Investor Contact**

Brittany Raiford  
Director, Investor Relations  
(832) 796-7906  
[brittany\\_raiford@swn.com](mailto:brittany_raiford@swn.com)

## **Forward Looking Statement**

This news release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. These statements are based on current expectations. The words “anticipate,” “intend,” “plan,” “project,” “estimate,” “continue,” “potential,” “should,” “could,” “may,” “will,” “objective,” “guidance,” “outlook,” “effort,” “expect,” “believe,” “predict,” “budget,” “projection,” “goal,” “forecast,” “model,” “target”, “seek”, “strive,” “would,” “approximate,” and similar words are intended to identify forward-looking statements. Statements may be forward looking even in the absence of these particular words.

Examples of forward-looking statements include, but are not limited to, the expectations of plans, business strategies, objectives and growth and anticipated financial and operational performance, including guidance regarding our strategy to develop reserves, drilling plans and programs, estimated reserves and inventory duration, projected production and sales volume and growth rates, commodity prices, projected average well costs, generation of free cash flow, our return of capital, leverage targets and debt repayment, expected benefits from acquisitions, potential acquisitions and strategic transactions, the timing thereof and our ability to achieve the intended operational, financial and strategic benefits of any such transactions or other initiatives. These forward-looking statements are based on management’s current beliefs, based on currently available information, as to the outcome and timing of future events. All forward-looking statements speak only as of the date of this news release. The estimates and assumptions upon which forward-looking statements are based are inherently uncertain and involve a number of risks that are beyond our control. Although we believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Therefore, you should not place undue reliance on any of the forward-looking statements contained herein.

Factors that could cause our actual results to differ materially from those indicated in any forward-looking statement are subject to all of the risks and uncertainties incident to the exploration for and the development, production, gathering and sale of natural gas, NGLs and oil, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, legislative and regulatory changes, the uncertainty inherent in estimating natural gas and oil reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, a change in our credit rating, an increase in interest rates, our ability to increase commitments under our revolving credit facility, our ability to maintain leases that may expire if production is not established or profitably maintained, our ability to transport our production to the most favorable markets or at all, any increase in severance or similar taxes, the impact of the adverse outcome of any material litigation against us or judicial decisions that affect us or our industry generally, the effects of weather or power outages, increased competition, the financial impact of accounting regulations and critical accounting policies, the

comparative cost of alternative fuels, credit risk relating to the risk of loss as a result of non-performance by our counterparties, impacts of world health events, including the COVID-19 pandemic, cybersecurity risks, geopolitical and business conditions in key regions of the world, our ability to realize the expected benefits from acquisitions, including our mergers with GEP Haynesville, LLC, Montage Resources Corporation and Indigo Natural Resources LLC, our ability to achieve our GHG emission reduction goals and the costs associated therewith, and any other factors described or referenced under Item 7. “Management's Discussion and Analysis of Financial Condition and Results of Operations” and under Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2021.

We have no obligation and make no undertaking to publicly update or revise any forward-looking statements, except as required by applicable law. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

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**SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

