

# Energy ➡ Optimized

DEC: The Only Publicly Traded Champion of the PDP Subsector

March 17, 2025





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# THE PUBLICLY TRADED CHAMPION OF THE PDP SUBSECTOR

## Dynamic Multi-Basin Rollup Strategy

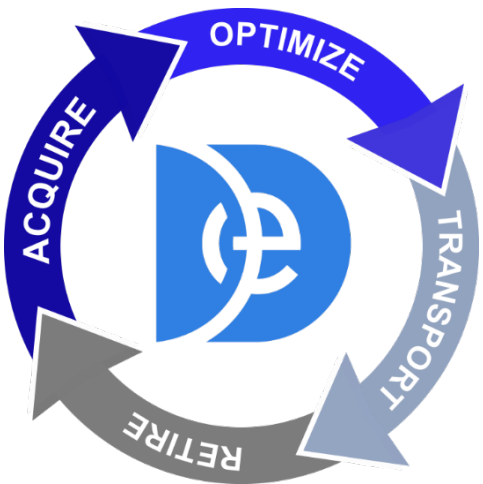
*Extensive operational footprint establish platform to capture value by acquiring assets at attractive valuations throughout E&P capital cycles*

## Demonstrated Commitment to Returns

*Returns-focused model prioritizes Free Cash Flow for debt reduction, dividend payments, share buybacks and accretive acquisitions*

## Distinctly Efficient PDP Operations

*Vertically integrated operating, marketing, midstream and retirement capabilities enhance margins and increase allocable capital*



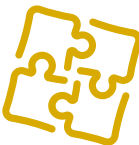
## Differentiated Sustainability Platform

*Smarter Asset Management and emissions mitigation initiatives maximize production volumes and enable best-in-class sustainability reporting*

### Diversified's Unique Value-Creation Levers



**Significant  
Scale of PDP  
Operations**



**Extensive  
Vertical  
Integration**



**Leading  
Technology  
Platform**



**Beneficial  
Financing  
Solutions**



**Flexible  
Capital  
Allocation**



**Proven  
Synergy  
Capture**

# FY 2024 Results Overview

Delivering on Operational and Financial Strategy



# 2024 ACTION PLAN – EXECUTING ON OUR STRATEGY

## Systematic Debt Reduction

**\$205 million**

of debt principal payments



## Strategic Share Repurchases

**>\$20 million**

value of shares repurchased<sup>(a)</sup>  
~3% of Shares Outstanding



## Fixed per-share Dividend

**~\$85 million**

in Dividend Distributions



## Accretive Acquisitions

**~\$2 billion**

of recently completed acquisitions<sup>(b)</sup>



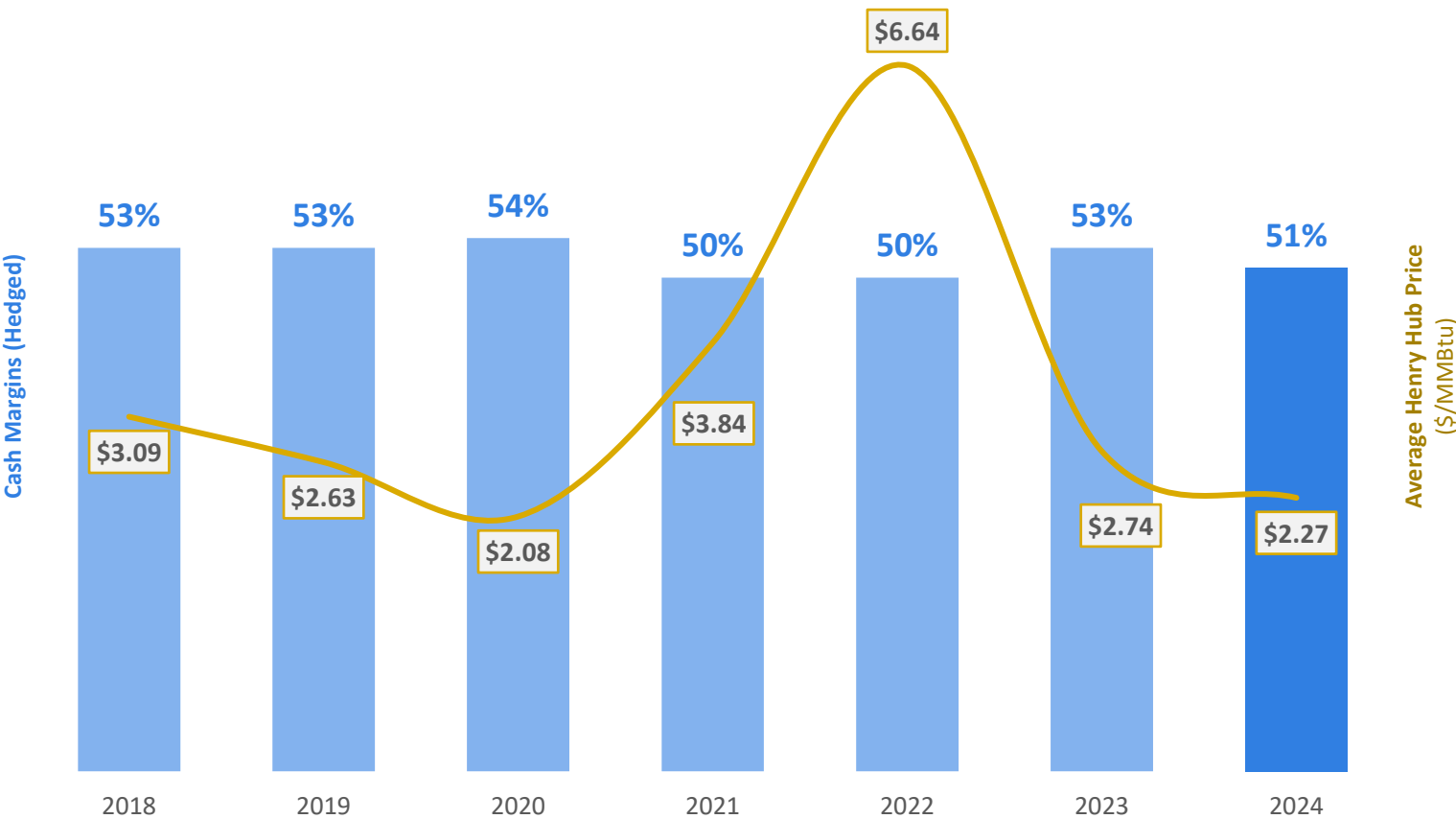
**Total stakeholder returns since 2017 IPO include \$1.7 billion in shareholder returns and debt principal payments**

a) Share repurchases include the value of shares repurchase through Diversified announced Share Repurchase Program and the value of shares purchased by Diversified's Employee Benefit Trust (the "EBT"). Percentage of shares outstanding calculated using total shares issued and outstanding on December 31, 2024 of 47,923,726 shares.

b) Value of completed acquisitions based on the on previously announced gross valuation, includes the Summit Natural Resources and Maverick Natural Resources acquisitions closed in first quarter of 2025.



