



**CONSOLIDATED MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the three months and years ended December 31, 2025 and 2024

## **CONSOLIDATED MANAGEMENT'S DISCUSSION & ANALYSIS**

The following Management's Discussion and Analysis ("MD&A"), dated as of March 5, 2026, provides a detailed explanation of the consolidated financial and operating results of Advantage Energy Ltd. ("Advantage", the "Corporation", "us", "we" or "our") for the three months and year ended December 31, 2025 and should be read in conjunction with the December 31, 2025, audited consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), representing generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada. All references in the MD&A and consolidated financial statements are to Canadian dollars unless otherwise indicated. All dollar per boe figures include the results of Advantage's natural gas and liquids operations and exclude the results of Entropy Inc. ("Entropy").

This MD&A contains specified financial measures such as non-GAAP financial measures, non-GAAP ratios, capital management measures, supplementary financial measures and forward-looking information. Readers are advised to read this MD&A in conjunction with both the "Specified Financial Measures" and "Forward-Looking Information and Other Advisories" sections found at the end of this MD&A.

Financial Highlights (\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
<b>Consolidated Financial Statement Highlights</b>				
Natural gas and liquids sales	<b>181,796</b>	163,477	<b>698,984</b>	543,295
Net income and comprehensive income <sup>(4)</sup>	<b>9,616</b>	17,130	<b>53,051</b>	21,719
per basic share <sup>(2)</sup>	<b>0.06</b>	0.10	<b>0.32</b>	0.13
per diluted share <sup>(2)</sup>	<b>0.06</b>	0.10	<b>0.31</b>	0.13
Basic weighted average shares (000)	<b>166,941</b>	166,974	<b>166,978</b>	163,955
Diluted weighted average shares (000)	<b>170,338</b>	169,785	<b>170,180</b>	166,821
Cash provided by operating activities	<b>74,357</b>	56,350	<b>357,490</b>	217,533
Cash provided by financing activities	<b>41,387</b>	22,789	<b>62,063</b>	481,077
Cash used in investing activities	<b>(116,477)</b>	(71,202)	<b>(421,964)</b>	(697,725)
<b>Segmented Financial Highlights <sup>(1)</sup></b>				
<u>Advantage Energy Ltd.</u>				
Adjusted funds flow	<b>99,143</b>	84,309	<b>381,582</b>	250,031
per basic share <sup>(2)</sup>	<b>0.59</b>	0.51	<b>2.29</b>	1.53
per diluted share <sup>(3)</sup>	<b>0.57</b>	0.50	<b>2.24</b>	1.50
Net capital expenditures	<b>73,093</b>	84,287	<b>287,698</b>	700,597
Free cash flow – surplus (deficit)	<b>27,350</b>	(11,399)	<b>91,184</b>	(16,713)
Bank indebtedness	<b>412,993</b>	470,424	<b>412,993</b>	470,424
Net debt	<b>549,092</b>	625,551	<b>549,092</b>	625,551
<u>Entropy Inc.</u>				
Adjusted funds flow	<b>(2,971)</b>	(2,920)	<b>(12,343)</b>	(8,635)
per basic share <sup>(2)</sup>	<b>(0.01)</b>	(0.02)	<b>(0.07)</b>	(0.05)
per diluted share <sup>(3)</sup>	<b>(0.01)</b>	(0.02)	<b>(0.07)</b>	(0.05)
Net capital expenditures	<b>44,488</b>	14,875	<b>131,198</b>	36,314
Free cash flow - deficit	<b>(42,811)</b>	(17,795)	<b>(113,724)</b>	(44,949)
Net debt	<b>257,596</b>	92,898	<b>257,596</b>	92,898

<sup>(1)</sup> Specified financial measures which are not standardized measures under IFRS and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measures, an explanation of how such specified financial measures provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measures, and/or where required, a reconciliation of the specified financial measures to the most directly comparable IFRS measures.

<sup>(2)</sup> Based on basic and diluted weighted average shares outstanding, as applicable.

<sup>(3)</sup> Based on adjusted diluted weighted average shares outstanding.

<sup>(4)</sup> Net income and comprehensive income attributable to Advantage shareholders.

## Operating Highlights <sup>(1)</sup>

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
<b>Operating</b>				
Production				
Crude oil (bbls/d)	<b>7,372</b>	7,527	<b>7,991</b>	5,347
Condensate (bbls/d)	<b>938</b>	979	<b>872</b>	1,116
NGLs (bbls/d)	<b>3,462</b>	3,379	<b>3,398</b>	3,127
Total liquids (bbls/d)	<b>11,772</b>	11,885	<b>12,261</b>	9,590
Natural gas (Mcf/d)	<b>408,307</b>	389,331	<b>396,036</b>	367,965
Total production (boe/d)	<b>79,823</b>	76,774	<b>78,267</b>	70,918
Average realized prices (including realized derivatives)				
Natural gas (\$/Mcf)	<b>3.31</b>	2.46	<b>2.94</b>	2.20
Liquids (\$/bbl)	<b>72.82</b>	87.84	<b>79.53</b>	85.02
<b>Operating Netback (\$/boe) <sup>(2)</sup></b>				
Natural gas and liquids sales	<b>24.76</b>	23.14	<b>24.47</b>	20.93
Realized gains on derivatives	<b>2.92</b>	2.91	<b>2.86</b>	1.97
Processing and other income	<b>0.08</b>	0.11	<b>0.11</b>	0.21
Net sales of purchased natural gas	-	-	<b>0.06</b>	-
Royalty expense	<b>(1.83)</b>	(2.40)	<b>(2.10)</b>	(2.02)
Operating expense	<b>(5.93)</b>	(5.19)	<b>(5.34)</b>	(4.75)
Transportation expense	<b>(4.01)</b>	(3.77)	<b>(4.07)</b>	(3.90)
Operating netback	<b>15.99</b>	14.80	<b>15.99</b>	12.44

<sup>(1)</sup> Operating highlights are for Advantage's natural gas and liquids operations.

<sup>(2)</sup> Specified financial measure which is not a standardized measure under IFRS and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and/or where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

## Corporate update

### Advantage 2026 Guidance

On December 9, 2025, Advantage announced its 2026 budget (see news release dated December 9, 2025). Advantage's 2026 capital program continues our focus on growing adjusted funds flow per share via high rate-of-return development drilling. Our Glacier-focused program is expected to deliver production growth of approximately 6% (or 11% excluding the impact of a major turnaround at our Glacier Gas Plant) in 2026. Following the commissioning of the Progress Gas Plant and the Glacier Gas Plant turnaround in the second quarter of 2026, second-half production is expected to average 90,000 boe/d (86% gas).

On February 12, 2026, Advantage announced a reduction to its 2026 capital program of approximately \$20 million, primarily through the deferral of the lowest rate-of-return wells within its drilling program. As a result of the continued strong performance of recently drilled wells, the 2026 production guidance remains unchanged (see news release dated February 12, 2026).

Advantage's free cash flow profile is weighted to the second half of 2026, with a capital-intensive spending profile in the first quarter. As we approach our net debt target, debt reduction will remain our priority, while share repurchases are expected to be layered in opportunistically.

The below table summarizes Advantage's 2026 guidance as at February 12, 2026:

<b>Forward Looking Information</b> <sup>(1)</sup>	<b>Original Guidance as at December 9, 2025</b> <sup>(3)</sup>	<b>Revised Guidance as at February 12, 2026</b> <sup>(3)</sup>
Cash Used in Investing Activities (\$ millions) <sup>(2)</sup>	300 to 330	280 to 310
<b>Production</b>		
Total Production (boe/d)	81,000 to 85,000	81,000 to 85,000
Natural Gas (%)	84 to 86	84 to 86
Crude Oil and Condensate (%)	10 to 12	10 to 12
NGLs (%)	~4	~4
<b>Expenses</b>		
Royalty Rate (%)	6 to 8	6 to 8
Operating Expense (\$/boe) <sup>(4)</sup>	5.25 to 5.85	5.25 to 5.85
Transportation Expense (\$/boe) <sup>(4)</sup>	3.95 to 4.45	3.95 to 4.45
G&A Expense (\$/boe) <sup>(4)</sup>	0.70 to 0.90	0.70 to 0.90
Finance Expense (\$/boe) <sup>(4)</sup>	1.15 to 1.35	1.15 to 1.35

<sup>(1)</sup> Forward-looking statements and information representing Management estimates. Please see "Forward-Looking Information and Other Advisories".

<sup>(2)</sup> Cash Used in Investing Activities is the same as Net Capital Expenditures as no change in non-cash working capital is assumed between years and other differences are immaterial.

<sup>(3)</sup> Guidance numbers are for Advantage Energy Ltd. only and exclude its subsidiary, Entropy Inc.

<sup>(4)</sup> \$/boe are specified financial measures which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

## Corporate Update (continued)

### Advantage 2025 Guidance Comparison

The table below summarizes Advantage's 2025 guidance as at October 28, 2025 and a comparison to 2025 actual financial and operating results:

<b>Forward Looking Information</b> <sup>(1)(2)</sup>	<b>Original Guidance as at March 4, 2025</b> <sup>(5)</sup>	<b>Revised Guidance as at August 6, 2025</b> <sup>(6)</sup>	<b>Revised Guidance as at October 28, 2025</b> <sup>(7)</sup>	<b>2025 Actuals</b>
Cash Used in Investing Activities (\$ millions)	270 to 300	270 to 300	270 to 300	287.7 <sup>(3)</sup>
<b>Production</b>				
Total Production (boe/d)	80,000 to 83,000	80,000 to 83,000	78,100 to 79,100	78,267
Natural Gas (%)	84 to 85	84 to 85	84 to 85	84
Crude Oil and Condensate (%)	11 to 12	11 to 12	11 to 12	12
NGLs (%)	~4	~4	~4	4
<b>Expenses</b>				
Royalty Rate (%)	8 to 10	8 to 10	8 to 10	8.6
Operating Expense (\$/boe) <sup>(4)</sup>	5.20 to 5.90	4.95 to 5.30	4.95 to 5.30	\$5.34
Transportation Expense (\$/boe) <sup>(4)</sup>	3.95 to 4.25	3.95 to 4.25	3.95 to 4.25	\$4.07
G&A Expense (\$/boe) <sup>(4)</sup>	0.75 to 0.85	0.75 to 0.85	0.75 to 0.85	\$0.81
Finance Expense (\$/boe) <sup>(4)</sup>	1.50 to 1.95	1.50 to 1.95	1.50 to 1.95	\$1.68

<sup>(1)</sup> Forward-looking statements and information representing Management estimates. Please see "Forward-Looking Information and Other Advisories".

<sup>(2)</sup> Guidance numbers are for Advantage Energy Ltd. only and exclude its subsidiary, Entropy Inc.

