

# Record Operational and Financial Performance in 2022

- **Record Annual Production**
  - *105,500 BOE per day: Beat Guidance!<sup>(1)</sup>*
- **Record 2022 Financial Results**
  - *Oil and natural gas revenues (\$2.9 billion), net income (\$1.2 billion), Adjusted EBITDA<sup>(2)</sup> (\$2.1 billion), Adjusted FCF<sup>(3)</sup> (\$1.2 billion)*
- **Strong Balance Sheet**
  - *Leverage Ratio of 0.1x<sup>(4)</sup>*
  - *Positioned to take advantage of extra opportunities in 2023*
- **Increasing Shareholder Returns**
  - *Fixed Dividend Policy increased 50% for 2023 to \$0.60/share annually*
- **Differentiating Midstream Assets**
  - *San Mateo 2022 Adjusted EBITDA – \$198 million (28% increase)*
  - *Pronto Midstream supporting Lea County, NM production*

(1) At midpoint of guidance as of and as provided on October 25, 2022.

(2) Adjusted EBITDA and adjusted free cash flow are non-GAAP financial measures. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

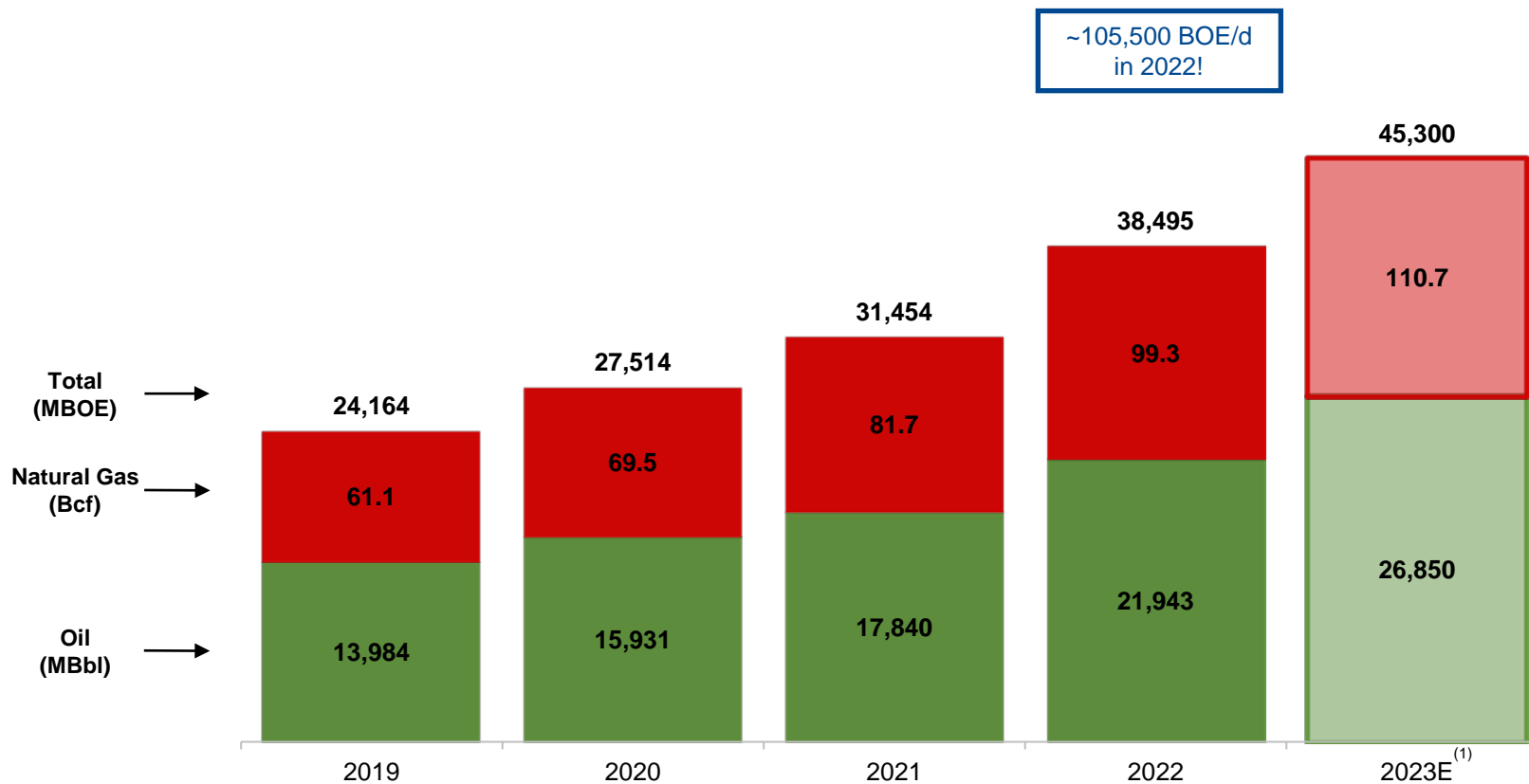
(3) Adjusted free cash flow is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.

(4) At December 31, 2022. Defined as Net Debt / LTM Adjusted EBITDA as calculated under the Credit Agreement. For purposes of the Credit Agreement, Net Debt at December 31, 2022 is calculated as (i) \$699 million in senior notes outstanding, plus (ii) \$46 million in outstanding letters of credit under the Credit Agreement, less (iii) \$505 million in available cash (without the application of the limitation on the maximum available cash of \$75 million set forth in the Credit Agreement). Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.



# Record Oil and Natural Gas Production in 2022

- **Oil, natural gas and total production were all records in 2022!**
  - *Record oil equivalent production of ~105,500 BOE per day is the first time over 100,000 BOE/d during a year in Matador’s history*
  - *Record oil production of ~60,100 Bbl per day*
  - *Record natural gas production of ~272 million cubic feet per day*
  