# BUILT TO DELIVER STRONG CASH MARGINS IN ANY PRICE ENVIRONMENT

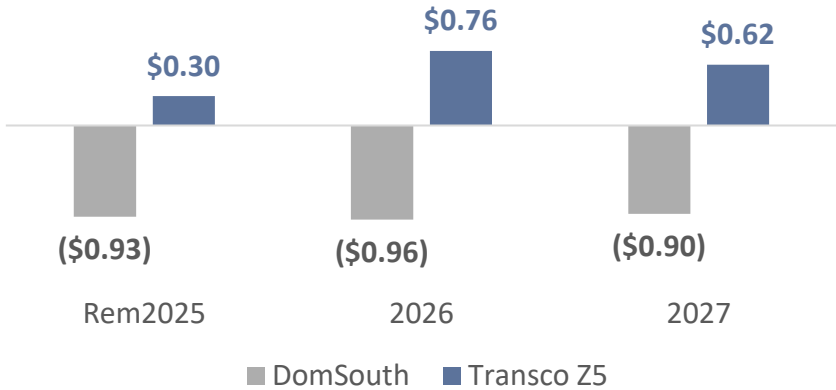


## Margin Enhancement Through Acquisition of Pipeline Infrastructure

Acquired Summit pipeline assets enhance access to premium-priced Transco Zone 5 sales points

### Regional Pricing Comparison<sup>(a)</sup>

DomSouth vs TranscoZ5 (\$/MMBtu)



### Established Ability to Generate Returns

Seven years of robust cash production reflects impact of differentiated, stewardship-focused production model



### Capital Efficiency Enhances Returns

Low capital intensity of \$0.18/Mcfe increases the amount of cash flow retained for future capital allocation<sup>(b)</sup>

Average Henry Hub price based on value of settled monthly futures contracts for the periods presented.  
Adjusted EBITDA Margin ("Cash Margin") represents Adjusted EBITDA as a percent of Total Revenue, Inclusive of Settled Hedges; For the purpose of comparability, Cash Margins for the 2022-2024 reporting periods exclude certain amounts related to Other Revenue and Lease Operating expense attributable to Diversified's wholly owned asset retirement subsidiary, Next LVL Energy.

a) Futures prices for Transco Zone 5 ("TranscoZ5") and Dominion South ("DomSouth") pricing presented as differentials to Henry Hub, data as of March 7, 2025. Source: FactSet.

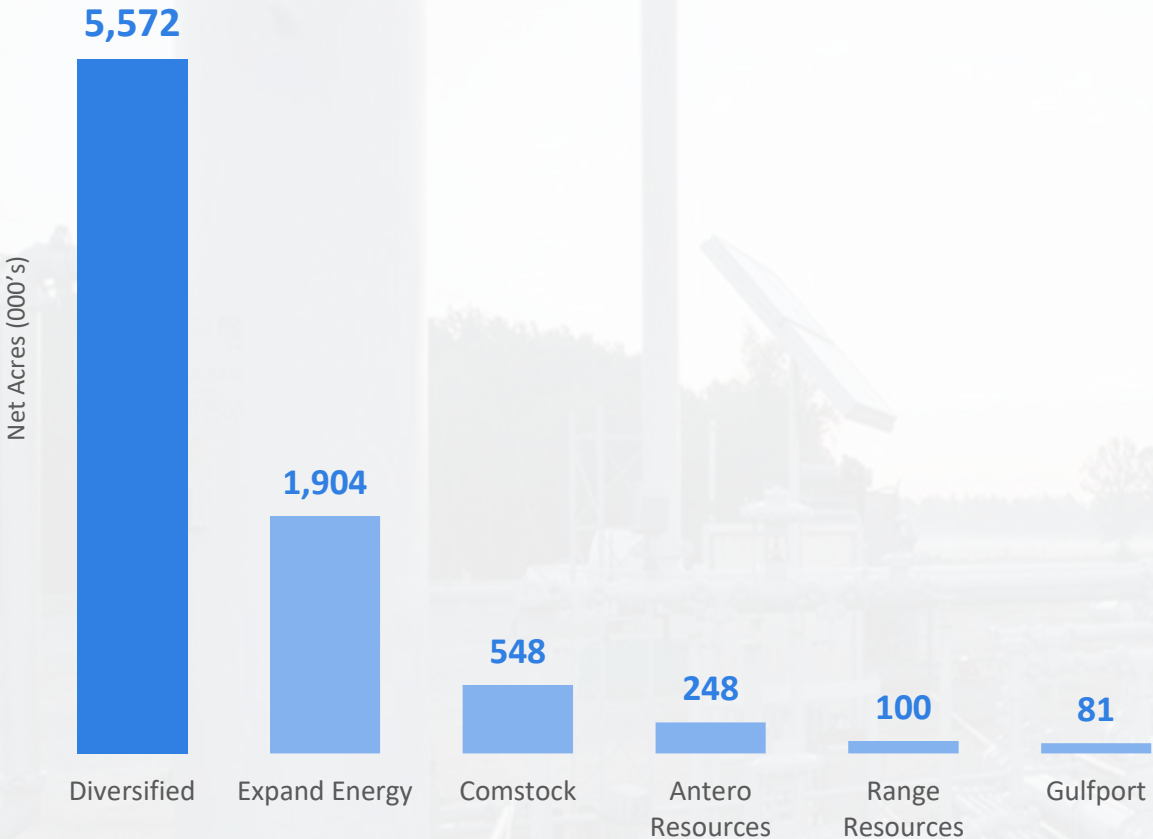
b) Calculated as 2024 Capital Expenditures divided by 2024 Total Production.