<sup>(3)</sup> Cash Used in Investing Activities is the same as Net Capital Expenditures for the purposes of guidance as no change in non-cash working capital is assumed between years and other differences are immaterial. The Corporation compares its guidance against Advantage's net capital expenditures for the year ended December 31, 2025.

<sup>(4)</sup> \$/boe are specified financial measures which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

<sup>(5)</sup> See December 31, 2024 MD&A dated March 4, 2025.

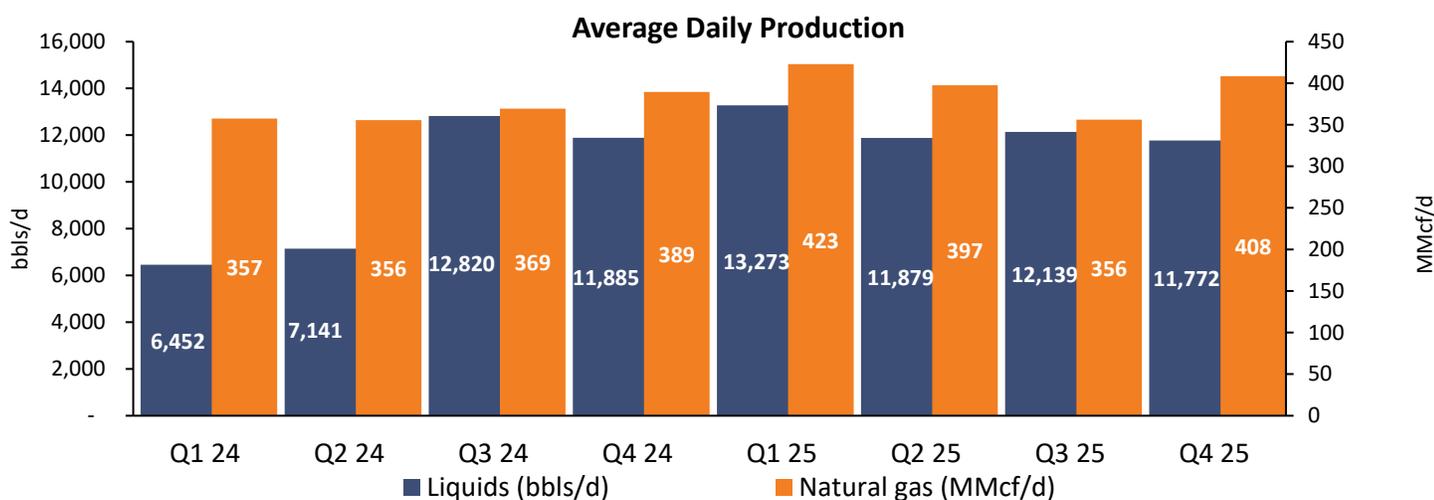
<sup>(6)</sup> See June 30, 2025 MD&A dated August 6, 2025.

<sup>(7)</sup> See September 30, 2025 MD&A dated October 28, 2025. The Corporation proactively curtailed dry natural gas production in response to low or negative AECO benchmark pricing which impacted annual production by 2,600 boe/d.

Our 2025 financial and operating results were substantially within guidance, reflecting the strength and predictability of our assets, and the consistent execution of our team. Operating costs were just slightly above the guidance range due to fixed operating expenses being absorbed over marginally lower volumes due to high line pressures on the NGTL system and temporary production curtailments. Minor workover activity and modestly higher costs from select non-operated assets also contributed to the increase.

## Production

Average Daily Production	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Crude oil (bbls/d)	7,372	7,527	(2)	7,991	5,347	49
Condensate (bbls/d)	938	979	(4)	872	1,116	(22)
NGLs (bbls/d)	3,462	3,379	2	3,398	3,127	9
<b>Total liquids (bbls/d)</b>	<b>11,772</b>	<b>11,885</b>	<b>(1)</b>	<b>12,261</b>	<b>9,590</b>	<b>28</b>
Natural gas (Mcf/d)	408,307	389,331	5	396,036	367,965	8
<b>Total production (boe/d)</b>	<b>79,823</b>	<b>76,774</b>	<b>4</b>	<b>78,267</b>	<b>70,918</b>	<b>10</b>
Liquids (% of total production)	15	15		16	14	
Natural gas (% of total production)	85	85		84	86	



For the three months and year ended December 31, 2025, Advantage's total production averaged 79,823 and 78,267 boe/d, increases of 4% and 10%, respectively, compared to the same periods in 2024. Fourth quarter production growth reflected continued development across our Montney and Charlie Lake assets, with 9.5 net wells brought on production. For the full year, production growth was driven by the successful integration of the high-quality Charlie Lake and Montney assets acquired in June 2024 (the "Acquired Assets"), with 2025 representing the first full year of contribution and delivering a meaningful uplift to both natural gas and liquids production.

Natural gas production for the three months and year ended December 31, 2025 averaged 408.3 and 396.0 MMcf/d, respectively, increases of 5% and 8%, respectively, compared to the same periods in 2024. The quarterly increase was attributable to 6.0 net Montney wells brought on stream while the annual increase reflects contributions from the Acquired Assets and continued development at Glacier and Valhalla, including 13.0 net Montney wells brought onstream (see "Cash Used in Investing Activities and Net Capital Expenditures").

Liquids production for the three months and year ended December 31, 2025, averaged 11,772 bbls/d and 12,261 bbls/d, a decrease of 1% for the quarter and an increase of 28% for the full year. The increase for 2025 was primarily driven by a full-year of production from the Acquired Assets.

Advantage expects 2026 annual production to average between 81,000 and 85,000 boe/d based on our planned 2026 capital program and subject to natural gas pricing (see "Advantage 2026 Guidance").

## Commodity Prices and Marketing

Average Realized Prices <sup>(2)</sup>	Three months ended			Year ended		
	December 31 2025	December 31 2024	% Change	December 31 2025	December 31 2024	% Change
<b>Natural gas</b>						
Excluding derivatives (\$/Mcf)	2.91	2.03	43	2.50	1.87	34
Including derivatives (\$/Mcf)	3.31	2.46	35	2.94	2.20	34
<b>Liquids</b>						
Crude oil (\$/bbl)	75.60	93.92	(20)	84.64	95.50	(11)
Condensate (\$/bbl)	78.20	95.02	(18)	86.73	97.25	(11)
NGLs (\$/bbl)	45.24	55.11	(18)	50.52	57.05	(11)
Total liquids excluding derivatives (\$/bbl)	66.88	82.98	(19)	75.34	83.17	(9)
Total liquids including derivatives (\$/bbl)	72.82	87.84	(17)	79.53	85.02	(6)
<b>Average Benchmark Prices</b>						
<b>Natural gas <sup>(1)</sup></b>						
AECO daily (\$/Mcf)	2.23	1.48	51	1.68	1.46	15
Empress daily (\$/Mcf)	2.46	1.59	55	1.88	1.51	25
Henry Hub (\$US/MMbtu)	3.55	2.42	47	3.43	2.25	52
Emerson daily (\$US/MMbtu)	2.33	1.55	50	1.85	1.39	33
Dawn daily (\$US/MMbtu)	3.45	2.23	55	3.24	1.96	65
Chicago Citygate (\$US/MMbtu)	3.25	2.33	39	3.19	2.13	50
<b>Liquids</b>						
WTI (\$US/bbl)	59.14	70.26	(16)	64.77	75.71	(14)
MSW Edmonton (\$/bbl)	76.57	94.88	(19)	85.59	97.64	(12)
Average Exchange rate (\$US/\$CAD)	0.7170	0.7149	-	0.7157	0.7301	(2)

<sup>(1)</sup> Converted on the basis of 1 Mcf = 1.055056 GJ and 1 Mcf = 1 MMbtu.

<sup>(2)</sup> Average realized prices are considered specified financial measures which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

### Natural gas

Advantage's realized natural gas prices excluding derivatives for the three months and year ended December 31, 2025, were \$2.91/Mcf and \$2.50/Mcf, respectively, representing increases of 43% and 34% compared to the same periods in 2024. These improvements primarily reflected stronger benchmark pricing in markets where Advantage has physical delivery and diversified market exposure. Eastern Canada and US natural gas benchmark prices increased in 2025, supported by higher liquefied natural gas demand and a colder winter. In contrast, Alberta markets remained weak throughout 2025 due to elevated production and inventory levels that built up ahead of anticipated LNG Canada demand. Alberta pricing improved in the fourth quarter of 2025 relative to the prior year quarter as market conditions became more balanced, whereas the fourth quarter of 2024 was characterized by elevated inventories resulting from mild winter weather and supply ramp-ups ahead of LNG Canada. During the third quarter of 2025, Advantage strategically curtailed production on days with particularly low or negative pricing, preserving volumes for sale at stronger prices. On an annual basis, the impact of these strategic curtailments was approximate 15.6 mmcf/d of natural gas production. On days with negative AECO pricing, Advantage also opportunistically purchased spot gas to fulfill physical commitments while preserving the value of its natural gas resource (see "Net Sales of Purchased Natural Gas").

## Commodity Prices and Marketing (continued)

Advantage's natural gas exposure consists of the AECO, Empress, Emerson, Dawn, and Chicago markets. Additionally, the Corporation delivers 25,000 MMBtu/d under a long-term natural gas supply agreement and receives a PJM electricity-based spark-spread price, less Alliance tolls. Advantage incurs additional transportation expense to deliver production beyond AECO to the Empress, Emerson, Dawn and Chicago markets. Advantage continues to pursue opportunities to diversify sales beyond Alberta markets to reduce exposure to local commodity pricing and enhance operating netbacks, and such initiatives may impact transportation expense (see "Transportation Expense").

The following table outlines the Corporation's 2026 forward-looking natural gas market exposure, and actual natural gas market exposure, excluding hedging.

Sales Markets	Year ended December 31, 2025		Forward-looking 2026 <sup>(2)</sup>	
	Production (MMcf/d) <sup>(1)</sup>	Percentage of Natural Gas Production (%)	Effective production (MMcf/d) <sup>(1)</sup>	Percentage of Natural Gas Production (%)
AECO	133.2	34%	209.5	49%
AECO Other <sup>(4)</sup>	48.7	13%	25.7	6%
Empress	88.4	22%	67.6	16%
Emerson	30.9	8%	26.8	6%
Dawn	52.7	13%	52.7	13%
Chicago	17.1	4%	16.0	4%
PJM electricity price <sup>(5)</sup>	25.0	6%	25.0	6%
<b>Total</b>	<b>396.0</b>	<b>100%</b>	<b>423.3<sup>(3)</sup></b>	<b>100%</b>

<sup>(1)</sup> All volumes contracted converted to Mcf on the basis of 1 Mcf = 1.055056 GJ and 1 Mcf = 1 MMBtu.

<sup>(2)</sup> Natural gas market exposure based on contracts in-place at December 31, 2025.

<sup>(3)</sup> Represents the midpoint of our 2026 guidance for natural gas production volumes (see "Advantage 2026 Guidance").