- **Total production expected to increase 18% in 2023**



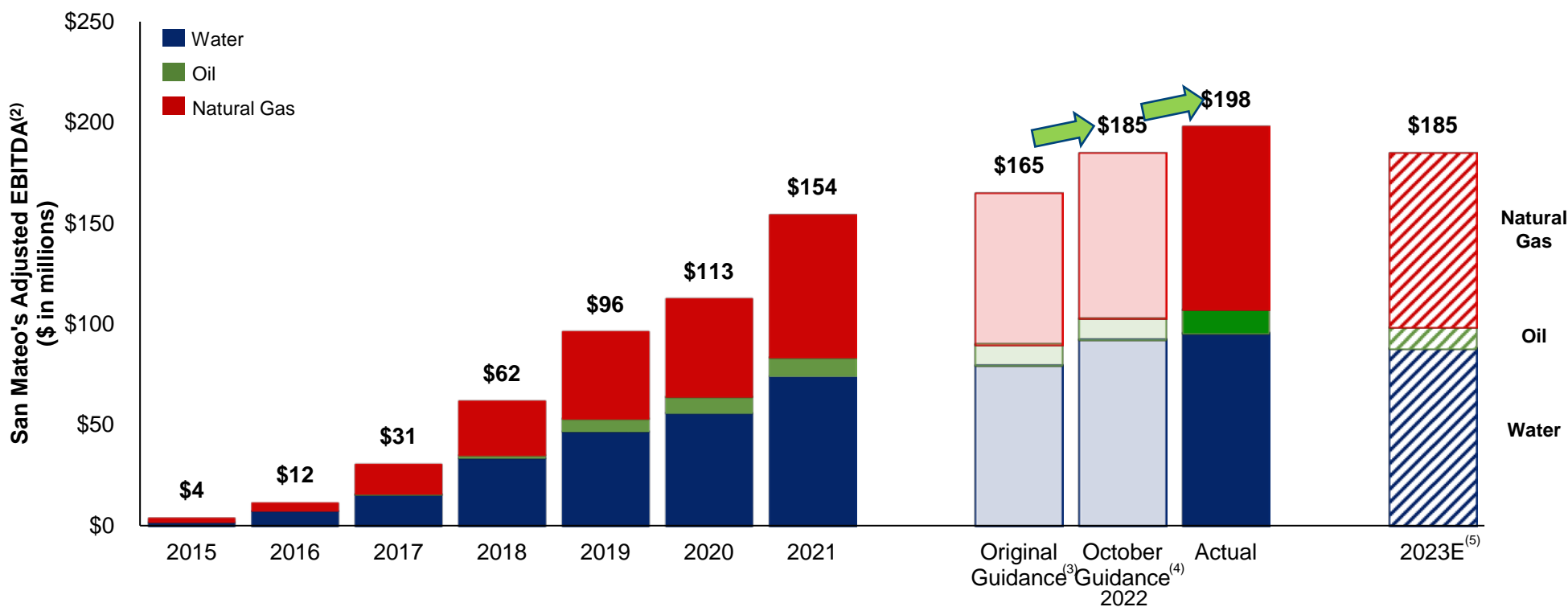
(1) As of and as provided on February 21, 2023. Estimates are pro forma for the expected closing of the Advance acquisition in Q2 2023 and only include production revenues from the Advance properties following closing of the acquisition because any production from the Advance assets prior to the closing date will be part of the purchase price adjustment at closing.



# San Mateo – Differentiating Midstream Asset



**Matador owns 51% of San Mateo<sup>(1)</sup>**



Note: Figures (i) reflect the combined Adjusted EBITDA for San Mateo and San Mateo II prior to their October 2020 merger, including allocations for G&A expenses, (ii) are pro forma for the formation of San Mateo in February 2017 and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador and (iii) exclude assets sold to EnLink in October 2015.

(1) A subsidiary of Five Point is Matador's joint venture partner in San Mateo. Matador and Five Point own 51% and 49%, respectively, of San Mateo.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliations to the comparable GAAP measures, see Appendix.

(3) Based on midpoint of range of \$155 to \$175 million as of and as provided on February 22, 2022.

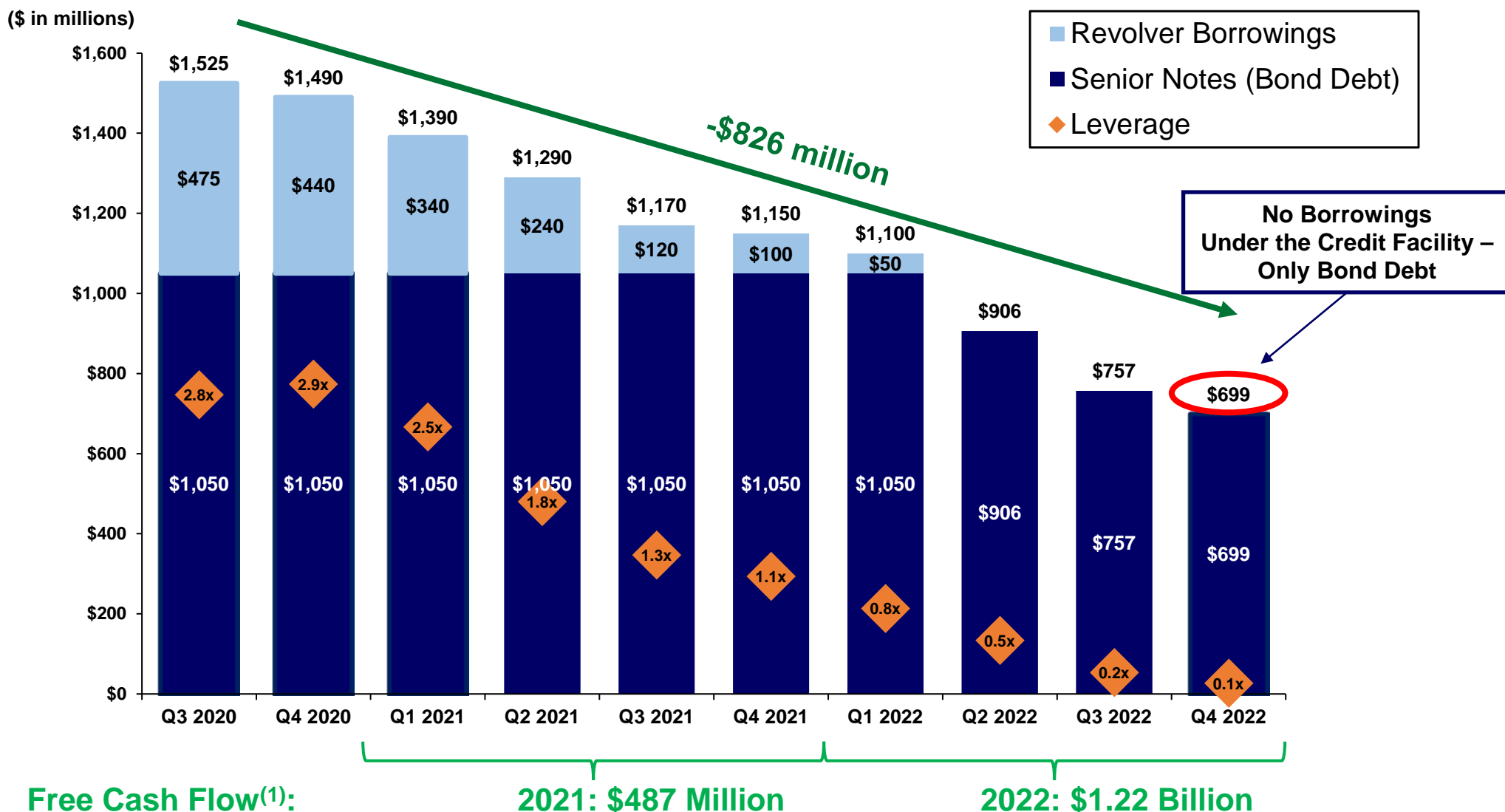
(4) Based on midpoint of range of \$180 to \$190 million as of and as provided on October 25, 2022.