# EXTRACTING VALUE FROM EXPANSIVE UNDEVELOPED LEASEHOLD

## Undeveloped Leasehold

Among Natural Gas-Weighted Operators



### Diversified's acreage position in a "league of its own"

Undeveloped leasehold is approx. 3x larger than the nearest gas-weighted North American operator



### Recorded \$40+ million of leasehold sales in 2024

Divestiture of undeveloped acreage has generated more than \$100 in cash proceeds since 2021



### Significant Untapped Value of Undeveloped Acreage

Recent land sales of ~\$1,300/acre in Central Region indicate a value of >\$800 million of acreage in Oklahoma, alone<sup>(a)</sup>

**Maverick adds ~750,000 acres in WAB, alone**



### Enhancing Cash Flow and Increasing Liquidity

With acquisition economics focused solely on PDP assets, monetization of acreage represents pure upside opportunity

Source: Company Data, SEC Filings. Acreage positions as of December 31, 2024  
a) Based on Oklahoma net acreage position at December 31, 2024. Does not include acquired Oklahoma acreage associated with the Maverick Natural Resources acquisition.



# RELENTLESS FOCUS ON INCREASING VALUE

## 2024 Operating Highlights



### 2024 Average Production of 791 MMcfe/d

- December 2024 average production of 864 MMcfe/d
- Maintained consolidated production decline of ~10% per year

### 2024 Total Revenue, Inclusive of Hedges of \$946 million

- Total Revenues per Unit of \$3.21/Mcfe<sup>(a)</sup>
- 2024 Net Loss of \$87 Million, Including \$141 million of mark-to-market losses

### Recorded Adjusted EBITDA of \$472 Million

- 51% Adj. EBITDA margin consistent with strong track record of cash generation<sup>(a)</sup>
- Land Sales generated \$40+ million of proceeds, yielding value from undeveloped acreage

### Generated \$211 Million of Free Cash Flow

- 2024 Capital Expenditures of just \$52 million highlights low capital intensity
- Significant year-to-date Free Cash Flow conversion rate of 45%<sup>(b)</sup>

### Retired \$205 Million of Amortizing Debt in 2024

- ABS structures continue to provide clear runway to future debt reduction
- Scheduled debt reduction increases equity component of enterprise value

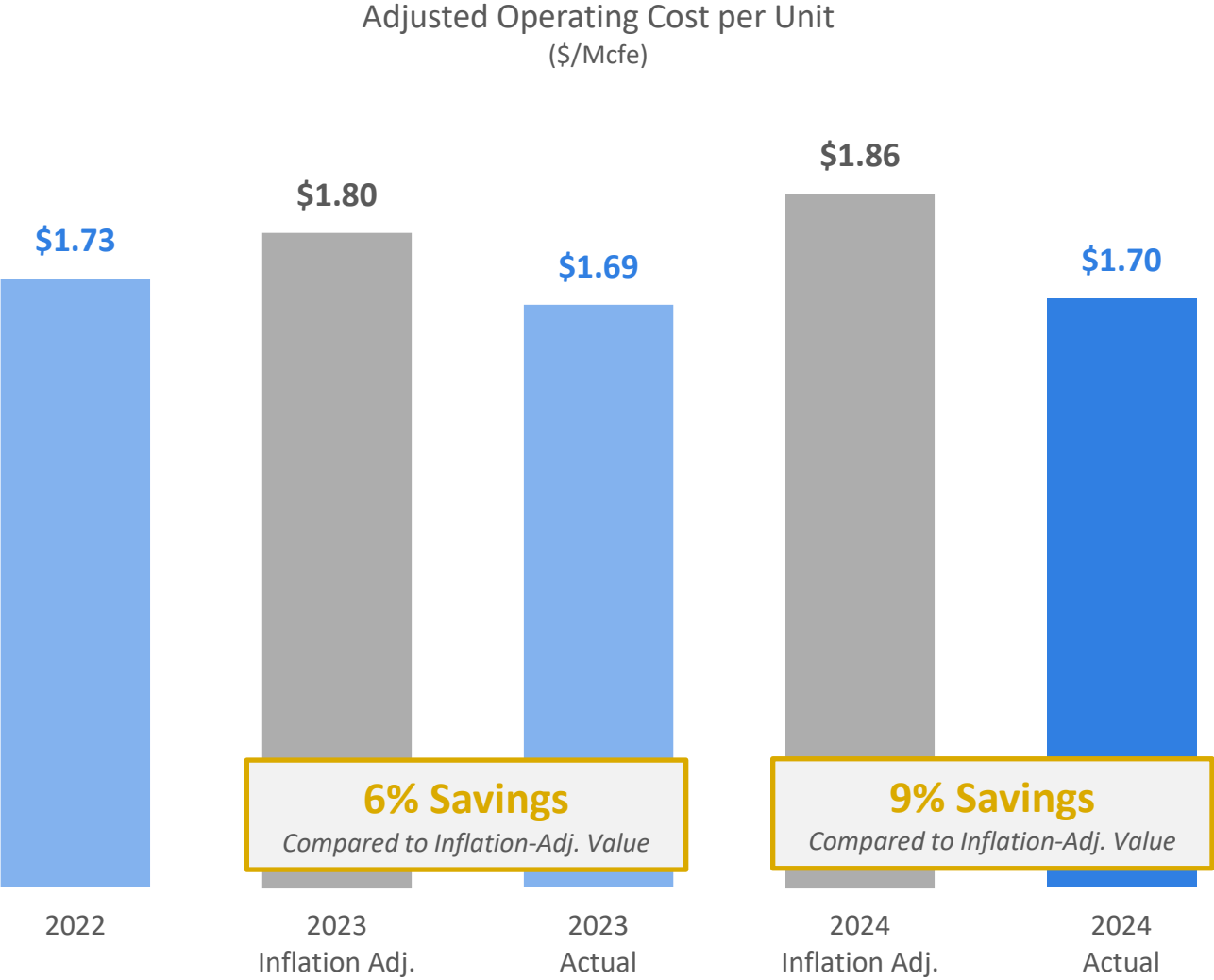
a) Excludes certain amounts relating to Diversified's wholly owned asset retirement subsidiary, Next LVL Energy. Please refer to the Company's RNS announcements on February 11 and March 17, 2025 for more information.

b) Calculated as 2024 Adjusted Free Cash Flow divided by 2024 Adjusted EBITDA.





# FOCUS ON SCALE & VERTICAL INTEGRATION YIELDS COST EFFICIENCIES



- High Working Interest Benefits Cost Control**  
*PDP strategy focuses on efficient operation of existing assets through implementation of Smarter Asset Management*
- Leveraging Technology for Operations Insight**  
*Active & automated well monitoring eliminates downtime, enhances efficiencies and provides real-time analytics*
- Integrated Services Mitigates Inflation**  
*Integrated midstream and marketing reduces margin pressure from third-party vendor cost inflation*
- Smarter Asset Management Offsets Declines**  
*Optimization of PDP assets mitigates industry-leading declines with high-return, low cost initiatives*
- Scalable Infrastructure Prevents Cost Creep**  
*Cloud-based information technology and centralized G&A suite quickly adapts to increases in operating scale*

Source: Company Data; US Bureau of Labor Statistics.  
2023 and 2024 Inflation Adjusted Costs ("Inflation Adj.") calculated using the Consumer Price Index (all items less food and energy) for the twelve months ended December 2023 and December 2024, respectively.



