

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 001-36120



**ANTERO RESOURCES CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**80-0162034**  
(IRS Employer Identification No.)

**1615 Wynkoop Street, Denver, Colorado**  
(Address of principal executive offices)

**80202**  
(Zip Code)

**(303) 357-7310**

(Registrant's telephone number, including area code)  
Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	AR	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  Smaller Reporting Company   
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  Yes  No

Number of shares of the registrant's common stock outstanding as of October 25, 2024 (in thousands): 311,164

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Quarterly Report on Form 10-Q may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical fact included in this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. Words such as “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “project,” “budget,” “potential,” or “continue,” and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. When considering these forward-looking statements, investors should keep in mind the risk factors and other cautionary statements in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023. 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. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- our ability to execute our business strategy;
- our production and natural gas, natural gas liquids (“NGLs”) and oil reserves;
- our financial strategy, liquidity and capital required for our development program;
- our ability to obtain debt or equity financing on satisfactory terms to fund acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;
- our ability to execute our return of capital program;
- natural gas, NGLs and oil prices;
- impacts of geopolitical events, including the conflicts in Ukraine and in the Middle East, and world health events;
- timing and amount of future production of natural gas, NGLs and oil;
- our hedging strategy and results;
- our ability to meet minimum volume commitments and to utilize or monetize our firm transportation commitments;
- our future drilling plans;
- our projected well costs;
- competition;
- government regulations and changes in laws;
- pending legal or environmental matters;
- marketing of natural gas, NGLs and oil;
- leasehold or business acquisitions;
- costs of developing our properties;
- operations of Antero Midstream Corporation (“Antero Midstream”);
- our ability to achieve our greenhouse gas reduction targets and the costs associated therewith;
- general economic conditions;
- credit markets;

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- uncertainty regarding our future operating results; and
- our other plans, objectives, expectations and intentions contained in this Quarterly Report on Form 10-Q.

We caution investors that these forward-looking statements are subject to all of the risks and uncertainties incidental to our business, 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, supply chain or other disruption, availability and cost of drilling, completion and production equipment and services, environmental risks, drilling and completion and other operating risks, marketing and transportation risks, regulatory changes or changes in law, the uncertainty inherent in estimating natural gas, NGLs and oil reserves and in projecting future rates of production, cash flows and access to capital, the timing of development expenditures, conflicts of interest among our stockholders, impacts of geopolitical and world health events, cybersecurity risks, the state of markets for, and availability of, verified quality carbon offsets and the other risks described or referenced under the heading “Item 1A. Risk Factors” herein, including the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Form 10-K”), which is on file with the Securities and Exchange Commission (“SEC”).

Reserve engineering is a process of estimating underground accumulations of natural gas, NGLs and oil that cannot be measured in an exact manner. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data, and the price and cost assumptions made by reservoir engineers. In addition, the results of drilling, testing and production activities, or changes in commodity prices, may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of natural gas, NGLs and oil that are ultimately recovered.

Should one or more of the risks or uncertainties described or referenced in this Quarterly Report on Form 10-Q occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this Quarterly Report on Form 10-Q are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

**PART I—FINANCIAL INFORMATION**  
**ANTERO RESOURCES CORPORATION**  
Condensed Consolidated Balance Sheets  
(In thousands, except per share amounts)

	December 31, 2023	(Unaudited) September 30, 2024
<b>Assets</b>		
Current assets:		
Accounts receivable	\$ 42,619	26,156
Accrued revenue	400,805	319,177
Derivative instruments	5,175	4,706
Prepaid expenses	12,901	7,042
Other current assets	14,192	11,565
Total current assets	<u>475,692</u>	<u>368,646</u>
Property and equipment:		
Oil and gas properties, at cost (successful efforts method):		
Unproved properties	974,642	960,116
Proved properties	13,908,804	14,309,543
Gathering systems and facilities	5,802	5,802
Other property and equipment	98,668	105,317
	<u>14,987,916</u>	<u>15,380,778</u>
Less accumulated depletion, depreciation and amortization	(5,063,274)	(5,447,104)
Property and equipment, net	<u>9,924,642</u>	<u>9,933,674</u>
Operating leases right-of-use assets	2,965,880	2,658,288
Derivative instruments	5,570	2,507
Investment in unconsolidated affiliate	222,255	226,860
Other assets	25,375	33,643
Total assets	<u>\$ 13,619,414</u>	<u>13,223,618</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 38,993	37,096
Accounts payable, related parties	86,284	92,720
Accrued liabilities	381,340	316,059
Revenue distributions payable	361,782	328,353
Derivative instruments	15,236	15,989
Short-term lease liabilities	540,060	505,652
Deferred revenue, VPP	27,101	25,709
Other current liabilities	1,295	2,377
Total current liabilities	<u>1,452,091</u>	<u>1,323,955</u>
Long-term liabilities:		
Long-term debt	1,537,596	1,622,316
Deferred income tax liability, net	834,268	831,972
Derivative instruments	32,764	17,780
Long-term lease liabilities	2,428,450	2,148,608
Deferred revenue, VPP	60,712	41,816
Other liabilities	59,431	55,839
Total liabilities	<u>6,405,312</u>	<u>6,042,286</u>
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Preferred stock, \$0.01 par value; authorized - 50,000 shares; none issued	—	—
Common stock, \$0.01 par value; authorized - 1,000,000 shares; 303,544 and 311,031 shares issued and outstanding as of December 31, 2023 and September 30, 2024, respectively	3,035	3,110
Additional paid-in capital	5,846,541	5,894,786
Retained earnings	1,131,828	1,082,066
Total stockholders' equity	<u>6,981,404</u>	<u>6,979,962</u>
Noncontrolling interests	232,698	201,370
Total equity	<u>7,214,102</u>	<u>7,181,332</u>
Total liabilities and equity	<u>\$ 13,619,414</u>	<u>13,223,618</u>

See accompanying notes to unaudited condensed consolidated financial statements.

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**ANTERO RESOURCES CORPORATION**  
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited)  
(In thousands, except per share amounts)

	<b>Three Months Ended September 30,</b>	
	<b>2023</b>	<b>2024</b>
<b>Revenue and other:</b>		
Natural gas sales	\$ 516,214	425,802
Natural gas liquids sales	482,570	504,200
Oil sales	62,629	52,724
Commodity derivative fair value gains	3,448	18,368
Marketing	53,068	47,160
Amortization of deferred revenue, VPP	7,701	6,812
Other revenue and income	546	854
<b>Total revenue</b>	<b>1,126,176</b>	<b>1,055,920</b>
<b>Operating expenses:</b>		
Lease operating	33,484	29,597
Gathering, compression, processing and transportation	671,886	685,183
Production and ad valorem taxes	32,258	47,423
Marketing	69,542	62,144
Exploration	591	671
General and administrative (including equity-based compensation expense of \$18,458 and \$16,065 in 2023 and 2024, respectively)	58,425	54,627
Depletion, depreciation and amortization	176,259	170,197
Impairment of property and equipment	13,476	13,455
Accretion of asset retirement obligations	889	998
Contract termination, loss contingency and settlements	13,659	(1,517)
Gain on sale of assets	(136)	(1,297)
Other operating expense	111	342
<b>Total operating expenses</b>	<b>1,070,444</b>	<b>1,061,823</b>
<b>Operating income (loss)</b>	<b>55,732</b>	<b>(5,903)</b>
<b>Other income (expense):</b>		
Interest expense, net	(31,634)	(28,278)
Equity in earnings of unconsolidated affiliate	22,207	25,634
Loss on early extinguishment of debt	—	(528)
<b>Total other expense</b>	<b>(9,427)</b>	<b>(3,172)</b>
<b>Income (loss) before income taxes</b>	<b>46,305</b>	<b>(9,075)</b>
<b>Income tax expense</b>	<b>(13,663)</b>	<b>(1,212)</b>
<b>Net income (loss) and comprehensive income (loss) including noncontrolling interests</b>	<b>32,642</b>	<b>(10,287)</b>
<b>Less: net income and comprehensive income attributable to noncontrolling interests</b>	<b>14,834</b>	<b>10,157</b>
<b>Net income (loss) and comprehensive income (loss) attributable to Antero Resources Corporation</b>	<b>\$ 17,808</b>	<b>(20,444)</b>
<b>Net income (loss) per common share—basic</b>	<b>\$ 0.06</b>	<b>(0.07)</b>
<b>Net income (loss) per common share—diluted</b>	<b>\$ 0.06</b>	<b>(0.07)</b>
<b>Weighted average number of common shares outstanding:</b>		
Basic	300,141	311,025
Diluted	311,534	311,025

See accompanying notes to unaudited condensed consolidated financial statements.

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**ANTERO RESOURCES CORPORATION**  
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited)  
(In thousands, except per share amounts)

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2024</b>
<b>Revenue and other:</b>		
Natural gas sales	\$ 1,621,659	1,274,503
Natural gas liquids sales	1,375,738	1,511,253
Oil sales	172,402	180,899
Commodity derivative fair value gains	137,924	22,229
Marketing	155,390	145,098
Amortization of deferred revenue, VPP	22,852	20,289
Other revenue and income	1,864	2,574
<b>Total revenue</b>	<b>3,487,829</b>	<b>3,156,845</b>
<b>Operating expenses:</b>		
Lease operating	91,553	88,477
Gathering, compression, processing and transportation	1,981,033	2,020,906
Production and ad valorem taxes	117,692	147,524
Marketing	217,078	192,764
Exploration and mine expenses	2,097	1,916
General and administrative (including equity-based compensation expense of \$44,988 and \$49,293 in 2023 and 2024, respectively)	169,587	169,917
Depletion, depreciation and amortization	515,247	513,787
Impairment of property and equipment	44,746	18,958
Accretion of asset retirement obligations	2,971	2,554
Contract termination, loss contingency and settlements	47,650	3,531
Gain on sale of assets	(447)	(1,127)
Other operating expense	336	370
<b>Total operating expenses</b>	<b>3,189,543</b>	<b>3,159,577</b>
<b>Operating income (loss)</b>	<b>298,286</b>	<b>(2,732)</b>
<b>Other income (expense):</b>		
Interest expense, net	(85,262)	(91,146)
Equity in earnings of unconsolidated affiliate	58,986	69,862
Loss on early extinguishment of debt	—	(528)
Loss on convertible note inducement	(86)	—
<b>Total other expense</b>	<b>(26,362)</b>	<b>(21,812)</b>
<b>Income (loss) before income taxes</b>	<b>271,924</b>	<b>(24,544)</b>
<b>Income tax benefit (expense)</b>	<b>(46,013)</b>	<b>2,089</b>
<b>Net income (loss) and comprehensive income (loss) including noncontrolling interests</b>	<b>225,911</b>	<b>(22,455)</b>
Less: net income and comprehensive income attributable to noncontrolling interests	77,756	27,307
<b>Net income (loss) and comprehensive income (loss) attributable to Antero Resources Corporation</b>	<b>\$ 148,155</b>	<b>(49,762)</b>
<b>Net income (loss) per common share—basic</b>	<b>\$ 0.50</b>	<b>(0.16)</b>
<b>Net income (loss) per common share—diluted</b>	<b>\$ 0.48</b>	<b>(0.16)</b>
<b>Weighted average number of common shares outstanding:</b>		
Basic	298,461	308,932
Diluted	310,958	308,932

See accompanying notes to unaudited condensed consolidated financial statements.

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**ANTERO RESOURCES CORPORATION**  
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)  
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Noncontrolling Interests	Total Equity
	Shares	Amount			Shares	Amount		
Balances, December 31, 2022	297,393	\$ 2,974	5,838,848	913,896	(34)	\$ (1,160)	262,596	7,017,154
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	514	5	(11,464)	—	—	—	—	(11,459)
Conversion of 2026 Convertible Notes	4,030	40	17,132	—	—	—	—	17,172
Repurchases and retirements of common stock	(2,616)	(26)	(51,503)	(24,987)	34	1,160	—	(75,356)
Equity-based compensation	—	—	13,018	—	—	—	—	13,018
Distributions to noncontrolling interests	—	—	—	—	—	—	(51,339)	(51,339)
Net income and comprehensive income	—	—	—	213,431	—	—	47,771	261,202
Balances, March 31, 2023	299,321	2,993	5,806,031	1,102,340	—	—	259,028	7,170,392
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	1,038	11	(15,909)	—	—	—	—	(15,898)
Equity-based compensation	—	—	13,512	—	—	—	—	13,512
Distributions to noncontrolling interests	—	—	—	—	—	—	(31,745)	(31,745)
Net income (loss) and comprehensive income (loss)	—	—	—	(83,084)	—	—	15,151	(67,933)
Balances, June 30, 2023	300,359	3,004	5,803,634	1,019,256	—	—	242,434	7,068,328
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	25	—	(86)	—	—	—	—	(86)
Conversion of 2026 Convertible Notes	2	—	7	—	—	—	—	7
Equity-based compensation	—	—	18,458	—	—	—	—	18,458
Distributions to noncontrolling interests	—	—	—	—	—	—	(21,161)	(21,161)
Net income and comprehensive income	—	—	—	17,808	—	—	14,834	32,642
Balances, September 30, 2023	300,386	\$ 3,004	5,822,013	1,037,064	—	\$ —	236,107	7,098,188

See accompanying notes to unaudited condensed consolidated financial statements.



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**ANTERO RESOURCES CORPORATION**  
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)  
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Noncontrolling Interests	Total Equity
	Shares	Amount			Shares	Amount		
Balances, December 31, 2023	303,544	\$ 3,035	5,846,541	1,131,828	—	\$ —	232,698	7,214,102
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	552	6	(9,030)	—	—	—	—	(9,024)
Conversion of 2026 Convertible Notes	6,074	61	25,990	—	—	—	—	26,051
Equity-based compensation	—	—	16,077	—	—	—	—	16,077
Distributions to noncontrolling interests	—	—	—	—	—	—	(23,617)	(23,617)
Net income and comprehensive income	—	—	—	36,345	—	—	11,942	48,287
Balances, March 31, 2024	310,170	3,102	5,879,578	1,168,173	—	—	221,023	7,271,876
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	818	8	(17,339)	—	—	—	—	(17,331)
Equity-based compensation	—	—	17,151	—	—	—	—	17,151
Distributions to noncontrolling interests	—	—	—	—	—	—	(19,282)	(19,282)
Net income (loss) and comprehensive income (loss)	—	—	—	(65,663)	—	—	5,208	(60,455)
Balances, June 30, 2024	310,988	3,110	5,879,390	1,102,510	—	—	206,949	7,191,959
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	43	—	(669)	—	—	—	—	(669)
Equity-based compensation	—	—	16,065	—	—	—	—	16,065
Distributions to noncontrolling interest	—	—	—	—	—	—	(15,736)	(15,736)
Net income (loss) and comprehensive income (loss)	—	—	—	(20,444)	—	—	10,157	(10,287)
Balances, September 30, 2024	311,031	\$ 3,110	5,894,786	1,082,066	—	\$ —	201,370	7,181,332

See accompanying notes to unaudited condensed consolidated financial statements.

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**ANTERO RESOURCES CORPORATION**  
Condensed Consolidated Statements of Cash Flows (Unaudited)  
(In thousands)

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2024</b>
<b>Cash flows provided by (used in) operating activities:</b>		
Net income (loss) including noncontrolling interests	\$ 225,911	(22,455)
<b>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</b>		
Depletion, depreciation, amortization and accretion	518,218	516,341
Impairments	44,746	18,958
Commodity derivative fair value gains	(137,924)	(22,229)
Gains (losses) on settled commodity derivatives	(16,511)	11,530
Payments for derivative monetizations	(202,339)	—
Deferred income tax expense (benefit)	45,914	(2,295)
Equity-based compensation expense	44,988	49,293
Equity in earnings of unconsolidated affiliate	(58,986)	(69,862)
Dividends of earnings from unconsolidated affiliate	93,854	93,883
Amortization of deferred revenue	(22,852)	(20,289)
Amortization of debt issuance costs and other	2,601	1,900
Settlement of asset retirement obligations	(633)	(3,171)
Contract termination, loss contingency and settlements	11,901	5,143
Gain on sale of assets	(447)	(1,127)
Loss on early extinguishment of debt	—	528
Loss on convertible note inducement	86	—
<b>Changes in current assets and liabilities:</b>		
Accounts receivable	(1,440)	16,463
Accrued revenue	334,294	81,628
Prepaid expenses and other current assets	32,584	8,486
Accounts payable including related parties	12,236	4,277
Accrued liabilities	(118,316)	(63,395)
Revenue distributions payable	(129,966)	(33,429)
Other current liabilities	4,627	1,108
Net cash provided by operating activities	<u>682,546</u>	<u>571,286</u>
<b>Cash flows provided by (used in) investing activities:</b>		
Additions to unproved properties	(139,121)	(69,033)
Drilling and completion costs	(759,852)	(509,303)
Additions to other property and equipment	(13,073)	(10,128)
Proceeds from asset sales	447	7,484
Change in other assets	(2,538)	(7,271)
Net cash used in investing activities	<u>(914,137)</u>	<u>(588,251)</u>
<b>Cash flows provided by (used in) financing activities:</b>		
Repurchases of common stock	(75,356)	—
Borrowings on Credit Facility	3,503,000	3,331,800
Repayments on Credit Facility	(3,063,700)	(3,222,300)
Payment of debt issuance costs	—	(6,064)
Convertible note inducement	(86)	—
Distributions to noncontrolling interests in Martica Holdings LLC	(104,245)	(58,635)
Employee tax withholding for settlement of equity-based compensation awards	(27,443)	(27,024)
Other	(579)	(812)
Net cash provided by financing activities	<u>231,591</u>	<u>16,965</u>
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents, beginning of period	—	—
Cash and cash equivalents, end of period	<u>\$ —</u>	<u>—</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for interest	\$ 100,067	109,444
Decrease in accounts payable and accrued liabilities for additions to property and equipment	\$ (22,300)	(4,574)

See accompanying notes to unaudited condensed consolidated financial statements.

**ANTERO RESOURCES CORPORATION**  
Notes to Unaudited Condensed Consolidated Financial Statements

**(1) Organization**

Antero Resources Corporation (individually referred to as “Antero” and together with its consolidated subsidiaries “Antero Resources,” or the “Company”) is engaged in the development, production, exploration and acquisition of natural gas, NGLs and oil properties in the Appalachian Basin in West Virginia and Ohio. The Company targets large, repeatable resource plays where horizontal drilling and advanced fracture stimulation technologies provide the means to economically develop and produce natural gas, NGLs and oil from unconventional formations. The Company’s corporate headquarters is located in Denver, Colorado.

**(2) Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

These unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC applicable to interim financial information and should be read in the context of the Company’s December 31, 2023 consolidated financial statements and notes thereto for a more complete understanding of the Company’s operations, financial position and accounting policies. The Company’s December 31, 2023 consolidated financial statements were included in Antero Resources’ 2023 Annual Report on Form 10-K, which was filed with the SEC.

These unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information, and, accordingly, do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, these unaudited condensed consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly the Company’s financial position as of December 31, 2023 and September 30, 2024, results of operations for the three and nine months ended September 30, 2023 and 2024 and cash flows for the nine months ended September 30, 2023 and 2024. The Company has no items of other comprehensive income or loss; therefore, its net income or loss is equal to its comprehensive income or loss. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the full year because of the impact of fluctuations in prices received for natural gas, NGLs and oil, natural production declines, the uncertainty of exploration and development drilling results, fluctuations in the fair value of derivative instruments and other factors.

***(b) Principles of Consolidation***

The accompanying unaudited condensed consolidated financial statements include the accounts of Antero Resources Corporation, its wholly owned subsidiaries and its variable interest entity (“VIE”), Martica Holdings LLC, (“Martica”), for which the Company is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in the Company’s unaudited condensed consolidated financial statements.