<sup>(4)</sup> Transactions that are priced at AECO but may include either a premium or discount to AECO as negotiated with counterparties.

<sup>(5)</sup> Sales are based upon a spark-spread price, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar.

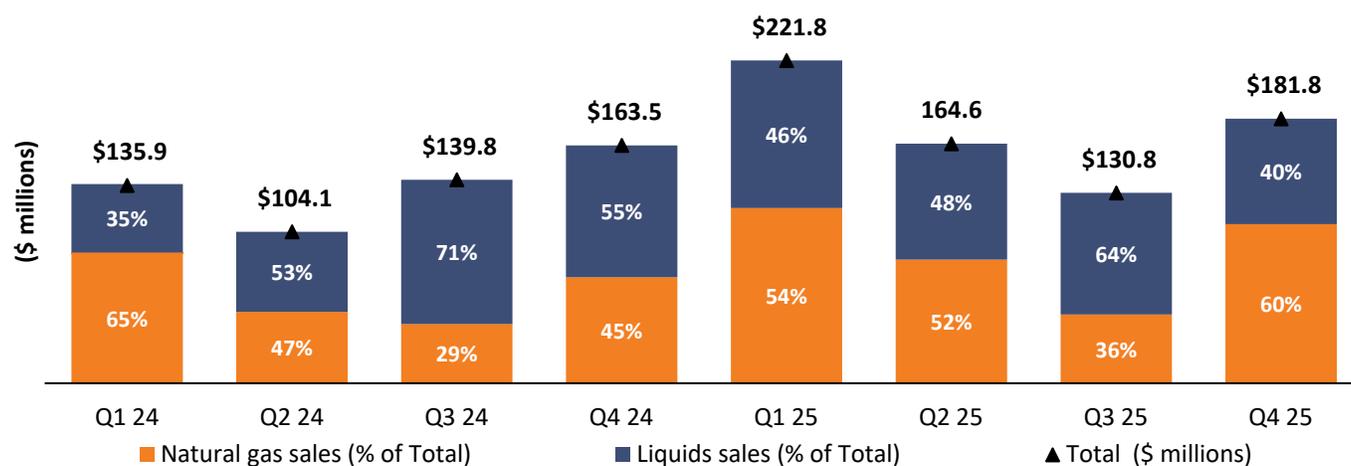
### Liquids

Advantage's realized liquids prices excluding derivatives for the three months and year ended December 31, 2025, were \$66.88/bbl and \$75.34/bbl, respectively, declines of 19% and 9% compared to the same periods in 2024. The decrease in realized prices across crude oil, condensate, and NGLs was primarily driven by elevated global supply including increased OPEC+ production. Broader market dynamics also contributed to the pricing pressure, including softening demand and demand concerns in key regions, evolving trade policies and tariffs, and seasonal consumption shifts. The prices that Advantage receives for crude oil and condensate production are largely influenced by global supply and demand fundamentals and the Edmonton light sweet oil and condensate price differentials. Approximately 84% of our liquids production is comprised of crude oil, condensate and pentanes, which typically command higher market prices than other NGLs. The quality of our liquids production has increased significantly from the prior year due to the Acquired Assets.

## Natural Gas and Liquids Sales

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Crude oil	51,273	65,036	(21)	246,880	186,896	32
Condensate	6,748	8,558	(21)	27,604	39,723	(31)
NGLs	14,408	17,133	(16)	62,663	65,289	(4)
<b>Liquids</b>	<b>72,429</b>	<b>90,727</b>	<b>(20)</b>	<b>337,147</b>	<b>291,908</b>	<b>15</b>
Natural gas	109,367	72,750	50	361,837	251,387	44
<b>Natural gas and liquids sales</b>	<b>181,796</b>	<b>163,477</b>	<b>11</b>	<b>698,984</b>	<b>543,295</b>	<b>29</b>
per boe	24.76	23.14	7	24.47	20.93	17

### Natural Gas and Liquids Sales



Natural gas and liquids sales for the three months ended December 31, 2025 totaled \$181.8 million, an increase of \$18.3 million or 11% compared to the same period in 2024. This increase was driven by a 50% increase in natural gas sales, which increased by \$36.6 million due to a combination of 43% higher realized natural gas prices and a 5% increase in production volumes (see "Commodity Prices and Marketing" and "Production"). In contrast, liquids sales decreased by \$18.3 million or 20%, due to a 19% reduction in realized liquids prices (see "Commodity Prices and Marketing").

Natural gas and liquids sales totaled \$699.0 million for the year ended December 31, 2025, representing an increase of \$155.7 million or 29%. Natural gas sales increased by \$110.5 million or 44%, while liquids sales grew by \$45.2 million or 15%. These gains were driven by an 8% increase in natural gas production and a 28% increase in liquids volumes, largely attributable to the successful integration of the Acquired Assets (see "Production"). Additionally, realized natural gas prices improved by 34%, while realized liquids prices declined by 9%, reflecting broader market dynamics and global supply trends (see "Commodity Prices and Marketing").

## Financial Risk Management

The Corporation's financial results and condition are impacted primarily by the prices received for natural gas, crude oil, condensate and NGLs production. Natural gas, crude oil, condensate and NGLs prices can fluctuate widely and are determined by supply and demand factors, including available access to transportation, weather, general economic conditions in consuming and producing regions and political factors. Additionally, certain commodity prices are transacted and denominated in US dollars. Advantage has been proactive in commodity risk management to reduce the volatility of cash provided by operating activities, supporting our organic development by diversifying sales to different physical markets and entering into financial commodity and foreign exchange derivative contracts. Advantage's Credit Facilities (as defined herein) allow us to enter derivative contracts on up to 75% of total estimated production over the first three years and up to 50% over the fourth and fifth years. In addition, the Credit Facilities allow us to enter basis swap arrangements to any natural gas price point in North America for up to 100,000 MMBtu/d with a maximum term of seven years. Basis swap arrangements are excluded from hedged production limits.

The Corporation enters into financial risk management derivative contracts to manage its exposure to commodity price risk, foreign exchange risk and interest rate risk. A summary of realized and unrealized derivative gains and losses for the three months and years ended December 31, 2025, and 2024 are as follows:

	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
<b>Realized gains (losses) on derivatives</b>				
Natural gas	12,228	16,169	53,759	47,642
Crude oil	6,435	5,318	18,780	6,493
Foreign exchange	112	(179)	126	(101)
Natural gas embedded derivative	2,656	(728)	9,132	(2,907)
<b>Total</b>	<b>21,431</b>	<b>20,580</b>	<b>81,797</b>	<b>51,127</b>
<b>Unrealized gains (losses) on derivatives</b>				
Natural gas	8,062	(14,278)	(2,524)	4,496
Crude oil	(3,466)	(10,505)	(4,693)	7,052
Foreign exchange	(136)	(1,461)	741	(1,634)
Natural gas embedded derivative	(23,491)	25,793	(36,203)	(4,733)
Unsecured debentures derivative	(927)	(68)	335	(866)
<b>Total</b>	<b>(19,958)</b>	<b>(519)</b>	<b>(42,344)</b>	<b>4,315</b>
<b>Gains (losses) on derivatives</b>				
Natural gas	20,290	1,891	51,235	52,138
Crude oil	2,969	(5,187)	14,087	13,545
Foreign exchange	(24)	(1,640)	867	(1,735)
Natural gas embedded derivative	(20,835)	25,065	(27,071)	(7,640)
Unsecured debentures derivative	(927)	(68)	335	(866)
<b>Total</b>	<b>1,473</b>	<b>20,061</b>	<b>39,453</b>	<b>55,442</b>

## **Financial Risk Management (continued)**

### Natural gas

For the three months and year ended December 31, 2025, Advantage realized gains on natural gas derivatives of \$12.2 million and \$53.8 million, respectively, due to the settlement of derivative contracts with average prices that were above average market prices.

Advantage recognized an unrealized gain on natural gas derivatives of \$8.1 million and an unrealized loss of \$2.5 million for the three months and year ended December 31, 2025, respectively. Unrealized gains and losses are a result of changes in the fair value of outstanding natural gas derivative contracts accompanied with the settlement of contracts in their respective periods. The change in the fair value of our outstanding natural gas derivative contracts for the three-month period was due to a reduction in the forward price curve partially offset by the settlement of contracts during the period. The unrealized loss for the year ended December 31, 2025 was primarily due to the settlement of contracts during the period offset by new contracts entered during the year that have a lower settlement price than the forward curve at December 31, 2025.

### Crude oil

For the three months and year ended December 31, 2025, Advantage realized gains on crude oil derivatives of \$6.4 million and \$18.8 million, respectively, due to the settlement of contracts with average derivative contract prices that were above average market prices.

Advantage recognized unrealized losses on crude oil derivatives of \$3.5 million and \$4.7 million for the three months and year ended December 31, 2025, respectively. The change in the fair value of our outstanding crude oil derivative contracts was primarily due to the settlement of contracts during the period.

### Foreign exchange

For the three months and year ended December 31, 2025, Advantage realized a gain on foreign exchange derivatives of \$0.1 million for both periods, while recognizing an unrealized loss of \$0.1 million and a gain of \$0.7 million for the three months and year ended December 31, 2025. The unrealized gains and losses are a result of the settlement of contracts and change in the fair value during the period.

### Natural gas embedded derivative

Advantage sells natural gas under a long-term natural gas supply agreement, delivering 25,000 MMBtu/d of natural gas for a 10-year period ending in 2032. Commercial terms of the agreement are based upon a spark-spread pricing formula, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar. The price for the host contract of the initial agreement is US\$2.50 per MMBtu. In 2025, the Corporation extended the term of the natural gas supply agreement by an additional 2.5 years, ending in 2035. Volumes delivered under the additional term continue to be priced using the same spark-spread pricing formula, however, the natural gas price collar does not apply to volumes delivered during this period. The price for the host contract of the extension agreement is US\$3.73 per MMBtu. The Corporation will realize gains or losses on the embedded derivative when the realized settlement price differs from the host contract price, resulting in a realized gain of \$2.7 million and \$9.1 million for the three months and year ended December 31, 2025, respectively (three months and year ended December 31, 2024 – realized loss of \$0.7 million and \$2.9 million). For the three months and year ended December 31, 2025, the Corporation recognized unrealized losses on its natural gas embedded derivative of \$23.5 million and \$36.2 million, respectively. These losses were driven primarily by the extension of the natural gas supply agreement, which was determined to have a host contract price of US\$3.73 per MMBtu at the time the extension was executed. Subsequent to the signing date, forward electricity prices declined, resulting in a reduction in the fair value of the embedded derivative related to the extension period. The unrealized loss also reflects the decrease in the forward price curve for electricity prices relative to December 31, 2024, as well as the passage of time during the period, which resulted in a portion of the embedded derivative being realized through physical deliveries under the contract.