# SUMMIT ACQUISITION GROWS COAL MINE METHANE (“CMM”) REVENUES



## Uniquely Positioned to Generate CMM Revenues

*Suitability of owned assets reduces need for up-front capex or additional operating costs to maintain revenue stream*



## Increasing Working Interest in Existing Production

*Acquisition of operated interest immediately expands the CMM volumes while giving Diversified better cost control*



## Opportunity to Alternative Energy Credits (“AECs”)

*Sales of AECs represents 100% margin upside to the sales price received for qualifying produced gas*

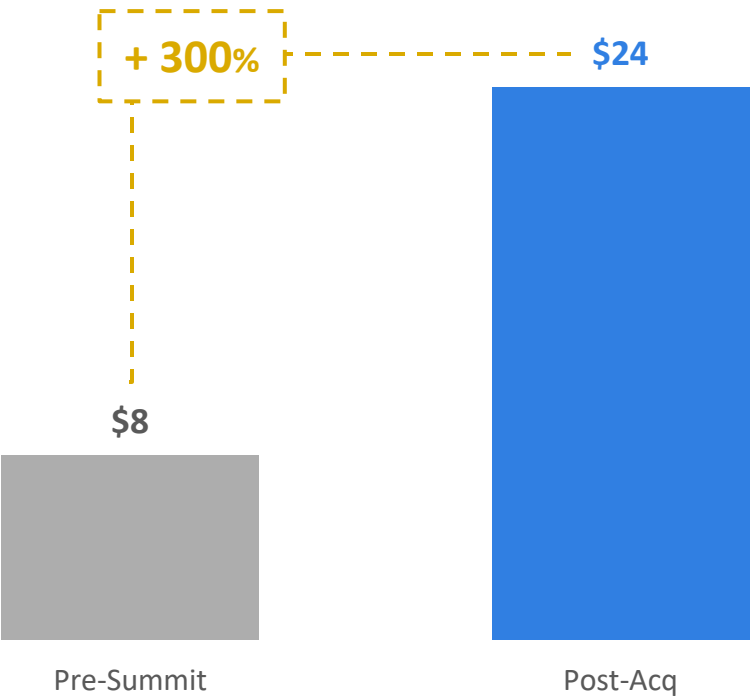


## Runway for Additional Volumes and Revenues

*Recent partnership with Fuelcell Energy and TESIAC provides line-of-sight to continued growth in CMM revenue streams*

## CMM Revenues Set to Triple in 24 Months

*(USD Millions per Year)*



Adding Revenue Streams



Expanding Opportunity Set



Leveraging Existing Assets



# STRATEGIC PARTNERSHIP GROWS COAL MINE METHANE OPPORTUNITY

## Accelerated Data Center Deployment

*Supplying up to 360 megawatts of electricity in Kentucky, Virginia and West Virginia*

- ✓ *Expected to provide on-site, continuous power generation*
- ✓ *Scalable with demand*
- ✓ *Secures data center uptime even in volatile conditions*
- ✓ *Project will create regional jobs and economics benefits*
- ✓ *Fuel cells will drastically reduce future carbon footprint*

### Integrated Solution:

- Scalable to hundreds of MW
- Two-year expected availability
- Secure gas supply
- Sites identified
- Fiber connectivity
- Community economic impact

### Solution Partners:



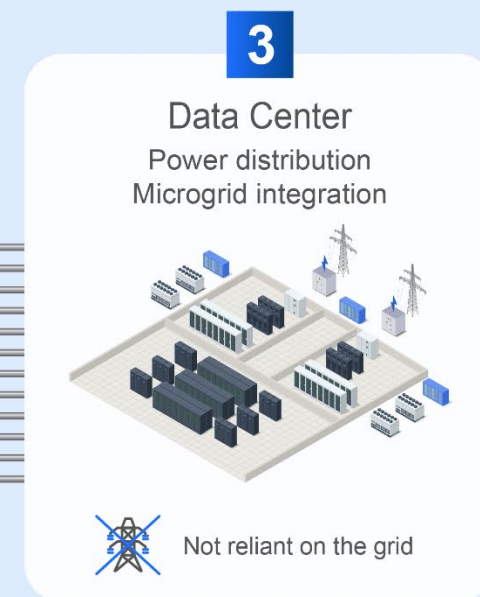
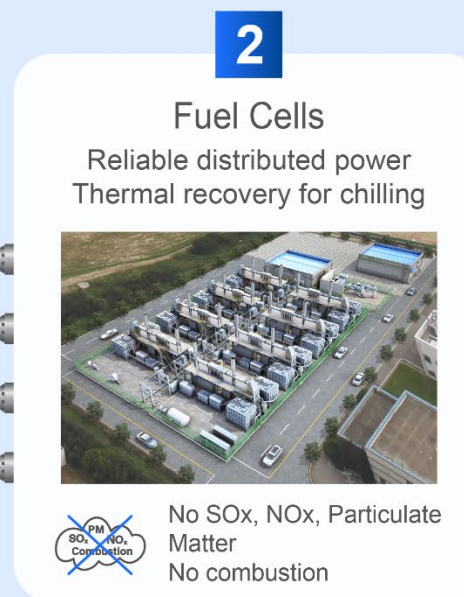
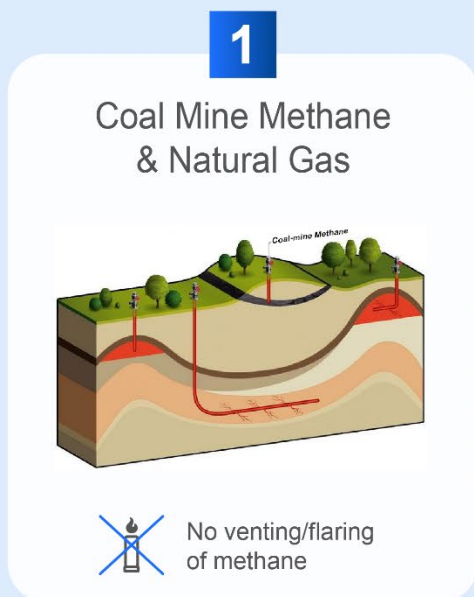
- Coal mine methane & natural gas
- Long term fuel supply