(5) Based on midpoint of range of \$180 to \$190 million as of and as provided on February 21, 2023.



# Borrowings Outstanding – Quarterly Results

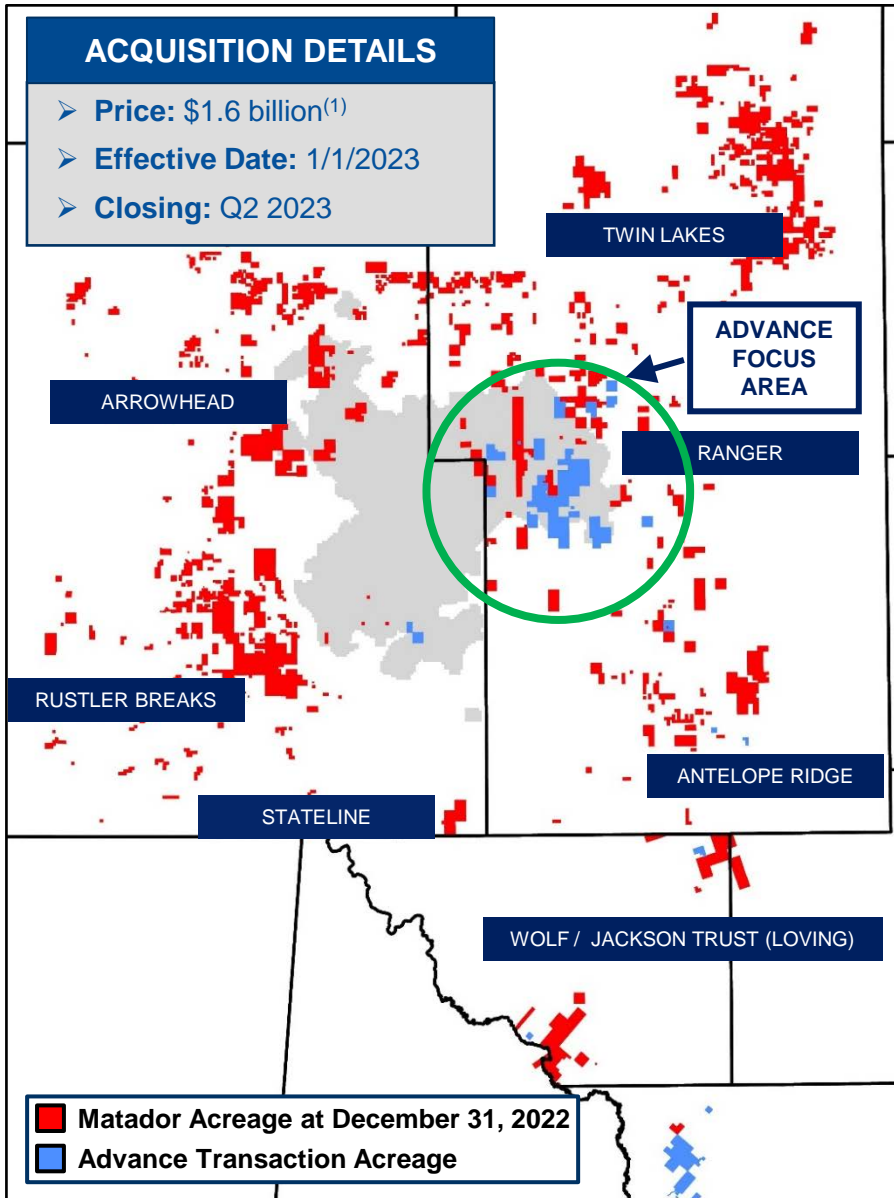
## Over Half of Borrowings Repaid Since Q3 2020



(1) Adjusted free cash flow is a non-GAAP financial measure. For definitions and reconciliations to the comparable GAAP measures, see Appendix.

(2) Defined as Net Debt / LTM Adjusted EBITDA as calculated under the Credit Agreement. For purposes of the Credit Agreement, Net Debt at December 31, 2022 is calculated as (i) \$699 million in senior notes outstanding, plus (ii) \$46 million in outstanding letters of credit under the Credit Agreement, less (iii) \$505 million in available cash (without the application of the limitation on the maximum available cash of \$75 million set forth in the Credit Agreement). Adjusted EBITDA is a non-GAAP financial measure. For a definition and reconciliation to the comparable GAAP measures, see Appendix.

# Matador's Strategic Bolt-On Acquisition of Advance Energy



Note: All acreage as of December 31, 2022 pro forma for the Advance Transaction. Some tracts not shown on map.

(1) Subject to customary closing adjustments and plus additional cash consideration of \$7.5 million for each month during 2023 in which the average oil price as defined in the securities purchase agreement exceeds \$85 per Bbl.

(2) Estimated using strip pricing as of mid-January 2023. Adj. EBITDA is a non-GAAP financial measure. The Company defines Adj. EBITDA as earnings before interest expense, income taxes, depletion, depreciation and amortization, accretion of asset retirement obligations, property impairments, unrealized derivative gains and losses, certain other non-cash items and non-cash stock-based compensation expense and net gain or loss on asset sales and impairment. The most comparable GAAP measure to Adj. EBITDA are net income or net cash provided by operating activities. The Company has not provided such GAAP measures or a reconciliation to such GAAP measures because they would be preliminary and prospective in nature and would not be able to be prepared without estimation of a number of variables that are unknown at this time.