|  | For the three months ended<br>September 30, |                    | For the nine months ended<br>September 30, |                    |
|--|---|--------------------|--|--------------------|
|  | <b>2022</b>                                 | 2021               | <b>2022</b>                                | 2021               |
| <i>(in millions, except share/per share amounts)</i> |   |                    |  |                    |
| <b>Operating Revenues:</b>                           |   |                    |  |                    |
| Gas sales  | \$ 2,884                                    | \$ 811             | \$ 7,061                                   | \$ 1,708           |
| Oil sales  | 100   | 110                | 349  | 297                |
| NGL sales  | 260   | 255                | 842  | 607                |
| Marketing  | 1,298                                       | 418                | 3,371                                      | 1,102              |
| Other  | (1)   | 4                  | (1)  | 6                  |
|  | <u>4,541</u>                                | <u>1,598</u>       | <u>11,622</u>                              | <u>3,720</u>       |
| <b>Operating Costs and Expenses:</b>                 |   |                    |  |                    |
| Marketing purchases                                  | 1,289                                       | 420                | 3,366                                      | 1,109              |
| Operating expenses                                   | 423   | 296                | 1,206                                      | 805                |
| General and administrative expenses                  | 41  | 32                 | 120  | 104                |
| Merger-related expenses                              | —   | 35                 | 27   | 39                 |
| Restructuring charges                                | —   | —                  | —  | 7                  |
| Depreciation, depletion and amortization             | 298   | 138                | 861  | 334                |
| Impairments  | —   | 6                  | —  | 6                  |
| Taxes, other than income taxes                       | 76  | 35                 | 198  | 86                 |
|  | <u>2,127</u>                                | <u>962</u>         | <u>5,778</u>                               | <u>2,490</u>       |
| <b>Operating Income</b>                              | <u>2,414</u>                                | <u>636</u>         | <u>5,844</u>                               | <u>1,230</u>       |
| <b>Interest Expense:</b>                             |   |                    |  |                    |
| Interest on debt                                     | 77  | 56                 | 218  | 154                |
| Other interest charges                               | 3   | 3                  | 10   | 9                  |
| Interest capitalized                                 | (30)  | (25)               | (89)                                       | (68)               |
|  | <u>50</u>                                   | <u>34</u>          | <u>139</u>                                 | <u>95</u>          |
| <b>Loss on Derivatives</b>                           | (1,903)                                     | (2,399)            | (6,709)                                    | (3,461)            |
| <b>Loss on Early Extinguishment of Debt</b>          | —   | (59)               | (6)  | (59)               |
| <b>Other Loss, Net</b>                               | <u>—</u>                                    | <u>(1)</u>         | <u>(1)</u>                                 | <u>(1)</u>         |
| <b>Income (Loss) Before Income Taxes</b>             | 461   | (1,857)            | (1,011)                                    | (2,386)            |
| <b>Provision (Benefit) for Income Taxes:</b>         |   |                    |  |                    |
| Current  | 11  | —                  | 41   | —                  |
| Deferred   | —   | —                  | —  | —                  |
|  | <u>11</u>                                   | <u>—</u>           | <u>41</u>                                  | <u>—</u>           |
| <b>Net Income (Loss)</b>                             | <u>\$ 450</u>                               | <u>\$ (1,857)</u>  | <u>\$ (1,052)</u>                          | <u>\$ (2,386)</u>  |
| <b>Earnings (Loss) Per Common Share:</b>             |   |                    |  |                    |
| Basic  | \$ 0.41                                     | \$ (2.36)          | \$ (0.94)                                  | \$ (3.34)          |
| Diluted  | \$ 0.40                                     | \$ (2.36)          | \$ (0.94)                                  | \$ (3.34)          |
| <b>Weighted Average Common Shares Outstanding:</b>   |   |                    |  |                    |
| Basic  | <u>1,110,259,907</u>                        | <u>787,032,414</u> | <u>1,113,705,502</u>                       | <u>713,455,662</u> |
| Diluted  | <u>1,112,522,861</u>                        | <u>787,032,414</u> | <u>1,113,705,502</u>                       | <u>713,455,662</u> |



**SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

|  | <b>September 30,<br/>2022</b> | December 31,<br>2021    |
|--|-------------------------------|-------------------------|
|  | <i>(in millions)</i>          |                         |
| <b>ASSETS</b>  |                               |                         |
| Current assets:  |                               |                         |
| Cash and cash equivalents  | \$ 11                         | \$ 28                   |
| Accounts receivable, net   | 1,763                         | 1,160                   |
| Derivative assets  | 176                           | 183                     |
| Other current assets   | 52                            | 42                      |
| Total current assets   | <u>2,002</u>                  | <u>1,413</u>            |
| Natural gas and oil properties, using the full cost method   | 35,293                        | 33,631                  |
| Other  | 515                           | 509                     |
| Less: Accumulated depreciation, depletion and amortization   | <u>(25,068)</u>               | <u>(24,202)</u>         |
| Total property and equipment, net  | 10,740                        | 9,938                   |
| Operating lease assets   | 183                           | 187                     |
| Long-term derivative assets  | 77                            | 226                     |
| Other long-term assets   | 102                           | 84                      |
| Total long-term assets   | <u>362</u>                    | <u>497</u>              |
| <b>TOTAL ASSETS</b>  | <u><b>\$ 13,104</b></u>       | <u><b>\$ 11,848</b></u> |
| <b>LIABILITIES AND EQUITY</b>  |                               |                         |
| Current liabilities:   |                               |                         |
| Current portion of long-term debt  | \$ 5                          | \$ 206                  |
| Accounts payable   | 1,896                         | 1,282                   |
| Taxes payable  | 121                           | 93                      |
| Interest payable   | 43                            | 75                      |
| Derivative liabilities   | 3,270                         | 1,279                   |
| Current operating lease liabilities  | 43                            | 42                      |
| Other current liabilities  | 73                            | 75                      |
| Total current liabilities  | <u>5,451</u>                  | <u>3,052</u>            |
| Long-term debt   | 4,855                         | 5,201                   |
| Long-term operating lease liabilities  | 138                           | 142                     |
| Long-term derivative liabilities   | 1,009                         | 632                     |
| Pension and other postretirement liabilities   | 27                            | 23                      |
| Other long-term liabilities  | 210                           | 251                     |
| Total long-term liabilities  | <u>6,239</u>                  | <u>6,249</u>            |
| Commitments and contingencies  |                               |                         |
| Equity:  |                               |                         |
| Common stock, \$0.01 par value; 2,500,000,000 shares authorized; issued 1,161,475,422 shares as of September 30, 2022 and 1,158,672,666 shares as of December 31, 2021 | 12                            | 12                      |
| Additional paid-in capital   | 7,169                         | 7,150                   |
| Accumulated deficit  | (5,440)                       | (4,388)                 |
| Accumulated other comprehensive loss   | (25)                          | (25)                    |
| Common stock in treasury, 57,966,919 shares as of September 30, 2022 and 44,353,224 shares as of December 31, 2021   | (302)                         | (202)                   |
| Total equity   | <u>1,414</u>                  | <u>2,547</u>            |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <u><b>\$ 13,104</b></u>       | <u><b>\$ 11,848</b></u> |

**SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|   | For the nine months ended<br>September 30, |            |
|---|--|------------|
|   | 2022                                       | 2021       |
| <i>(in millions)</i>  |  |            |
| <b>Cash Flows From Operating Activities:</b>                                    |  |            |
| Net loss  | \$ (1,052)                                 | \$ (2,386) |
| Adjustments to reconcile net loss to net cash provided by operating activities: |  |            |
| Depreciation, depletion and amortization  | 861  | 334        |
| Amortization of debt issuance costs   | 8  | 6          |
| Impairments   | —  | 6          |
| Loss on derivatives, unsettled  | 2,524                                      | 2,952      |
| Stock-based compensation  | 4  | 2          |
| Loss on early extinguishment of debt  | 6  | 59         |
| Other   | 2  | 3          |
| Change in assets and liabilities, excluding impact from acquisitions:           |  |            |
| Accounts receivable   | (602)                                      | (147)      |
| Accounts payable  | 506  | 58         |
| Taxes payable   | 28   | (10)       |
| Interest payable  | (22)                                       | (13)       |
| Inventories   | (8)  | (2)        |
| Other assets and liabilities  | (59)                                       | (32)       |
| Net cash provided by operating activities                                       | 2,196                                      | 830        |
| <b>Cash Flows From Investing Activities:</b>                                    |  |            |
| Capital investments   | (1,623)                                    | (747)      |
| Proceeds from sale of property and equipment                                    | 15   | 4          |
| Cash acquired through acquisitions  | —  | 55         |
| Cash paid through acquisitions  | —  | (373)      |
| Other   | —  | (1)        |
| Net cash used in investing activities   | (1,608)                                    | (1,062)    |
| <b>Cash Flows From Financing Activities:</b>                                    |  |            |
| Payments on current portion of long-term debt                                   | (205)                                      | (844)      |
| Payments on long-term debt  | (71)                                       | —          |
| Payments on revolving credit facility   | (10,341)                                   | (3,401)    |
| Borrowings under revolving credit facility                                      | 10,061                                     | 3,366      |
| Change in bank drafts outstanding   | 62   | 33         |
| Proceeds from exercise of common stock options                                  | 7  | —          |
| Purchase of treasury stock  | (100)                                      | —          |
| Debt issuance/amendment costs   | (14)                                       | (25)       |
| Cash paid for tax withholding   | (4)  | (3)        |
| Repayment of Indigo revolving credit facility                                   | —  | (95)       |
| Proceeds from issuance of long-term debt  | —  | 1,200      |
| Net cash provided by (used in) financing activities                             | (605)                                      | 231        |
| Decrease in cash and cash equivalents   | (17)                                       | (1)        |
| Cash and cash equivalents at beginning of year                                  | 28   | 13         |
| Cash and cash equivalents at end of period                                      | \$ 11                                      | \$ 12      |