- Low-emission fuel cell systems
- Service & maintenance



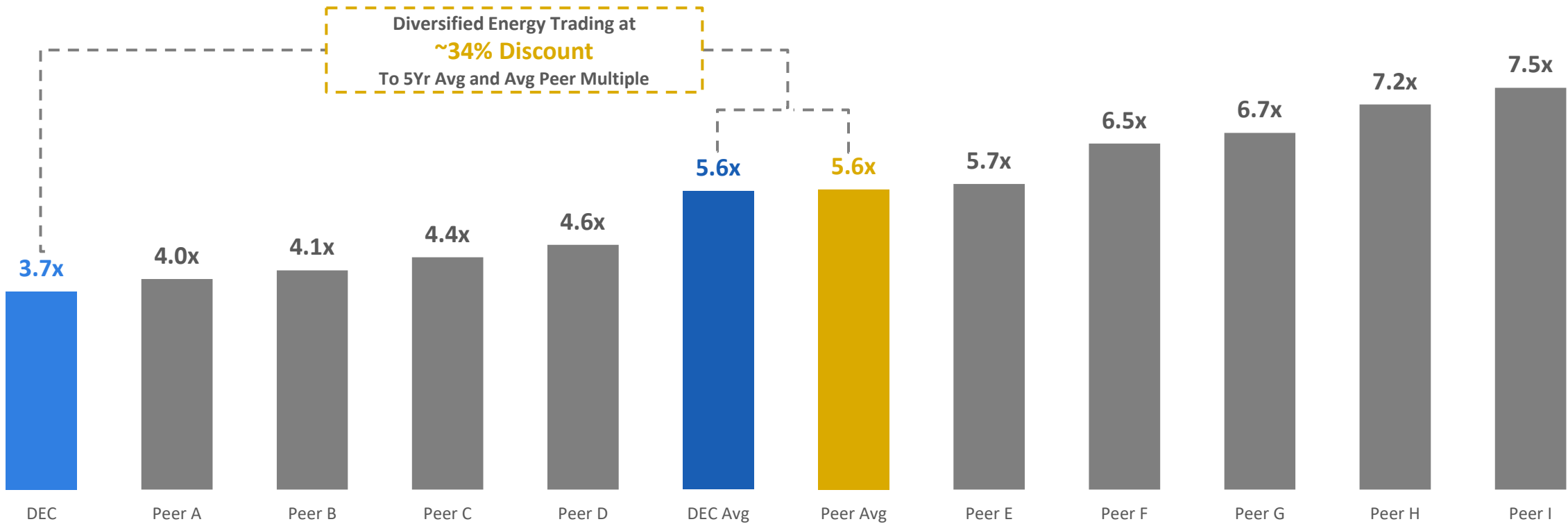
- Financing solutions
- Infrastructure development





## EBITDA Multiple vs Peers (x)

Synergies of \$50 million and liquids margin enhancement drive the potential of additional EBITDA and Multiple increase above AVG.



*Unique Opportunity for Equity Upside via Multiple Re-rate*

Source: Company Data; FactSet as of 3/10/2025; Peers include AR, BKV, CNX, CRK, EQT, EXE, GPOR, INR and RRC.  
Note: DEC calculated using current enterprise value and 2025 EBITDA Guidance of ~\$850 million, Peers reflecting consensus EV/EBITDA for the 2025 reporting year.

# Acquisition Overview

Strengthening our Unique and Proven Strategy



**DIVERSIFIED**  
energy

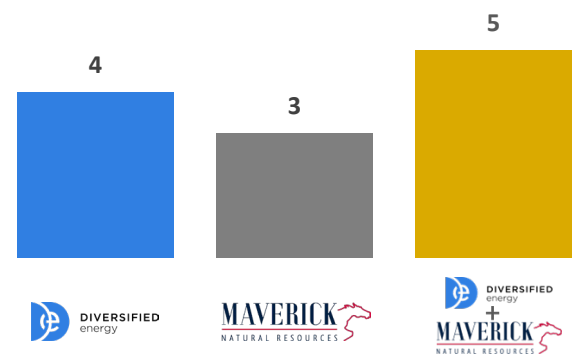


# A COMPELLING OPPORTUNITY: MAVERICK NATURAL RESOURCES

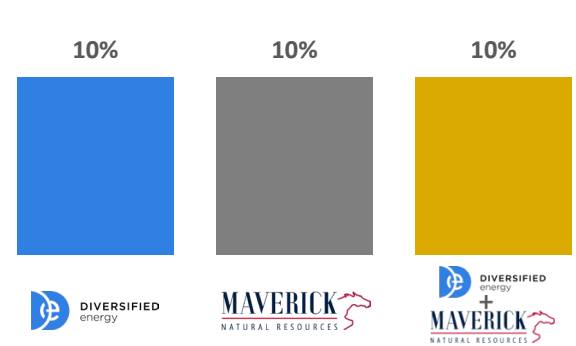
## Multi-Dimensional Value Creation

- ✓ Commodity Diversification
- ✓ Peer Leading Corporate Declines
- ✓ Multi-Basin Portfolio with Asset Density
- ✓ Creates Premier WAB/Oklahoma Operator
- ✓ Strong, Stable Financial Profile
- ✓ Introduces New Organic Growth Opportunity
- ✓ Expands Proven Roll Up Model to Permian
- ✓ Commercial Benefits & Significant Synergies

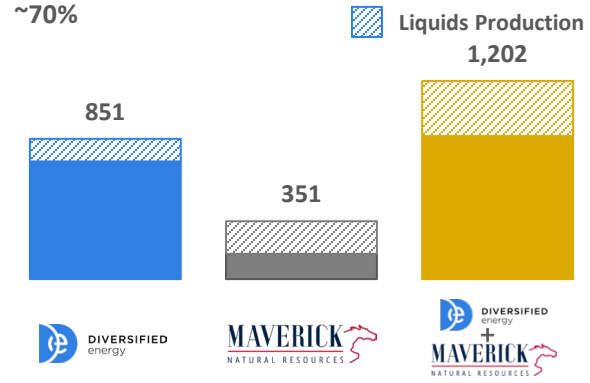
**Number of Operated Basins**  
Overlap in Anadarko and Ark-La-Tex; Entry to Permian