(3) PV-10 (present value discounted at 10%) at December 31, 2022 utilizing strip pricing as of mid-January 2023. PV-10 is a non-GAAP financial measure, which differs from the GAAP financial measure of "Standardized Measure" because PV-10 does not include the effects of income taxes on future income. The income taxes related to the acquired properties is unknown at this time because the Company's tax basis in such properties will not be known until the closing of the transaction and is subject to many variables. As such, the Company has not provided the Standardized Measure of the acquired properties or a reconciliation of PV-10 to Standardized Measure.

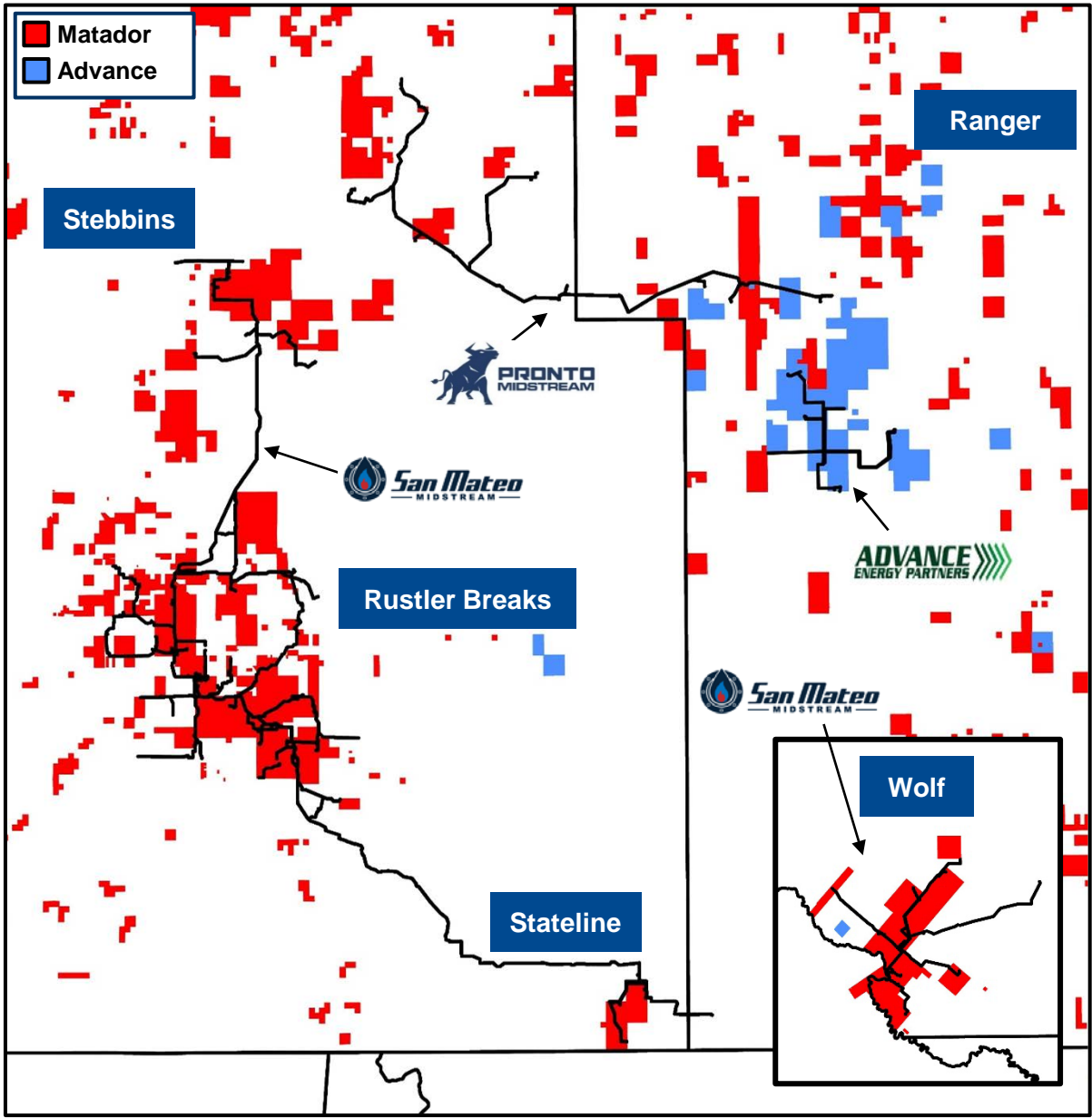
(4) Equals PV-10 of proved developed reserves of \$1.14 billion divided by midpoint of Q1 2023 production estimate of 25,000 BOE per day.

## Advance Transaction Overview

- Strategic bolt-on in the core of the Northern Delaware Basin
  - 18,500 net acres → 99% Held-by-Production
- Attractive purchase price of **3.2x forward 1-year Adj. EBITDA<sup>(2)</sup>**
- Accretive to relevant key financial and valuation metrics
- Strong existing production, cash flow and proved reserves
- Adds high-quality inventory in primarily development zones
  - 203 net locations primarily in the Avalon, Bone Spring, and Wolfcamp; includes 21 gross (20 net) DUCs
  - 35 net additional upside locations in the Wolfcamp D
- Upside midstream value and synergies with Pronto Midstream
- Matador preserves strong balance sheet → pro forma leverage expected to remain **below 1.0x**

## Key Metrics

Net Acres	18,500
Held by Production (%)	99%
Q1 2023E Production	24,500 to 25,500 BOE/d (74% oil)
Forward 1-year Adj. EBITDA <sup>(2)</sup>	\$475 to \$525 million
Net Locations	203 (85% operated)
Avg. Operated Lateral Length	9,400 feet
2023E "D/C/E" CapEx	\$300 to \$350 million
YE 2022 Proved Reserves	106 MMBOE (73% oil)
PV-10 at strip pricing <sup>(3)</sup>	\$1.92 billion
Production Value <sup>(4)</sup>	\$45,600 / BOE per day