## Hedging Summary

A detailed breakdown of derivative financial instruments and financial basis positions as of September 30, 2022, including the remainder of 2022 and excluding those positions that settled in the first, second and third quarters, is shown below. Please refer to the Company's quarterly report on Form 10-Q to be filed with the Securities and Exchange Commission for complete information on the Company's commodity, basis and interest rate protection.

|                            |              | Weighted Average Price per MMBtu |           |                |            |
|----------------------------|--------------|----------------------------------|-----------|----------------|------------|
|                            | Volume (Bcf) | Swaps                            | Sold Puts | Purchased Puts | Sold Calls |
| Natural gas                |              |                                  |           |                |            |
| 2022                       |              |                                  |           |                |            |
| Fixed price swaps          | 207          | \$ 3.04                          | \$ —      | \$ —           | \$ —       |
| Two-way costless collars   | 18           | —                                | —         | 2.47           | 2.89       |
| Three-way costless collars | 92           | —                                | 2.03      | 2.48           | 2.88       |
| Total                      | 317          |                                  |           |                |            |
| 2023                       |              |                                  |           |                |            |
| Fixed price swaps          | 504          | \$ 3.08                          | \$ —      | \$ —           | \$ —       |
| Two-way costless collars   | 219          | —                                | —         | 3.03           | 3.55       |
| Three-way costless collars | 215          | —                                | 2.09      | 2.54           | 3.00       |
| Total                      | 938          |                                  |           |                |            |
| 2024                       |              |                                  |           |                |            |
| Fixed price swaps          | 224          | \$ 2.96                          | \$ —      | \$ —           | \$ —       |
| Two-way costless collars   | 44           | —                                | —         | 3.07           | 3.53       |
| Three-way costless collars | 11           | —                                | 2.25      | 2.80           | 3.54       |
| Total                      | 279          |                                  |           |                |            |

### Natural gas financial basis positions

|                        | Volume<br>(Bcf) | Basis Differential<br>(\$/MMBtu) |
|------------------------|-----------------|----------------------------------|
| <b>Q4 2022</b>         |                 |                                  |
| Dominion South         | 30              | \$ (0.65)                        |
| TCO                    | 26              | \$ (0.57)                        |
| TETCO M3               | 20              | \$ (0.16)                        |
| Columbia Gulf Mainline | 6               | \$ (0.25)                        |
| Total                  | 82              | \$ (0.48)                        |
| <b>2023</b>            |                 |                                  |
| Dominion South         | 134             | \$ (0.75)                        |
| TCO                    | 72              | \$ (0.62)                        |
| TETCO M3               | 62              | \$ 0.15                          |
| Trunkline Zone 1A      | 13              | \$ (0.29)                        |
| Total                  | 281             | \$ (0.50)                        |
| <b>2024</b>            |                 |                                  |
| Dominion South         | 46              | \$ (0.71)                        |
| <b>2025</b>            |                 |                                  |
| Dominion South         | 9               | \$ (0.64)                        |