***(c) Cash and Cash Equivalents***

The Company considers all liquid investments purchased with an initial maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these instruments. From time to time, the Company may be in the position of a “book overdraft” in which outstanding checks exceed cash and cash equivalents. The Company classifies book overdrafts in accounts payable and revenue distributions payable within its condensed consolidated balance sheets, and classifies the change in accounts payable associated with book overdrafts as an operating activity within its unaudited condensed consolidated statements of cash flows. As of December 31, 2023, the book overdrafts included within accounts payable and revenue distributions payable were \$11 million and \$19 million, respectively. As of September 30, 2024, the book overdrafts included within accounts payable and revenue distributions payable were \$6 million and \$18 million, respectively.

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**(d) Net Income (Loss) Per Common Share**

Net income (loss) per common share—basic for each period is computed by dividing net income (loss) attributable to Antero by the basic weighted average number of common shares outstanding during the period. Net income (loss) per common share—diluted for each period is computed after giving consideration to the potential dilution from (i) outstanding equity-based awards using the treasury stock method and (ii) shares of common stock issuable upon conversion of the 2026 Convertible Notes (as defined below in Note 7—Long-Term Debt) using the if-converted method. The Company includes restricted stock unit (“RSU”) awards, performance share unit (“PSU”) awards and stock options in the calculation of diluted weighted average common shares outstanding based on the number of common shares that would be issuable if the end of the period was also the end of the performance period required for the vesting of the awards. During periods in which the Company incurs a net loss, diluted weighted average common shares outstanding are equal to basic weighted average common shares outstanding because the effects of all equity-based awards and the 2026 Convertible Notes are anti-dilutive.

The following is a reconciliation of the Company’s income (loss) attributable to common stockholders for basic and diluted net income (loss) per common share (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Net income (loss) attributable to Antero Resources Corporation—common shareholders	\$ 17,808	(20,444)	148,155	(49,762)
Add: Interest expense for 2026 Convertible Notes	470	—	1,555	—
Less: Tax-effect of interest expense for 2026 Convertible Notes	(101)	—	(334)	—
Net income (loss) attributable to Antero Resources Corporation—common shareholders and assumed conversions	<u>\$ 18,177</u>	<u>(20,444)</u>	<u>149,376</u>	<u>(49,762)</u>
Net income (loss) per common share—basic	\$ 0.06	(0.07)	0.50	(0.16)
Net income (loss) per common share—diluted	\$ 0.06	(0.07)	0.48	(0.16)
Weighted average common shares outstanding—basic	300,141	311,025	298,461	308,932
Weighted average common shares outstanding—diluted	311,534	311,025	310,958	308,932

The following is a reconciliation of the Company’s basic weighted average common shares outstanding to diluted weighted average common shares outstanding during the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Basic weighted average number of common shares outstanding	300,141	311,025	298,461	308,932
Add: Dilutive effect of RSUs	1,213	—	1,419	—
Add: Dilutive effect of PSUs	1,105	—	1,080	—
Add: Dilutive effect of 2026 Convertible Notes	9,075	—	9,998	—
Diluted weighted average number of common shares outstanding	<u>311,534</u>	<u>311,025</u>	<u>310,958</u>	<u>308,932</u>
Weighted average number of outstanding securities excluded from calculation of diluted net income (loss) per common share <sup>(1)</sup> :				
RSUs	1,128	3,274	1,267	3,526
PSUs	100	1,675	199	1,790
Stock options	323	257	324	258
2026 Convertible Notes	—	—	—	1,615

(1) The potential dilutive effects of these securities were excluded from the computation of net income (loss) per common share—diluted because the inclusion of these securities would have been anti-dilutive.

**ANTERO RESOURCES CORPORATION**  
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**(e) Income Taxes**

The Company recognizes deferred tax assets and liabilities for temporary differences resulting from net operating loss carryforwards for income tax purposes and the differences between the financial statement and tax basis of assets and liabilities. The effect of changes in tax laws or tax rates is recognized during the period such changes are enacted. The effect of tax credits related to historical periods is recognized during the period when such credit is claimed on a filed tax return.

The Company commissioned a multi-year research and development (“R&D”) tax credit study related to the Company’s drilling and completion methods that is expected to favorably impact the Company’s effective tax rate and future tax obligations when the results are recorded. The R&D tax study is expected to be finalized and filed on the Company’s federal and state tax returns, as applicable, during the fourth quarter of 2024.

**(f) Recently Issued Accounting Standards**

*Reportable Segments*

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, Improvements to Reportable Segment Disclosures (“ASU 2023-07”). ASU 2023-07 is intended to improve reportable segment disclosures primarily through enhanced disclosure of reportable segment expenses. This ASU is effective for annual reporting periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. ASU 2023-07 is required to be applied retrospectively to all prior periods presented in the financial statements. The Company is evaluating the impact that ASU 2023-07 will have on the financial statements. The Company plans to adopt ASU 2023-07 in the Annual Report on Form 10-K for the year ending December 31, 2024.

*Income Taxes*

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 is intended to improve income tax disclosures primarily through enhanced disclosure of income tax rate reconciliation items, and disaggregation of income (loss) from continuing operations, income tax expense (benefit) and income taxes paid, net disclosures by federal, state and foreign jurisdictions, among others. This ASU is effective for annual reporting periods beginning after December 15, 2024, and early adoption is permitted. ASU 2023-09 should be applied on a prospective basis, although retrospective application is permitted. The Company is evaluating the impact that ASU 2023-09 will have on the financial statements and the transition method it plans to use for adoption. The Company plans to adopt ASU 2023-09 in the Annual Report on Form 10-K for the year ending December 31, 2025.

**(3) Transactions**

**(a) Conveyance of Overriding Royalty Interest**

On June 15, 2020, the Company announced the consummation of a transaction with an affiliate of Sixth Street Partners, LLC (“Sixth Street”) relating to certain overriding royalty interests across the Company’s existing asset base (the “ORRIs”). In connection with the transaction, the Company contributed the ORRIs to Martica and Sixth Street contributed \$300 million in cash (subject to customary adjustments) and agreed to contribute up to an additional \$102 million in cash if certain production thresholds attributable to the ORRIs were achieved in 2020 and 2021. The Company met these production thresholds and received the \$102 million of additional contributions from Sixth Street during 2020 and 2021. All cash contributed by Sixth Street at the initial closing and received as part of these additional contributions was distributed to the Company.

The ORRIs include an overriding royalty interest of 1.25% of the Company’s working interest in all of its operated proved developed properties in West Virginia and Ohio, subject to certain excluded wells (the “Initial PDP Override”), and an overriding royalty interest of 3.75% of the Company’s working interest in all of its undeveloped properties in West Virginia and Ohio (the “Development Override”). Wells turned to sales after April 1, 2020 and prior to the later of (a) the date on which the Company turns to sales 2.2 million lateral feet (net to the Company’s interest) of horizontal wells burdened by the Development Override or (b) the earlier of (i) April 1, 2023 or (ii) the date on which the Company turns to sales 3.82 million lateral feet (net to the Company’s interest) of horizontal wells are subject to the Development Override. As of April 1, 2023,

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Sixth Street no longer has the right to participate in any new wells, and Martica reconveyed the Development Override to the Company, except for the portion relating to wells turned to sales prior to April 1, 2023.

The ORRIs also include an additional overriding royalty interest of 2.00% of the Company's working interest in the properties underlying the Initial PDP Override (the "Incremental Override"). The Incremental Override (or a portion thereof, as applicable) could be re-conveyed to the Company (at the Company's election) if certain production targets attributable to the ORRIs were achieved through March 31, 2023. Any portion of the Incremental Override that could not be re-conveyed to the Company based on the Company failing to achieve such production volumes through March 31, 2023 will remain with Martica. As of March 31, 2023, 24% of the Incremental Override (or a 0.48% overriding royalty interest) will remain with Martica.

Prior to Sixth Street achieving an internal rate of return of 13% and 1.5x cash-on-cash return (the "Hurdle"), Sixth Street will receive all distributions in respect of the Initial PDP Override and the Development Override, and 24% of all distributions in respect of the Incremental Override, and the Company will receive 76% of all distributions in respect of the Incremental Override. Following Sixth Street achieving the Hurdle, the Company will receive 85% of the distributions in respect of the ORRIs to which Sixth Street was entitled immediately prior to the Hurdle being achieved.

**(b) Drilling Partnership**

On February 17, 2021, Antero Resources announced the formation of a drilling partnership with QL Capital Partners ("QL"), an affiliate of Quantum Energy Partners, for the Company's 2021 through 2024 drilling program. Under the terms of the arrangement, each year in which QL participates represents an annual tranche, and QL will be conveyed a working interest in any wells spud by Antero Resources during such tranche year. For 2021 through 2024, Antero Resources and QL agreed to the estimated internal rate of return ("IRR") of the Company's capital budget for each annual tranche, and QL agreed to participate in all four annual tranches. Antero Resources develops and manages the drilling program associated with each tranche, including the selection of wells. Additionally, for each annual tranche, Antero Resources and QL will enter into assignments, bills of sale and conveyances pursuant to which QL will be conveyed a proportionate working interest percentage in each well spud in that year, which conveyances will not be subject to any reversion.

Under the terms of the arrangement, QL funded development capital of 20%, 15% and 15% for wells spud in 2021, 2022 and 2023, respectively, and will fund 20% of development capital for wells spud in 2024, which funding amounts represent QL's proportionate working interest in such wells. Additionally, Antero Resources may receive a carry in the form of a one-time payment from QL for each annual tranche if the IRR for such tranche exceeds certain specified returns, which will be determined no earlier than October 31 and no later than December 1 following the end of each tranche year. The Company received a carry of \$29 million for each of the 2021 and 2022 tranches during the three months ended December 31, 2022 and 2023. All of the wells spud during each calendar year period will be a separate annual tranche. Capital costs in excess of, and cost savings below, a specified percentage of budgeted amounts for each annual tranche will be for Antero Resources' account. Subject to the preceding sentence, for any wells included in a tranche, QL is obligated and responsible for its working interest share of costs and liabilities, and is entitled to its working interest share of revenues, associated with such wells for the life of such wells.

The Company has accounted for the drilling partnership as a conveyance under FASB Accounting Standards Codification ("ASC") Topic 932, *Extractive Activities—Oil and Gas*, and such conveyances are recorded in the unaudited condensed consolidated financial statements as QL obtains its proportionate working interest in each well. No gain or loss was recognized for the interests conveyed during the three and nine months ended September 30, 2023 and 2024.

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**(4) Revenue****(a) Disaggregation of Revenue**

The table set forth below presents revenue disaggregated by type and reportable segment to which it relates (in thousands). See Note 16—Reportable Segments to the unaudited condensed consolidated financial statements for more information on reportable segments.

	Three Months Ended September 30,		Nine Months Ended September 30,		Reportable Segment
	2023	2024	2023	2024	
Revenues from contracts with customers:					
Natural gas sales	\$ 516,214	425,802	1,621,659	1,274,503	Exploration and production
Natural gas liquids sales (ethane)	78,551	58,483	200,764	187,277	Exploration and production
Natural gas liquids sales (C3+ NGLs)	404,019	445,717	1,174,974	1,323,976	Exploration and production
Oil sales	62,629	52,724	172,402	180,899	Exploration and production
Marketing	53,068	47,160	155,390	145,098	Marketing
Other revenue	—	276	540	822	Exploration and production
Total revenue from contracts with customers	1,114,481	1,030,162	3,325,729	3,112,575	
Income from derivatives, deferred revenue and other sources, net	11,695	25,758	162,100	44,270	
Total revenue	<u>\$ 1,126,176</u>	<u>1,055,920</u>	<u>3,487,829</u>	<u>3,156,845</u>	

**(b) Transaction Price Allocated to Remaining Performance Obligations**

For the Company's product sales that have a contract term greater than one year, the Company utilized the practical expedient in FASB ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), which does not require the disclosure of the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under the Company's product sales contracts, each unit of product delivered to the customer represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required. For the Company's product sales that have a contract term of one year or less, the Company utilized the practical expedient in ASC 606, which does not require the disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

**(c) Contract Balances**

Under the Company's sales contracts, the Company invoices customers after its performance obligations have been satisfied, at which point payment is unconditional. Accordingly, the Company's contracts do not give rise to contract assets or liabilities. As of December 31, 2023 and September 30, 2024, the Company's receivables from contracts with customers were \$401 million and \$319 million, respectively.

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**(5) Equity Method Investment**

As of December 31, 2023 and September 30, 2024, Antero owned 29.0% and 28.9%, respectively, of Antero Midstream's common stock, which is reflected in Antero's unaudited condensed consolidated financial statements using the equity method of accounting.

The following table sets forth a reconciliation of Antero's investment in unconsolidated affiliate (in thousands):

Balance as of December 31, 2023 <sup>(1)</sup>	\$	222,255
Additional investments <sup>(2)</sup>		1,936
Equity in earnings of unconsolidated affiliate		69,862
Dividends from unconsolidated affiliate		(93,883)
Elimination of intercompany profit		26,690
Balance as of September 30, 2024 <sup>(1)</sup>	\$	<u>226,860</u>

(1) The fair value of the Company's investment in Antero Midstream as of December 31, 2023 and September 30, 2024 was \$1.7 billion and \$2.1 billion, respectively, based on the quoted market share price of Antero Midstream.

(2) During the three months ended September 30, 2024, the Company received 0.1 million additional shares of Antero Midstream common stock as part of a judgment in a legal proceeding with an unaffiliated third-party.

**(6) Accrued Liabilities**

Accrued liabilities consisted of the following items (in thousands):

	December 31, 2023	(Unaudited) September 30, 2024
Capital expenditures	\$ 38,848	32,764
Gathering, compression, processing and transportation expenses	160,758	156,810
Marketing expenses	36,428	18,691
Interest expense, net	33,066	13,046
Production and ad valorem taxes	51,516	31,719
General and administrative expense	35,641	33,677
Derivative settlements payable	1,037	31
Other	24,046	29,321
Total accrued liabilities	<u>\$ 381,340</u>	<u>316,059</u>

**(7) Long-Term Debt**

Long-term debt consisted of the following items (in thousands):

	December 31, 2023	(Unaudited) September 30, 2024
Credit Facility <sup>(a)</sup>	\$ 417,200	526,700
8.375% senior notes due 2026 <sup>(b)</sup>	96,870	96,870
7.625% senior notes due 2029 <sup>(c)</sup>	407,115	407,115
5.375% senior notes due 2030 <sup>(d)</sup>	600,000	600,000
4.25% convertible senior notes due 2026 <sup>(e)</sup>	26,386	—
Total principal	1,547,571	1,630,685
Unamortized debt issuance costs	(9,975)	(8,369)
Long-term debt	<u>\$ 1,537,596</u>	<u>1,622,316</u>



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**(a) Credit Facility**

Antero Resources has a senior revolving credit facility with a consortium of bank lenders. References to the (i) “Secured Credit Facility” (defined below) refer to the credit facility in effect for periods prior to July 30, 2024, (ii) “Unsecured Credit Facility” (defined below) refer to the credit facility in effect on or after July 30, 2024 and (iii) “Credit Facility” refer to the Secured Credit Facility and Unsecured Credit Facility, collectively.

*Senior Unsecured Revolving Credit Facility*

On July 30, 2024, Antero Resources entered into an amendment and restatement of its senior revolving credit facility with a consortium of bank lenders (“Unsecured Credit Facility”). Borrowings are unsecured and are not guaranteed by any of Antero Resources’ subsidiaries. As of September 30, 2024, the Unsecured Credit Facility had lender commitments of \$1.65 billion and available borrowing capacity of \$1.0 billion. The Unsecured Credit Facility matures on July 30, 2029 (the “Maturity Date”), provided that Antero Resources may request two one-year extensions of the Maturity Date, subject to satisfaction of certain conditions and consent of the extending lenders. Commitments under the Unsecured Credit Facility may be increased by up to \$500 million subject to the agreement of Antero Resources and its lenders.

The Unsecured Credit Facility contains a financial maintenance covenant with respect to Antero Resources’ total indebtedness to capitalization ratio not to exceed 65% at the end of any fiscal quarter, and certain covenants, including restrictions on its ability to incur liens or debt, subject in each case to certain significant exceptions. Antero Resources was in compliance with the financial covenant under the Unsecured Credit Facility as of September 30, 2024.

The Unsecured Credit Facility provides for borrowing at either an Adjusted Term Secured Overnight Financing Rate (“SOFR”), an Adjusted Daily Simple SOFR or an Alternate Base Rate, in each case, plus an Applicable Margin (each as defined in the Unsecured Credit Facility). The Unsecured Credit Facility provides for interest only payments until maturity at which time all outstanding borrowings are due. Interest is payable at a variable rate based on SOFR or the Alternate Base Rate, determined by election at the time of borrowing, plus an Applicable Margin under the Unsecured Credit Facility. The Applicable Margin is determined with reference to Antero Resources’ then-current credit ratings ranging from 1.125% to 2.00% for SOFR loans. Commitment fees on the unused portion of the Unsecured Credit Facility are due quarterly at rates ranging from 0.125% to 0.300% with respect to the Unsecured Credit Facility, determined with reference to Antero Resources’ then-current credit ratings.

The proceeds of the loans made under the Unsecured Credit Facility may be used (i) to pay fees and expenses incurred in connection with the transactions related thereto and the refinancing of the Secured Credit Facility (defined below) and (ii) to finance working capital needs, and for other general corporate purposes, of Antero Resources and its subsidiaries.

As of September 30, 2024, Antero Resources had an outstanding balance under the Unsecured Credit Facility of \$527 million, with a weighted average interest rate of 6.47%, and outstanding letters of credit of \$120 million.

*Senior Secured Revolving Credit Facility*

On October 26, 2021, Antero Resources entered into an amended and restated senior secured revolving credit facility (the “Credit Facility”) with a consortium of bank lenders (“Secured Credit Facility”). Borrowings were secured by substantially all of the assets of Antero Resources and certain of its subsidiaries, were subject to borrowing base limitations based on the collateral value of Antero Resources’ assets and were subject to regular semi-annual redeterminations. As of December 31, 2023, the Secured Credit Facility had a borrowing base of \$3.5 billion with lender commitments of \$1.6 billion. The borrowing base was re-affirmed in the semi-annual redetermination in April 2024. The Secured Credit Facility was refinanced in full and terminated upon the closing of the Unsecured Credit Facility on July 30, 2024.

The Secured Credit Facility contained requirements with respect to leverage and current ratios, and certain covenants, including restrictions on our ability to incur debt and limitations on our ability to pay dividends unless certain customary conditions are met, in each case, subject to customary carve-outs and exceptions. Antero Resources was in compliance with all of the financial covenants under the Secured Credit Facility as of December 31, 2023.

The Secured Credit Facility provided for borrowing at either an Adjusted Term SOFR, an Adjusted Daily Simple SOFR or an Alternate Base Rate, in each case, plus an Applicable Margin (each as defined in the Secured Credit Facility). The Secured Credit Facility provided for interest only payments until maturity at which time all outstanding borrowings would be due. Interest was payable at a variable rate based on SOFR or the Alternate Base Rate, determined by election at the time of

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borrowing, plus an Applicable Margin under the Secured Credit Facility. The Applicable Margin was determined with reference to Antero Resources' then-current leverage ratio subject to certain exceptions, which for SOFR loans ranged from 1.75% to 2.75% during a non-investment grade period (based on utilization of the Secured Credit Facility) and 1.25% and 1.875% during an investment grade period (based on a ratings grid). Commitment fees on the unused portion of the Secured Credit Facility were due quarterly at rates ranging from 0.375% to 0.500% with respect to the Secured Credit Facility, determined with reference to borrowing base utilization, subject to certain exceptions based on the leverage ratio then in effect. The Secured Credit Facility included fall away covenants, lower interest rates and reduced collateral requirements that Antero Resources could elect if Antero Resources was assigned an Investment Grade Rating (as defined in the Secured Credit Facility).