**Gathering Assets**  
~500 miles of three-stream pipelines<sup>(1)</sup>  
(oil, natural gas and water)

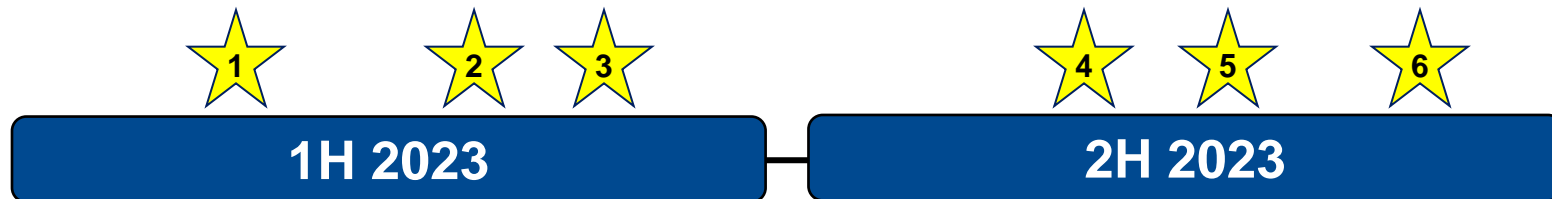
**Processing Capacity**  
520 MMcf per day<sup>(2)</sup>


**Salt Water Disposal**  
460,000 Bbl per day of designed  
produced water disposal capacity<sup>(3)</sup>

Note: All acreage as of December 31, 2022 pro forma for the Advance Transaction. Some tracts not shown on map.  
 (1) Includes ~415 miles of midstream pipelines owned by San Mateo, ~45 miles of midstream pipelines owned by Pronto Midstream, LLC and ~35 miles of pipelines owned by Advance Energy Partners.  
 (2) Includes 460 million cubic feet per day of natural gas processing owned by San Mateo and 60 million cubic feet per day of natural gas processing owned by Pronto Midstream, LLC.  
 (3) Includes 445,000 Bbl/d of designed produced water disposal capacity owned by San Mateo and ~15,000 Bbl/d of produced water disposal capacity owned by Advance Energy Partners.

## Significant 2023 Milestones – Timeline

-  **8 Rodney Robinson wells turning to sales in 1H 2023**
-  **Close the Advance acquisition in 1H 2023**
-  **8 Stateline wells turning to sales in 1H 2023**
-  **21 wells turning to sales on Advance properties in 2H 2023**
-  **18 Stebbins wells turning to sales in 2H 2023**
-  **9 Wolf wells turning to sales in 2H 2023**



 **Scheduled**

# Adjusted EBITDA & Adjusted Free Cash Flow Reconciliations

**Adjusted EBITDA Reconciliation** – This presentation includes the non-GAAP financial measure of Adjusted EBITDA. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of the Company’s consolidated financial statements, such as securities analysts, investors, lenders and rating agencies. “GAAP” means Generally Accepted Accounting Principles in the United States of America. The Company believes Adjusted EBITDA helps it evaluate its operating performance and compare its results of operations from period to period without regard to its financing methods or capital structure. The Company defines, on a consolidated basis and for San Mateo, Adjusted EBITDA as earnings before interest expense, income taxes, depletion, depreciation and amortization, accretion of asset retirement obligations, property impairments, unrealized derivative gains and losses, certain other non-cash items and non-cash stock-based compensation expense and net gain or loss on asset sales and impairment. Adjusted EBITDA for San Mateo includes the combined financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC prior to their October 2020 merger. Adjusted EBITDA is not a measure of net income (loss) or net cash provided by operating activities as determined by GAAP. All references to Matador’s Adjusted EBITDA are those values attributable to Matador Resources Company shareholders after giving effect to Adjusted EBITDA attributable to third-party non-controlling interests, including in San Mateo. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, net income (loss) or net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company’s operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components of understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure. Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. This Appendix presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively, that are of a historical nature. Where references are pro forma, forward-looking, preliminary or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliation without undue hardship because such Adjusted EBITDA numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items, including future income taxes, full-cost ceiling impairments, unrealized gains or losses on derivatives and gains or losses on asset sales and impairment. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

**Adjusted Free Cash Flow Reconciliation** – This presentation includes the non-GAAP financial measure of adjusted free cash flow. This non-GAAP item is measured, on a consolidated basis for the Company and for San Mateo, as net cash provided by operating activities, adjusted for changes in working capital and cash performance incentives that are not included as operating cash flows, less cash flows used for capital expenditures, adjusted for changes in capital accruals. On a consolidated basis, these numbers are also adjusted for the cash flows related to non-controlling interest in subsidiaries that represent cash flows not attributable to Matador shareholders. Adjusted free cash flow should not be considered an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with GAAP or as an indicator of the Company’s liquidity. Adjusted free cash flow is used by the Company, securities analysts and investors as an indicator of the Company’s ability to manage its operating cash flow, internally fund its D/C/E capital expenditures, pay dividends and service or incur additional debt, without regard to the timing of settlement of either operating assets and liabilities or accounts payable related to capital expenditures. Additionally, this non-GAAP financial measure may be different than similar measures used by other companies. The Company believes the presentation of adjusted free cash flow provides useful information to investors, as it provides them an additional relevant comparison of the Company’s performance, sources and uses of capital associated with its operations across periods and to the performance of the Company’s peers. In addition, this non-GAAP financial measure reflects adjustments for items of cash flows that are often excluded by securities analysts and other users of the Company’s financial statements in evaluating the Company’s cash spend. This Appendix reconciles adjusted free cash flow to its most directly comparable GAAP measure of net cash provided by operating activities. All references to Matador’s adjusted free cash flow are those values attributable to Matador shareholders after giving effect to adjusted free cash flow attributable to third-party non-controlling interests, including in San Mateo. Adjusted free cash flow for San Mateo includes the combined financial results of San Mateo Midstream, LLC and San Mateo Midstream II, LLC prior to their October 2020 merger. Where references are pro forma, forward-looking, preliminary or prospective in nature, and not based on historical fact, the table does not provide a reconciliation. The Company could not provide such reconciliation without undue hardship because such adjusted free cash flow numbers are estimations, approximations and/or ranges. In addition, it would be difficult for the Company to present a detailed reconciliation on account of many unknown variables for the reconciling items, including changes in working capital, future operating activities and liabilities and future capital expenditures. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.