**Call Options – Natural Gas (Net)**

|       | Volume<br>(Bcf) | Weighted Average<br>Strike Price<br>(\$/MMBtu) |
|-------|-----------------|--|
| 2022  | 21              | \$ 3.01  |
| 2023  | 46              | \$ 2.94  |
| 2024  | 9               | \$ 3.00  |
| Total | 76              |  |

|                            | Volume<br>(MMbbls) | Weighted Average Price per Bbl |           |                   |            |
|----------------------------|--------------------|--------------------------------|-----------|-------------------|------------|
|                            |                    | Swaps                          | Sold Puts | Purchased<br>Puts | Sold Calls |
| <b>Oil</b>                 |                    |                                |           |                   |            |
| <u>2022</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 846                | \$ 52.68                       | \$ —      | \$ —              | \$ —       |
| Three-way costless collars | 344                | —                              | 39.76     | 50.08             | 56.97      |
| Total                      | 1,190              |                                |           |                   |            |
| <u>2023</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 1,081              | \$ 60.05                       | \$ —      | \$ —              | \$ —       |
| Three-way costless collars | 1,268              | —                              | 33.97     | 45.51             | 56.12      |
| Total                      | 2,349              |                                |           |                   |            |
| <u>2024</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 913                | \$ 70.66                       | \$ —      | \$ —              | \$ —       |
| <u>2025</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 41                 | \$ 77.66                       | \$ —      | \$ —              | \$ —       |
| <b>Ethane</b>              |                    |                                |           |                   |            |
| <u>2022</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 1,463              | \$ 11.44                       | \$ —      | \$ —              | \$ —       |
| <u>2023</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 1,308              | \$ 11.91                       | \$ —      | \$ —              | \$ —       |
| <b>Propane</b>             |                    |                                |           |                   |            |
| <u>2022</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 1,536              | \$ 31.22                       | \$ —      | \$ —              | \$ —       |
| Three-way costless collars | 77                 | —                              | 16.80     | 21.00             | 31.92      |
| Total                      | 1,613              |                                |           |                   |            |
| <u>2023</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 1,925              | \$ 36.79                       | \$ —      | \$ —              | \$ —       |
| <u>2024</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 73                 | \$ 42.32                       | \$ —      | \$ —              | \$ —       |
| <b>Normal Butane</b>       |                    |                                |           |                   |            |
| <u>2022</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 464                | \$ 36.22                       | \$ —      | \$ —              | \$ —       |
| <u>2023</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 347                | \$ 41.24                       | \$ —      | \$ —              | \$ —       |
| <b>Natural Gasoline</b>    |                    |                                |           |                   |            |
| <u>2022</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 501                | \$ 55.78                       | \$ —      | \$ —              | \$ —       |
| <u>2023</u>                |                    |                                |           |                   |            |
| Fixed price swaps          | 359                | \$ 66.00                       | \$ —      | \$ —              | \$ —       |

## Explanation and Reconciliation of Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, management believes certain non-GAAP performance measures may provide financial statement users with additional meaningful comparisons between current results, the results of the Company's peers and of prior periods.

One such non-GAAP financial measure is net cash flow. Management presents this measure because (i) it is accepted as an indicator of an oil and gas exploration and production company's ability to internally fund exploration and development activities and to service or incur additional debt, (ii) changes in operating assets and liabilities relate to the timing of cash receipts and disbursements which the Company may not control and (iii) changes in operating assets and liabilities may not relate to the period in which the operating activities occurred.

Additional non-GAAP financial measures the Company may present from time to time are free cash flow, net debt, adjusted net income, adjusted diluted earnings per share and adjusted EBITDA, all which exclude certain charges or amounts. Management presents these measures because (i) they are consistent with the manner in which the Company's position and performance are measured relative to the position and performance of its peers, (ii) these measures are more comparable to earnings estimates provided by securities analysts, and (iii) charges or amounts excluded cannot be reasonably estimated and guidance provided by the Company excludes information regarding these types of items. These adjusted amounts are not a measure of financial performance under GAAP.