As of December 31, 2023, Antero Resources had an outstanding balance under the Secured Credit Facility of \$417 million, with a weighted average interest rate of 7.71%, and outstanding letters of credit of \$501 million.

**(b) 8.375% Senior Notes Due 2026**

On January 4, 2021, Antero Resources issued \$500 million of 8.375% senior notes due July 15, 2026 (the "2026 Notes") at par. The Company redeemed or otherwise repurchased \$403 million principal amount of the 2026 Notes during 2021 and 2022, and as of September 30, 2024, \$97 million principal amount of the 2026 Notes remained outstanding. The 2026 Notes are unsecured and rank pari passu to Antero Resources' Unsecured Credit Facility and other outstanding senior notes. As of July 30, 2024, the 2026 Notes are not guaranteed by any of Antero Resources' subsidiaries. Interest on the 2026 Notes is payable on January 15 and July 15 of each year. Antero Resources may redeem all or part of the 2026 Notes at any time at redemption prices ranging from 104.188% currently to 100.00% on or after January 15, 2026. If Antero Resources undergoes a change of control followed by a rating decline, the holders of the 2026 Notes will have the right to require Antero Resources to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the 2026 Notes, plus accrued and unpaid interest.

**(c) 7.625% Senior Notes Due 2029**

On January 26, 2021, Antero Resources issued \$700 million of 7.625% senior notes due February 1, 2029 (the "2029 Notes") at par. The Company redeemed or otherwise repurchased \$293 million principal amount of the 2029 Notes during 2021 and 2022, and as of September 30, 2024, \$407 million principal amount of the 2029 Notes remained outstanding. The 2029 Notes are unsecured and rank pari passu to Antero Resources' Unsecured Credit Facility and other outstanding senior notes. As of July 30, 2024, the 2029 Notes are not guaranteed by any of Antero Resources' subsidiaries. Interest on the 2029 Notes is payable on February 1 and August 1 of each year. Antero Resources may redeem all or part of the 2029 Notes at any time at redemption prices ranging from 103.813% currently to 100.00% on or after February 1, 2027. If Antero Resources undergoes a change of control followed by a rating decline, the holders of the 2029 Notes will have the right to require Antero Resources to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the 2029 Notes, plus accrued and unpaid interest.

**(d) 5.375% Senior Notes Due 2030**

On June 1, 2021, Antero Resources issued \$600 million of 5.375% senior notes due March 1, 2030 (the "2030 Notes") at par. The 2030 Notes are unsecured and rank pari passu to Antero Resources' Unsecured Credit Facility and other outstanding senior notes. As of July 30, 2024, the 2030 Notes are not guaranteed by any of Antero Resources' subsidiaries. Interest on the 2030 Notes is payable on March 1 and September 1 of each year. Antero Resources may redeem all or part of the 2030 Notes at any time on or after March 1, 2025 at redemption prices ranging from 102.688% on or after March 1, 2025 to 100.00% on or after March 1, 2028. In addition, on or before March 1, 2025, Antero Resources may redeem up to 35% of the aggregate principal amount of the 2030 Notes, but in an amount not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.375% of the principal amount of the 2030 Notes, plus accrued and unpaid interest. At any time prior to March 1, 2025, Antero Resources may also redeem the 2030 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2030 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Resources undergoes a change of control followed by a rating decline, the holders of the 2030 Notes will have the right to require Antero Resources to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the 2030 Notes, plus accrued and unpaid interest.

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**(e) 4.25% Convertible Senior Notes Due 2026**

On August 21, 2020, Antero Resources issued \$250 million in aggregate principal amount of 4.25% convertible senior notes due September 1, 2026 (the “2026 Convertible Notes”). On September 2, 2020, Antero Resources issued an additional \$37.5 million of the 2026 Convertible Notes. Proceeds from the issuance of the 2026 Convertible Notes totaled \$278.5 million, net of initial purchasers’ fees and issuance cost of \$9 million. Transaction costs related to the 2026 Convertible Notes were recorded within debt issuance costs on the condensed consolidated balance sheet and were amortized over the term of the 2026 Convertible Notes using the effective interest method.

The Company extinguished \$206 million principal amount of the 2026 Convertible Notes in 2021. In addition, between 2022 and the first quarter of 2024, \$81 million aggregate principal amount of the 2026 Convertible Notes were converted pursuant to their terms or induced into conversion by the Company, and as of September 30, 2024, no 2026 Convertible Notes remained outstanding. See “—Conversions and Inducements,” for more information.

The 2026 Convertible Notes bore interest at a fixed rate of 4.25% per annum, payable semi-annually in arrears on March 1 and September 1 of each year, commencing on March 1, 2021. The initial conversion rate was 230.2026 shares of Antero Resources’ common stock per \$1,000 principal amount of 2026 Convertible Notes, and such conversion rate was not adjusted during the term for which the 2026 Convertible Notes were outstanding. The noteholders had the right to convert their 2026 Convertible Notes only upon the occurrence of certain events pursuant to the terms and conditions provided in the indenture governing the 2026 Convertible Notes. Upon conversion, Antero Resources could satisfy its conversion obligation by paying and/or delivering, as the case may be, cash, shares of Antero Resources’ common stock or a combination of cash and shares of Antero Resources’ common stock, at Antero Resources’ election, in the manner and subject to the terms and conditions provided in the indenture governing the 2026 Convertible Notes.

*Conversions and Inducements*

During the nine months ended September 30, 2023, \$9 million aggregate principal amount of the 2026 Convertible Notes were converted pursuant to their terms, and an additional \$9 million aggregate principal amount of the 2026 Convertible Notes were induced into conversion by the Company. The Company elected to settle these conversions by issuing 4 million shares of common stock to the noteholders together with a cash inducement premium of \$0.1 million. There were no conversions of the 2026 Convertible Notes during the third quarter of 2023.

On March 11, 2024, the Company called the \$26 million aggregate principal amount of the 2026 Convertible Notes that remained outstanding for redemption on April 1, 2024, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest. The Company’s election to call the remaining 2026 Convertible Notes allowed holders of the 2026 Convertible Notes to exercise their conversion right through March 28, 2024. During the first quarter of 2024, all remaining \$26 million aggregate principal amount of the 2026 Convertible Notes converted pursuant to their terms. The Company elected to settle these conversions by issuing 6 million shares of common stock to the noteholders.

**(8) Asset Retirement Obligations**

The following table presents a reconciliation of the Company’s asset retirement obligations (in thousands):

Asset retirement obligations—December 31, 2023	\$ 59,214
Obligations incurred	754
Accretion expense	2,554
Settlement of obligations	(3,171)
Revisions to prior estimates	(3,972)
Asset retirement obligations—September 30, 2024	<u>\$ 55,379</u>

Asset retirement obligations are included in other liabilities on the Company’s condensed consolidated balance sheets.

**ANTERO RESOURCES CORPORATION**  
Notes to Unaudited Condensed Consolidated Financial Statements

**(9) Equity-Based Compensation**

On June 17, 2020, Antero Resources’ stockholders approved the Antero Resources Corporation 2020 Long Term Incentive Plan (the “AR LTIP”), which replaced the Antero Resources Corporation Long Term Incentive Plan (the “2013 Plan”) and became effective as of such date. On June 5, 2024, the Company’s stockholders approved the Amended and Restated Antero Resources Corporation 2020 Long Term Incentive Plan (the “Amended AR LTIP”). This amendment increased the number of shares of the Company’s common stock reserved for awards from 10,050,000 shares to 14,916,100 shares, and extended the term of the plan from June 17, 2030 to June 5, 2034. The Amended AR LTIP provides for grants of stock options (including incentive stock options), stock appreciation rights, restricted stock awards, RSU awards, vested stock awards, dividend equivalent awards and other stock-based and cash awards. The terms and conditions of the awards granted are established by the Compensation Committee of Antero Resources’ Board of Directors (the “Board”). Employees, officers, non-employee directors and other service providers of the Company and its affiliates are eligible to receive awards under the Amended AR LTIP.

The Amended AR LTIP provides for the reservation of 14,916,100 shares of the Company’s common stock, plus the number of certain shares that become available again for delivery in accordance with the share recycling provisions described below. The share recycling provisions allow for all or any portion of an award (including an award granted under the 2013 Plan that was outstanding as of June 17, 2020) that expires or is cancelled, forfeited, exchanged, settled for cash or otherwise terminated without the actual delivery of shares to be considered not delivered and thus, available for new awards under the Amended AR LTIP. Further, any shares withheld or surrendered in payment of any taxes relating to awards that were outstanding under either the 2013 Plan as of June 17, 2020 or are granted under the AR LTIP or Amended AR LTIP (other than stock options and stock appreciation rights), will again be available for new awards under the Amended AR LTIP.

A total of 10,871,264 shares were available for future grant under the Amended AR LTIP as of September 30, 2024.

The Company’s equity-based compensation expense, by type of award, is as follows (in thousands):

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>
RSU awards	\$ 8,286	11,499	24,268	31,908
PSU awards	9,796	4,190	19,643	16,257
Converted AM RSU Awards <sup>(1)</sup>	—	—	1	—
Equity awards issued to directors	376	376	1,076	1,128
<b>Total expense</b>	<b>\$ 18,458</b>	<b>16,065</b>	<b>44,988</b>	<b>49,293</b>

(1) Antero Resources recognized compensation expense for equity-based awards granted by Antero Midstream Partners LP’s (“Antero Midstream Partners”) under its equity compensation plans prior to March 12, 2019 (date of deconsolidation) because the awards under such plans were accounted for as if they were distributed by Antero Midstream Partners to Antero Resources. Antero Resources allocated a portion of equity-based compensation expense related to grants prior to March 12, 2019 to Antero Midstream Partners based on its proportionate share of Antero Resources’ labor costs. As of March 31, 2023, all such awards were fully vested, and there is no remaining unamortized expense attributable to these awards after such date.

**(a) Restricted Stock Unit Awards**

A summary of RSU award activity is as follows:

	<b>Number of Units</b>	<b>Weighted Average Grant Date Fair Value</b>
Total awarded and unvested—December 31, 2023	3,521,050	\$ 22.40
Granted	1,404,041	26.52
Vested	(1,588,616)	17.73
Forfeited	(85,114)	26.01
<b>Total awarded and unvested—September 30, 2024</b>	<b>3,251,361</b>	<b>\$ 26.36</b>

As of September 30, 2024, there was \$60 million of unamortized equity-based compensation expense related to unvested RSUs. That expense is expected to be recognized over a weighted average period of 1.8 years.

**ANTERO RESOURCES CORPORATION**  
Notes to Unaudited Condensed Consolidated Financial Statements

**(b) Performance Share Unit Awards**

*Performance Share Unit Awards Based on Total Shareholder Return*

In March 2024, the Company granted PSU awards to certain of its senior management and executive officers that vest based on Antero Resources' absolute total shareholder return ("TSR") determined as of the last day of each of three one-year performance periods ending on March 7, 2025, March 7, 2026 and March 7, 2027, and one cumulative three-year performance period ending on March 7, 2027, in each case, subject to certain continued employment criteria ("2024 Absolute TSR PSUs"). The number of shares of common stock that may ultimately be earned following the end of the cumulative three-year performance period with respect to the 2024 Absolute TSR PSUs ranges from zero to 200% of the target number of 2024 Absolute TSR PSUs originally granted. Expense related to these PSUs is recognized on a graded-vested basis over the term of each performance period. Forfeitures are accounted for as they occur by reversing the expense previously recognized for awards that were forfeited during the period.

The following table presents the assumptions used in the Monte Carlo valuation model and the grant date fair value information for the 2024 Absolute TSR PSUs:

Dividend yield	— %
Volatility	55 %
Risk-free interest rate	4.23 %
Weighted average fair value of awards granted	\$ 32.29

*Performance Share Unit Awards Based on Leverage Ratio*

In March 2024, the Company granted PSUs to certain of its senior management and executive officers that vest based on the Company's total debt less cash and cash equivalents divided by the Company's Adjusted EBITDAX (as defined in the award agreement) ("Net Debt to EBITDAX") determined as of the last day of each of three one-year performance periods ending on December 31, 2024, December 31, 2025 and December 31, 2026, in each case, subject to certain continued employment criteria ("2024 Leverage Ratio PSUs"). The number of shares of common stock that may ultimately be earned following the end of the third performance period with respect to the 2024 Leverage Ratio PSUs ranges from zero to 200% of the target number of 2024 Leverage Ratio PSUs originally granted. Expense related to the 2024 Leverage Ratio PSUs is recognized on a graded-vested basis over the term of each performance period that reflects the number of shares of common stock that are expected to be issued at the end of each measurement period, and such expense is reversed if the likelihood of achieving the performance condition becomes improbable. As of September 30, 2024, the likelihood of achieving the performance conditions related to the 2024 Leverage Ratio PSUs was probable.

*Summary Information for Performance Share Unit Awards*

A summary of PSU activity is as follows:

	Number of Units	Weighted Average Grant Date Fair Value
Total awarded and unvested—December 31, 2023	1,412,191	\$ 29.54
Granted	354,016	29.39
Vested <sup>(1)</sup>	(414,912)	10.76
Total awarded and unvested—September 30, 2024	1,351,295	\$ 35.27

(1) During the nine months ended September 30, 2024, the PSUs granted in 2021 that were based on absolute TSR and Net Debt to EBITDAX met the performance criteria to achieve vesting at 150% and 200% of target, respectively, and converted into approximately 0.7 million shares of the Company's common stock.

As of September 30, 2024, there was \$17 million of unamortized equity-based compensation expense related to unvested PSUs. That expense is expected to be recognized over a weighted average period of 1.4 years.

**ANTERO RESOURCES CORPORATION**  
Notes to Unaudited Condensed Consolidated Financial Statements

**(c) Stock Options**

A summary of the stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Intrinsic Value (in thousands) <sup>(1)</sup>
Outstanding—December 31, 2023	258,696	\$ 50.04	1.3	\$ —
Expired	(1,667)	50.00	—	—
Outstanding—September 30, 2024	<u>257,029</u>	<u>\$ 50.04</u>	<u>0.5</u>	<u>—</u>
Vested—September 30, 2024	257,029	\$ 50.04	0.5	\$ —
Exercisable—September 30, 2024	257,029	\$ 50.04	0.5	\$ —

(1) Intrinsic values are based on the exercise price of the options and the closing price of Antero Resources' common stock on the referenced dates.

**(10) Fair Value**

The carrying values of accounts receivable and accounts payable as of December 31, 2023 and September 30, 2024 approximated market values because of their short-term nature. The carrying values of the amounts outstanding under the Credit Facility as of December 31, 2023 and September 30, 2024 approximated fair value because the variable interest rates are reflective of current market conditions.

The following table sets forth the fair value and carrying value of the senior notes and 2026 Convertible Notes (in thousands):

	December 31, 2023		(Unaudited) September 30, 2024	
	Fair Value <sup>(1)</sup>	Carrying Value <sup>(2)</sup>	Fair Value <sup>(1)</sup>	Carrying Value <sup>(2)</sup>
2026 Notes	\$ 99,534	96,351	99,166	96,536
2029 Notes	417,781	403,441	418,066	403,897
2030 Notes	573,720	594,622	591,000	595,183
2026 Convertible Notes	138,337	25,982	—	—
Total	<u>\$ 1,229,372</u>	<u>1,120,396</u>	<u>1,108,232</u>	<u>1,095,616</u>

(1) Fair values are based on Level 2 market data inputs.

(2) Carrying values are presented net of unamortized debt issuance costs.

See Note 9—Equity-Based Compensation to the unaudited condensed consolidated financial statements for information regarding the fair value of equity-based awards. See Note 11—Derivative Instruments to the unaudited condensed consolidated financial statements for information regarding the fair value of derivative financial instruments.

**(11) Derivative Instruments**

The Company is exposed to certain risks relating to its ongoing business operations, and it may use derivative instruments to manage its commodity price risk. In addition, the Company periodically enters into contracts that contain embedded features that are required to be bifurcated and accounted for separately as derivatives.

**(a) Commodity Derivative Positions**

The Company periodically enters into natural gas, NGLs and oil derivative contracts with counterparties to hedge the price risk associated with its production. These derivatives are not entered into for trading purposes. To the extent that changes occur in the market prices of natural gas, NGLs and oil, the Company is exposed to market risk on these open contracts. This market risk exposure is generally offset by the change in market prices of natural gas, NGLs and oil recognized upon the ultimate sale of the Company's production.

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The Company was party to various fixed price commodity swap contracts that settled during the three and nine months ended September 30, 2023 and 2024. The Company enters into these swap contracts when management believes that favorable future sales prices for the Company's production can be secured. Under these swap agreements, when actual commodity prices upon settlement exceed the fixed price provided by the swap contracts, the Company pays the difference to the counterparty. When actual commodity prices upon settlement are less than the contractually provided fixed price, the Company receives the difference from the counterparty. In addition, the Company has entered into basis swap contracts in order to hedge the difference between the New York Mercantile Exchange ("NYMEX") index price and a local index price. Under these basis swap agreements, when actual commodity prices upon settlement exceed the fixed price provided by the swap contracts, the Company receives the difference from the counterparty. When actual commodity prices upon settlement are less than the contractually provided fixed price, the Company pays the difference to the counterparty.

The Company's derivative contracts have not been designated as hedges for accounting purposes; therefore, all gains and losses are recognized in the Company's statements of operations and comprehensive income.

As of September 30, 2024, the Company's fixed price swap positions excluding Martica, the Company's consolidated VIE, were as follows:

<b>Commodity / Settlement Period</b>	<b>Index</b>	<b>Contracted Volume</b>	<b>Weighted Average Price</b>
<b>Propane</b>			
October-December 2024	Mont Belvieu Propane-OPIS TET	10,000 Bbl/day	\$ 33.67 /Bbl

The Company has a call option and an embedded put option tied to NYMEX pricing for the production volumes associated with the Company's retained interest in the volumetric production payment transaction ("VPP") properties. The put option was embedded within another contract, and since the embedded put option was not clearly and closely related to its host contract, the Company bifurcated this derivative instrument and reflects it at fair value in the unaudited condensed consolidated financial statements. As of September 30, 2024, the Company's call option and embedded put option arrangements were as follows:

<b>Commodity / Settlement Period</b>	<b>Index</b>	<b>Contracted Volume</b>	<b>Call Option Strike Price</b>	<b>Embedded Put Option Strike Price</b>
<b>Natural Gas</b>				
October-December 2024	Henry Hub	53,000 MMBtu/day	\$ 2.477 /MMBtu	\$ 2.477 /MMBtu
January-December 2025	Henry Hub	44,000 MMBtu/day	2.564 /MMBtu	2.564 /MMBtu
January-December 2026	Henry Hub	32,000 MMBtu/day	2.629 /MMBtu	2.629 /MMBtu

As of September 30, 2024, the Company's natural gas basis swap positions, which settle on the pricing index to basis differential of the Columbia Gas Transmission pipeline ("TCO") to the NYMEX Henry Hub natural gas price were as follows:

<b>Commodity / Settlement Period</b>	<b>Index to Basis Differential</b>	<b>Contracted Volume</b>	<b>Weighted Average Hedged Differential</b>
<b>Natural Gas</b>			
October-December 2024	NYMEX to TCO	50,000 MMBtu/day	\$ 0.530 /MMBtu

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As of September 30, 2024, the Company's fixed price swap positions for Martica, the Company's consolidated VIE, were as follows:

Commodity / Settlement Period	Index	Contracted Volume	Weighted Average Price
<b>Natural Gas</b>			
October-December 2024	Henry Hub	22,047 MMBtu/day	\$ 2.33 /MMBtu
January-March 2025	Henry Hub	18,021 MMBtu/day	2.53 /MMBtu
<b>Oil</b>			
October-December 2024	West Texas Intermediate	38 Bbl/day	\$ 44.02 /Bbl
January-March 2025	West Texas Intermediate	39 Bbl/day	45.06 /Bbl

**(b) Summary**

The table below presents a summary of the fair values of the Company's derivative instruments and where such values are recorded in the condensed consolidated balance sheets (in thousands).