## Financial Risk Management (continued)

### Unsecured debentures derivative

Entropy has issued and outstanding unsecured debentures that have exchange features that meet the definition of a derivative liability, as the exchange features allow the unsecured debentures to be potentially exchanged for a variable number of Entropy common shares (see "Unsecured Debentures"). The Corporation will record unrealized gains or losses as the valuation of the conversion option changes. For the three months and year ended December 31, 2025, the Entropy unsecured debentures derivative liability resulted in an unrealized loss of \$0.9 million and an unrealized gain of \$0.3 million, respectively, due to changes in the value of the conversion option.

The fair value of derivative assets and liabilities is the estimated value to settle the outstanding contracts as at a point in time. As such, unrealized derivative gains and losses do not impact adjusted funds flow and the actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices, foreign exchange rates and interest rates as compared to the valuation assumptions. Remaining derivative contracts will settle between January 1, 2026 and March 31, 2029, apart from the natural gas embedded derivative, which is expected to be settled between 2026 and 2035.

As at December 31, 2025 and March 5, 2026, the Corporation had the following commodity and foreign exchange derivative contracts in place:

Description of derivative	Term	Volume	Price
<b>Natural gas - AECO</b>			
Fixed price swap	January 2026 to March 2026	142,173 Mcf/d	\$3.54/Mcf
Fixed price swap	April 2026 to June 2026	94,782 Mcf/d	\$3.09/Mcf <sup>(1)</sup>
Fixed price swap	July 2026 to October 2026	108,999 Mcf/d	\$3.01/Mcf <sup>(1)</sup>
Fixed price swap	November 2026 to March 2027	142,173 Mcf/d	\$3.29/Mcf <sup>(1)</sup>
Fixed price swap	April 2027 to October 2027	75,825 Mcf/d	\$2.73/Mcf <sup>(1)</sup>
Fixed price swap	November 2027 to March 2028	71,086 Mcf/d	\$2.87/Mcf <sup>(1)</sup>
Fixed price swap	April 2028 to October 2028	56,869 Mcf/d	\$2.73/Mcf <sup>(1)</sup>
Fixed price swap	November 2028 to March 2029	47,391 Mcf/d	\$2.66/Mcf <sup>(1)</sup>
<b>Natural gas - Dawn</b>			
Fixed price swap	January 2026 to March 2026	28,435 Mcf/d	\$4.65/Mcf
Fixed price swap	April 2026 to October 2026	28,435 Mcf/d	\$4.52/Mcf
Fixed price swap	November 2026 to March 2027	9,478 Mcf/d	\$4.25/Mcf
<b>Crude oil – WTI NYMEX</b>			
Fixed price swap	January 2026	2,000 bbls/d	US \$62.67/bbl <sup>(1)</sup>
Fixed price swap	February 2026	3,000 bbls/d	US \$62.33/bbl <sup>(1)</sup>
Fixed price swap	March 2026	3,500 bbls/d	US \$62.56/bbl <sup>(1)</sup>
Fixed price swap	April 2026 to June 2026	4,500 bbls/d	US \$64.17/bbl <sup>(1)</sup>
Fixed price swap	July 2026 to December 2026	4,000 bbls/d	US \$63.62/bbl <sup>(1)</sup>
Fixed price swap	January 2027 to December 2027	500 bbls/d	US \$61.16/bbl <sup>(1)</sup>

(1) Contains contracts entered into subsequent to December 31, 2025.

## Processing and Other Income

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Advantage processing and other income	599	746	(20)	3,114	5,557	(44)
per boe	0.08	0.11	(27)	0.11	0.21	(48)
Entropy engineering services	95	875	(89)	2,720	1,250	118
<b>Total processing and other income</b>	<b>694</b>	<b>1,621</b>	<b>(57)</b>	<b>5,834</b>	<b>6,807</b>	<b>(14)</b>

Advantage earns processing income from contracts whereby the Corporation charges third-parties to utilize excess capacity at its facilities. For the three months and year ended December 31, 2025, Advantage generated \$0.6 million and \$3.1 million, respectively, in processing and other income, a decrease of 20% and 44% compared to the same periods of the prior year. The decrease for the year is a result of less third-party throughput at the Glacier Gas Plant as Advantage acquired production in 2024 that was previously being charged natural gas processing fees.

Entropy generated \$2.7 million in other income for the year ended December 31, 2025, associated with front-end engineering and design studies for third-parties.

## Net Sales of Purchased Natural Gas

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Sales of purchased natural gas	-	-	nm	1,121	-	nm
Natural gas purchases	-	-	nm	556	-	nm
<b>Net sales of purchased natural gas</b>	<b>-</b>	<b>-</b>	<b>nm</b>	<b>1,677</b>	<b>-</b>	<b>nm</b>
per boe	-	-	nm	0.06	-	nm

During the third quarter of 2025, Advantage proactively curtailed natural gas production amid weak AECO prices. On certain days, Advantage "purchased" spot gas at negative prices to meet physical commitments, effectively being paid to take volumes for \$0.6 million and selling into other markets for \$1.1 million. This strategic approach allowed Advantage to optimize its marketing portfolio to realize higher operating netbacks relative to AECO.

## Royalty Expense

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Royalty expense	13,461	16,983	(21)	60,105	52,471	15
per boe	1.83	2.40	(24)	2.10	2.02	4
Royalty rate (%) <sup>(1)</sup>	7.4	10.4	(3.0)	8.6	9.7	(1.1)

<sup>(1)</sup> Percentage of natural gas and liquids sales.

Advantage pays royalties to the owners of mineral rights from which we have mineral leases. The Corporation has mineral leases with provincial governments, individuals and other companies. Our current average royalty rates are determined by various royalty regimes that incorporate factors including well depths, completion data, well production rates, and commodity prices. Royalties also include the impact of Gas Cost Allowance ("GCA") which is a reduction of royalties payable to the Alberta Provincial Government (the "Crown") to recognize capital and operating expenditures incurred by Advantage in the gathering and processing of the Crown's share of our natural gas production.

## Royalty Expense (continued)

Royalty expense decreased for the three-month period ended December 31, 2025, by \$3.5 million, primarily due to lower liquids sales resulting from lower liquids prices (see "Commodity Prices and Marketing"). This decrease was partially offset by higher natural gas royalties associated with stronger natural gas prices and higher sales volumes; however, natural gas generally attracts lower royalty rates than liquids.

Royalty expense increased for the year ended December 31, 2025, by \$7.6 million due to higher natural gas and liquids sales from higher production and higher benchmark natural gas prices, partially offset by lower liquids benchmark prices (see "Production" and "Commodity Prices and Marketing").

Royalty rates for both the three months and year ended December 31, 2025, declined due to lower liquids benchmark prices (see "Commodity Prices and Marketing").

Advantage expects royalty rates to range from 6% to 8% in 2026 (see "Advantage 2026 Guidance").

## Operating Expense

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Advantage operating expense	43,544	36,677	19	152,466	123,226	24
per boe	5.93	5.19	14	5.34	4.75	12
Entropy operating expense	397	859	(54)	2,079	2,521	(18)
<b>Operating expense</b>	<b>43,941</b>	<b>37,536</b>	<b>17</b>	<b>154,545</b>	<b>125,747</b>	<b>23</b>

Operating expense for Advantage during the three months and year ended December 31, 2025, increased by \$6.9 million and \$29.2 million, respectively, increases of 19% and 24%. Operating expense per boe was \$5.93/boe for the fourth quarter and \$5.34/boe for the year, both modestly higher than 2024 yet substantially close to our guidance expectations. The higher fourth quarter operating expense per boe was primarily driven by the commencement of third-party gas processing commitments and slightly lower production volumes caused by both high line pressures on the NGTL system and early-October residual production curtailments due to low natural gas prices.

On an annual basis, the increase in operating expense was largely attributable to additional production from the Acquired Assets, which are more liquids-weighted and generate stronger operating netbacks but also carry higher operating costs per boe. Importantly, operating costs on the Acquired Assets have continued to outperform expectations, supported by a reduction of more than 25% in operating costs per boe since Advantage assumed operatorship.

Advantage expects 2026 annual operating expense per boe to be approximately \$5.25 to 5.85 (see "Advantage 2026 Guidance").

## Transportation Expense

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Natural gas	24,123	22,064	9	94,539	84,264	12
Liquids	5,336	4,568	17	21,848	16,875	29
<b>Transportation expense</b>	<b>29,459</b>	<b>26,632</b>	<b>11</b>	<b>116,387</b>	<b>101,139</b>	<b>15</b>
per boe	4.01	3.77	6	4.07	3.90	4

Transportation expense represents the cost of transporting our natural gas and liquids production to the sales points, including associated fuel costs. Transportation expense for the three months and year ended December 31, 2025, increased by \$2.8 million and \$15.2 million, respectively, increases of 11% and 15%.

## Transportation Expense (continued)

The increase in transportation expense for the quarter was due to higher fuel costs from higher benchmark prices and increased natural gas production (see "Commodity Prices and Marketing" and "Production"). Transportation increased for the year ended December 31, 2025, primarily due to a full year of production from the Acquired Assets (see "Production"). Transportation expense per boe for the three-month and year ended December 31, 2025, increased by 6% and 4%, respectively. The increase in transportation cost per boe was primarily due to higher toll rates ("Production").

Advantage expects 2026 annual transportation expense per boe to be approximately \$3.95 to \$4.45/boe (see "Advantage 2026 Guidance"). Advantage continues to pursue opportunities to diversify sales beyond Alberta markets to reduce exposure to local commodity pricing and enhance operating netbacks, and such initiatives may impact transportation expense.

## Operating Income and Operating Netback

	Three months ended December 31			
	2025		2024	
	\$000	per boe	\$000	per boe
Natural gas and liquids sales	181,796	24.76	163,477	23.14
Realized gains on derivatives	21,431	2.92	20,580	2.91
Processing and other income	599	0.08	746	0.11
Royalty expense	(13,461)	(1.83)	(16,983)	(2.40)
Operating expense	(43,544)	(5.93)	(36,677)	(5.19)
Transportation expense	(29,459)	(4.01)	(26,632)	(3.77)
<b>Operating income and operating netback <sup>(1)</sup></b>	<b>117,362</b>	<b>15.99</b>	<b>104,511</b>	<b>14.80</b>

	Year ended December 31			
	2025		2024	
	\$000	per boe	\$000	per boe
Natural gas and liquids sales	698,984	24.47	543,295	20.93
Realized gains on derivatives	81,797	2.86	51,127	1.97
Processing and other income	3,114	0.11	5,557	0.21
Net sales of purchased natural gas	1,677	0.06	-	-
Royalty expense	(60,105)	(2.10)	(52,471)	(2.02)
Operating expense	(152,466)	(5.34)	(123,226)	(4.75)
Transportation expense	(116,387)	(4.07)	(101,139)	(3.90)
<b>Operating income and operating netback <sup>(1)</sup></b>	<b>456,614</b>	<b>15.99</b>	<b>323,143</b>	<b>12.44</b>

<sup>(1)</sup> Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

## Operating Income and Operating Netback (continued)

For the three months and year ended December 31, 2025, Advantage's operating income increased by 12% and 41%, respectively, or \$1.19/boe and \$3.55/boe. The increase in operating netback per boe for the quarter was primarily due to higher natural gas prices and lower royalty expense (see "Commodity Prices and Market", and "Royalty Expense"), partially offset by higher operating expenses (see "Operating Expense"). The increase in operating netback per boe for the year was primarily driven by higher natural gas and liquids sales, particularly from increased liquids associated with the Acquired Assets (see "Production") and stronger natural gas prices (see "Commodity Prices and Marketing"). These increases were further supported by realized gains on derivatives, partially offset by higher operating expenses related to the Acquired Assets (see "Operating Expense").