|  | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|--|-------------------------------------|------------|------------------------------------|------------|
|  | 2022                                | 2021       | 2022                               | 2021       |
| <b>Adjusted net income:</b>                          | <i>(in millions)</i>                |            |                                    |            |
| Net income (loss)                                    | \$ 450                              | \$ (1,857) | \$ (1,052)                         | \$ (2,386) |
| Add back (deduct):                                   |                                     |            |                                    |            |
| Merger-related expenses                              | —                                   | 35         | 27                                 | 39         |
| Restructuring charges                                | —                                   | —          | —                                  | 7          |
| Impairments  | —                                   | 6          | —                                  | 6          |
| Loss on unsettled derivatives <sup>(1)</sup>         | 14                                  | 2,011      | 2,524                              | 2,952      |
| Loss on early extinguishment of debt                 | —                                   | 59         | 6                                  | 59         |
| Other loss   | —                                   | —          | 1                                  | —          |
| Adjustments due to discrete tax items <sup>(2)</sup> | (100)                               | 447        | 285                                | 570        |
| Tax impact on adjustments                            | (4)                                 | (513)      | (616)                              | (734)      |
| Adjusted net income                                  | \$ 360                              | \$ 188     | \$ 1,175                           | \$ 513     |

(1) Includes (\$2) million and \$7 million of non-performance risk adjustment to derivative activities for the three and nine months ended September 30, 2022, respectively, and \$4 million and \$5 million of non-performance risk adjustment to derivative activities for the three and nine months ended September 30, 2021, respectively.

(2) The Company's 2022 income tax rate is 24.1% before the impacts of any valuation allowance.

|  | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |           |
|--|-------------------------------------|-----------|------------------------------------|-----------|
|  | 2022                                | 2021      | 2022                               | 2021      |
| <b>Adjusted diluted earnings per share:</b>          |                                     |           |                                    |           |
| Diluted earnings (loss) per share                    | \$ 0.40                             | \$ (2.36) | \$ (0.94)                          | \$ (3.34) |
| Add back (deduct):                                   |                                     |           |                                    |           |
| Merger-related expenses                              | —                                   | 0.05      | 0.02                               | 0.05      |
| Restructuring charges                                | —                                   | —         | —                                  | 0.01      |
| Impairments  | —                                   | 0.01      | —                                  | 0.01      |
| Loss on unsettled derivatives <sup>(1)</sup>         | 0.01                                | 2.54      | 2.27                               | 4.12      |
| Loss on early extinguishment of debt                 | —                                   | 0.08      | 0.00                               | 0.08      |
| Other loss   | —                                   | —         | 0.00                               | —         |
| Adjustments due to discrete tax items <sup>(2)</sup> | (0.09)                              | 0.57      | 0.25                               | 0.80      |
| Tax impact on adjustments                            | (0.00)                              | (0.65)    | (0.55)                             | (1.01)    |
| Adjusted diluted earnings per share                  | \$ 0.32                             | \$ 0.24   | \$ 1.05                            | \$ 0.72   |

(1) Includes (\$2) million and \$7 million of non-performance risk adjustment to derivative activities for the three and nine months ended September 30, 2022, respectively, and \$4 million and \$5 million of non-performance risk adjustment to derivative activities for the three and nine months ended September 30, 2021, respectively.

(2) The Company's 2022 income tax rate is 24.1% before the impacts of any valuation allowance.

|   | Three Months Ended<br>September 30, |        | Nine Months Ended<br>September 30, |          |
|---|-------------------------------------|--------|------------------------------------|----------|
|   | 2022                                | 2021   | 2022                               | 2021     |
| <b>Net cash flow:</b>                       |                                     |        |                                    |          |
|   | <i>(in millions)</i>                |        |                                    |          |
| Net cash provided by operating activities   | \$ 797                              | \$ 213 | \$ 2,196                           | \$ 830   |
| Add back (deduct):                          |                                     |        |                                    |          |
| Changes in operating assets and liabilities | (32)                                | 148    | 157                                | 146      |
| Merger-related expenses                     | —                                   | 35     | 27                                 | 39       |
| Restructuring charges                       | —                                   | —      | —                                  | 7        |
| Net cash flow                               | \$ 765                              | \$ 396 | \$ 2,380                           | \$ 1,022 |