	Balance Sheet Location	December 31, 2023	(Unaudited) September 30, 2024
Asset derivatives not designated as hedges for accounting purposes:			
Commodity derivatives—current	Derivative instruments	\$ —	3,040
Embedded derivatives—current	Derivative instruments	5,175	1,666
Embedded derivatives—noncurrent	Derivative instruments	5,570	2,507
Total asset derivatives <sup>(1)</sup>		<u>10,745</u>	<u>7,213</u>
Liability derivatives not designated as hedges for accounting purposes:			
Commodity derivatives—current <sup>(2)</sup>	Derivative instruments	15,236	15,989
Commodity derivatives—noncurrent <sup>(2)</sup>	Derivative instruments	32,764	17,780
Total liability derivatives <sup>(1)</sup>		<u>48,000</u>	<u>33,769</u>
Net derivatives liability <sup>(1)</sup>		<u>\$ (37,255)</u>	<u>(26,556)</u>

(1) The fair value of derivative instruments was determined using Level 2 inputs.

(2) As of December 31, 2023, approximately \$5 million of commodity derivative liabilities, including \$3 million of current commodity derivatives and \$2 million of noncurrent commodity derivatives, are attributable to the Company's consolidated VIE, Martica. As of September 30, 2024, \$3 million of current commodity derivative liabilities are attributable to the Company's consolidated VIE, Martica.

The following table sets forth the gross values of recognized derivative assets and liabilities, the amounts offset under master netting arrangements with counterparties, and the resulting net amounts presented in the condensed consolidated balance sheets as of the dates presented, all at fair value (in thousands):

	December 31, 2023			(Unaudited) September 30, 2024		
	Gross Amounts Recognized	Gross Amounts Offset Recognized	Net Amounts of Assets (Liabilities) on Balance Sheet	Gross Amounts Recognized	Gross Amounts Offset Recognized	Net Amounts of Assets (Liabilities) on Balance Sheet
Commodity derivative assets	\$ 406	(406)	—	3,048	(8)	3,040
Embedded derivative assets	10,745	—	10,745	4,173	—	4,173
Commodity derivative liabilities	(48,406)	406	(48,000)	(33,777)	8	(33,769)



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The following table sets forth a summary of derivative fair value gains and losses and where such values are recorded in the unaudited condensed consolidated statements of operations and comprehensive income (in thousands):

	Statement of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
		Location	2023	2024	2023
Commodity derivative fair value gains <sup>(1)</sup>	Revenue	\$ 5,290	18,004	138,602	22,726
Embedded derivative fair value gains (losses) <sup>(1)</sup>	Revenue	(1,842)	364	(678)	(497)

<sup>(1)</sup> The fair value of derivative instruments was determined using Level 2 inputs.

Commodity derivative fair value gains for the nine months ended September 30, 2023, includes a loss of \$202 million related to the early settlement of the Company's natural gas swaption agreement. The payment for this early settlement is classified as an operating cash flow on the Company's condensed consolidated statement of cash flows.

**(12) Leases**

The Company leases certain office space, processing plants, drilling rigs and completion services, gas gathering lines, compressor stations, and other office and field equipment. Leases with an initial term of 12 months or less are considered short-term and are not recorded on the balance sheet. Instead, the short-term leases are recognized in expense on a straight-line basis over the lease term.

Most leases include one or more options to renew, with renewal terms that can extend the lease from one to 20 years or more. The exercise of the lease renewal options is at the Company's sole discretion. The depreciable lives of the leased assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Certain of the Company's lease agreements include minimum payments based on a percentage of produced volumes over contractual levels and others include rental payments adjusted periodically for inflation.

The Company considers all contracts that have assets specified in the contract, either explicitly or implicitly, that the Company has substantially all of the capacity of the asset, and has the right to obtain substantially all of the economic benefits of that asset, without the lessor's ability to have a substantive right to substitute that asset, as leased assets. For any contract deemed to include a leased asset, that asset is capitalized on the balance sheet as a right-of-use asset and a corresponding lease liability is recorded at the present value of the known future minimum payments of the contract using a discount rate on the date of commencement. The leased asset classification is determined at the date of recording as either operating or financing, depending upon certain criteria of the contract.

The discount rate used for present value calculations is the discount rate implicit in the contract. If an implicit rate is not determinable, a collateralized incremental borrowing rate is used at the date of commencement. As new leases commence or previous leases are modified the discount rate used in the present value calculation is the current period applicable discount rate.

The Company has made an accounting policy election to adopt the practical expedient for combining lease and non-lease components on an asset class basis. This expedient allows the Company to combine non-lease components such as real estate taxes, insurance, maintenance and other operating expenses associated with the leased premises with the lease component of a lease agreement on an asset class basis when the non-lease components of the agreement cannot be easily bifurcated from the lease payment. Currently, the Company is only applying this expedient to certain office space agreements.

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**(a) Supplemental Balance Sheet Information Related to Leases**

The Company's lease assets and liabilities consisted of the following items (in thousands):

Leases	Balance Sheet Classification	December 31, 2023	(Unaudited) September 30, 2024
<b>Operating Leases</b>			
Operating lease right-of-use assets:			
Processing plants	Operating lease right-of-use assets	\$ 1,611,903	1,425,273
Drilling rigs and completion services	Operating lease right-of-use assets	32,187	9,005
Gas gathering lines and compressor stations <sup>(1)</sup>	Operating lease right-of-use assets	1,283,668	1,189,000
Office space	Operating lease right-of-use assets	37,706	34,537
Office, field and other equipment	Operating lease right-of-use assets	416	473
Total operating lease right-of-use assets		<u>\$ 2,965,880</u>	<u>2,658,288</u>
Operating lease liabilities:			
Short-term operating lease liabilities	Short-term lease liabilities	\$ 538,954	504,419
Long-term operating lease liabilities	Long-term lease liabilities	2,425,785	2,146,881
Total operating lease liabilities		<u>\$ 2,964,739</u>	<u>2,651,300</u>
<b>Finance Leases</b>			
Finance lease right-of-use assets:			
Vehicles	Other property and equipment	\$ 3,771	2,960
Total finance lease right-of-use assets <sup>(2)</sup>		<u>\$ 3,771</u>	<u>2,960</u>
Finance lease liabilities:			
Short-term finance lease liabilities	Short-term lease liabilities	\$ 1,106	1,233
Long-term finance lease liabilities	Long-term lease liabilities	2,665	1,727
Total finance lease liabilities		<u>\$ 3,771</u>	<u>2,960</u>

(1) Gas gathering lines and compressor stations includes \$1.3 billion and \$1.2 billion related to Antero Midstream as of December 31, 2023 and September 30, 2024, respectively. See "—Related party lease disclosure" for additional discussion.

(2) Financing lease assets are recorded net of accumulated amortization of \$1 million and \$2 million as of December 31, 2023 and September 30, 2024, respectively.

The processing plants, gathering lines and compressor stations that are classified as lease liabilities are classified as such under FASB ASC Topic 842, *Leases*, because Antero (i) is the sole customer of the assets and (ii) makes the decisions that most impact the economic performance of the assets.

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**(b) Supplemental Information Related to Leases**

Costs associated with operating and finance leases were included in the unaudited condensed consolidated statement of operations and comprehensive income (in thousands):

Cost	Classification	Location	Three Months Ended September 30,		Nine Months Ended September 30,	
			2023	2024	2023	2024
Operating lease cost	Statement of operations	Gathering, compression, processing and transportation	\$ 418,005	435,308	1,206,733	1,283,302
Operating lease cost	Statement of operations	General and administrative	3,105	3,164	9,072	9,233
Operating lease cost	Statement of operations	Contract termination, loss contingency and settlements	297	—	4,227	—
Operating lease cost	Statement of operations	Lease operating	21	28	63	76
Operating lease cost	Balance sheet	Proved properties <sup>(1)</sup>	40,543	30,864	111,915	92,990
Total operating lease cost			\$ 461,971	469,364	1,332,010	1,385,601
<b>Finance lease cost:</b>						
Amortization of right-of-use assets	Statement of operations	Depletion, depreciation and amortization	\$ 464	405	1,102	1,253
Interest on lease liabilities	Statement of operations	Interest expense	165	125	441	410
Total finance lease cost			\$ 629	530	1,543	1,663
Short-term lease payments			\$ 31,324	26,636	103,732	84,307

(1) Capitalized costs related to drilling and completion activities.

**(c) Supplemental Cash Flow Information Related to Leases**

The following table presents the Company's supplemental cash flow information related to leases (in thousands):

	Nine Months Ended September 30,	
	2023	2024
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 1,023,385	1,098,799
Operating cash flows from finance leases	441	410
Investing cash flows from operating leases	95,480	78,275
Financing cash flows from finance leases	580	811
<b>Noncash activities:</b>		
Right-of-use assets obtained in exchange for new operating lease obligations	\$ 80,969	97,720
Increase (decrease) to existing right-of-use assets and lease obligations from operating lease modifications, net <sup>(1)</sup>	\$ 12,640	(1,472)

(1) During the nine months ended September 30, 2023, the weighted average discount rate for remeasured operating leases increased from 5.1% as of December 31, 2022 to 5.8% as of September 30, 2023. During the nine months ended September 30, 2024, the weighted average discount rate for remeasured operating leases decreased from 6.5% as of December 31, 2023 to 6.0% as of September 30, 2024.

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**(d) Maturities of Lease Liabilities**

The table below is a schedule of future minimum payments for operating and financing lease liabilities as of September 30, 2024 (in thousands):

	Operating Leases	Financing Leases	Total
Remainder of 2024	\$ 173,056	407	173,463
2025	617,297	1,585	618,882
2026	564,792	1,230	566,022
2027	465,588	197	465,785
2028	388,734	23	388,757
Thereafter	943,071	10	943,081
<b>Total lease payments</b>	<b>3,152,538</b>	<b>3,452</b>	<b>3,155,990</b>
Less: imputed interest	(501,238)	(492)	(501,730)
<b>Total</b>	<b>\$ 2,651,300</b>	<b>2,960</b>	<b>2,654,260</b>

**(e) Lease Term and Discount Rate**

The following table sets forth the Company's weighted average remaining lease term and discount rate:

	December 31, 2023		September 30, 2024	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Weighted average remaining lease term	6.5 years	3.0 years	6.2 years	2.3 years
Weighted average discount rate	5.9 %	8.3 %	5.7 %	8.4 %

**(f) Related Party Lease Disclosure**

The Company has gathering and compression service agreements with Antero Midstream that include: (i) the second amended and restated gathering and compression agreement dated December 8, 2019 (the "2019 gathering and compression agreement"), (ii) a gathering and compression agreement from Antero Midstream's acquisition in 2022 of certain Marcellus gathering and compression assets in an area of dedication (the "Marcellus gathering and compression agreement") and (iii) a compression agreement from Antero Midstream's acquisition in 2022 of certain Utica compressors (the "Utica compression agreement" and (iv) a gathering and compression agreement from Antero Midstream's acquisition in the second quarter of 2024 of certain central Marcellus gathering and compression assets (the "Mountaineer gathering and compression agreement," and together with the 2019 gathering and compression agreement, Marcellus gathering and compression agreement and the Utica compression agreement, the "gathering and compression agreements"). Pursuant to the gathering and compression agreements with Antero Midstream, the Company has dedicated substantially all of its current and future acreage in West Virginia, Ohio and Pennsylvania to Antero Midstream for gathering and compression services. The 2019 gathering and compression agreement, Marcellus gathering and compression agreement and Mountaineer gathering and compression agreement have initial terms through 2038, 2031 and 2026, respectively, and the Utica compression agreement has two dedicated areas that expire in 2024 and 2030. Upon expiration of the Marcellus gathering and compression agreement, the Utica compression agreement and the Mountaineer gathering and compression agreement, Antero Midstream will continue to provide gathering and compression services under the 2019 gathering and compression agreement.

Under the gathering and compression agreements, Antero Midstream receives a low pressure gathering fee per Mcf, a high pressure gathering fee per Mcf and a compression fee per Mcf, as applicable, subject to annual Consumer Price Index ("CPI")-based adjustments. If and to the extent the Company requests that Antero Midstream construct new low pressure lines, high pressure lines and compressor stations, the 2019 gathering and compression agreement contains options at Antero Midstream's election for either (i) minimum volume commitments that require Antero Resources to utilize or pay for 75% of the high pressure gathering capacity and 70% of the compression capacity of the requested capacity of such new construction for 10 years or (ii) a cost of service fee that allows the Antero Midstream to earn a 13% rate of return on such new construction over seven years. The Marcellus gathering and compression agreement provides for a minimum volume commitment that requires the Company to utilize or pay for 25% of the compression capacity for a period of 10 years from the in-service date. The Mountaineer gathering and compression agreement provides for monthly minimum compression and gathering fees for each compressor station or high pressure gathering line, respectively, for a period of 12 years commencing 90 days after such asset's in-service date. As of September 30, 2024, the minimum volume commitments for the 2019 gathering and compression

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agreement and Marcellus gathering and compression agreement end in 2034 and 2024, respectively, and the minimum compression and gathering fees for the Mountaineer gathering and compression agreement end in 2026.

The 2019 gathering and compression agreement included a growth incentive fee program that expired on December 31, 2023 whereby low pressure gathering fees were reduced from 2020 through 2023 to the extent the Company achieved certain quarterly volumetric targets. The Company's throughput gathered under the Marcellus gathering and compression agreement was not considered in the low pressure gathering volume targets. The Company earned fee rebates of \$12 million and \$36 million for the three and nine months ended September 30, 2023, respectively.

Upon completion of the initial contract term, the 2019 gathering and compression agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by notice from either the Company or Antero Midstream to the other party on or before the 180th day prior to the anniversary of such agreement.

Gathering and compression fees paid by the Company related to these agreements were \$189 million and \$207 million for the three months ended September 30, 2023 and 2024, respectively. For the nine months ended September 30, 2023 and 2024, gathering and compression fees paid by the Company related to this agreement were \$550 million and \$608 million, respectively. As of December 31, 2023 and September 30, 2024, \$65 million and \$77 million, respectively, was included within accounts payable, related parties on the condensed consolidated balance sheets as due to Antero Midstream related to these agreements.

**(13) Commitments**

The following table sets forth a schedule of future minimum payments for the Company's contractual obligations, which include leases that have a lease term in excess of one year as of September 30, 2024 (in thousands):

	<b>Firm Transportation (a)</b>	<b>Processing, Gathering, Compression and Water Service (b)</b>	<b>Operating and Financing Leases (c)</b>	<b>Imputed Interest for Leases (c)</b>	<b>Other (d)</b>	<b>Total</b>
Remainder of 2024	\$ 298,885	17,680	136,145	37,317	3,038	493,065
2025	1,184,532	59,178	487,948	130,935	8,437	1,871,030
2026	1,182,065	26,001	462,483	103,538	3,976	1,778,063
2027	1,177,068	24,712	387,210	78,575	375	1,667,940
2028	1,118,610	23,379	330,913	57,845	—	1,530,747
Thereafter	4,439,689	86,473	849,561	93,520	—	5,469,243
<b>Total</b>	<b>\$ 9,400,849</b>	<b>237,423</b>	<b>2,654,260</b>	<b>501,730</b>	<b>15,826</b>	<b>12,810,088</b>

**(a) Firm Transportation**

The Company has entered into firm transportation agreements with various pipelines in order to facilitate the delivery of its production to market. These contracts commit the Company to transport minimum daily natural gas or NGLs volumes at negotiated rates or pay for any deficiencies at specified reservation fee rates. The amounts in this table are based on the Company's minimum daily volumes at the reservation fee rate. The values in the table represent the gross amounts that the Company is committed to pay; however, the Company will record in the unaudited condensed consolidated financial statements its proportionate share of costs based on its working interest.

**(b) Processing, Gathering, Compression and Water Service Commitments**

The Company has entered into various long-term gas processing, gathering, compression and water service agreements. Certain of these agreements were determined to be leases. The minimum payment obligations under the agreements that are not leases are presented in this column.

The values in the table represent the gross amounts that the Company is committed to pay; however, the Company will record in the unaudited condensed consolidated financial statements its proportionate share of costs based on its working interest.

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**(c) Operating and Finance Leases, including Imputed Interest**

The Company has obligations under contracts for services provided by drilling rigs and completion fleets, processing, gathering, and compression services agreements, and office and equipment leases. The values in the table represent the gross amounts that Antero Resources is committed to pay; however, the Company will record in its financial statements its proportionate share of costs based on its working interests. See Note 12—Leases to the unaudited condensed consolidated financial statements for more information on the Company's operating and finance leases.

**(d) Other**

The Company has entered into various land acquisition and sand supply agreements. Certain of these agreements contain minimum payment obligations over various terms. The values in the table represent the minimum payments due under these arrangements. None of these agreements were determined to be leases.

**(e) Contract Terminations**

The Company incurs costs associated with the delay or cancellation of certain contracts with third-parties. These costs are recorded in contract termination, loss contingency and settlements in the statements of operations and comprehensive income. During the first quarter of 2023, the Company executed an early termination of its firm transportation commitment of 200,000 MMBtu per day on the Equitrans pipeline and made a cash payment of \$24 million. There are no remaining payment obligations related to any delayed or cancelled contracts as of September 30, 2024.

**(14) Contingencies**

**(a) Environmental**

In June 2018, the Company received a Notice of Violation (“NOV”) from the U.S. Environmental Protection Agency (“EPA”) Region III for alleged violations of the federal Clean Air Act and the West Virginia State Implementation Plan. The NOV alleges that combustion devices at these facilities did not meet applicable air permitting requirements. Separately, in June 2018, the Company received an information request from the EPA Region III pursuant to Section 114(a) of the Clean Air Act relating to the facilities that were inspected in September 2017 as well as additional Antero Resources facilities for the purpose of determining if the additional facilities have the same alleged compliance issues that were identified during the September 2017 inspections. Subsequently, the West Virginia Department of Environmental Protection (“WVDEP”) and the EPA Region V (covering Ohio facilities) each conducted its own inspections, and the Company has separately received NOVs from WVDEP and EPA Region V related to similar issues being investigated by the EPA Region III. The Company continues to negotiate with the EPA and WVDEP to resolve the issues alleged in the NOVs and the information request. The Company's operations at these facilities are not suspended, and management does not expect these matters to have a material adverse effect on the Company's financial condition, results of operations or cash flows.

**(b) Production Taxes**

The Company is subject to production taxes in the states in which it operates. The Company's production tax filings in West Virginia for 2018 to 2020 tax years were subject to audit by the State of West Virginia. All assessments received in conjunction with this audit have been recorded in the unaudited condensed consolidated statements of operations and comprehensive net loss during the nine months ended September 30, 2024; however, the Company has filed an appeal with regard to such assessments. At this time, the Company believes the outcome of this matter will not have a material adverse effect on the Company's unaudited condensed consolidated financial position, results of operations or cash flows.

**(c) Other**

The Company is party to various other legal proceedings and claims in the ordinary course of its business. The Company believes that certain of these matters will be covered by insurance and that the outcome of other matters will not have a material adverse effect on the Company's unaudited condensed consolidated financial position, results of operations or cash flows.

In addition, pending litigation against the Company and other similarly situated peer operators could have an impact on the methods for determining the amount of permitted post-production costs and types of costs that have been, and may be, deducted from royalty payments, among other things. While the amounts claimed could be material, we are unable to predict

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with certainty the ultimate outcome of such claims and proceedings. Rulings were recently received in two cases to which the Company is a party, and where the plaintiffs alleged, and the court found, that certain post-production costs may not be deducted: a non-class action lawsuit in West Virginia and a class action lawsuit in Ohio. In each case, the alleged damages were not material. The Company will continue to challenge the legal conclusions reached in each of these cases with respect to deductibility of post-production costs, and continues to analyze how these decisions may impact other cases to which the Company is a party. At this time, the Company cannot predict how these issues may ultimately be resolved, and therefore is also unable to estimate any potential damages, if any, that may result. The Company accrues for litigation, claims and proceedings when liability is both probable and the amount can be reasonably estimated, and does not currently have any material amounts accrued with respect to its pending litigation matters.