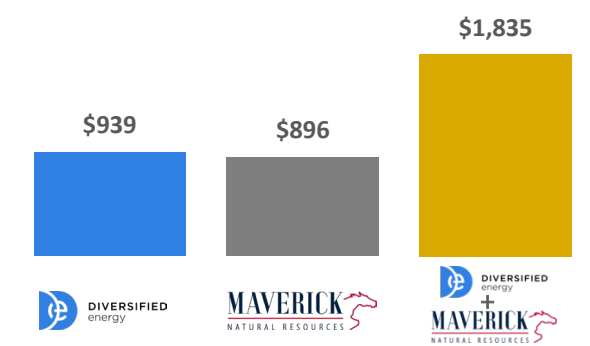
**2023 Production Decline (%)<sup>(b)</sup>**  
Increases PDP scale, while maintaining low decline



**Current Production (MMcfe/d)<sup>(a)</sup>**  
Increases production by ~40%, liquid weighting by ~70%



**Total Hedged Revenue<sup>(c)</sup>**  
Doubles Total Revenue, Inclusive of Settled Hedges



## Multiple Avenues for Upside



Strategic Acquisitions



Undeveloped Acreage Sales



Established Joint Development Agreements

Source: Company Data.  
a) Average daily production for the month ended September 30, 2024.  
b) Corporate base decline.  
c) For the twelve months ended September 30, 2024, includes the impact of derivatives settled in cash. Total Revenue, Inclusive of Settled Hedges is a Non-IFRS measure. For a reconciliation to the nearest IFRS measure, please refer to the appendix.





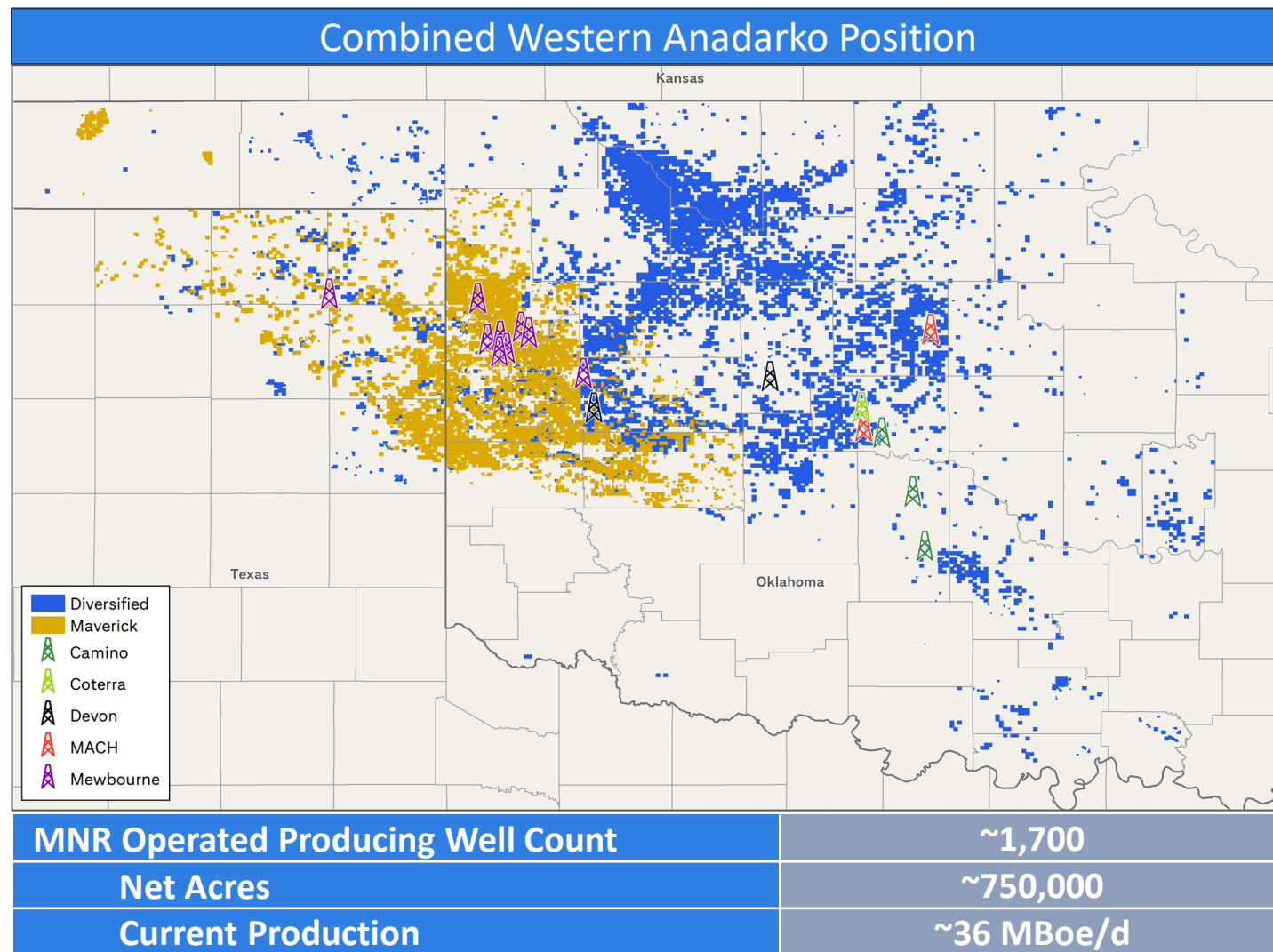
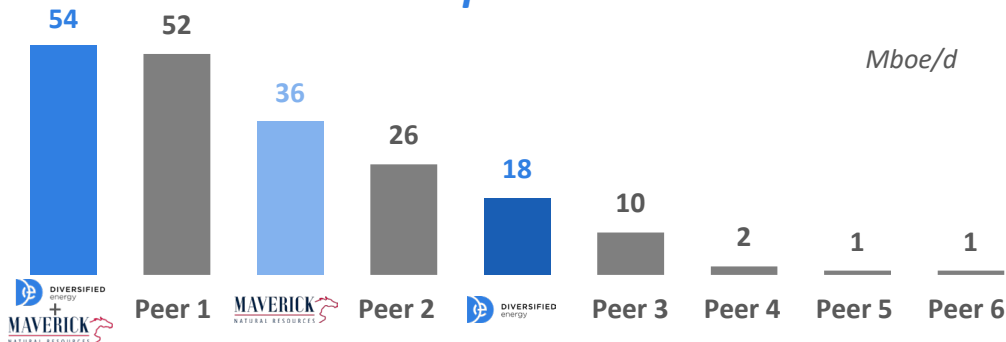
# WESTERN ANADARKO ASSETS COMPLEMENT EXISTING FOOTPRINT

## Western Anadarko Overview

### Maverick Assets

- ✓ 750,000 contiguous net acres allows for G&A and operational synergies
- ✓ Exhibits highly favorable decline characteristics
- ✓ 40% WI long-term joint development agreement in the Excello (Cherokee) play
- ✓ Robust in-basin infrastructure with significant capacity
- ✓ Additional growth through established JV Partnership with highly regarded operator

### Combination Creates Top WAB Producer<sup>(a)</sup>



Source: Company Data, Enverus; Data as of January 10, 2025.

a) Last month average daily production in Western portion of the Anadarko Basin limited to producing wells, as of January 10, 2025, peers include CLR, CTRA, DVN, MACH, Mewbourne, and OVV.