# Adjusted EBITDA Reconciliation – Matador Resources Company

The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

(In thousands)	3Q 2013	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
<b>Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):</b>									
Net income (loss) attributable to Matador Resources Company shareholders	\$ 20,105	\$ 59,894	\$ 59,806	\$ 17,794	\$ 136,713	\$ (16,947)	\$ 36,752	\$ 43,953	\$ 24,019
Net income attributable to non-controlling interest in subsidiaries	-	5,030	5,831	7,321	7,375	7,462	8,320	9,800	9,623
Net income (loss)	20,105	64,924	65,637	25,115	144,088	(9,485)	45,072	53,753	33,642
Interest expense	2,038	8,491	8,004	10,340	14,492	17,929	18,068	18,175	19,701
Total income tax provision (benefit)	2,563	-	-	-	(7,691)	(1,013)	12,858	13,490	10,197
Depletion, depreciation and amortization	26,127	55,369	66,838	70,457	72,478	76,866	80,132	92,498	101,043
Accretion of asset retirement obligations	86	364	375	387	404	414	420	520	468
Full-cost ceiling impairment	-	-	-	-	-	-	-	-	-
Unrealized loss (gain) on derivatives	9,327	(10,416)	(1,429)	21,337	(74,577)	45,719	(6,157)	(9,847)	24,012
Non-cash stock-based compensation expense	1,239	4,179	4,766	4,842	3,413	4,587	4,490	4,664	4,765
Net loss on asset sales and impairment	-	-	-	196	-	-	368	439	160
Prepayment premium on extinguishment of debt	-	-	-	31,226	-	-	-	-	-
Expense related to contingent consideration and other	-	-	-	-	-	-	-	-	-
Consolidated Adjusted EBITDA	61,485	122,911	144,191	163,900	152,607	135,017	155,251	173,692	193,988
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	-	(5,657)	(6,853)	(8,508)	(9,368)	(10,178)	(11,147)	(12,903)	(12,964)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$ 61,485</b>	<b>\$ 117,254</b>	<b>\$ 137,338</b>	<b>\$ 155,392</b>	<b>\$ 143,239</b>	<b>\$ 124,839</b>	<b>\$ 144,104</b>	<b>\$ 160,789</b>	<b>\$ 181,024</b>

(In thousands)	3Q 2013	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:</b>									
Net cash provided by operating activities	\$ 43,280	\$ 136,149	\$ 118,059	\$ 165,111	\$ 189,205	\$ 58,966	\$ 135,257	\$ 158,630	\$ 198,915
Net change in operating assets and liabilities	15,265	(21,364)	18,174	(11,111)	(50,129)	58,765	2,472	(2,488)	(23,958)
Interest expense, net of non-cash portion	2,038	8,126	7,958	9,900	13,986	17,286	17,522	17,550	19,031
Current income tax provision (benefit)	902	-	-	-	(455)	-	-	-	-
Expense related to contingent consideration and other	-	-	-	-	-	-	-	-	-
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	-	(5,657)	(6,853)	(8,508)	(9,368)	(10,178)	(11,147)	(12,903)	(12,964)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$ 61,485</b>	<b>\$ 117,254</b>	<b>\$ 137,338</b>	<b>\$ 155,392</b>	<b>\$ 143,239</b>	<b>\$ 124,839</b>	<b>\$ 144,104</b>	<b>\$ 160,789</b>	<b>\$ 181,024</b>

(In thousands)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):</b>												
Net income (loss) attributable to Matador Resources Company shareholders	\$ 125,729	\$ (353,416)	\$ (276,064)	\$ (89,454)	\$ 60,645	\$ 105,905	\$ 203,628	\$ 214,790	\$ 207,124	\$ 415,718	\$ 337,572	\$ 253,792
Net income attributable to non-controlling interest in subsidiaries	9,354	7,473	9,957	12,861	8,853	15,926	14,434	16,455	17,061	20,477	16,456	18,117
Net income (loss)	135,083	(345,943)	(266,107)	(76,593)	69,498	121,831	218,062	231,245	224,185	436,195	354,028	271,909
Interest expense	19,812	18,297	18,231	20,352	19,650	17,940	17,989	19,108	16,252	18,492	15,996	16,424
Total income tax provision (benefit)	39,957	(109,823)	26,497	(2,230)	2,840	5,349	(6,701)	73,222	68,528	135,960	113,941	80,928
Depletion, depreciation and amortization	90,707	93,350	88,025	89,749	74,863	91,444	89,061	89,537	95,853	120,024	118,870	131,601
Accretion of asset retirement obligations	476	495	478	499	500	511	518	539	543	517	679	682
Full-cost ceiling impairment	-	324,001	251,163	109,579	-	-	-	-	-	-	-	-
Unrealized (gain) loss on derivatives	(136,430)	132,668	13,033	22,737	43,423	42,804	(9,049)	(98,189)	75,029	(30,430)	(43,097)	(20,311)
Non-cash stock-based compensation expense	3,794	3,286	3,369	3,176	855	1,795	2,967	3,422	3,014	4,063	3,810	4,236
Net loss on asset sales and impairment	-	2,632	-	200	-	-	251	80	198	-	1,113	-
Prepayment premium on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-
Expense (income) related to contingent consideration and other	-	-	-	-	-	-	-	1,485	356	4,889	(2,288)	1,969
Consolidated Adjusted EBITDA	153,399	118,963	134,689	167,469	211,629	281,674	313,098	320,449	483,958	689,710	563,052	487,438
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	(12,823)	(11,369)	(13,701)	(17,350)	(13,514)	(20,708)	(19,273)	(21,382)	(22,115)	(25,916)	(23,322)	(25,650)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$ 140,576</b>	<b>\$ 107,594</b>	<b>\$ 120,988</b>	<b>\$ 150,119</b>	<b>\$ 198,115</b>	<b>\$ 260,966</b>	<b>\$ 293,825</b>	<b>\$ 299,067</b>	<b>\$ 461,843</b>	<b>\$ 663,794</b>	<b>\$ 539,730</b>	<b>\$ 461,788</b>

(In thousands)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:</b>												
Net cash provided by operating activities	\$ 109,372	\$ 101,013	\$ 109,574	\$ 157,623	\$ 169,395	\$ 258,200	\$ 291,231	\$ 334,529	\$ 328,954	\$ 646,302	\$ 556,960	\$ 446,523
Net change in operating assets and liabilities	24,899	368	7,599	(9,788)	23,308	6,465	4,666	(33,457)	123,930	(15,971)	(9,774)	19,750
Interest expense, net of non-cash portion	19,128	17,582	17,516	19,634	18,926	17,009	17,201	17,892	15,309	18,229	15,013	15,219
Current income tax provision (benefit)	-	-	-	-	-	-	-	-	15,409	36,261	270	2,937
Expense related to contingent consideration and other	-	-	-	-	-	-	-	1,485	356	4,889	583	3,009
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	(12,823)	(11,369)	(13,701)	(17,350)	(13,514)	(20,708)	(19,273)	(21,382)	(22,115)	(25,916)	(23,322)	(25,650)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$ 140,576</b>	<b>\$ 107,594</b>	<b>\$ 120,988</b>	<b>\$ 150,119</b>	<b>\$ 198,115</b>	<b>\$ 260,966</b>	<b>\$ 293,825</b>	<b>\$ 299,067</b>	<b>\$ 461,843</b>	<b>\$ 663,794</b>	<b>\$ 539,730</b>	<b>\$ 461,788</b>

# Adjusted EBITDA Reconciliation

## Matador Resources Company, Consolidated

The following table presents our calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income (loss) and net cash provided by operating activities, respectively.