**(15) Related Parties**

Substantially all of Antero Midstream's revenues were and are derived from transactions with Antero Resources. See Note 16—Reportable Segments to the unaudited condensed consolidated financial statements for the operating results of the Company's reportable segments.

**(16) Reportable Segments**

**(a) Summary of Reportable Segments**

The Company's operations, which are located in the United States, are organized into three reportable segments: (i) the exploration, development and production of natural gas, NGLs and oil; (ii) marketing and utilization of excess firm transportation capacity and (iii) midstream services through the Company's equity method investment in Antero Midstream. Substantially all of the Company's production revenues are attributable to customers located in the United States; however, some of the Company's production revenues are attributable to customers who then transport the Company's production to foreign countries for resale or consumption. These segments are monitored separately by management for performance and are consistent with internal financial reporting. These segments have been identified based on the differing products and services, regulatory environment and the expertise required for these operations. Management evaluates the performance of the Company's business segments based on operating income (loss). General and administrative expenses were allocated to the midstream segment based on the nature of the expenses and on a combination of the segments' proportionate share of the Company's consolidated property and equipment, capital expenditures and labor costs, as applicable. General and administrative expenses related to the marketing segment are not allocated because they are immaterial. Other income, income taxes and interest expense are primarily managed and evaluated on a consolidated basis. Intersegment sales were transacted at prices which approximate market. Accounting policies for each segment are the same as the Company's accounting policies described in Note 2—Summary of Significant Accounting Policies to the unaudited condensed consolidated financial statements.

*Exploration and Production*

The exploration and production segment is engaged in the development, production, exploration and acquisition of natural gas, NGLs and oil properties located in the Appalachian Basin. The Company targets large, repeatable resource plays where horizontal drilling and advanced fracture stimulation technologies provide the means to economically develop and produce natural gas, NGLs and oil from unconventional formations.

*Marketing*

Where feasible, the Company purchases and sells third-party natural gas and NGLs and markets its excess firm transportation capacity, or engages third parties to conduct these activities on the Company's behalf, in order to optimize the revenues from these transportation agreements. The Company has entered into long-term firm transportation agreements for a significant portion of its current and expected future production in order to secure guaranteed capacity to favorable markets.

*Equity Method Investment in Antero Midstream*

The Company receives midstream services through its equity method investment in Antero Midstream. Antero Midstream owns, operates and develops midstream energy infrastructure primarily to service the Company's production and completion activity in the Appalachian Basin. Antero Midstream's assets consist of gathering pipelines, compressor stations, interests in processing and fractionation plants and water handling assets. Antero Midstream provides midstream services to Antero Resources under long-term contracts.

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**(b) Reportable Segments Financial Information**

The operating results and assets of the Company's reportable segments were as follows (in thousands):

	<b>Three Months Ended September 30, 2023</b>				
	<b>Exploration and Production</b>	<b>Marketing</b>	<b>Equity Method Investment in Antero Midstream</b>	<b>Elimination of Unconsolidated Affiliate</b>	<b>Consolidated Total</b>
<b>Sales and revenues:</b>					
Third-party	\$ 1,072,562	53,068	383	(383)	1,125,630
Intersegment	546	—	263,456	(263,456)	546
Total revenue	<u>1,073,108</u>	<u>53,068</u>	<u>263,839</u>	<u>(263,839)</u>	<u>1,126,176</u>
<b>Operating expenses:</b>					
Lease operating	33,484	—	—	—	33,484
Gathering, compression, processing, transportation and water handling	671,886	—	51,914	(51,914)	671,886
General and administrative	58,425	—	17,633	(17,633)	58,425
Depletion, depreciation and amortization	176,259	—	30,745	(30,745)	176,259
Impairment of property and equipment	13,476	—	—	—	13,476
Other	47,372	69,542	1,234	(1,234)	116,914
Total operating expenses	<u>1,000,902</u>	<u>69,542</u>	<u>101,526</u>	<u>(101,526)</u>	<u>1,070,444</u>
Operating income (loss)	<u>\$ 72,206</u>	<u>(16,474)</u>	<u>162,313</u>	<u>(162,313)</u>	<u>55,732</u>
Equity in earnings of unconsolidated affiliates	\$ 22,207	—	27,397	(27,397)	22,207
Capital expenditures for segment assets	\$ 912,046	—	45,286	(45,286)	912,046

	<b>Three Months Ended September 30, 2024</b>				
	<b>Exploration and Production</b>	<b>Marketing</b>	<b>Equity Method Investment in Antero Midstream</b>	<b>Elimination of Unconsolidated Affiliate</b>	<b>Consolidated Total</b>
<b>Sales and revenues:</b>					
Third-party	\$ 1,008,182	47,160	397	(397)	1,055,342
Intersegment	578	—	269,473	(269,473)	578
Total revenue	<u>1,008,760</u>	<u>47,160</u>	<u>269,870</u>	<u>(269,870)</u>	<u>1,055,920</u>
<b>Operating expenses:</b>					
Lease operating	29,597	—	—	—	29,597
Gathering, compression, processing, transportation and water handling	685,183	—	51,724	(51,724)	685,183
General and administrative	54,627	—	22,872	(22,872)	54,627
Depletion, depreciation and amortization	170,197	—	32,534	(32,534)	170,197
Impairment of property and equipment	13,455	—	332	(332)	13,455
Other	46,620	62,144	(19)	19	108,764
Total operating expenses	<u>999,679</u>	<u>62,144</u>	<u>107,443</u>	<u>(107,443)</u>	<u>1,061,823</u>
Operating income (loss)	<u>\$ 9,081</u>	<u>(14,984)</u>	<u>162,427</u>	<u>(162,427)</u>	<u>(5,903)</u>
Equity in earnings of unconsolidated affiliates	\$ 25,634	—	27,668	(27,668)	25,634
Capital expenditures for segment assets	\$ 173,630	—	55,535	(55,535)	173,630



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Notes to Unaudited Condensed Consolidated Financial Statements

Nine Months Ended September 30, 2023					
	Exploration and Production	Marketing	Equity Method Investment in Antero Midstream	Elimination of Unconsolidated Affiliate	Consolidated Total
<b>Sales and revenues:</b>					
Third-party	\$ 3,331,130	155,390	929	(929)	3,486,520
Intersegment	1,309	—	780,672	(780,672)	1,309
Total revenue	<u>3,332,439</u>	<u>155,390</u>	<u>781,601</u>	<u>(781,601)</u>	<u>3,487,829</u>
<b>Operating expenses:</b>					
Lease operating	91,553	—	—	—	91,553
Gathering, compression, processing, transportation and water handling	1,981,033	—	162,382	(162,382)	1,981,033
General and administrative	169,587	—	53,142	(53,142)	169,587
Depletion, depreciation and amortization	515,247	—	101,174	(101,174)	515,247
Impairment of property and equipment	44,746	—	—	—	44,746
Other	146,536	240,841	8,722	(8,722)	387,377
Total operating expenses	<u>2,948,702</u>	<u>240,841</u>	<u>325,420</u>	<u>(325,420)</u>	<u>3,189,543</u>
Operating income (loss)	<u>\$ 383,737</u>	<u>(85,451)</u>	<u>456,181</u>	<u>(456,181)</u>	<u>298,286</u>
Equity in earnings of unconsolidated affiliates	\$ 58,986	—	77,825	(77,825)	58,986
Capital expenditures for segment assets	\$ 912,046	—	130,025	(130,025)	912,046

Nine Months Ended September 30, 2024					
	Exploration and Production	Marketing	Equity Method Investment in Antero Midstream	Elimination of Unconsolidated Affiliate	Consolidated Total
<b>Sales and revenues:</b>					
Third-party	\$ 3,009,995	145,098	1,482	(1,482)	3,155,093
Intersegment	1,752	—	817,234	(817,234)	1,752
Total revenue	<u>3,011,747</u>	<u>145,098</u>	<u>818,716</u>	<u>(818,716)</u>	<u>3,156,845</u>
<b>Operating expenses:</b>					
Lease operating	88,477	—	—	—	88,477
Gathering, compression, processing, transportation and water handling	2,020,906	—	162,051	(162,051)	2,020,906
General and administrative	169,917	—	65,312	(65,312)	169,917
Depletion, depreciation and amortization	513,787	—	107,205	(107,205)	513,787
Impairment of property and equipment	18,958	—	332	(332)	18,958
Other	154,768	192,764	2,385	(2,385)	347,532
Total operating expenses	<u>2,966,813</u>	<u>192,764</u>	<u>337,285</u>	<u>(337,285)</u>	<u>3,159,577</u>
Operating income (loss)	<u>\$ 44,934</u>	<u>(47,666)</u>	<u>481,431</u>	<u>(481,431)</u>	<u>(2,732)</u>
Equity in earnings of unconsolidated affiliates	\$ 69,862	—	82,795	(82,795)	69,862
Capital expenditures for segment assets	\$ 588,464	—	134,007	(134,007)	588,464

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The summarized assets of the Company's reportable segments are as follows (in thousands):

	<b>As of December 31, 2023</b>				
	<b>Exploration and Production</b>	<b>Marketing</b>	<b>Equity Method Investment in Antero Midstream</b>	<b>Elimination of Unconsolidated Affiliate</b>	<b>Consolidated Total</b>
Investments in unconsolidated affiliates	\$ 222,255	—	626,650	(626,650)	222,255
Total assets	13,602,297	17,117	5,737,618	(5,737,618)	13,619,414

  

	<b>(Unaudited) As of September 30, 2024</b>				
	<b>Exploration and Production</b>	<b>Marketing</b>	<b>Equity Method Investment in Antero Midstream</b>	<b>Elimination of Unconsolidated Affiliate</b>	<b>Consolidated Total</b>
Investments in unconsolidated affiliates	\$ 226,860	—	609,427	(609,427)	226,860
Total assets	13,211,758	11,860	5,777,451	(5,777,451)	13,223,618

**(17) Subsidiary Guarantors**

As of December 31, 2023, Antero Resources' senior notes were fully and unconditionally guaranteed by Antero Resources' existing subsidiaries that guaranteed the Secured Credit Facility. A subsidiary guarantor would be released from its obligations under the indentures and its guarantee (i) upon the release or discharge of the guarantee of other Indebtedness (as defined in the indentures governing the notes) that resulted in the creation of such guarantee, except a release or discharge by or as a result of payment under such guarantee, (ii) if Antero designated such subsidiary as an unrestricted subsidiary and such designation complied with the other applicable provisions of the indentures governing the senior notes or (iii) in connection with any covenant defeasance, legal defeasance or satisfaction and discharge of the senior notes. As described in Note 7—Long-Term Debt, the Unsecured Credit Facility is not guaranteed by any of Antero Resources' subsidiaries. As such, each subsidiary guarantor was released from its obligations under the indentures and its guarantee on July 30, 2024.

The table set forth below presents summarized financial information of Antero, as parent, and its guarantor subsidiaries as of December 31, 2023. The Company's wholly owned subsidiaries were not restricted from making distributions to the Company.

**Balance Sheet**

	<b>December 31, 2023</b>
Current assets	\$ 453,581
Noncurrent assets	12,562,439
Total assets	<u>\$ 13,016,020</u>
Accounts payable, related parties	\$ 86,284
Other current liabilities	1,360,102
Total current liabilities	1,446,386
Noncurrent liabilities	4,951,464
Total liabilities	<u>\$ 6,397,850</u>

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. We caution that assumptions, expectations, projections, intentions or beliefs about future events may, and often do, vary from actual results, and the differences can be material. Some of the key factors that could cause actual results to vary from our expectations include changes in natural gas, NGLs and oil prices, the timing of planned capital expenditures, our ability to fund our development programs, uncertainties in estimating proved reserves and forecasting production results, operational factors affecting the commencement or maintenance of producing wells, the condition of the capital markets generally, as well as our ability to access them, impacts of world health events and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting our business, as well as those factors discussed below, all of which are difficult to predict. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. See "Cautionary Statement Regarding Forward-Looking Statements." Also, see the risk factors and other cautionary statements described under the heading "Item 1A. Risk Factors." We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.*

*In this section, references to "Antero," the "Company," "we," "us," and "our" refer to Antero Resources Corporation and its subsidiaries, unless otherwise indicated or the context otherwise requires.*

### **Our Company**

We are an independent oil and natural gas company engaged in the development, production, exploration and acquisition of natural gas, NGLs and oil properties located in the Appalachian Basin. We focus on unconventional reservoirs, which can generally be characterized as fractured shale formations. Our management team has worked together for many years and has a successful track record of reserve and production growth as well as significant expertise in unconventional resource plays. Our strategy is to leverage our team's experience delineating and developing natural gas resource plays to develop our reserves and production, primarily on our existing multi-year inventory of drilling locations.

We have assembled a portfolio of long-lived properties that are characterized by what we believe to be low geologic risk and repeatability. Our drilling opportunities are focused in the Appalachian Basin. As of September 30, 2024, we held approximately 519,000 net acres in the Appalachian Basin.

### **Financing Highlights**

#### ***Unsecured Credit Facility***

During the second quarter of 2024, we achieved an investment grade credit rating from S&P Global Inc. As a result of this investment grade credit rating, on July 30, 2024, we entered into an amended and restated senior revolving credit facility with lender commitments of \$1.65 billion that matures on July 30, 2029, subject to certain extension terms and conditions. Borrowings under the amended and restated facility are unsecured and are not guaranteed by any of our subsidiaries. See Note 7—Long-Term Debt to the unaudited condensed consolidated financial statements for more information.

### **Market Conditions and Business Trends**

#### ***Commodity Markets***

Prices for natural gas, NGLs and oil that we produce significantly impact our revenues and cash flows. Benchmark prices for natural gas decreased significantly, while benchmark prices for oil remained consistent and benchmark prices for NGLs increased during the nine months ended September 30, 2024 as compared to the same period of 2023. As a result of the lower benchmark natural gas prices and higher benchmark NGLs prices in 2024, we experienced a decrease in price realizations for natural gas and ethane products and an increase in price realization for NGLs products during the three and nine months ended September 30, 2024. We monitor the economic factors that impact natural gas, NGLs and oil prices, including domestic and foreign supply and demand indicators, domestic and foreign commodity inventories, the actions of Organization of Petroleum Exporting Countries and other large producing nations and the current conflicts in Ukraine and in the Middle East, among others. In the current economic environment, we expect that commodity prices for some or all of the commodities we produce could remain volatile. This volatility is beyond our control and may adversely impact our business, financial condition, results of operations and future cash flows.

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The following table details the average benchmark natural gas, NGLs and oil prices:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2024	2023	2024
Henry Hub (\$/Mcf) <sup>(1)</sup>	\$ 2.55	2.16	2.69	2.10
Mont Belvieu Ethane (\$/Bbl) <sup>(2)</sup>	12.38	6.61	10.58	7.58
Mont Belvieu C3+ NGLs (\$/Bbl) <sup>(3)</sup>	37.07	39.01	38.67	40.70
West Texas Intermediate (\$/Bbl) <sup>(4)</sup>	82.26	75.09	77.39	77.54

(1) NYMEX first of month average natural gas price.

(2) Intercontinental Exchange, Inc. ("ICE") settlement ethane Oil Price Information Service ("OPIS") futures average price for the front month contract as published on the last trading day of the month.

(3) ICE settlement propane, isobutane, normal butane and natural gasoline OPIS futures average price for the front month contract as published on the last trading day of the month. Propane and isobutane reflect TET prices, and normal butane and natural gasoline reflect non-TET prices. Propane, isobutane, normal butane and natural gasoline futures prices are weighted to approximate Antero Resources' average C3+ NGLs composition.

(4) NYMEX calendar month average settled futures price.

**Hedge Position**

*Antero Resources (Excluding Martica)*

We are exposed to certain commodity price risks relating to our ongoing business operations, and we use derivative instruments when circumstances warrant to manage such risks. In addition, we periodically enter into contracts that contain embedded features that are required to be bifurcated and accounted for separately as derivatives. Due to our improved liquidity and leverage position as compared to historical levels, the percentage of our expected production that we hedge has decreased. For the three and nine months ended September 30, 2023 and 2024, substantially all of our production was unhedged. The tables and narrative below exclude derivative instruments attributable to Martica, our consolidated VIE, since all gains or losses from such contracts are fully attributable to the noncontrolling interests in Martica.

As of September 30, 2024, our fixed price NGLs swap positions excluding Martica were as follows:

Commodity / Settlement Period	Index	Contracted Volume	Weighted Average Price
<b>Propane</b>			
October-December 2024	Mont Belvieu Propane-OPIS TET	920 MBbl	\$ 33.67 /Bbl

As of September 30, 2024, our natural gas basis swap positions settle on the pricing index to basis differential of the Columbia Gas Transmission pipeline ("TCO") to the NYMEX Henry Hub natural gas price were as follows:

Commodity / Settlement Period	Index to Basis Differential	Contracted Volume	Weighted Average Hedged Differential
<b>Natural Gas</b>			
October-December 2024	NYMEX to TCO	5 Bcf	\$ 0.530 /MMBtu

We have a call option and an embedded put option tied to NYMEX pricing for the production volumes associated with the Company's retained interest in the VPP properties. As of September 30, 2024, our call option and embedded put option arrangements were as follows:

Commodity / Settlement Period	Index	Contracted Volume	Call Option Strike Price	Embedded Put Option Strike Price
<b>Natural Gas</b>				
October-December 2024	Henry Hub	5 Bcf	\$ 2.477 /MMBtu	\$ 2.477 /MMBtu
January-December 2025	Henry Hub	16 Bcf	2.564 /MMBtu	2.564 /MMBtu
January-December 2026	Henry Hub	12 Bcf	2.629 /MMBtu	2.629 /MMBtu
		33 Bcf	2.574 /MMBtu	2.574 /MMBtu

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As of September 30, 2024, the estimated fair value of our commodity derivative contracts, excluding Martica, was a net liability of \$24 million. See Note 11—Derivative Instruments to the unaudited condensed consolidated financial statements for more information.

*Martica*

Our consolidated VIE, Martica, also maintains a portfolio of fixed swap natural gas, NGLs and oil derivatives for the benefit of the noncontrolling interests in Martica. As such, all gains and losses attributable to Martica's derivative portfolio are fully attributable to the noncontrolling interests in Martica. As of September 30, 2024, Martica's fixed price natural gas and oil swap positions were as follows:

Commodity / Settlement Period	Index	Contracted Volume	Weighted Average Price
<b>Natural Gas</b>			
October-December 2024	Henry Hub	3 Bcf	\$ 2.33 /MMBtu
January-March 2025	Henry Hub	1 Bcf	2.53 /MMBtu
		4 Bcf	2.42 /MMBtu
<b>Oil</b>			
October-December 2024	West Texas Intermediate	3 MBbl	\$ 44.02 /Bbl
January-March 2025	West Texas Intermediate	4 MBbl	45.06 /Bbl
		7 MBbl	44.54 /Bbl

As of September 30, 2024, the estimated fair value of Martica's commodity derivative contracts was a net liability of \$3 million. See Note 11—Derivative Instruments to the unaudited condensed consolidated financial statements for more information.