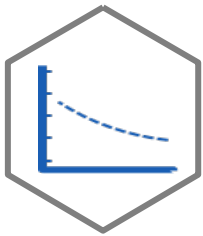


# ACQUISITION DRIVES SIGNIFICANT FREE CASH FLOW GROWTH



## Complementary Cash Flow Profiles

Robust and sustainable cash flow profiles from Diversified and Maverick provide platform for continued value creation



## Benefits of Low Declines

Differentiated, industry-low corporate declines reduce capital intensity and benefits cash generation



## Commodity Diversification and Hedging

Balanced weighting of gas and liquids revenues, combined with geographical diversification insulates realized pricing

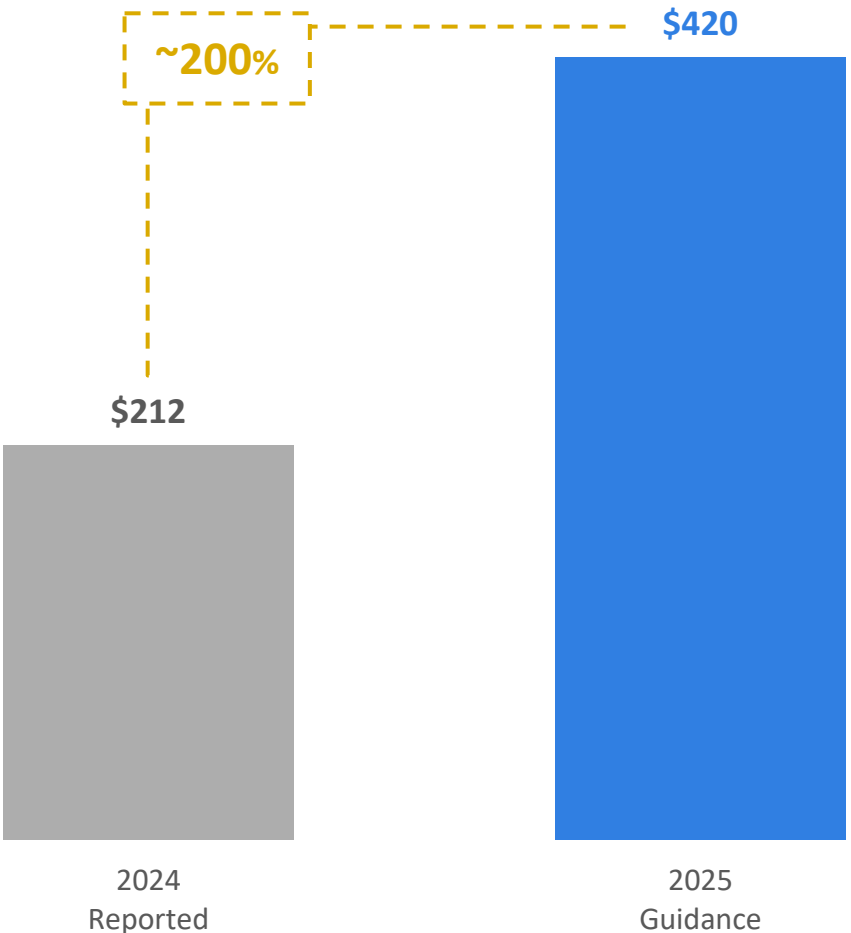


## Additional Upside Through Synergies

Identified expense efficiencies drive sustained increased free cash flow generation

## Adjusted Free Cash Flow<sup>(a)</sup>

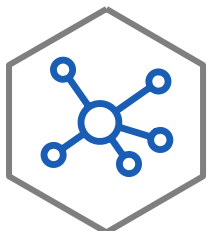
(USD Millions)



a) Adjusted Free Cash Flow Calculated as Free Cash Flow, inclusive of the cash proceeds received through divestiture of undeveloped leasehold; Free Cash Flow defined as Cash Flow from Operations, net of Interest Expense and Capital; Free Cash Flow is a non-IFRS measure. Please refer to the Appendix for a reconciliation of Free Cash Flow to its nearest IFRS measure.



# ADDING ATTRACTIVE UNDEVELOPED OPTIONALITY IN PORTFOLIO



## Creating Strategic Optionality in Capital Deployment

Total combined undeveloped acres including the attractive Cherokee interval provides high-return capital deployment option to supplement acquisitions



## Partnering with Experienced Oklahoma Operator

Established Joint Development provides low-risk development opportunities for non-operated working interest