|                           | Three Months Ended<br>September 30, |        | Nine Months Ended<br>September 30, |          |
|---------------------------|-------------------------------------|--------|------------------------------------|----------|
|                           | 2022                                | 2021   | 2022                               | 2021     |
| <b>Free cash flow:</b>    |                                     |        |                                    |          |
|                           | <i>(in millions)</i>                |        |                                    |          |
| Net cash flow             | \$ 765                              | \$ 396 | \$ 2,380                           | \$ 1,022 |
| Subtract:                 |                                     |        |                                    |          |
| Total capital investments | (543)                               | (291)  | (1,672)                            | (816)    |
| Free cash flow            | \$ 222                              | \$ 105 | \$ 708                             | \$ 206   |

|  | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|--|-------------------------------------|------------|------------------------------------|------------|
|  | 2022                                | 2021       | 2022                               | 2021       |
| <b>Adjusted EBITDA:</b>                      | <i>(in millions)</i>                |            |                                    |            |
| Net income (loss)                            | \$ 450                              | \$ (1,857) | \$ (1,052)                         | \$ (2,386) |
| Add back (deduct):                           |                                     |            |                                    |            |
| Interest expense                             | 50                                  | 34         | 139                                | 95         |
| Income tax expense (benefit)                 | 11                                  | —          | 41                                 | —          |
| Depreciation, depletion and amortization     | 298                                 | 138        | 861                                | 334        |
| Merger-related expenses                      | —                                   | 35         | 27                                 | 39         |
| Restructuring charges                        | —                                   | —          | —                                  | 7          |
| Impairments                                  | —                                   | 6          | —                                  | 6          |
| Loss on unsettled derivatives <sup>(1)</sup> | 14                                  | 2,011      | 2,524                              | 2,952      |
| Loss on early extinguishment of debt         | —                                   | 59         | 6                                  | 59         |
| Other loss                                   | —                                   | —          | 1                                  | —          |
| Stock-based compensation expense             | 1                                   | —          | 4                                  | 2          |
| Adjusted EBITDA                              | \$ 824                              | \$ 426     | \$ 2,551                           | \$ 1,108   |

(1) Includes (\$2) million and \$7 million of non-performance risk adjustment to derivative activities for the three and nine months ended September 30, 2022, respectively, and \$4 million and \$5 million of non-performance risk adjustment to derivative activities for the three and nine months ended September 30, 2021, respectively.

|  | 12 Months Ended<br>September 30, 2022 |
|--|---------------------------------------|
|  | <i>(in millions)</i>                  |
| <b>Adjusted EBITDA:</b>                      |                                       |
| Net income                                   | \$ 1,309                              |
| Add back (deduct):                           |                                       |
| Interest expense                             | 180                                   |
| Income tax expense (benefit)                 | 41                                    |
| Depreciation, depletion and amortization     | 1,073                                 |
| Merger-related expenses                      | 64                                    |
| Loss on unsettled derivatives <sup>(1)</sup> | 516                                   |
| Loss on early extinguishment of debt         | 40                                    |
| Stock-based compensation expense             | 4                                     |
| Other  | (5)                                   |
| Adjusted EBITDA                              | \$ 3,222                              |

(1) Includes \$3 million of non-performance risk adjustment for the twelve months ended September 30, 2022.

|                           | September 30, 2022   |
|---------------------------|----------------------|
|                           | <i>(in millions)</i> |
| <b>Net debt:</b>          |                      |
| Total debt <sup>(1)</sup> | \$ 4,890             |
| Subtract:                 |                      |
| Cash and cash equivalents | (11)                 |
| Net debt                  | \$ 4,879             |

(1) Does not include \$30 million of unamortized debt discount and issuance expense.

|                                     | September 30, 2022   |
|-------------------------------------|----------------------|
|                                     | <i>(in millions)</i> |
| <b>Net debt to Adjusted EBITDA:</b> |                      |
| Net debt                            | \$ 4,879             |
| Adjusted EBITDA <sup>(1)</sup>      | \$ 3,375             |
| Net debt to Adjusted EBITDA         | 1.4x                 |

(1) Adjusted EBITDA for the twelve months ended September 30, 2022 includes \$153 million of adjusted EBITDA generated by GEP Haynesville prior to the December 2021 acquisition.