*Economic Indicators*

The economy experienced elevated inflation levels as a result of global supply and demand imbalances, where global demand outpaced supplies beginning in 2021 and continuing through the third quarter of 2024. For example, the Consumer Price Index ("CPI") for all urban consumers increased 3.7% from September 2022 to September 2023 and an additional 2.4% from September 2023 to September 2024 as compared to the Federal Reserve's stated goal of 2%. In order to manage the inflation risk present in the United States' economy, the Federal Reserve utilized monetary policy in the form of interest rate increases beginning in March 2022 in an effort to bring the inflation rate in line with its stated goal of 2% on a long-term basis. Between March 2022 and July 2023, the Federal Reserve increased the federal funds interest rate by 5.25%. During the three months ended September 30, 2024, inflation rates began to approach the Federal Reserve's stated goal of 2%, and the Federal Reserve decreased the federal funds rate by 0.5% in September 2024. While inflationary pressures in the United States' economy have begun to subside, we continue to be impacted by the increased federal funds interest rate. See "— Results of Operations" for more information.

The economy also continues to be impacted by the effects of global events. These events have often caused global supply chain disruptions with additional pressure due to trade sanctions on Russia and other global trade restrictions, among others. However, our supply chain has not experienced any significant interruptions as a result of such events.

Inflationary pressures, particularly as they relate to certain of our long-term contracts with CPI-based adjustments, and supply chain disruptions have and could continue to result in increases to our operating and capital costs that are not fixed. These economic variables are beyond our control and may adversely impact our business, financial condition, results of operations and future cash flows.

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**Results of Operations**

We have three operating segments: (i) the exploration, development and production of natural gas, NGLs and oil; (ii) marketing and utilization of excess firm transportation capacity; and (iii) midstream services through our equity method investment in Antero Midstream. Revenues from Antero Midstream's operations were primarily derived from intersegment transactions for services provided to our exploration and production operations by Antero Midstream. All intersegment transactions were eliminated upon consolidation, including revenues from water handling services provided by Antero Midstream, which we capitalized as proved property development costs. Marketing revenues are primarily derived from activities to purchase and sell third-party natural gas and NGLs and to market and utilize excess firm transportation capacity. See Note 16—Reportable Segments to the unaudited condensed consolidated financial statements for more information.

**Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2024**

The operating results of our reportable segments were as follows (in thousands):

	<b>Three Months Ended September 30, 2023</b>				
	<b>Exploration and Production</b>	<b>Marketing</b>	<b>Equity Method Investment in Antero Midstream</b>	<b>Elimination of Unconsolidated Affiliate</b>	<b>Consolidated Total</b>
<b>Revenue and other:</b>					
Natural gas sales	\$ 516,214	—	—	—	516,214
Natural gas liquids sales	482,570	—	—	—	482,570
Oil sales	62,629	—	—	—	62,629
Commodity derivative fair value gains	3,448	—	—	—	3,448
Gathering, compression and water handling	—	—	263,839	(263,839)	—
Marketing	—	53,068	—	—	53,068
Amortization of deferred revenue, VPP	7,701	—	—	—	7,701
Other revenue and income	546	—	—	—	546
Total revenue	<u>1,073,108</u>	<u>53,068</u>	<u>263,839</u>	<u>(263,839)</u>	<u>1,126,176</u>
<b>Operating expenses:</b>					
Lease operating	33,484	—	—	—	33,484
Gathering and compression	216,435	—	23,547	(23,547)	216,435
Processing	264,391	—	—	—	264,391
Transportation	191,060	—	—	—	191,060
Water handling	—	—	28,367	(28,367)	—
Production and ad valorem taxes	32,258	—	—	—	32,258
Marketing	—	69,542	—	—	69,542
Exploration and mine expenses	591	—	—	—	591
General and administrative (excluding equity-based compensation)	39,967	—	9,284	(9,284)	39,967
Equity-based compensation	18,458	—	8,349	(8,349)	18,458
Depletion, depreciation and amortization	176,259	—	30,745	(30,745)	176,259
Impairment of property and equipment	13,476	—	—	—	13,476
Accretion of asset retirement obligations	889	—	45	(45)	889
Contract termination, loss contingency, settlements and other operating expenses	13,770	—	722	(722)	13,770
Loss (gain) on sale of assets	(136)	—	467	(467)	(136)
Total operating expenses	<u>1,000,902</u>	<u>69,542</u>	<u>101,526</u>	<u>(101,526)</u>	<u>1,070,444</u>
Operating income (loss)	<u>\$ 72,206</u>	<u>(16,474)</u>	<u>162,313</u>	<u>(162,313)</u>	<u>55,732</u>
Equity in earnings of unconsolidated affiliates	\$ 22,207	—	27,397	(27,397)	22,207

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	Three Months Ended September 30, 2024				
	Exploration and Production	Marketing	Equity Method Investment in Antero Midstream	Elimination of Unconsolidated Affiliate	Consolidated Total
<b>Revenue and other:</b>					
Natural gas sales	\$ 425,802	—	—	—	425,802
Natural gas liquids sales	504,200	—	—	—	504,200
Oil sales	52,724	—	—	—	52,724
Commodity derivative fair value gains	18,368	—	—	—	18,368
Gathering, compression and water handling	—	—	269,870	(269,870)	—
Marketing	—	47,160	—	—	47,160
Amortization of deferred revenue, VPP	6,812	—	—	—	6,812
Other revenue and income	854	—	—	—	854
Total revenue	<u>1,008,760</u>	<u>47,160</u>	<u>269,870</u>	<u>(269,870)</u>	<u>1,055,920</u>
<b>Operating expenses:</b>					
Lease operating	29,597	—	—	—	29,597
Gathering and compression	226,224	—	24,516	(24,516)	226,224
Processing	276,569	—	—	—	276,569
Transportation	182,390	—	—	—	182,390
Water handling	—	—	27,208	(27,208)	—
Production and ad valorem taxes	47,423	—	—	—	47,423
Marketing	—	62,144	—	—	62,144
Exploration	671	—	—	—	671
General and administrative (excluding equity-based compensation)	38,562	—	10,927	(10,927)	38,562
Equity-based compensation	16,065	—	11,945	(11,945)	16,065
Depletion, depreciation and amortization	170,197	—	32,534	(32,534)	170,197
Impairment of property and equipment	13,455	—	332	(332)	13,455
Accretion of asset retirement obligations	998	—	49	(49)	998
Gain on sale of assets	(1,297)	—	(473)	473	(1,297)
Contract termination, loss contingency, settlements and other operating expenses	(1,175)	—	405	(405)	(1,175)
Total operating expenses	<u>999,679</u>	<u>62,144</u>	<u>107,443</u>	<u>(107,443)</u>	<u>1,061,823</u>
Operating income (loss)	<u>\$ 9,081</u>	<u>(14,984)</u>	<u>162,427</u>	<u>(162,427)</u>	<u>(5,903)</u>
Equity in earnings of unconsolidated affiliates	\$ 25,634	—	27,668	(27,668)	25,634

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**Exploration and Production Segment**

The following table sets forth selected operating data of the exploration and production segment:

	<b>Three Months Ended</b>		<b>Amount of</b>	<b>Percent</b>
	<b>September 30,</b>			
	<b>2023</b>	<b>2024</b>	<b>Increase</b>	<b>Change</b>
			<b>(Decrease)</b>	
<b>Production data <sup>(1) (2):</sup></b>				
Natural gas (Bcf)	208	200	(8)	(4)%
C2 Ethane (MBbl)	6,696	7,302	606	9 %
C3+ NGLs (MBbl)	10,977	10,793	(184)	(2)%
Oil (MBbl)	918	856	(62)	(7)%
Combined (Bcfe)	320	313	(7)	(2)%
Daily combined production (MMcfe/d)	3,474	3,406	(68)	(2)%
<b>Average prices before effects of derivative settlements <sup>(3):</sup></b>				
Natural gas (per Mcf)	\$ 2.48	2.13	(0.35)	(14)%
C2 Ethane (per Bbl) <sup>(4)</sup>	\$ 11.73	8.01	(3.72)	(32)%
C3+ NGLs (per Bbl)	\$ 36.81	41.30	4.49	12 %
Oil (per Bbl)	\$ 68.22	61.59	(6.63)	(10)%
Weighted Average Combined (per Mcfe)	\$ 3.32	3.14	(0.18)	(5)%
<b>Average realized prices after effects of derivative settlements <sup>(3):</sup></b>				
Natural gas (per Mcf)	\$ 2.46	2.14	(0.32)	(13)%
C2 Ethane (per Bbl) <sup>(4)</sup>	\$ 11.73	8.01	(3.72)	(32)%
C3+ NGLs (per Bbl)	\$ 36.76	41.56	4.80	13 %
Oil (per Bbl)	\$ 67.91	61.46	(6.45)	(9)%
Weighted Average Combined (per Mcfe)	\$ 3.30	3.15	(0.15)	(5)%
<b>Average costs (per Mcfe):</b>				
Lease operating	\$ 0.10	0.09	(0.01)	(10)%
Gathering and compression	\$ 0.68	0.72	0.04	6 %
Processing	\$ 0.83	0.88	0.05	6 %
Transportation	\$ 0.60	0.58	(0.02)	(3)%
Production and ad valorem taxes	\$ 0.10	0.15	0.05	50 %
Marketing expense, net	\$ 0.05	0.05	—	*
General and administrative (excluding equity-based compensation)	\$ 0.13	0.12	(0.01)	(8)%
Depletion, depreciation, amortization and accretion	\$ 0.55	0.55	—	*

\* Not meaningful

(1) Production data excludes volumes related to the VPP.

(2) Oil and NGLs production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts. This ratio is an estimate of the equivalent energy content of the products and may not reflect their relative economic value.

(3) Average prices reflect the before and after effects of our settled commodity derivatives. Our calculation of such after effects includes gains (losses) on settlements of commodity derivatives, which do not qualify for hedge accounting because we do not designate or document them as hedges for accounting purposes.

(4) The average realized price for the three months ended September 30, 2023 includes \$6 million of proceeds related to a take-or-pay contract. Excluding the effect of these proceeds, the average realized price for ethane before and after the effects of derivatives for the three months ended September 30, 2023 would have been \$10.88 per Bbl.

*Natural gas sales.* Revenues from sales of natural gas decreased from \$516 million for the three months ended September 30, 2023 to \$426 million for the three months ended September 30, 2024, a decrease of \$90 million, or 18%. Lower commodity prices (excluding the effects of derivative settlements) during the three months ended September 30, 2024 accounted for an approximate \$69 million decrease in year-over-year natural gas sales revenue (calculated as the change in the year-to-year average price times current year production volumes). Lower natural gas production volumes accounted for an approximate \$21 million decrease in year-over-year natural gas sales revenue (calculated as the change in year-to-year volumes times the prior year average price).

*NGLs sales.* Revenues from sales of NGLs increased from \$483 million for the three months ended September 30, 2023 to \$504 million for the three months ended September 30, 2024, an increase of \$21 million, or 4%. Higher commodity prices (excluding the effects of derivative settlements) during the three months ended September 30, 2024 accounted for an approximate \$21 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes).



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*Oil sales.* Revenues from sales of oil decreased from \$63 million for the three months ended September 30, 2023 to \$53 million for the three months ended September 30, 2024, a decrease of \$10 million, or 16%. Lower commodity prices (excluding the effects of derivative settlements) during the three months ended September 30, 2024 accounted for an approximate \$6 million decrease in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes). Lower oil production volumes during the three months ended September 30, 2024 accounted for an approximate \$4 million decrease in year-over-year oil revenues (calculated as the change in year-to-year volumes times the prior year average price).

*Commodity derivative fair value gains.* Our commodity derivatives included fixed price swap contracts, basis swap contracts, call options and embedded put options. Because we do not designate these derivatives as accounting hedges, they do not receive hedge accounting treatment. Consequently, all mark-to-market gains or losses, as well as cash receipts or payments on settled derivative instruments, are recognized in our statements of operations and comprehensive income. For the three months ended September 30, 2023 and 2024, our commodity hedges resulted in derivative fair value gains of \$3 million and \$18 million, respectively. For the three months ended September 30, 2023, commodity derivative fair value gains included \$6 million of cash payments on settled commodity derivative losses. For the three months ended September 30, 2024, commodity derivative fair value gains included \$4 million of net cash proceeds on settled commodity derivatives gains.

Commodity derivative fair value gains or losses vary based on future commodity prices and have no cash flow impact until the derivative contracts are settled or monetized prior to settlement. Derivative asset or liability positions at the end of any accounting period may reverse to the extent future commodity prices increase or decrease from their levels at the end of the accounting period, or as gains or losses are realized through settlement. We expect continued volatility in commodity prices and the related fair value of our derivative instruments in the future.

*Amortization of deferred revenue, VPP.* Amortization of deferred revenues associated with the VPP decreased from \$8 million for the three months ended September 30, 2023 to \$7 million for the three months ended September 30, 2024, a decrease of \$1 million, or 12%, primarily due to lower production volumes attributable to the VPP properties between periods. Amortization of the deferred revenues associated with the VPP are recognized as the production volumes are delivered at \$1.61 per MMBtu over the contractual term.

*Lease operating expense.* Lease operating expense decreased from \$33 million, or \$0.10 per Mcfe, for the three months ended September 30, 2023 to \$30 million, or \$0.09 per Mcfe, for the three months ended September 30, 2024, a decrease of \$3 million primarily due to lower water disposal costs and workover expense between periods.

*Gathering, compression, processing and transportation expense.* Gathering, compression, processing and transportation expense increased from \$672 million for the three months ended September 30, 2023 to \$685 million for the three months ended September 30, 2024, an increase of \$13 million, or 2%. This was primarily a result of the following:

- Gathering and compression costs increased from \$0.68 per Mcfe for the three months ended September 30, 2023 to \$0.72 per Mcfe for the three months ended September 30, 2024, primarily due to the expiration of the growth incentive fee rebate program on December 31, 2023 and annual CPI-based adjustments between periods. During the three months ended September 30, 2023, we earned a fee rebate of \$12 million under this program.
- Processing costs increased from \$0.83 per Mcfe for the three months ended September 30, 2023 to \$0.88 per Mcfe for the three months ended September 30, 2024, primarily due to increased costs for NGLs processing, which includes an annual CPI-based adjustment during the first quarter of 2024 and higher NGLs transportation fees.
- Transportation costs decreased from \$0.60 per Mcfe for the three months ended September 30, 2023 to \$0.58 per Mcfe for the three months ended September 30, 2024 primarily due to lower demand fees, as well as lower fuel costs as a result of lower natural gas prices between periods.

*Production and ad valorem tax expense.* Production and ad valorem taxes increased from \$32 million for the three months ended September 30, 2023 to \$47 million for the three months ended September 30, 2024, an increase of \$15 million, or 47%, primarily due to higher ad valorem taxes, partially offset by lower natural gas prices during the three months ended September 30, 2024. Production and ad valorem taxes as a percentage of natural gas revenues increased from 6% for the three months ended September 30, 2023 to 11% for the three months ended September 30, 2024, primarily as a result of higher ad valorem taxes, which 2024 ad valorem taxes are based on commodity prices during 2022.

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*General and administrative expense.* General and administrative expense (excluding equity-based compensation expense) decreased slightly from \$40 million, or \$0.13 per Mcfe, for the three months ended September 30, 2023 to \$39 million, or \$0.12 per Mcfe for the three months ended September 30, 2024 primarily as a result of lower pipeline bond and leased vehicle costs between periods.

*Equity-based compensation expense.* Non-cash equity-based compensation expense decreased from \$18 million for the three months ended September 30, 2023 to \$16 million for the three months ended September 30, 2024, a decrease of \$2 million, or 13%. This decrease was primarily due to lower PSU award expense between periods, partially offset by increased RSU award expense attributable to awards granted in the first quarter of 2024. See Note 9—Equity-Based Compensation to the unaudited condensed consolidated financial statements for more information.

*Depletion, depreciation, and amortization expense (“DD&A expense”).* DD&A expense decreased from \$176 million, or \$0.55 per Mcfe, for the three months ended September 30, 2023 to \$170 million, or \$0.55 per Mcfe, for the three months ended September 30, 2024, a decrease of \$6 million, or 3%. The decrease in total DD&A expense is primarily due to lower production volumes between periods.

*Impairment of property and equipment.* Impairment of oil and gas properties remained consistent at \$13 million for the three months ended September 30, 2023 and 2024. During both periods, we recognized impairments primarily related to expiring leases as well as design and initial costs related to pads we no longer plan to place into service.

*Contract termination, loss contingency, settlements and other operating expenses.* Contract termination, loss contingency, settlements and other operating expenses was a loss of \$14 million for the three months ended September 30, 2023 primarily due to a loss contingency. Contract termination, loss contingency, settlements and other operating expenses was a gain of \$1 million for the three months ended September 30, 2024 primarily due to our receipt of 0.1 million shares of Antero Midstream common stock as part of a judgment in a legal proceeding with an unaffiliated third-party.

### **Marketing Segment**

Where feasible, we purchase and sell third-party natural gas and NGLs and market our excess firm transportation capacity, or engage third parties to conduct these activities on our behalf, in order to optimize the revenues from these transportation agreements. We have entered into long-term firm transportation agreements for a significant portion of our current and expected future production in order to secure guaranteed capacity to favorable markets.

Net marketing expense for the three months ended September 30, 2023 and 2024 remained relatively consistent at \$17 million and \$15 million, respectively, or \$0.05 per Mcfe.

*Marketing revenue.* Marketing revenue decreased from \$53 million for the three months ended September 30, 2023 to \$47 million for the three months ended September 30, 2024, a decrease of \$6 million, or 11%. This fluctuation primarily resulted from the following:

- Natural gas marketing revenue decreased by \$14 million between periods primarily due to lower natural gas marketing volumes and prices between periods. Lower natural gas marketing volumes accounted for an \$11 million decrease in year-over-year marketing revenues (calculated as the change in year-to-year volumes times the prior year average price), and lower natural gas prices accounted for a \$3 million decrease in year-over-year marketing revenues (calculated as the change in the year-to-year average price times current year marketing volumes).
- Oil marketing revenue increased by \$8 million between periods primarily due to higher oil marketing volumes, partially offset by lower oil prices. Higher oil marketing volumes accounted for a \$10 million increase in year-over-year marketing revenues (calculated as the change in year-to-year volumes times the prior year average price), and lower oil prices accounted for a \$2 million decrease in year-over-year marketing revenues (calculated as the change in the year-to-year average price times current year marketing volumes).

*Marketing expense.* Marketing expense decreased from \$70 million for the three months ended September 30, 2023 to \$62 million for the three months ended September 30, 2024, a decrease of \$8 million, or 11%. Marketing expense includes the cost of third-party purchased natural gas, NGLs and oil as well as firm transportation costs, including costs related to current excess firm capacity. The cost of third-party natural gas, oil and NGLs purchases remained consistent at \$43 million for the three months ended September 30, 2023 and 2024. Firm transportation costs were \$26 million for the three months ended September 30, 2023 and \$18 million for the three months ended September 30, 2024, a decrease of \$8 million due to the reduction in firm transportation commitments and higher third-party marketing volumes between periods.

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**Antero Midstream Segment**

*Antero Midstream revenue.* Revenue from the Antero Midstream segment increased from \$264 million for the three months ended September 30, 2023 to \$270 million for the three months ended September 30, 2024, an increase of \$6 million. This increase is primarily due to higher gathering and processing revenues of \$20 million, partially offset by lower water handling revenues of \$14 million. The increased gathering and processing revenues between periods is primarily a result of the expiration of the growth incentive fee rebate program on December 31, 2023, annual CPI-based gathering and compression rate adjustments and increased high pressure gathering throughput between periods. The decreased water handling revenues between periods was primarily due to lower fresh water delivery and other fluid handling volumes, partially offset by an increased fresh water delivery rate due to an annual CPI-based adjustment during the first quarter of 2024.

*Antero Midstream operating expense.* Total operating expense related to the Antero Midstream segment increased from \$102 million for the three months ended September 30, 2023 to \$107 million for the three months ended September 30, 2024, an increase of \$5 million. This increase is primarily due to higher general and administrative expense, including equity-based compensation expense, and depreciation expense between periods.