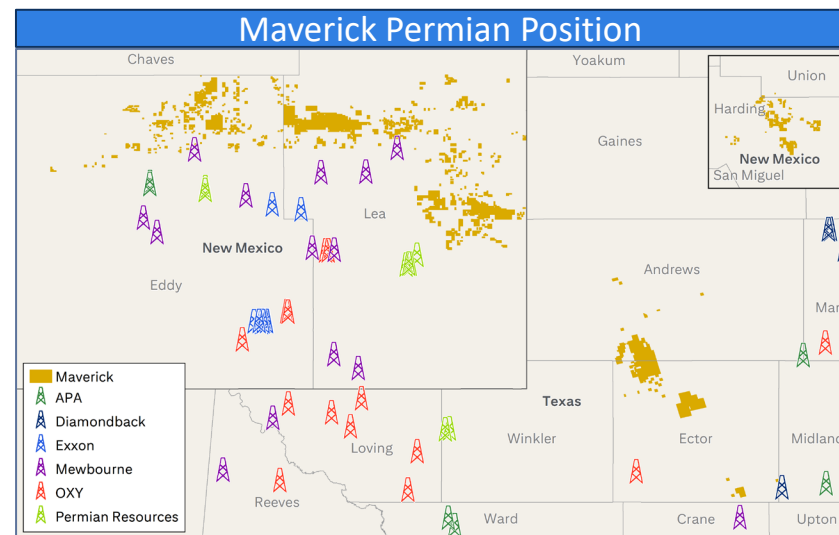
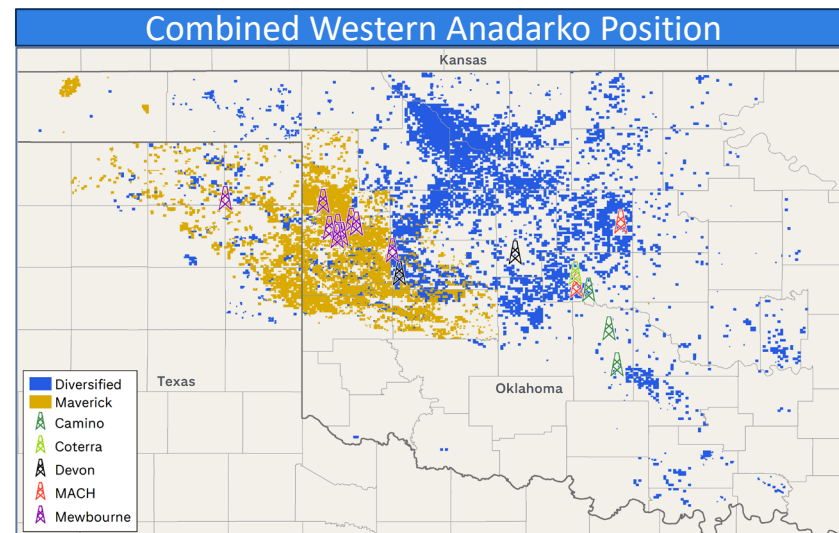
## Expanding Potential for Undeveloped Acreage Sales

Acquired undeveloped leasehold is contiguous with recently sold Oklahoma acreage with average pricing of ~\$1,300/acre



## Maintaining Industry-Leading Capital Intensity Rates

Combined company continues to retain significant capital reallocation, with capital intensity rate approximately 65% lower than peer average<sup>(a)</sup>



a) Calculated as Capital Expenditures divided by Adjusted EBITDA. Source: Company Data, FactSet.





# QUICKLY ESTABLISHING POST-ACQUISITION EFFICIENCIES



## Leveraging Scale for Meaningful G&A Efficiencies

*Efficient administrative platform is able to quickly scale with growth in operations, driving ~\$35 million in G&A synergies*



## Driving Operating Cost Reductions with Asset Density

*Differentiated PDP strategy, combined with increased asset concentration enables ~\$15 million in operating cost reductions*

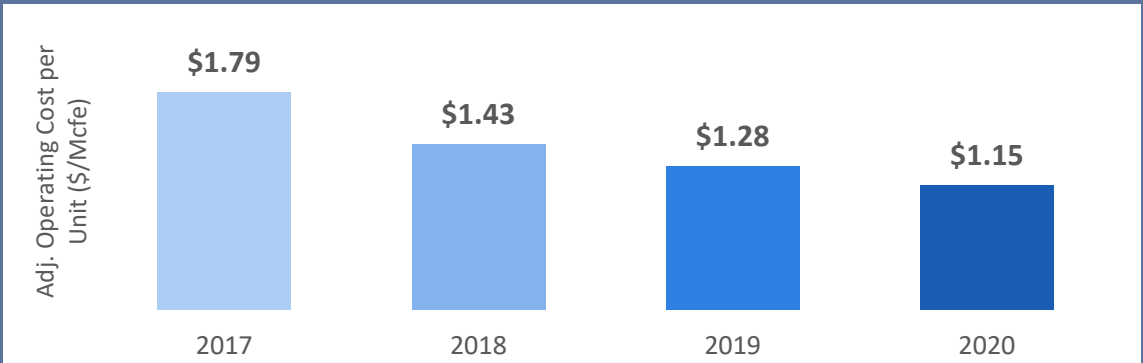


## Developing Line-of-Sight to Further Synergies

*Identification of further potential for synergies and cost reductions likely to occur during the integration process*

### Historical Synergy Capture in Appalachia

Reduced adjusted operating cost per unit by **35%** in four years



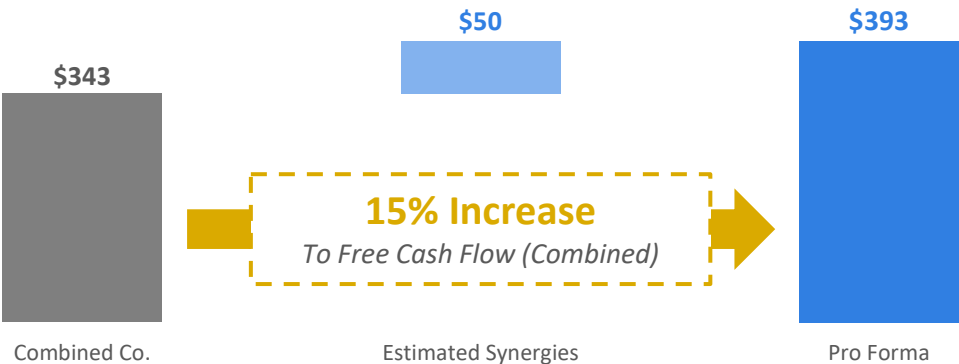
### Adjusted EBITDA

Twelve Months Ended September 30, 2024



### Free Cash Flow

Twelve Months Ended September 30, 2024



Note: Presented value of synergies represent full year estimates which may be realized beginning in calendar year 2026

# Conclusion and Outlook



# A POWERFUL STEP FORWARD- 2025 COMBINED COMPANY OUTLOOK

	2025 Guidance Range <sup>(a)</sup>		2025 Pro Forma Commentary <sup>(b)</sup>
	Low	High	
Total Production (Mmcfe/d)	1,050	1,100	Pro Forma midpoint production guidance of <b>~1,150 MMcfe/d</b> (including full-year impact of Maverick acquisition)
% Liquids		25%	
% Natural Gas		75%	
Adj. EBITDA (millions)	\$825	\$875	Pro Forma midpoint production guidance of <b>~\$925 million</b> (including full-year impact of Maverick acquisition)
Capital Expenditures (millions)	\$165	\$185	
Free Cash Flow (millions)		~\$420	
Leverage Target	2.0x	2.5x	
Anticipated Annualized Synergies (millions)		>\$ 50	

Prioritizing Free Cash Flow with the Flexibility to Allocate Across the Highest & Best Uses of Capital  
to Create Long-Term Shareholder Value

Guidance range for 2025 includes partial-year contribution of Maverick Natural Resources for the nine-months through December 31, 2025  
Pro Forma commentary incorporates the annualized impact of the partial-year contribution of the Maverick Natural Resources acquisition





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