<i>(In thousands)</i>	2020	2021	2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):</b>			
Net (loss) income attributable to Matador Resources Company shareholders	\$(593,205)	\$584,968	\$1,214,206
Net income attributable to non-controlling interest in subsidiaries	39,645	55,668	72,111
Net (loss) income	(553,560)	640,636	1,286,317
Interest expense	76,692	74,687	67,164
Total income tax (benefit) provision	(45,599)	74,710	399,357
Depletion, depreciation and amortization	361,831	344,905	466,348
Accretion of asset retirement obligations	1,948	2,068	2,421
Full-cost ceiling impairment	684,743	-	-
Unrealized loss (gain) on derivatives	32,008	(21,011)	(18,809)
Non-cash stock-based compensation expense	13,625	9,039	15,123
Net loss on asset sales and impairment	2,832	331	1,311
Expense related to contingent consideration	-	1,485	4,926
Consolidated Adjusted EBITDA	574,520	1,126,850	2,224,158
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	(55,243)	(74,877)	(97,002)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$519,277</b>	<b>\$1,051,973</b>	<b>\$2,127,156</b>

<i>(In thousands)</i>	2020	2021	2022
<b>Unaudited Adjusted EBITDA reconciliation to</b>			
<b>Net Cash Provided by Operating Activities:</b>			
Net cash provided by operating activities	\$477,582	\$1,053,355	\$1,978,739
Net change in operating assets and liabilities	23,078	982	117,935
Interest expense, net of non-cash portion	73,860	71,028	63,064
Current income tax provision	-	-	54,877
Expense related to contingent consideration	-	1,485	9,543
Adjusted EBITDA attributable to non-controlling interest in subsidiaries	(55,243)	(74,877)	(97,002)
<b>Adjusted EBITDA attributable to Matador Resources Company shareholders</b>	<b>\$519,277</b>	<b>\$1,051,973</b>	<b>\$2,127,156</b>

# Adjusted EBITDA Reconciliation – San Mateo<sup>(1)</sup> (100%)

The following table presents the calculation of Adjusted EBITDA and the reconciliation of Adjusted EBITDA to the GAAP financial measures of net income and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC.

*(In thousands)*

	Three Months Ended							
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
<b>Unaudited Adjusted EBITDA reconciliation to Net Income:</b>								
Net income	\$ 10,266	\$ 11,901	\$ 14,940	\$ 15,051	\$ 15,229	\$ 16,979	\$ 20,000	\$ 19,642
Depletion, depreciation and amortization	1,268	2,086	2,392	3,713	3,406	3,565	3,848	4,249
Interest expense	–	–	–	333	2,142	2,180	2,458	2,502
Accretion of asset retirement obligations	11	12	18	20	–	25	27	58
Net loss on asset sales and impairment	–	–	–	–	–	–	–	–
One-time plant payment	–	–	–	–	–	–	–	–
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 11,545</b>	<b>\$ 13,999</b>	<b>\$ 17,350</b>	<b>\$ 19,117</b>	<b>\$ 20,777</b>	<b>\$ 22,749</b>	<b>\$ 26,333</b>	<b>\$ 26,451</b>

*(In thousands)*

	Three Months Ended							
	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by (Used in) Operating Activities:</b>								
Net cash (used in) provided by operating activities	\$ 10,385	\$ (160)	\$ 2,093	\$ 23,070	\$ 32,616	\$ 18,650	\$ 31,550	\$ 23,834
Net change in operating assets and liabilities	1,160	14,159	15,257	(4,273)	(13,899)	2,031	(7,468)	199
Interest expense, net of non-cash portion	–	–	–	320	2,060	2,068	2,251	2,418
One-time plant payment	–	–	–	–	–	–	–	–
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 11,545</b>	<b>\$ 13,999</b>	<b>\$ 17,350</b>	<b>\$ 19,117</b>	<b>\$ 20,777</b>	<b>\$ 22,749</b>	<b>\$ 26,333</b>	<b>\$ 26,451</b>

*(In thousands)*

	Three Months Ended											
	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Income:</b>												
Net income	\$ 19,088	\$ 15,252	\$ 20,323	\$ 26,247	\$ 18,068	\$ 32,562	\$ 29,454	\$ 33,583	\$ 34,819	\$ 41,789	\$ 33,584	\$ 36,971
Depletion, depreciation and amortization	4,600	4,786	5,822	7,277	7,523	7,521	7,609	7,808	7,778	8,041	8,258	8,301
Interest expense	2,437	1,854	1,766	1,827	1,928	2,118	2,208	2,180	2,269	2,990	4,570	7,000
Accretion of asset retirement obligations	45	49	50	56	60	61	61	66	68	69	70	75
Net loss on asset sales and impairment	–	1,261	–	–	–	–	–	–	198	–	1,113	–
One-time plant payment	–	–	–	–	–	–	1,500	–	–	–	–	–
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 26,170</b>	<b>\$ 23,202</b>	<b>\$ 27,961</b>	<b>\$ 35,407</b>	<b>\$ 27,579</b>	<b>\$ 42,262</b>	<b>\$ 40,832</b>	<b>\$ 43,637</b>	<b>\$ 45,132</b>	<b>\$ 52,889</b>	<b>\$ 47,595</b>	<b>\$ 52,347</b>