**Discussion of Items Not Allocated to Segments**

*Interest expense.* Interest expense decreased from \$32 million for the three months ended September 30, 2023 to \$28 million for the three months ended September 30, 2024, a decrease of \$4 million, or 11%, primarily due to the conversion of \$26 million aggregate principal amount of our 2026 Convertible Notes during the first quarter of 2024 and lower benchmark interest rates during the three months ended September 30, 2024, partially offset by higher average Credit Facility borrowings between periods.

*Income tax expense.* For the three months ended September 30, 2023, we had an income tax expense of \$14 million, with an effective tax rate of 30%, due to income before income taxes of \$46 million. For the three months ended September 30, 2024, we had an income tax expense of \$1 million from a loss before income taxes of \$9 million primarily due to the net loss before income taxes during the third quarter of 2024, which when taken together with the net loss before taxes during the six months ended June 30, 2024, resulted in a 9% effective tax rate for the nine months ended September 30, 2024.

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*Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2024*

The operating results of our reportable segments were as follows (in thousands):

	Nine Months Ended September 30, 2023				
	Exploration and Production	Marketing	Equity Method Investment in Antero Midstream	Elimination of Unconsolidated Affiliate	Consolidated Total
<b>Revenue and other:</b>					
Natural gas sales	\$ 1,621,659	—	—	—	1,621,659
Natural gas liquids sales	1,375,738	—	—	—	1,375,738
Oil sales	172,402	—	—	—	172,402
Commodity derivative fair value gains	137,924	—	—	—	137,924
Gathering, compression and water handling	—	—	781,601	(781,601)	—
Marketing	—	155,390	—	—	155,390
Amortization of deferred revenue, VPP	22,852	—	—	—	22,852
Other revenue and income	1,864	—	—	—	1,864
Total revenue	<u>3,332,439</u>	<u>155,390</u>	<u>781,601</u>	<u>(781,601)</u>	<u>3,487,829</u>
<b>Operating expenses:</b>					
Lease operating	91,553	—	—	—	91,553
Gathering and compression	640,730	—	72,819	(72,819)	640,730
Processing	764,301	—	—	—	764,301
Transportation	576,002	—	—	—	576,002
Water handling	—	—	89,563	(89,563)	—
Production and ad valorem taxes	117,692	—	—	—	117,692
Marketing	—	217,078	—	—	217,078
Exploration and mine expenses	2,097	—	—	—	2,097
General and administrative (excluding equity-based compensation)	124,599	—	29,967	(29,967)	124,599
Equity-based compensation	44,988	—	23,175	(23,175)	44,988
Depletion, depreciation and amortization	515,247	—	101,174	(101,174)	515,247
Impairment of property and equipment	44,746	—	—	—	44,746
Accretion of asset retirement obligations	2,971	—	133	(133)	2,971
Contract termination, loss contingency, settlements and other operating expenses	24,223	23,763	2,553	(2,553)	47,986
Loss (gain) on sale of assets	(447)	—	6,036	(6,036)	(447)
Total operating expenses	<u>2,948,702</u>	<u>240,841</u>	<u>325,420</u>	<u>(325,420)</u>	<u>3,189,543</u>
Operating income (loss)	<u>\$ 383,737</u>	<u>(85,451)</u>	<u>456,181</u>	<u>(456,181)</u>	<u>298,286</u>
Equity in earnings of unconsolidated affiliates	\$ 58,986	—	77,825	(77,825)	58,986

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	Nine Months Ended September 30, 2024				
	Exploration and Production	Marketing	Equity Method Investment in Antero Midstream	Elimination of Unconsolidated Affiliate	Consolidated Total
<b>Revenue and other:</b>					
Natural gas sales	\$ 1,274,503	—	—	—	1,274,503
Natural gas liquids sales	1,511,253	—	—	—	1,511,253
Oil sales	180,899	—	—	—	180,899
Commodity derivative fair value gains	22,229	—	—	—	22,229
Gathering, compression and water handling	—	—	818,716	(818,716)	—
Marketing	—	145,098	—	—	145,098
Amortization of deferred revenue, VPP	20,289	—	—	—	20,289
Other revenue and income	2,574	—	—	—	2,574
Total revenue	<u>3,011,747</u>	<u>145,098</u>	<u>818,716</u>	<u>(818,716)</u>	<u>3,156,845</u>
<b>Operating expenses:</b>					
Lease operating	88,477	—	—	—	88,477
Gathering and compression	671,893	—	76,849	(76,849)	671,893
Processing	802,349	—	—	—	802,349
Transportation	546,664	—	—	—	546,664
Water handling	—	—	85,202	(85,202)	—
Production and ad valorem taxes	147,524	—	—	—	147,524
Marketing	—	192,764	—	—	192,764
Exploration	1,916	—	—	—	1,916
General and administrative (excluding equity-based compensation)	120,624	—	32,441	(32,441)	120,624
Equity-based compensation	49,293	—	32,871	(32,871)	49,293
Depletion, depreciation and amortization	513,787	—	107,205	(107,205)	513,787
Impairment of property and equipment	18,958	—	332	(332)	18,958
Accretion of asset retirement obligations	2,554	—	140	(140)	2,554
Loss (gain) on sale of assets	(1,127)	—	906	(906)	(1,127)
Contract termination, loss contingency, settlements and other operating expenses	3,901	—	1,339	(1,339)	3,901
Total operating expenses	<u>2,966,813</u>	<u>192,764</u>	<u>337,285</u>	<u>(337,285)</u>	<u>3,159,577</u>
Operating income (loss)	<u>\$ 44,934</u>	<u>(47,666)</u>	<u>481,431</u>	<u>(481,431)</u>	<u>(2,732)</u>
Equity in earnings of unconsolidated affiliates	\$ 69,862	—	82,795	(82,795)	69,862

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**Exploration and Production Segment**

The following table sets forth selected operating data of the exploration and production segment:

	<b>Nine Months Ended</b>		<b>Amount of</b>	<b>Percent</b>
	<b>September 30,</b>			
	<b>2023</b>	<b>2024</b>	<b>Increase</b>	<b>Change</b>
			<b>(Decrease)</b>	
<b>Production data <sup>(1) (2):</sup></b>				
Natural gas (Bcf)	606	597	(9)	(1)%
C2 Ethane (MBbl)	19,251	21,873	2,622	14 %
C3+ NGLs (MBbl)	31,009	31,871	862	3 %
Oil (MBbl)	2,720	2,843	123	5 %
Combined (Bcfe)	924	936	12	1 %
Daily combined production (MMcfe/d)	3,383	3,417	34	1 %
<b>Average prices before effects of derivative settlements <sup>(3):</sup></b>				
Natural gas (per Mcf)	\$ 2.68	2.14	(0.54)	(20)%
C2 Ethane (per Bbl) <sup>(4)</sup>	\$ 10.43	8.56	(1.87)	(18)%
C3+ NGLs (per Bbl)	\$ 37.89	41.54	3.65	10 %
Oil (per Bbl)	\$ 63.38	63.63	0.25	*
Weighted Average Combined (per Mcfe)	\$ 3.43	3.17	(0.26)	(8)%
<b>Average realized prices after effects of derivative settlements <sup>(3):</sup></b>				
Natural gas (per Mcf)	\$ 2.65	2.15	(0.50)	(19)%
C2 Ethane (per Bbl) <sup>(4)</sup>	\$ 10.43	8.56	(1.87)	(18)%
C3+ NGLs (per Bbl)	\$ 37.84	41.68	3.84	10 %
Oil (per Bbl)	\$ 63.04	63.49	0.45	1 %
Weighted Average Combined (per Mcfe)	\$ 3.41	3.18	(0.23)	(7)%
<b>Average costs (per Mcfe):</b>				
Lease operating	\$ 0.10	0.09	(0.01)	(10)%
Gathering and compression	\$ 0.69	0.72	0.03	4 %
Processing	\$ 0.83	0.86	0.03	4 %
Transportation	\$ 0.62	0.58	(0.04)	(6)%
Production and ad valorem taxes	\$ 0.13	0.16	0.03	23 %
Marketing expense, net	\$ 0.07	0.05	(0.02)	(29)%
General and administrative (excluding equity-based compensation)	\$ 0.13	0.13	—	*
Depletion, depreciation, amortization and accretion	\$ 0.56	0.55	(0.01)	(2)%

\* Not meaningful

(1) Production data excludes volumes related to the VPP.

(2) Oil and NGLs production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts. This ratio is an estimate of the equivalent energy content of the products and may not reflect their relative economic value.

(3) Average prices reflect the before and after effects of our settled commodity derivatives. Our calculation of such after effects includes gains (losses) on settlements of commodity derivatives (but do not include payments from the derivative monetizations in 2023), which do not qualify for hedge accounting because we do not designate or document them as hedges for accounting purposes.

(4) The average realized price for the nine months ended September 30, 2023 and 2024 includes \$13 million and \$2 million, respectively, of proceeds related to a take-or-pay contract. Excluding the effect of these proceeds, the average realized price for ethane before and after the effects of derivatives for the nine months ended September 30, 2023 and 2024 would have been \$9.77 per Bbl and \$8.48 per Bbl, respectively.

*Natural gas sales.* Revenues from sales of natural gas decreased from \$1.6 billion for the nine months ended September 30, 2023 to \$1.3 billion for the nine months ended September 30, 2024, a decrease of \$0.3 billion, or 21%. Lower commodity prices (excluding the effects of derivative settlements) during the nine months ended September 30, 2024 accounted for an approximate \$323 million decrease in year-over-year natural gas sales revenue (calculated as the change in the year-to-year average price times current year production volumes). Lower natural gas production volumes accounted for an approximate \$24 million decrease in year-over-year natural gas sales revenue (calculated as the change in year-to-year volumes times the prior year average price).

*NGLs sales.* Revenues from sales of NGLs increased from \$1.4 billion for the nine months ended September 30, 2023 to \$1.5 billion for the nine months ended September 30, 2024, an increase of \$0.1 billion, or 10%. Higher commodity prices (excluding the effects of derivative settlements) during the nine months ended September 30, 2024 accounted for an approximate \$76 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes). Higher NGLs production volumes accounted for an approximate \$60 million increase in year-over-year NGLs revenues (calculated as the change in year-to-year volumes times the prior year average price).

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*Oil sales.* Revenues from sales of oil increased from \$172 million for the nine months ended September 30, 2023 to \$181 million for the nine months ended September 30, 2024, an increase of \$9 million, or 5%. Higher oil prices, excluding the effects of derivative settlements, accounted for an approximate \$1 million increase in year-over-year oil revenues (calculated as the change in the year-to-year average price times current year production volumes). Higher oil production volumes during the nine months ended September 30, 2024 accounted for an approximate \$8 million increase in year-over-year oil revenues (calculated as the change in year-to-year volumes times the prior year average price).

*Commodity derivative fair value gains.* Our commodity derivatives included variable price swap contracts, swaptions, basis swap contracts, call options and embedded put options. Because we do not designate these derivatives as accounting hedges, they do not receive hedge accounting treatment. Consequently, all mark-to-market gains or losses, as well as cash receipts or payments on settled derivative instruments, are recognized in our statements of operations. For the nine months ended September 30, 2023 and 2024, our commodity hedges resulted in derivative fair value gains of \$138 million and \$22 million, respectively. For the nine months ended September 30, 2023, commodity derivative fair value gains included \$17 million of cash payments on settled commodity derivative losses and a \$202 million cash payment for the early settlement of our swaption. For the nine months ended September 30, 2024, commodity derivative fair value gains included \$12 million of net cash proceeds for settled derivative gains.

Commodity derivative fair value gains or losses vary based on future commodity prices and have no cash flow impact until the derivative contracts are settled or monetized prior to settlement. Derivative asset or liability positions at the end of any accounting period may reverse to the extent future commodity prices increase or decrease from their levels at the end of the accounting period, or as gains or losses are realized through settlement. Additionally, substantially all of our production is currently unhedged for 2024 and beyond, which limits our exposure to volatility in the fair value of our derivative instruments related to commodity price changes in the future.

*Amortization of deferred revenue, VPP.* Amortization of deferred revenues associated with the VPP decreased from \$23 million for the nine months ended September 30, 2023 to \$20 million for the nine months ended September 30, 2024, a decrease of \$3 million or 11%, primarily due to lower production volumes attributable to the VPP properties between periods. Amortization of the deferred revenues associated with the VPP are recognized as the production volumes are delivered at \$1.61 per MMBtu over the contractual term.

*Lease operating expense.* Lease operating expense decreased from \$92 million, or \$0.10 per Mcfe, for the nine months ended September 30, 2023 to \$88 million, or \$0.09 per Mcfe, for the nine months ended September 30, 2024, primarily due to lower water disposal costs and workover expense during the nine months ended September 30, 2024, partially offset by higher oilfield service costs between periods.

*Gathering, compression, processing and transportation expense.* Gathering, compression, processing and transportation expense remained consistent at \$2.0 billion for the nine months ended September 30, 2023 and 2024. This was primarily a result of the following:

- Gathering and compression costs on a per unit basis increased from \$0.69 per Mcfe for the nine months ended September 30, 2023 to \$0.72 per Mcfe for the nine months ended September 30, 2024, primarily due to the expiration of the growth incentive fee rebate program on December 31, 2023 and annual CPI-based adjustments between periods. During the nine months ended September 30, 2023, we earned fee rebates of \$36 million under this program.
- Processing costs on a per unit basis increased from \$0.83 per Mcfe for the nine months ended September 30, 2023 to \$0.86 per Mcfe for the nine months ended September 30, 2024, primarily due to increased costs for NGLs processing and transportation, which includes an annual CPI-based adjustment during the first quarter of 2024 and higher NGLs transportation fees.
- Transportation costs on a per unit basis decreased from \$0.62 per Mcfe for the nine months ended September 30, 2023 to \$0.58 per Mcfe for the nine months ended September 30, 2024 primarily due to lower demand fees and lower fuel costs as a result of lower natural gas prices between periods.

*Production and ad valorem tax expense.* Production and ad valorem taxes increased from \$118 million for the nine months ended September 30, 2023 to \$148 million for the nine months ended September 30, 2024, an increase of \$30 million, or 25%, primarily due to higher ad valorem taxes and production volumes between periods, partially offset by lower natural gas prices during the nine months ended September 30, 2024. Production and ad valorem taxes as a percentage of natural gas revenues increased from 7% for the nine months ended September 30, 2023 to 12% for the nine months ended September 30,

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2024, primarily as a result of higher ad valorem taxes, which 2024 West Virginia ad valorem taxes are based on commodity prices during 2022.

*General and administrative expense.* General and administrative expense (excluding equity-based compensation expense) decreased from \$125 million for the nine months ended September 30, 2023 to \$121 million for nine months ended September 30, 2024, a decrease of \$4 million, or 3%, primarily due to lower professional service fees between periods. General and administrative expense on a per unit basis (excluding equity-based compensation) remained consistent at \$0.13 per Mcfe for the nine months ended September 30, 2023 and 2024.

*Equity-based compensation expense.* Non-cash equity-based compensation expense increased from \$45 million for the nine months ended September 30, 2023 to \$49 million for the nine months ended September 30, 2024, an increase of \$4 million, or 10%. This increase was primarily due to RSU award expense attributable to awards granted in the fourth quarter of 2023 and first quarter of 2024, partially offset by lower PSU award expense between periods and equity-based awards granted in prior years that were fully vested between periods. See Note 9—Equity-Based Compensation to the unaudited condensed consolidated financial statements for more information.

*Depletion, depreciation and amortization expense.* DD&A expense remained relatively consistent at \$515 million, or \$0.56 per Mcfe, and \$514 million, or \$0.55 per Mcfe, for the nine months ended September 30, 2023 and 2024, respectively.

*Impairment of property and equipment.* Impairment of oil and gas properties decreased from \$45 million for the nine months ended September 30, 2023 to \$19 million for the nine months ended September 30, 2024, a decrease of \$26 million, primarily due to lower impairments of expiring leases between periods. During both periods, we recognized impairments primarily related to expiring leases as well as design and initial costs related to pads we no longer plan to place into service.

*Contract termination, loss contingency, settlements and other operating expenses.* Contract termination, loss contingency, settlements and other operating expenses attributable to our exploration and production segment decreased from \$24 million for the nine months ended September 30, 2023 to \$4 million for the nine months ended September 30, 2024. This decrease was primarily due to a loss contingency recorded in the third quarter of 2023 and lower expense associated with the early termination of certain completion contracts between periods, partially offset by our receipt of 0.1 million shares of Antero Midstream common stock during the third quarter of 2024 as part of a judgment in a legal proceeding with an unaffiliated third-party.

### **Marketing Segment**

Where feasible, we purchase and sell third-party natural gas and NGLs and market our excess firm transportation capacity, or engage third parties to conduct these activities on our behalf, in order to optimize the revenues from these transportation agreements. We have entered into long-term firm transportation agreements for a significant portion of our current and expected future production in order to secure guaranteed capacity to favorable markets.

Net marketing expense decreased from \$62 million, or \$0.07 per Mcfe, for the nine months ended September 30, 2023 to \$48 million, or \$0.05 per Mcfe, for the nine months ended September 30, 2024, primarily due to lower firm transportation commitments between periods.

*Marketing revenue.* Marketing revenue decreased from \$155 million for the nine months ended September 30, 2023 to \$145 million for the nine months ended September 30, 2024, a decrease of \$10 million, or 7%. This fluctuation primarily resulted from the following:

- Natural gas marketing revenue decreased by \$59 million between periods primarily due to lower natural gas marketing volumes and prices. Lower natural gas marketing volumes accounted for a \$50 million decrease in year-over-year marketing revenues (calculated as the change in year-to-year volumes times the prior year average price), and lower natural gas prices accounted for a \$9 million decrease in year-over-year marketing revenues (calculated as the change in the year-to-year average price times current year marketing volumes).
- Oil marketing revenue increased by \$45 million between periods primarily due to higher oil marketing volumes and prices. Higher oil marketing volumes accounted for a \$35 million increase in year-over-year marketing revenues (calculated as the change in year-to-year volumes times the prior year average price), and higher oil prices accounted for a \$10 million increase in year-over-year marketing revenues (calculated as the change in the year-to-year average price times current year marketing volumes).



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- NGLs marketing revenues were \$4 million for the nine months ended September 30, 2024. There were no NGLs marketing revenues for the nine months ended September 30, 2023.

*Marketing expense.* Marketing expense decreased from \$217 million for the nine months ended September 30, 2023 to \$193 million for the nine months ended September 30, 2024, a decrease of \$24 million, or 11%. Marketing expense includes the cost of third-party purchased natural gas, NGLs and oil as well as firm transportation costs, including costs related to current excess firm capacity. The cost of third-party natural gas purchases decreased \$47 million between periods, partially offset by increased oil and NGLs purchases of \$38 million and \$4 million, respectively. The total cost of third-party commodity purchases decreased primarily due to lower natural gas marketing volumes and prices between periods, partially offset by higher oil prices and marketing volumes during the nine months ended September 30, 2024. Firm transportation costs decreased \$19 million from \$82 million for the nine months ended September 30, 2023 to \$63 million for the nine months ended September 30, 2024, primarily due to the reduction in firm transportation commitments between periods.

*Contract termination, loss contingency, settlements and other operating expenses.* Contract termination, loss contingency, settlements and other operating expenses attributable to our marketing segment for the nine months ended September 30, 2023, relate to a \$24 million payment for the early termination of our firm transportation commitment of 200,000 MMBtu per day on the Equitrans pipeline. Our marketing segment did not incur any contract termination, loss contingency, settlements and other operating expenses for the nine months ended September 30, 2024.