During 2025, liquids production, while representing approximately 16% of total production volumes, contributed approximately half of total operating income. This disproportionate contribution reflects the higher realized pricing and operating netbacks associated with liquids production and highlights the importance of Advantage's strategy to increase liquids exposure, particularly during a period of weaker natural gas pricing.

### General and Administrative Expense

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Advantage G&A	8,336	7,224	15	29,075	28,881	1
Capitalized	(2,463)	(1,777)	39	(5,952)	(6,863)	(13)
Advantage G&A expense	5,873	5,447	8	23,123	22,018	5
per boe	0.80	0.77	4	0.81	0.85	(5)
Entropy G&A expense	3,746	3,968	(6)	17,228	11,066	56
<b>General and administrative expense</b>	<b>9,619</b>	<b>9,415</b>	<b>2</b>	<b>40,351</b>	<b>33,084</b>	<b>22</b>
Employees at December 31				99	82	21

Advantage general and administrative ("G&A") expense for the three months and year ended December 31, 2025, increased by \$0.4 million and \$1.1 million, respectively. G&A expense per boe, decreased for the year ended December 31, 2025, due to higher volumes from a full year of production from the Acquired Assets as efficiencies are realized (see "Production").

Entropy G&A expense incurred for the three months ended December 31, 2025, decreased by \$0.2 million, while for the year it increased by \$6.2 million. The increase for the year is primarily attributable to expenditures incurred for completing front-end engineering and design studies for emitters. These studies are undertaken with the expectation that either Entropy and the emitters will subsequently approve a final investment decision for the project, or Entropy will receive compensation for the studies (see "Processing and Other Income"). In addition, Entropy has expanded its staffing levels to support ongoing business growth and operational scalability.

## Share-based Compensation Expense

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Share-based compensation	1,527	252	nm	9,975	4,950	102
Capitalized	(272)	(41)	nm	(1,764)	(1,058)	67
<b>Share-based compensation expense</b>	<b>1,255</b>	<b>211</b>	<b>nm</b>	<b>8,211</b>	<b>3,892</b>	<b>111</b>
per boe	0.17	0.03	nm	0.29	0.15	93

Advantage's long-term compensation plan for staff consists of a cash-based performance award incentive plan (see "General and Administrative Expense") and a share-based Restricted and Performance Award Incentive Plan. Under the Restricted and Performance Award Incentive Plan, service providers of Advantage are granted Performance Share Units that vest over three years from grant date. Capitalized share-based compensation is attributable to staff involved with the development of capital projects.

Advantage's share-based compensation expense for the three months and year ended December 31, 2025, increased by \$1.0 million and \$4.3 million, respectively. This increase reflects the unusually modest expense levels in 2024, which were driven by a reduced performance multiplier, downward revisions to estimates for outstanding Performance Share Units, and forfeitures related to employee retirements.

## Finance Expense - Net

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Advantage interest expense	11,325	14,041	(19)	48,072	43,925	9
per boe	1.54	1.99	(23)	1.68	1.69	(1)
Advantage accretion expense	1,438	1,216	18	5,443	4,130	32
Advantage finance expense	12,763	15,257	(16)	53,515	48,055	11
Entropy finance expense	2,344	1,446	62	7,546	4,365	73
<b>Finance expense - net</b>	<b>15,107</b>	<b>16,703</b>	<b>(10)</b>	<b>61,061</b>	<b>52,420</b>	<b>16</b>

Advantage realized lower interest expense during the three months ended December 31, 2025, primarily due to lower interest rates and decreased average outstanding bank indebtedness as compared to 2024. Advantage realized higher interest expense during the year ended December 31, 2025, primarily due to financing of the Acquired Assets in 2024 through a combination of bank indebtedness and convertible debentures. This increase was offset by decreasing interest rates throughout 2025 and the continued trend of Advantage dedicating free cash flow to reduce net debt. Interest on bank indebtedness is based on short-term loans plus fees and determined by net debt to the trailing four quarters earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio as calculated pursuant to our Credit Facilities (see "Bank Indebtedness, Credit Facilities and Working Capital"). Advantage recognized \$1.8 million and \$7.2 million of interest expense related to the convertible debentures and incurred incremental associated accretion expense for the three months and year ended December 31, 2025, due to the accounting treatment for convertible debentures (see "Convertible Debentures").

Entropy finance expense increased during the three months and year ended December 31, 2025, due to an increased average outstanding aggregate principal amount of unsecured debentures associated with investors continued financing of the ongoing Glacier Phase 2 CCS project and the acquisition of certain carbon hub assets in Saskatchewan (see "Cash Used in Investing Activities and Net Capital Expenditures"). Entropy funds its projects by issuing unsecured debentures to third-party investors with committed capital. The unsecured debentures are non-recourse to Advantage, which does not provide any financing to Entropy for capital projects (see "Unsecured Debentures").

## Depreciation and Amortization Expense

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Advantage depreciation	54,862	52,428	5	223,606	194,583	15
per boe	7.47	7.42	1	7.83	7.50	4
Entropy depreciation and amortization	1,390	884	57	4,435	4,906	(10)
<b>Depreciation and amortization expense</b>	<b>56,252</b>	<b>53,312</b>	<b>6</b>	<b>228,041</b>	<b>199,489</b>	<b>14</b>

Depreciation and amortization expense increased for the three months and year ended December 31, 2025, primarily due to higher production and a higher depreciation rate per boe (see "Production"). Depreciation and amortization expense per boe increased compared to the prior year, reflecting the Acquired Assets, which carry a higher depreciation rate per boe typical of liquids-weighted assets relative to the Corporation's pre-existing natural gas-weighted asset base.

## Income Taxes

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Income tax expense	5,389	6,531	(17)	24,713	12,805	93
Effective tax rate (%)	37.5	28.1	9.4	32.6	38.9	(6.3)

Deferred income taxes arise from differences between the accounting and tax bases of our assets and liabilities. For the three months and year ended December 31, 2025, the Corporation recognized a deferred income tax expense of \$5.4 million and \$24.7 million, respectively. Income tax expense for three months and year ended December 31, 2025, is a result of net income before taxes and non-controlling interest of \$14.4 million and \$75.7 million, respectively, combined with non-deductible share-based compensation expense, and valuation allowances applied against Entropy's non-capital losses. These tax adjustments can significantly impact the effective tax rate, resulting in figures that may appear disproportionate relative to pre-tax income. As at December 31, 2025, the Corporation had a deferred income tax liability of \$277.9 million.

Advantage expects it will not be subject to cash taxes at current forward commodity prices until at least calendar 2029 due to over \$1.7 billion in tax pools. The estimated tax pools available at December 31, 2025 are as follows:

### (\$ thousands)

Canadian development expenses	304,978
Canadian exploration expenses	76,350
Canadian oil and gas property expenses	280,196
Non-capital losses	309,493
Undepreciated capital cost	528,578
Capital losses	135,369
Scientific research and experimental development expenditures	32,506
Other	29,622
	<b>1,697,091</b>

## Net Income and Comprehensive Income Attributable to Advantage Shareholders

(\$000, except as otherwise indicated)	Three months ended			Year ended		
	December 31		%	December 31		%
	2025	2024	Change	2025	2024	Change
Net income and comprehensive income attributable to Advantage shareholders	9,616	17,130	(44)	53,051	21,719	144
per basic share	0.06	0.10	(40)	0.32	0.13	146
per diluted share	0.06	0.10	(40)	0.31	0.13	138

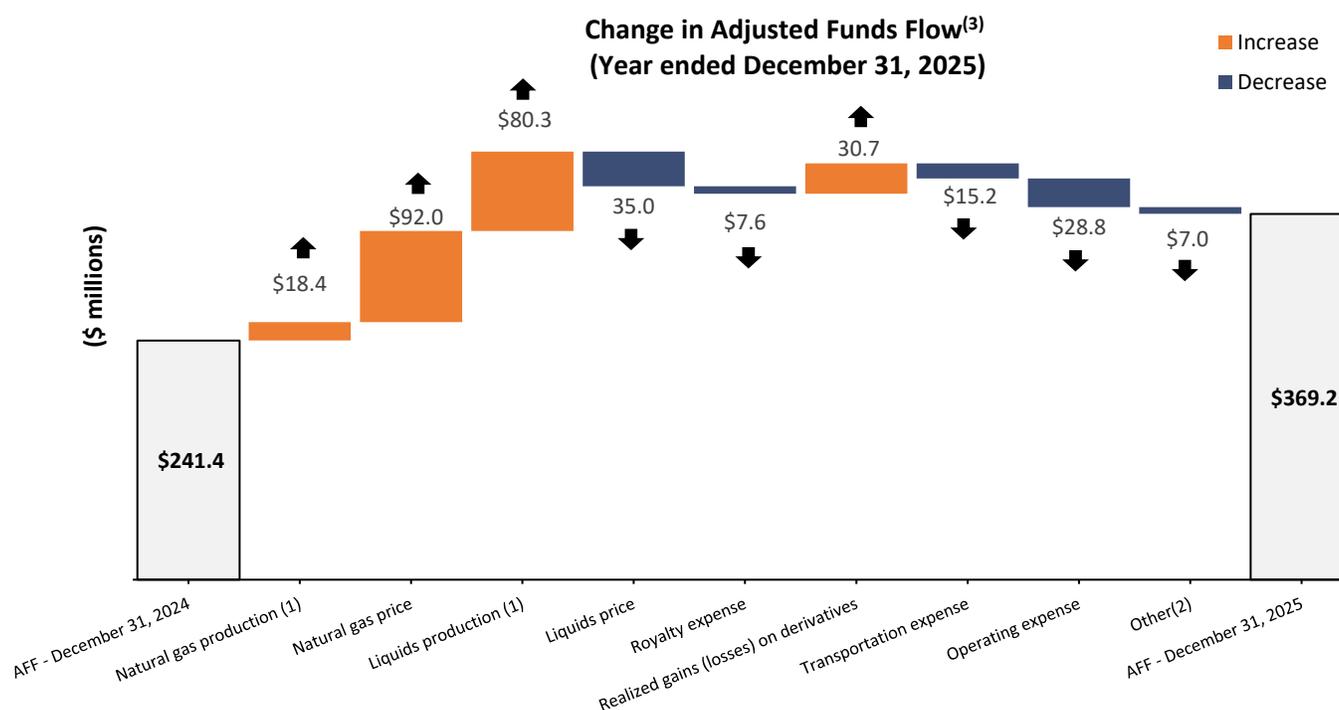
Advantage recognized net income attributable to shareholders for the three months ended December 31, 2025, of \$9.6 million as compared to \$17.1 million in the same period of 2024. For the year ended December 31, 2025, net income attributable to shareholders increased significantly to \$53.1 million from \$21.7 million in the prior year. The increase for the year ended was due to higher natural gas and liquids sales, reflecting increased production volumes (see "Production") and stronger natural gas prices (see "Natural Gas and Liquids Sales"). These gains were partially offset by costs typically associated with higher production, such as operating expense (see "Operating Expense") and transportation expense (see "Transportation Expense").