*(In thousands)*

	Three Months Ended											
	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by Operating Activities:</b>												
Net cash provided by (used in) operating activities	\$ 25,244	\$ 20,164	\$ 24,795	\$ 26,131	\$ 41,198	\$ 25,261	\$ 44,164	\$ 33,121	\$ 45,511	\$ 49,902	\$ 38,333	\$ 44,803
Net change in operating assets and liabilities	(1,341)	1,354	1,477	7,716	(15,308)	15,210	(6,798)	8,585	(2,393)	250	4,948	1,029
Interest expense, net of non-cash portion	2,267	1,684	1,689	1,560	1,689	1,791	1,966	1,931	2,014	2,737	4,314	6,515
One-time plant payment	–	–	–	–	–	–	1,500	–	–	–	–	–
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 26,170</b>	<b>\$ 23,202</b>	<b>\$ 27,961</b>	<b>\$ 35,407</b>	<b>\$ 27,579</b>	<b>\$ 42,262</b>	<b>\$ 40,832</b>	<b>\$ 43,637</b>	<b>\$ 45,132</b>	<b>\$ 52,889</b>	<b>\$ 47,595</b>	<b>\$ 52,347</b>

(1) Pro forma for February 2017 San Mateo formation and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

# Adjusted EBITDA Reconciliation

## San Mateo<sup>(1)</sup>



The following table presents the calculation of Adjusted EBITDA and reconciliation of Adjusted EBITDA to the GAAP financial measures of net income and net cash provided by (used in) operating activities, respectively, for San Mateo Midstream, LLC.

<i>(In thousands)</i>	Year Ended December 31,							
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Income (Loss):</b>								
Net income	\$ 2,719	\$ 10,174	\$ 26,391	\$ 52,158	\$ 71,850	\$ 80,910	\$113,607	\$147,163
Total income tax provision	647	97	269	–	–	–	–	–
Depletion, depreciation and amortization	562	1,739	4,231	9,459	15,068	22,485	30,522	32,378
Interest expense	–	–	–	333	9,282	7,884	8,434	16,829
Accretion of asset retirement obligations	16	47	30	61	110	200	247	282
Net loss on impairment	–	–	–	–	–	1,261	–	1,311
One-time plant payment	–	–	–	–	–	–	1,500	–
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 3,944</b>	<b>\$ 12,057</b>	<b>\$ 30,921</b>	<b>\$ 62,011</b>	<b>\$ 96,310</b>	<b>\$112,740</b>	<b>\$154,310</b>	<b>\$197,963</b>

<i>(In thousands)</i>	Year Ended December 31,							
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Unaudited Adjusted EBITDA reconciliation to Net Cash Provided by (Used in) Operating Activities:</b>								
Net cash provided by operating activities	\$ 13,916	\$ 6,694	\$ 21,308	\$ 35,702	\$106,650	\$ 96,334	\$143,744	\$178,549
Net change in operating assets and liabilities	(10,007)	5,266	9,344	25,989	(19,137)	9,206	1,689	3,848
Interest expense, net of non-cash portion	–	–	–	320	8,797	7,200	7,377	15,566
Current income tax provision	35	97	269	–	–	–	–	–
One-time plant payment	–	–	–	–	–	–	1,500	–
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 3,944</b>	<b>\$ 12,057</b>	<b>\$ 30,921</b>	<b>\$ 62,011</b>	<b>\$ 96,310</b>	<b>\$112,740</b>	<b>\$154,310</b>	<b>\$197,963</b>

(1) Pro forma for February 2017 San Mateo formation and the purchase of the non-controlling interest in Fulcrum Delaware Water Resources, LLC not previously owned by Matador.

# Adjusted Free Cash Flow Reconciliation

## Matador Resources Company

The following table presents the calculation of adjusted free cash flow and the reconciliation of adjusted free cash flow to the GAAP financial measure of net cash provided by operating activities.

(In thousands)

	Three Months Ended			Year Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net cash provided by operating activities	\$ 446,523	\$ 556,960	\$ 334,529	\$ 1,978,739	\$ 1,053,355
Net change in operating assets and liabilities	19,750	(9,774)	(33,457)	117,935	982
San Mateo discretionary cash flow attributable to non-controlling interest in subsidiaries <sup>(1)</sup>	(22,458)	(21,208)	(20,436)	(89,375)	(71,262)
Performance incentives received from Five Point	5,500	-	11,000	28,250	48,626
Total discretionary cash flow	449,315	525,978	291,636	2,035,549	1,031,701
Drilling, completion and equipping capital expenditures	226,377	155,560	113,650	771,830	431,136
Midstream capital expenditures	28,638	23,103	23,137	80,051	63,359
Expenditures for other property and equipment	523	407	(89)	1,213	376
Net change in capital accruals	(46,621)	90,994	41,888	4,355	78,515
San Mateo accrual-based capital expenditures related to non-controlling interest in subsidiaries <sup>(2)</sup>	(8,883)	(13,188)	(6,261)	(39,717)	(28,614)
Total accrual-based capital expenditures <sup>(3)</sup>	200,034	256,876	172,325	817,732	544,772
<b>Adjusted free cash flow</b>	<b>\$ 249,281</b>	<b>\$ 269,102</b>	<b>\$ 119,311</b>	<b>\$ 1,217,817</b>	<b>\$ 486,929</b>

(1) Represents Five Point's 49% interest in San Mateo discretionary cash flow, as computed below.

(2) Represents Five Point's 49% interest in accrual-based San Mateo capital expenditures, as computed below.

(3) Represents drilling, completion and equipping costs, Matador's share of San Mateo capital expenditures plus 100% of other midstream capital expenditures not associated with San Mateo.

## San Mateo (100%)

The following table presents the calculation of adjusted free cash flow and the reconciliation of adjusted free cash flow to the GAAP financial measure of net cash provided by operating activities for San Mateo Midstream, LLC.

(In thousands)

	Three Months Ended			Year Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net cash provided by San Mateo operating activities	\$ 44,803	\$ 38,333	\$ 33,121	\$ 178,549	\$ 143,744
Net change in San Mateo operating assets and liabilities	1,029	4,948	8,585	3,848	1,689
Total San Mateo discretionary cash flow	45,832	43,281	41,706	182,397	145,433
San Mateo capital expenditures	27,181	23,059	23,191	79,026	62,111
Net change in San Mateo capital accruals	(9,052)	3,855	(10,413)	2,029	(3,716)
San Mateo accrual-based capital expenditures	18,129	26,914	12,778	81,055	58,395
<b>San Mateo adjusted free cash flow</b>	<b>\$ 27,703</b>	<b>\$ 16,367</b>	<b>\$ 28,928</b>	<b>\$ 101,342</b>	<b>\$ 87,038</b>