### **Antero Midstream Segment**

*Antero Midstream revenue.* Revenue from the Antero Midstream segment increased from \$782 million for the nine months ended September 30, 2023 to \$819 million for the nine months ended September 30, 2024, an increase of \$37 million. This increase is primarily due to higher gathering and processing revenues of \$66 million, partially offset by lower water handling revenues of \$29 million. The increased gathering and processing revenues between periods is primarily a result of the expiration of the growth incentive fee rebate program on December 31, 2023, increased throughput and annual CPI-based gathering and compression rate adjustments between periods. The decreased water handling revenues between periods is primarily due to lower fresh water delivery volumes and lower water handling volumes that are billed at cost plus 3%, partially offset by higher blending volumes and an increased fresh water delivery rate due to an annual CPI-based adjustment during the nine months ended September 30, 2024.

*Antero Midstream operating expense.* Total operating expense related to the Antero Midstream segment increased from \$325 million for the nine months ended September 30, 2023 to \$337 million for the nine months ended September 30, 2024, an increase of \$12 million. This increase is primarily due to higher general and administrative expense, including equity-based compensation expense, and depreciation expense between periods as well as lower gains on asset sale during the nine months ended September 30, 2024.

### **Items Not Allocated to Segments**

*Interest expense.* Interest expense increased from \$85 million for the nine months ended September 30, 2023 to \$91 million for the nine months ended September 30, 2024, an increase of \$6 million or 7%, primarily due to higher average Credit Facility borrowings between periods and higher benchmark interest rates during the nine months ended September 30, 2024.

*Income tax expense (benefit).* For the nine months ended September 30, 2023, we had income tax expense of \$46 million, with an effective tax rate of 17%, related to our income before income taxes of \$272 million. For the nine months ended September 30, 2024, we had an income tax benefit of \$2 million, with an effective tax rate of 9%, related to our loss before income taxes of \$25 million. The decrease in the effective tax rate between periods was primarily due to the effects of noncontrolling interests and our loss before income taxes during the nine months ended September 30, 2024.

### **Capital Resources and Liquidity**

#### ***Sources and Uses of Cash***

Our primary sources of liquidity have been through net cash provided by operating activities, borrowings under our Credit Facility, issuances of debt and equity securities and additional contributions from our asset sales, including our drilling partnership. Our primary use of cash has been for the exploration, development and acquisition of oil and natural gas properties. As we develop our reserves, we continually monitor what capital resources, including equity and debt financings, are available to meet our future financial obligations, planned capital expenditure activities and liquidity requirements. Our future success in developing our proved reserves and production will be highly dependent on net cash provided by operating activities and the capital resources available to us.

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Based on strip prices as of September 30, 2024, we believe that net cash provided by operating activities and available borrowings under the Credit Facility will be sufficient to meet our cash requirements, including normal operating needs, debt service obligations, capital expenditures and commitments and contingencies for at least the next 12 months.

**Cash Flows**

The following table summarizes our cash flows (in thousands):

	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2024</b>
Net cash provided by operating activities	\$ 682,546	571,286
Net cash used in investing activities	(914,137)	(588,251)
Net cash provided by financing activities	231,591	16,965
Net increase in cash and cash equivalents	\$ —	—

*Operating activities.* Net cash provided by operating activities was \$682 million and \$571 million for the nine months ended September 30, 2023 and 2024, respectively. Net cash provided by operating activities decreased between periods primarily due to lower natural gas prices, changes in working capital and higher interest expense, partially offset by lower net marketing expense and higher NGLs and oil revenues between periods and a \$202 million payment for early settlement of our swaption agreement in the nine months ended September 30, 2023.

Our net operating cash flows are sensitive to many variables, the most significant of which is the volatility of natural gas, NGLs and oil prices, as well as volatility in the cash flows attributable to settlement of our commodity derivatives. Prices for natural gas, NGLs and oil are primarily determined by prevailing market conditions. Regional and worldwide economic activity, weather, infrastructure capacity to reach markets, storage capacity and other variables influence the market conditions for these products. These factors are beyond our control and are difficult to predict.

*Investing activities.* Net cash used in investing activities decreased from \$914 million for the nine months ended September 30, 2023 to \$588 million for the nine months ended September 30, 2024, primarily due to lower well completions between periods, decreased drilling activity as a result of a lower rig count during the nine months ended September 30, 2024 and decreased leasing activity during the nine months ended September 30, 2024.

*Financing activities.* Net cash provided by financing activities decreased from \$232 million for the nine months ended September 30, 2023 to \$17 million for the nine months ended September 30, 2024. The decrease between periods is primarily due to lower net borrowings on our Credit Facility of \$330 million and payment of debt issuance costs for our Unsecured Credit Facility of \$6 million, partially offset by decreased share repurchases of \$75 million and decreased distributions to the noncontrolling interests in Martica of \$46 million between periods.

**2024 Capital Budget and Capital Spending**

On February 14, 2024, we announced a net capital budget for 2024 of \$725 million to \$800 million. Our budget includes: a range of \$650 million to \$700 million for drilling and completion and \$75 million to \$100 million for leasehold expenditures. We do not budget for acquisitions. During 2024, we plan to complete 45 to 50 net horizontal wells in the Appalachian Basin. We periodically review our capital expenditures and adjust our budget and its allocation based on liquidity, drilling results, leasehold acquisition opportunities and commodity prices. On October 30, 2024, we announced a decrease in our net capital budget for drilling and completion to a range of \$640 million to \$660 million to reflect operational efficiencies and the deferral of a drilled but uncompleted pad due to low natural gas prices. Our revised net capital budget for 2024 is \$715 million to \$760 million.

For the three months ended September 30, 2024, our total consolidated capital expenditures were \$172 million, including drilling and completion costs of \$148 million, leasehold acquisitions of \$23 million and other capital expenditures of \$1 million. For the nine months ended September 30, 2024, our total consolidated capital expenditures were \$578 million, including drilling and completion costs of \$499 million, leasehold acquisitions of \$69 million and other capital expenditures of \$10 million.

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***Debt Agreements***

See Note 7—Long Term Debt to the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q and to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the 2023 Form 10-K for information on our debt agreements.

**Critical Accounting Estimates**

The discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with GAAP. Any new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements have been included in Note 2—Summary of Significant Accounting Policies to our unaudited condensed consolidated financial statements. The preparation of our unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent liabilities. Accounting estimates and assumptions are considered to be critical if there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported amounts in our unaudited condensed consolidated financial statements that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our unaudited condensed consolidated financial statements. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the 2023 Form 10-K for information on our critical accounting estimates.

We evaluate the carrying amount of our proved natural gas, NGLs and oil properties for impairment on a geological reservoir basis whenever events or changes in circumstances indicate that a property’s carrying amount may not be recoverable. If the carrying amount of our proved properties exceeds the estimated undiscounted future net cash flows (measured using futures prices at the balance sheet date), we further evaluate our proved properties and record an impairment charge if the carrying amount of our proved properties exceeds the estimated fair value of the properties.

Based on future prices as of September 30, 2024, the estimated undiscounted future net cash flows exceeded the carrying amount and no further evaluation was required. We have not recorded any impairment expenses associated with our proved properties during the three and nine months ended September 30, 2023 and 2024.

We believe that the estimates and assumptions related to our undiscounted future net cash flows and the fair value of our proved properties are critical because different natural gas, NGLs and oil pricing, cost assumptions or discount rates, as applicable, may affect the recognition, timing and amount of an impairment and, if changed, could have a material effect on the Company's financial position and results of operations.

**New Accounting Pronouncements**

See Note 2—Summary of Significant Accounting Policies to the unaudited condensed consolidated financial statements for information on new accounting pronouncements.

**Off-Balance Sheet Arrangements**

See Note 13—Commitments to the unaudited condensed consolidated financial statements for further information on off balance sheet arrangements.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risk. The term “market risk” refers to the risk of loss arising from adverse changes in natural gas, NGLs and oil prices, as well as interest rates. These disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

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**Commodity Hedging Activities**

Our primary market risk exposure is in the price we receive for our natural gas, NGLs and oil production. Pricing is primarily driven by spot regional market prices applicable to our U.S. natural gas production and the prevailing worldwide price for oil. Pricing for natural gas, NGLs and oil has, historically, been volatile and unpredictable, and we expect this volatility to continue in the future. The prices we receive for our production depend on many factors outside of our control, including volatility in the differences between commodity prices at sales points and the applicable index price.

We may enter into financial derivative instruments for a portion of our natural gas, NGLs and oil production when circumstances warrant and management believes that favorable future prices can be secured in order to mitigate some of the potential negative impact on our cash flows caused by changes in commodity prices. Due to our improved liquidity and leverage position as compared to historical levels, the percentage of our expected production that we hedge has decreased. For the three and nine months ended September 30, 2023 and 2024, substantially all of our production was unhedged. Our financial hedging activities may include commodity fixed price swaps, basis swaps, collars or other similar instruments related to the price risk associated with our production. These contracts are financial instruments and do not require or allow for physical delivery of the hedged commodity. As of September 30, 2024, our commodity derivatives included fixed swaps, basis differential swaps, call options and embedded put options at index-based pricing for a portion of our production. See Note 11—Derivative Instruments to our unaudited condensed consolidated financial statements for more information.

Our financial hedging activities are intended to support natural gas, NGLs and oil prices at targeted levels and to manage our exposure to natural gas, NGLs and oil price fluctuations. These contracts may include commodity price swaps whereby we will receive a fixed price and pay a variable market price to the contract counterparty, collars that set a floor and ceiling price for the hedged production, basis differential swaps or embedded options. These contracts are financial instruments and do not require or allow for physical delivery of the hedged commodity.

Based on our production and our derivative instruments that settled during the nine months ended September 30, 2024, our revenues would have decreased by \$113 million for each \$0.10 decrease per MMBtu in natural gas prices and \$1.00 decrease per Bbl in oil and NGLs prices, excluding the effects of changes in the fair value of our derivative positions which remain open as of September 30, 2024.

All derivative instruments, other than those that meet the normal purchase and normal sale scope exception or other derivative scope exceptions, are recorded at fair market value in accordance with GAAP and are included in our consolidated balance sheets as assets or liabilities. The fair values of our derivative instruments are adjusted for non-performance risk. Because we do not designate these derivatives as accounting hedges, they do not receive hedge accounting treatment; therefore, all mark to market gains or losses, as well as cash receipts or payments on settled derivative instruments, are recognized in our statements of operations and comprehensive income. We present total gains or losses on commodity derivatives (for both settled derivatives and derivative positions which remain open) within operating revenues as commodity derivative fair value gains (losses) in the unaudited condensed consolidated statements of operations and comprehensive income (loss).

Mark-to-market adjustments of derivative instruments cause earnings volatility but have no cash flow impact relative to changes in market prices until the derivative contracts are settled or monetized prior to settlement. We expect continued volatility in the fair value of our derivative instruments. Our cash flows are impacted when the associated derivative contracts are settled or monetized by making or receiving payments to or from the counterparty. As of December 31, 2023 and September 30, 2024, the estimated fair value of our commodity derivative instruments was a net liability \$37 million and \$27 million, respectively, comprised of current and noncurrent assets and liabilities.

**Counterparty and Customer Credit Risk**

Our principal exposures to credit risk are through receivables resulting from the following: the sale of our natural gas, NGLs and oil production (\$319 million as of September 30, 2024), which we market to energy companies, end users and refineries, and commodity derivative contracts (\$7 million as of September 30, 2024).

We are subject to credit risk due to the concentration of our receivables from several significant customers for sales of natural gas, NGLs and oil. While we do at times require customers to post letters of credit or other credit support in connection with their obligations, we generally do not require our customers to post collateral. The inability or failure of our significant customers to meet their obligations to us, or their insolvency or liquidation, may adversely affect our financial results.

In addition, we are exposed to the credit risk of our counterparties for our derivative instruments. Credit risk is the potential failure of a counterparty to perform under the terms of a derivative contract. When the fair value of a derivative contract is positive, the counterparty is expected to owe us, which creates credit risk. To minimize the credit risk in derivative

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instruments, it is our policy to enter into derivative contracts only with counterparties that are creditworthy financial institutions that management deems to be competent and competitive market makers. The creditworthiness of our counterparties is subject to periodic review. As of September 30, 2024, we have commodity hedges in place with four different counterparties, three of which are lenders under the Unsecured Credit Facility. We had derivative assets of \$3 million with bank counterparties under our Unsecured Credit Facility as of September 30, 2024. The estimated fair value of our commodity derivative assets has been risk-adjusted using a discount rate based upon the counterparties' respective published credit default swap rates (if available, or if not available, a discount rate based on the applicable Reuters bond rating) as of September 30, 2024. We believe that all of the counterparties to our derivative instruments are acceptable credit risks as of September 30, 2024. We are not required to provide credit support or collateral to any of our counterparties under our derivative contracts, nor are they required to provide credit support to us. As of September 30, 2024, we did not have any past-due receivables from, or payables to, any of the counterparties to our derivative contracts.

***Interest Rate Risks***

Our primary exposure to interest rate risk results from outstanding borrowings under the Credit Facility, which has a floating interest rate. The average annualized interest rate incurred on the Credit Facility for borrowings during the nine months ended September 30, 2024 was 7.70%. We estimate that a 1.0% increase in the applicable average interest rates for the nine months ended September 30, 2024 would have resulted in an estimated \$3 million increase in interest expense.

**ITEM 4. CONTROLS AND PROCEDURES**

***Evaluation of Disclosure Controls and Procedures***

As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2024 at a level of reasonable assurance.

***Changes in Internal Control Over Financial Reporting***

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II—OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

The information required by this item is included in Note 14—Contingencies to our unaudited condensed consolidated financial statements and is incorporated herein.

**ITEM 1A. RISK FACTORS**

We are subject to certain risks and hazards due to the nature of the business activities we conduct. For a discussion of these risks, see “Item 1A. Risk Factors” in the 2023 Form 10-K. There have been no material changes to the risks described in such report. We may experience additional risks and uncertainties not currently known to us. Furthermore, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect us.

[Table of Contents](#)**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES****Issuer Purchases of Equity Securities**

The following table sets forth our share purchase activity for each period presented:

<b>Period</b>	<b>Total Number of Shares Purchased <sup>(1)</sup></b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Repurchased as Part of Publicly Announced Plans</b>	<b>Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan (\$ in thousands)</b>
July 1, 2024 - July 31, 2024	20,196	\$ 32.01	—	\$ 1,050,901
August 1, 2024 - August 31, 2024	917	25.20	—	1,050,901
September 1, 2024 - September 30, 2024	—	—	—	1,050,901
Total	<u>21,113</u>	<u>\$ 31.71</u>	<u>—</u>	

(1) The total number of shares purchased includes shares of our common stock transferred to us in order to satisfy tax withholding obligations incurred upon the vesting of equity-based awards held by our employees.

**ITEM 4. MINE SAFETY DISCLOSURES**

The required disclosure under Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 C.F.R Section 229.104) is included in Exhibit 95.1 to this Quarterly Report on Form 10-Q.

**ITEM 5. OTHER INFORMATION**

On October 30, 2024, the Company announced that the Board, upon the recommendation of its Nominating & Governance Committee, appointed Jeffrey S. Muñoz to the Board as a Class II director. Mr. Muñoz was also appointed to serve on the Board's Audit Committee and Nominating & Governance Committee. The Board determined that Mr. Muñoz meets the independence requirements under the rules of the New York Stock Exchange and the Company's independence standards, and that there are no transactions between the Company and Mr. Muñoz that would require disclosure under Item 404(a) of Regulation S-K. There are no understandings or arrangements between Mr. Muñoz and any other person pursuant to which Mr. Muñoz was selected to serve as a director of the Board.

Mr. Muñoz will receive the standard non-employee director compensation for serving on the Board and committees of the Board. The specific terms of such compensation are described further in the Company's annual proxy statement that was filed with the SEC on April 25, 2024.

In connection with his appointment, the Company entered into an Indemnification Agreement with Mr. Muñoz pursuant to which the Company agreed to indemnify Mr. Muñoz to the fullest extent permitted under Delaware law against liability that may arise by reason of his service to the Company and to advance his expenses incurred as a result of any proceeding against him to which he could be indemnified.

The foregoing description is qualified in its entirety by reference to the full text of such Indemnification Agreement, the form of which is filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 17, 2018 and incorporated in this Item 5 by reference.

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Antero Resources Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File No. 001-36120) filed on October 17, 2013).</a>
3.2	<a href="#">Certificate of Amendment to Second Amended and Restated Certificate of Incorporation of Antero Resources Corporation, dated June 8, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File No. 001-36120) filed on June 8, 2023).</a>
3.3	<a href="#">Second Amended and Restated Bylaws of Antero Resources Corporation, dated February 14, 2023 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 10-K (Commission File No. 001-36120) filed on February 15, 2023).</a>
10.1	<a href="#">Amended and Restated Credit Agreement, dated as of July 30, 2024, among Antero Resources Corporation, as Borrower, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (Commission File No. 001-36120) filed on July 31, 2024).</a>
31.1*	<a href="#">Certification of the Company's Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 7241).</a>
31.2*	<a href="#">Certification of the Company's Chief Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 7241).</a>
32.1*	<a href="#">Certification of the Company's Chief Executive Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 1350).</a>
32.2*	<a href="#">Certification of the Company's Chief Financial Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 1350).</a>
95.1*	<a href="#">Federal Mine Safety and Health Act Information.</a>
101*	The following financial information from this Quarterly Report on Form 10-Q of Antero Resources Corporation for the quarter ended September 30, 2024 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income, (iii) Condensed Consolidated Statements of Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

The exhibits marked with the asterisk symbol (\*) are filed or furnished with this Quarterly Report on Form 10-Q.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ANTERO RESOURCES CORPORATION**

By: /s/ MICHAEL N. KENNEDY  
Michael N. Kennedy  
*Chief Financial Officer and Senior Vice President – Finance*

Date: October 30, 2024



**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)  
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Paul M. Rady, President and Chief Executive Officer of Antero Resources Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 of Antero Resources Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 30, 2024

/s/ Paul M. Rady

Paul M. Rady

*President and Chief Executive Officer*

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)  
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Michael N. Kennedy, Chief Financial Officer and Senior Vice President – Finance of Antero Resources Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 of Antero Resources Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 30, 2024

/s/ Michael N. Kennedy

Michael N. Kennedy

*Chief Financial Officer and Senior Vice President – Finance*

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**CERTIFICATION OF  
CHIEF EXECUTIVE OFFICER  
OF ANTERO RESOURCES CORPORATION  
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Quarterly Report on Form 10-Q of Antero Resources Corporation for the quarter ended September 30, 2024, I, Paul M. Rady, President and Chief Executive Officer of Antero Resources Corporation, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. This Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 fairly presents, in all material respects, the financial condition and results of operations of Antero Resources Corporation for the periods presented therein.

Date: October 30, 2024

/s/ Paul M. Rady

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Paul M. Rady

*President and Chief Executive Officer*

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**CERTIFICATION OF  
CHIEF FINANCIAL OFFICER  
OF ANTERO RESOURCES CORPORATION  
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Quarterly Report on Form 10-Q of Antero Resources Corporation for the quarter ended September 30, 2024, I, Michael N. Kennedy, Chief Financial Officer and Senior Vice President – Finance of Antero Resources Corporation, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. This Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 fairly presents, in all material respects, the financial condition and results of operations of Antero Resources Corporation for the periods presented therein.

Date: October 30, 2024

/s/ Michael N. Kennedy

Michael N. Kennedy

*Chief Financial Officer and Senior Vice President – Finance*

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***Federal Mine Safety and Health Act Information***

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Federal Mine Safety and Health Act of 1977, as amended by the Federal Mine Improvement and New Emergency Response Act of 2006 relating to mines in the United States. The Company owns the Appalachia Sand & Gravel sand mine, MSHA Mine ID No. 33-04769, located in Washington, Ohio. Operations at the mine are conducted by a third party.

During the nine months ended September 30, 2024, there were no violations, citations, or orders, related assessments or legal actions, or any mining-related fatalities or similar events, requiring disclosure pursuant to Section 1503(a) of the Dodd-Frank Act.

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