## Cash Provided by Operating Activities and Adjusted Funds Flow ("AFF")

(\$000, except as otherwise indicated)	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
<b>Cash provided by operating activities</b>	74,357	56,350	357,490	217,533
Expenditures on decommissioning liability	941	2,071	5,052	3,059
Changes in non-cash working capital	20,874	22,968	6,697	20,804
<b>Adjusted funds flow <sup>(1)</sup></b>	<b>96,172</b>	<b>81,389</b>	<b>369,239</b>	<b>241,396</b>
Advantage adjusted funds flow <sup>(1)</sup>	99,143	84,309	381,582	250,031
per basic share <sup>(1)</sup>	0.59	0.51	2.29	1.53
per diluted share <sup>(1)</sup>	0.58	0.50	2.24	1.50
per boe <sup>(1)</sup>	13.50	11.94	13.36	9.63
Entropy adjusted funds flow <sup>(1)</sup>	(2,971)	(2,920)	(12,343)	(8,635)

<sup>(1)</sup> Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

## Cash Provided by Operating Activities and Adjusted Funds Flow ("AFF") (continued)



- (1) The change in natural gas and liquids sales related to the change in production is determined by multiplying the prior period realized price by the change in current period production.
- (2) Other includes processing and other income, the net impact of net sales of purchased natural gas, G&A expense, transaction cost, finance expense (excluding accretion expense), foreign exchange gain and settlement of Performance Share Units in cash.
- (3) Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

For the three months and year ended December 31, 2025, the Corporation realized cash provided by operating activities of \$74.4 million and \$357.5 million, representing year-over-year improvements of \$18.0 million and \$140.0 million, respectively. After adjusting for non-cash changes in working capital and expenditures on decommissioning liability, adjusted funds flow was \$96.2 million and \$369.2 million for the respective periods, increases of \$14.8 million and \$127.8 million when compared to the same periods of 2024. The higher cash provided by operating activities and adjusted funds flow for the quarter were largely impacted by higher natural gas prices and realized gains on derivatives (see "Commodity Prices and Marketing" and "Financial Risk Management"), while the year was additionally influenced by an increase in natural gas and liquids sales as a result of higher total production due to the Acquired Assets (see "Production"), partially offset by higher costs associated with stronger commodity prices and a more liquids-weighted production mix.

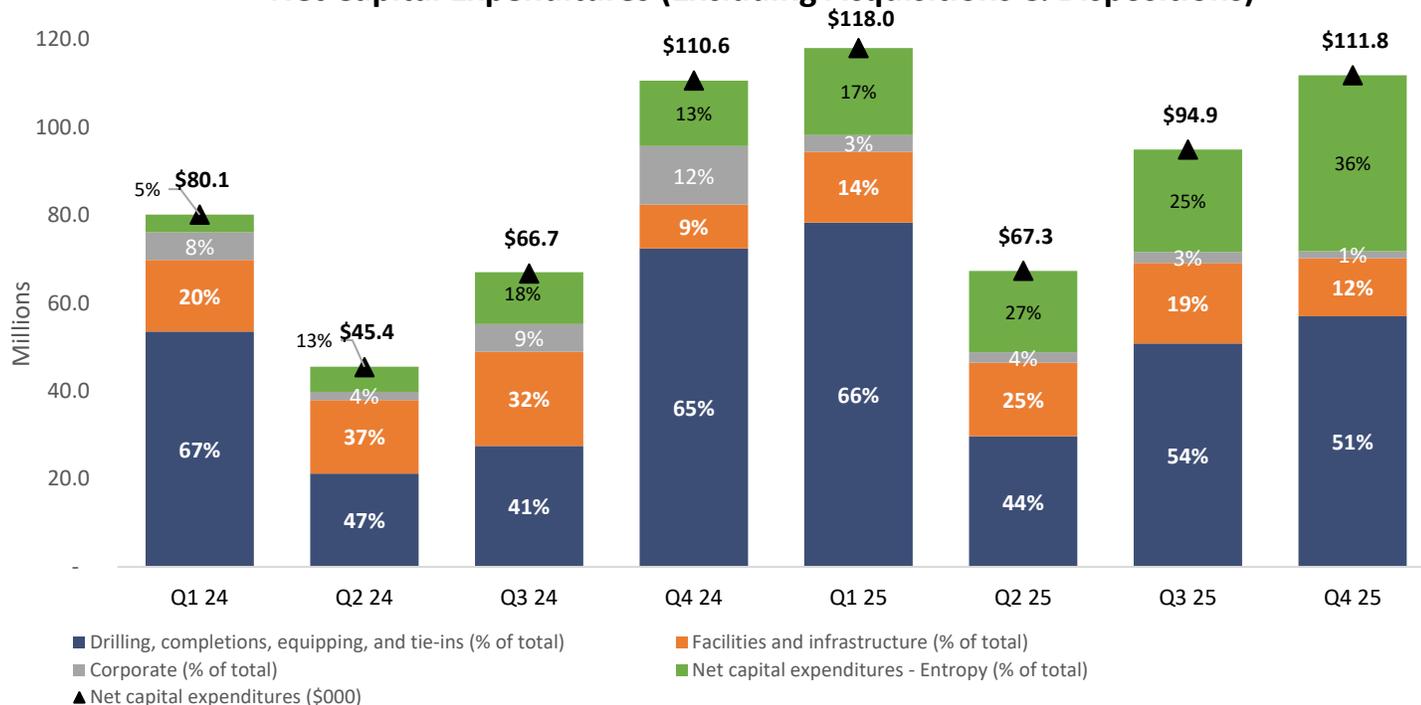
## Cash Used in Investing Activities and Net Capital Expenditures

(\$000)	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Drilling, completions, equipping and tie-ins	57,045	72,366	215,819	174,559
Facilities and infrastructure	13,173	9,986	64,354	64,344
Corporate <sup>(2)</sup>	1,575	13,356	10,225	27,841
<b>Exploration and development expenditures</b>	<b>71,793</b>	<b>95,708</b>	<b>290,398</b>	<b>266,744</b>
Asset acquisitions	1,300	-	1,300	445,274
Asset dispositions	-	(11,421)	(4,000)	(11,421)
<b>Net capital expenditures - Advantage</b>	<b>73,093</b>	<b>84,287</b>	<b>287,698</b>	<b>700,597</b>
Carbon capture and storage facilities	39,400	14,663	100,393	35,179
Intangible assets	440	212	988	1,135
Asset acquisition	4,648	-	29,817	-
<b>Net capital expenditures - Entropy</b>	<b>44,488</b>	<b>14,875</b>	<b>131,198</b>	<b>36,314</b>
<b>Net capital expenditures <sup>(1)</sup></b>	<b>117,581</b>	<b>99,162</b>	<b>418,896</b>	<b>736,911</b>
Changes in non-cash working capital	(1,104)	(27,960)	3,068	(39,186)
<b>Cash used in investing activities</b>	<b>116,477</b>	<b>71,202</b>	<b>421,964</b>	<b>697,725</b>

(1) Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

(2) Corporate includes workovers, turnaround cost, seismic, capitalized G&A, and office furniture and equipment.

### Net Capital Expenditures (Excluding Acquisitions & Dispositions)<sup>(1)</sup>



(1) Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

## Cash Used in Investing Activities and Net Capital Expenditures (continued)

### Advantage

Advantage incurred \$71.8 million and \$290.4 million on exploration and development expenditures during the three months and year ended December 31, 2025, respectively. The following table summarizes wells drilled, completed and on production for the three months and year ended December 31, 2025:

(# of wells)	Three months ended December 31, 2025			Year ended December 31, 2025		
	Drilled	Completed	On production	Drilled	Completed	On production
	Gross (Net)	Gross (Net)	Gross (Net)	Gross (Net)	Gross (Net)	Gross (Net)
Glacier	6 (5.6)	3 (3.0)	6 (6.0)	13 (12.6)	10 (10.0)	11 (11.0)
Valhalla	2 (2.0)	- -	- -	2 (2.0)	2 (2.0)	2 (2.0)
Wembley	- -	- -	- -	3 (3.0)	3 (3.0)	3 (3.0)
Service wells	- -	1 (1.0)	- -	3 (3.0)	2 (2.0)	- -
<b>Montney</b>	<b>8 (7.6)</b>	<b>4 (4.0)</b>	<b>6 (6.0)</b>	<b>21 (20.6)</b>	<b>17 (17.0)</b>	<b>16 (16.0)</b>
Valhalla	4 (4.0)	2 (2.0)	2 (2.0)	11 (9.6)	8 (6.5)	10 (8.5)
Progress	3 (1.5)	3 (1.5)	3 (1.5)	7 (3.5)	7 (3.5)	7 (3.5)
Gordondale	- -	- -	- -	2 (2.0)	2 (2.0)	2 (2.0)
<b>Charlie Lake</b>	<b>7 (5.5)</b>	<b>5 (3.5)</b>	<b>5 (3.5)</b>	<b>20 (15.1)</b>	<b>17 (12.0)</b>	<b>19 (14.0)</b>
<b>Total</b>	<b>15 (13.1)</b>	<b>9 (7.5)</b>	<b>11 (9.5)</b>	<b>41 (35.7)</b>	<b>34 (29.0)</b>	<b>35 (30.0)</b>

### Charlie Lake Assets

#### *Valhalla/Progress/Gordondale*

Activity on our Charlie Lake properties was steady during 2025, consisting of 20 gross (15.1 net) wells drilled, 17 gross (12.0 net) wells completed, and 19 gross (14.0 net) wells placed on production. Our Charlie Lake drilling program continues to outperform our acquisition type curve which exceeds historical results from the asset.

During the first half of 2025, Advantage physically connected our main 16-29 Valhalla battery to the NorthRiver Midstream Gordondale East plant. The plant expansion is now complete, and we are delivering up to 25 MMcf/d of raw gas to the facility. This connection, combined with our extensive owned gas processing and liquid handling infrastructure, provides sufficient processing capacity to ensure the efficient development of our Charlie Lake properties.

### Montney Assets

#### *Glacier*

During 2025, activity at our Glacier property consisted of 13 gross (12.6 net) wells drilled, 10 gross (10.0 net) wells completed, and 11 gross (11.0 net) wells placed on production.

Well performance from the property continues to be strong and resilient. Of all Alberta Montney gas wells placed on production in 2025, Advantage had the top 9 wells with all 11 wells in the top 20, based on IP90 rates.

Our first quarter of 2026 at Glacier is focused on preparing to add 50 MMcf/d gas to the Glacier Gas Plant. This volume will replace gas from the Valhalla and Progress areas that are currently flowing to the Glacier Gas Plant and will be redirected to our new Progress 4-21 gas plant following commissioning in the second quarter of 2026.

A new water disposal well was added during 2025 which will help maintain our low-cost structure.

## **Cash Used in Investing Activities and Net Capital Expenditures (continued)**

### *Valhalla*

During 2025, activity at our Valhalla property consisted of 2 gross (2.0 net) wells drilled, 2 gross (2.0 net) wells completed, and 2 gross (2.0 net) wells placed on production.

The two new Montney wells were brought on production at restricted rates due to low gas prices and pipeline constraints. The constraints will be removed when Valhalla gas is redirected to our new Progress 4-21 gas plant in the second quarter of 2026. Well performance from the two wells was strong, achieving average production rates over 30 consecutive of 10.9 MMcf/d raw natural gas despite being choked back significantly. Continued strong well results support Management's view that our Valhalla Montney asset will continue to play a pivotal role in our liquids-rich gas development plan.

Three new wells from our 2026 program will be brought on production late in the first quarter of 2026.

### *Wembley*

2025 activity at our Wembley property consisted of 3 gross (3.0 net) wells drilled, 3 gross (3.0 net) wells completed, and 3 gross (3.0 net) wells placed on production. Average production rates over 30 consecutive days for these wells were 1,074 boe/d (2.6 MMcf/d natural gas, 520 bbls/d crude oil and 123 bbls/d NGLs) resulting in a 60% liquid content.

The Wembley asset is connected to two third-party gas processing facilities and utilizes existing capacity in our 100% owned Wembley compressor site and liquids handling hub. The property remains a key contributor to our liquid-rich portfolio of Montney assets.

### *Progress*

At Progress, construction of the Phase 1 75 MMcf/d 4-21 gas plant was deferred to early 2026 with no impact on 2025 production, as excess processing capacity strategically acquired in 2024 was utilized, reducing 2025 capital expenditures and increasing free cash flow by approximately \$35 million.

Construction at the Progress 4-21 gas plant resumed in the fourth quarter of 2025 with commissioning taking place in the second quarter of 2026. The acid gas disposal well that services the plant was drilled and completed during the third quarter of 2025. All key regulatory components for the facility are in place.

The completion and commissioning of the Progress gas plant in the second quarter of 2026 will unlock significant synergies and growth from our assets through regional infrastructure and production optimization, resulting in lower operating costs and stronger operating netbacks. The Progress gas plant will also provide incremental processing capacity for our next phase of low-cost production growth at Glacier.

## **Cash Used in Investing Activities and Net Capital Expenditures (continued)**

### **Entropy**

Net capital expenditures incurred by Entropy are funded through the issuance of unsecured debentures to investors that have provided Entropy access to \$500 million in committed capital, of which \$230.0 million has been drawn and \$20.3 million has been paid-in-kind and added to the aggregate balance of outstanding debentures as at December 31, 2025. Advantage does not provide any financing to Entropy for capital projects.

Entropy invested \$44.5 million and \$131.2 million in net capital expenditures during the three months and year ended December 31, 2025, respectively. Entropy's expenditures were primarily attributable to equipment and construction costs of the ongoing Glacier Phase 2 CCS project. Additional expenditures included front-end engineering and design studies for multiple prospective emitters and continued development of the Saskatchewan carbon hub that was acquired in the third quarter of 2025 for cash consideration of \$29.8 million comprised of a \$20.0 million purchase price and \$9.8 million of closing adjustments.

On June 20, 2024, the carbon capture, utilization, and storage investment tax credit ("CCUS ITC") included in Bill C-59 received royal assent. Advantage and Entropy have incurred eligible carbon capture expenditures dating back to January 1, 2022. The Corporation has received project approvals from Natural Resources Canada and is currently working with the Canada Revenue Agency to finalize the determination of tax credit amounts for its existing carbon capture projects at Glacier. These investment tax credits are not included in net capital expenditures and will be recognized once final determinations are made by the Canada Revenue Agency.

### **Commitments and Contractual Obligations**

The Corporation has commitments and contractual obligations in the normal course of operations. Such commitments include operating costs for office leases, natural gas processing costs associated with third-party facilities, and transportation costs for delivery of our natural gas and liquids production to sales points (crude oil, condensate and NGLs). Transportation commitments are required to ensure our production is delivered to sales markets and Advantage actively manages our portfolio in conjunction with our future development plans ensuring we are properly diversified to multiple markets. Of our total transportation commitments, \$516.7 million or 54% is required for delivery of natural gas and liquids production to Alberta markets, while Advantage has proactively committed to \$433.7 million in additional transportation to diversify natural gas production to the Dawn, Empress, Emerson, and Chicago markets, with the objective of reducing price volatility and achieving higher operating netbacks (see "Transportation Expense"). Contractual obligations comprise those liabilities to third-parties incurred for the purpose of financing Advantage's business and development, including our bank indebtedness.

## Commitments and Contractual Obligations (continued)

The following table is a summary of the Corporation's remaining commitments and contractual obligations. Advantage has no guarantees or off-balance sheet arrangements other than as disclosed.

(\$ millions)	Payments due by period						
	Total	2026	2027	2028	2029	2030	Beyond
Building operating cost <sup>(1)</sup>	1.4	0.8	0.6	-	-	-	-
Processing	130.5	22.4	20.3	18.8	16.2	10.9	41.9
Transportation	950.4	103.8	101.2	94.9	86.0	83.2	481.3
<b>Total commitments</b>	<b>1,082.3</b>	<b>127.0</b>	<b>122.1</b>	<b>113.7</b>	<b>102.2</b>	<b>94.1</b>	<b>523.2</b>
Performance Awards	5.6	1.9	2.8	0.9	-	-	-
Lease liability	3.2	1.5	1.1	0.5	0.1	-	-
Financing liability	123.9	13.0	13.0	13.1	13.0	13.0	58.8
Bank indebtedness <sup>(2)</sup>							
- principal	415.0	-	415.0	-	-	-	-
- interest	35.0	23.3	11.7	-	-	-	-
Unsecured debentures <sup>(3)</sup>							
- principal	254.4	-	-	-	-	4.1	250.3
- interest	173.9	20.6	20.6	20.6	20.6	20.5	71.0
Convertible debentures <sup>(4)</sup>							
- principal	143.8	-	-	-	143.8	-	-
- interest	25.2	7.2	7.2	7.2	3.6	-	-
<b>Total contractual obligations</b>	<b>1,180.0</b>	<b>67.5</b>	<b>471.4</b>	<b>42.3</b>	<b>181.1</b>	<b>37.6</b>	<b>380.1</b>
<b>Total future payments</b>	<b>2,262.3</b>	<b>194.5</b>	<b>593.5</b>	<b>156.0</b>	<b>283.3</b>	<b>131.7</b>	<b>903.3</b>

<sup>(1)</sup> Excludes fixed lease payments which are included in the Corporation's lease liability.

<sup>(2)</sup> As at December 31, 2025 the Corporation's bank indebtedness was governed by the Credit Facilities, which have a two-year term with a syndicate of financial institutions. The Credit Facilities are revolving and extendible for a further 364-day period upon an annual review and at the option of the syndicate. If not extended, the Credit Facilities will mature with any outstanding principal payable at the end of the two-year term (see "Bank Indebtedness, Credit Facilities and Working Capital").

<sup>(3)</sup> Entropy funds its capital projects by issuing unsecured debentures to third-party investors with committed capital. The unsecured debentures are non-recourse to Advantage, which does not provide any financing to Entropy for capital projects. The principal balance of unsecured debenture bears an interest rate of 8% for the convertible unsecured debentures, which can be paid-in-kind (subject to certain limitations) or cash, at the discretion of Entropy (see "Unsecured Debentures"). Entropy may fund certain other non-project expenditures by issuing non-convertible unsecured debentures to third-party investors. The principal balance of the non-convertible unsecured debentures bears an interest rate of 15%, which can be paid-in-kind or cash, at the discretion of Entropy.

<sup>(4)</sup> The convertible debentures have a maturity date of June 30, 2029 and a coupon rate of 5% payable semi-annually.

## Liquidity and Capital Resources

The following table is a summary of the Corporation's capitalization structure:

(\$000, except as otherwise indicated)	December 31 2025	December 31 2024
Bank indebtedness	412,993	470,424
Convertible debentures <sup>(1)</sup>	143,750	143,750
Working capital (surplus) deficit	(7,651)	11,377
<b>Net debt attributable to Advantage</b>	<b>549,092</b>	<b>625,551</b>
Unsecured debentures <sup>(2)</sup>	254,421	101,000
Working capital (surplus) deficit	3,175	(8,102)
<b>Net debt attributable to Entropy</b>	<b>257,596</b>	<b>92,898</b>
<b>Net debt<sup>(3)</sup></b>	<b>806,688</b>	<b>718,449</b>
Shares outstanding	166,941,610	166,931,440
Shares closing market price (\$/share)	11.74	9.86
<b>Market capitalization</b>	<b>1,959,895</b>	<b>1,645,944</b>
<b>Total capitalization</b>	<b>2,766,583</b>	<b>2,364,393</b>

<sup>(1)</sup> The convertible debentures have a maturity date of June 30, 2029 and a coupon rate of 5% payable semi-annually.

<sup>(2)</sup> Entropy funds its capital projects by issuing unsecured debentures to third-party investors with committed capital. The unsecured debentures are non-recourse to Advantage, which does not provide any financing to Entropy for capital projects. The aggregate principal balance of unsecured debenture bears an annual interest rate of 8%, which can be paid-in-kind (subject to certain limitations) or cash, at the discretion of Entropy (see "Unsecured Debentures"). Entropy may fund certain other non-project expenditures by issuing non-convertible unsecured debentures to third-party investors. The principal balance of the non-convertible unsecured debentures bears an interest rate of 15%, which can be paid-in-kind or cash, at the discretion of Entropy.

<sup>(3)</sup> Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

As at December 31, 2025, the Corporation had net debt of \$806.7 million, consisting of \$549.1 million with Advantage and \$257.6 million with Entropy. Advantage has generated \$91.2 million of free cash flow during the year ended December 31, 2025, allowing Advantage to reduce net debt by \$76.5 million. Advantage has a \$650 million Credit Facility of which \$226.6 million or 35% was available after deducting outstanding letters of credit of \$8.4 million (see "Bank Indebtedness, Credit Facilities and Working Capital"). Debt to adjusted funds flow ratio excluding Entropy was 1.4. Advantage remains committed to its strategy of debt reduction and continues to make meaningful progress. This trajectory reflects the Corporation's disciplined financial strategy, supported by strong free cash flow generation and selective non-core asset dispositions.

Entropy net debt increased \$164.7 million from December 31, 2024, due to drawing \$139.0 million of unsecured debentures (see "Unsecured Debentures") and adding paid-in-kind interest of \$14.4 million to the aggregate balance of the unsecured debentures, which were used to fund \$131.2 million of net capital expenditures for the year ended December 31, 2025 (see "Cash Used in Investing Activities and Net Capital Expenditures") accompanied with G&A expenses. Debentures issued by Entropy are funded by investors that have provided Entropy access to an aggregate of up to \$500 million in committed capital, of which \$250.3 million has been drawn as at December 31, 2025. Entropy funds its capital projects by issuing unsecured debentures that are non-recourse to Advantage, which does not provide any financing to Entropy for capital projects. Additionally, Entropy has access to a maximum of \$10 million of non-convertible unsecured debentures to fund certain other non-project expenditures, of which \$4.1 million has been drawn.

## **Liquidity and Capital Resources (continued)**

Advantage monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The capital structure of the Corporation is composed of working capital, bank indebtedness, convertible debentures, unsecured debentures issued by Entropy, and share capital. Advantage may manage its capital structure by issuing new common shares in the capital of Advantage ("Common Shares"), repurchasing outstanding Common Shares, obtaining additional financing through bank indebtedness, refinancing current debt, issuing other financial or equity-based instruments, declaring a dividend, or adjusting capital spending. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis. Management of the Corporation's capital structure is facilitated through its financial and operational forecasting processes. Selected forecast information is frequently provided to the Board of Directors. This continual financial assessment process further enables the Corporation to mitigate risks. The Corporation continues to satisfy all liabilities and commitments as they come due.

### **Bank Indebtedness, Credit Facilities and Working Capital**

As at December 31, 2025, Advantage had bank indebtedness outstanding of \$413.0 million, a decrease of \$57.4 million since December 31, 2024 due to adjusted funds flow in excess of net capital expenditures. Advantage's Credit Facility is collateralized by a \$2 billion floating charge demand debenture covering all assets of the Corporation and has no financial covenants (the "Credit Facility"). The borrowing base for the Credit Facility is determined by the banking syndicate through an evaluation of our reserve estimates based on their independent commodity price assumptions. Revisions or changes in the reserve estimates and commodity prices can have either a positive or a negative impact on the borrowing base. On June 12, 2025, the Credit Facility was renewed with no changes to the borrowing base of \$650 million, comprised of a \$60 million extendible revolving operating loan facility from one financial institution and a \$590 million extendible revolving loan facility from a syndicate of financial institutions. The Credit Facility has a term of two years with a maturity date in June 2027 and is subject to an annual review and extension by the lenders. During the revolving period, a review of the maximum borrowing amount occurs annually on or before May 31 and semi-annually on or before November 30. During the term, no principal payments are required until the revolving period matures in June 2027 in the event of a reduction, or the Credit Facility not being renewed. The Corporation had letters of credit of \$8.4 million outstanding at December 31, 2025 (December 31, 2024 - \$5.5 million). The Credit Facility does not contain any financial covenants, but the Corporation is subject to various affirmative and negative covenants under its Credit Facilities. The Corporation was in compliance with all covenants as at December 31, 2025, and December 31, 2024.

The Corporation had a working capital surplus of \$4.5 million as at December 31, 2025, as compared to a working capital deficit at December 31, 2024 of \$3.3 million, largely due to a decrease in trade and other accrued liabilities due to timing of capital expenditures. Our working capital includes cash and cash equivalents, trade and other receivables, prepaid expenses and deposits, and trade and other accrued liabilities. Working capital varies primarily due to the timing of such items, the current level of business activity including our capital expenditure program, commodity price volatility, and seasonal fluctuations. We do not anticipate any problems in meeting future obligations as they become due as they can be satisfied with cash provided by operating activities and our available Credit Facilities.

## **Convertible Debentures**

The Corporation has \$143.8 million principal amount of convertible unsecured subordinated debentures outstanding (the "Debentures") at a price of \$1,000 per debenture as at December 31, 2025. The Debentures will mature and be repayable on June 30, 2029 and will accrue interest at the rate of 5% per annum payable semi-annually in arrears on June 30 and December 31 of each year. The fair value of the Debentures at December 31, 2025, was \$160.6 million, using quoted market prices on the Toronto Stock Exchange ("TSX").

At the Debenture holder's option, the Debentures may be convertible into Common Shares at any time prior to the close of business on the earlier of the business day immediately preceding (i) the maturity date, or (ii) if called for redemption, the date fixed for redemption by the Corporation, (iii) if called for repurchase in the event of a change of control, the payment date, at a conversion price of \$14.58 per Common Share, subject to adjustment in certain events. This represents a conversion rate of approximately 68.5871 Common Shares for each \$1,000 principal amount of the Debentures, subject to the operation of certain antidilution provisions. In the event of a change of control of the Corporation or the redemption of the Debentures by Advantage, subject to certain terms and conditions, holders of the Debentures will be entitled to convert their Debentures and, subject to certain limitations, receive, in addition to the number of Common Shares they would otherwise be entitled to receive, an additional number of Common Shares per \$1,000 principal amount of the Debentures.

## **Unsecured Debentures**

The Corporation's subsidiary Entropy has entered into two investment agreements with investors who provided capital commitments of \$300 million and \$200 million, respectively (the "Investment Agreements"). In connection with the Investment Agreements, Entropy will issue unsecured debentures to fund carbon capture and storage projects that reach final investment decision as certain predetermined return thresholds are met. Under the terms of the Investment Agreements, Entropy and the investors have options that provide for the unsecured debentures to be exchanged for common shares at an exchange price of \$10.00 per share and \$12.75 per share, respectively, subject to adjustment in certain circumstances. The investors have the option to exchange the outstanding unsecured debentures for common shares at any time while Entropy may commence a mandatory exchange of unsecured debentures for common shares in advance of an Initial Public Offering ("IPO"). The unsecured debentures have a term of 10 years, if not exchanged for common shares, which are to be repaid at the end of the term in the amount greater of the principal amount and the investor's pro rata share of the fair market value of Entropy. Each unsecured debenture issued by Entropy bears an interest rate of 8% per annum that Entropy can elect to pay in cash or pay-in-kind, due on a quarterly basis. Any paid-in-kind interest is added to the aggregate principal, subject to certain limitations. In 2025, Entropy entered into non-convertible unsecured debenture financing arrangements for aggregate principal availability of up to \$10 million to fund certain other non-project expenditures. These non-convertible unsecured debentures bear interest at 15% per annum and provide for a payment-in-kind feature under which interest may be capitalized to the principal balance, to a maximum of 30%. The debentures have a term of five years from the date of issuance and include provisions permitting early repayment. As at December 31, 2025, Entropy's unsecured debentures have an outstanding aggregate principal balance of \$250.3 million (December 31, 2024 - \$101.0 million) and an aggregate balance of non-convertible unsecured debentures of \$4.1 million (December 31, 2024 - \$0.0 million).

During 2025, Entropy issued unsecured debentures for gross proceeds of \$135.0 million (December 31, 2024 - \$55.0 million) and incurred \$6.5 million of issuance costs (December 31, 2024 - \$3.5 million). Entropy also issued non-convertible unsecured debentures of \$4.0 million and incurred interest of \$0.1 million which was paid-in-kind. Subsequent to year-end, Entropy issued unsecured debentures for gross proceeds of \$50.0 million.

For the year ended December 31, 2025, Entropy incurred interest on unsecured debentures of \$14.3 million which was paid-in-kind (December 31, 2024 - \$5.2 million).

## **Other Liabilities**

The Corporation has a take-or-pay volume commitment with a 12.5% working interest partner due to expire in 2035. The volume commitment agreement is treated as a financing transaction with an effective interest rate of 9.1%. For the year ended December 31, 2025, the Corporation made cash payments of \$13.1 million (December 31, 2024 - \$13.1 million) under the take-or-pay volume commitment agreement.

As at December 31, 2025, the Corporation had a decommissioning liability of \$100.5 million (December 31, 2024 - \$126.8 million) for the future abandonment and reclamation of natural gas and liquids properties. The decommissioning liability has decreased \$26.3 million due to an increase in the risk-free rate, change in estimates and the settlement of liabilities through abandonment and reclamation activities. The decommissioning liability includes assumptions in respect of actual costs to abandon and reclaim wells and facilities, the time frame in which such costs will be incurred, annual inflation factors and discount rates. The total estimated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability was \$163.4 million (December 31, 2024 - \$168.7 million), with 54% of these costs to be incurred beyond 2050. Actual spending on decommissioning for the year ended December 31, 2025, was \$5.1 million (year ended December 31, 2024 - \$3.1 million).

## **Non-controlling interest ("NCI")**

Advantage owns 92% of the common shares of Entropy and therefore consolidates 100% of Entropy while recognizing a non-controlling interest in shareholders' equity that represents the carrying value of the 8% common shares held by outside interests. Assuming the outstanding unsecured debentures held by third-party investors as at December 31, 2025, are exchanged for common shares in accordance with the terms of the investment agreements, Advantage would own approximately 50% of Entropy's common shares on an as-converted basis (see "Unsecured Debentures").

If the investors in Entropy were to invest their total \$500 million capital commitment for unsecured debentures and the unsecured debentures were subsequently exchanged for common shares, Advantage would own approximately 35% of the common shares. As Entropy continues to issue unsecured debentures to fund carbon capture and storage projects, Advantage's ownership interest on an as-converted basis would decline. When Advantage no longer controls Entropy, the Corporation would cease consolidating Entropy and would account for its interest in Entropy under the applicable accounting guidance.

For the year ended December 31, 2025, the net loss and comprehensive loss attributed to non-controlling interest was \$2.1 million (December 31, 2024 - \$1.6 million).

## **Shareholders' Equity**

On May 8, 2025, the TSX approved the Corporation renewing its normal course issuer bid ("NCIB"). The NCIB commenced on May 14, 2025 and will terminate on May 13, 2026, or such earlier date as Advantage may complete its purchases under the NCIB. Pursuant to the NCIB, Advantage is authorized to purchase for cancellation, from time to time, as it considered advisable, up to a maximum of 14,415,014 Common Shares of the Corporation. Purchases pursuant to the NCIB will be made on the open market through the facilities of the TSX and/or Canadian alternative trading systems at the prevailing market price at the time of purchase. All Common Shares acquired under the NCIB will be cancelled. Securityholders may obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid, without charge, by contacting Advantage. For the year ended December 31, 2025, the Corporation used a portion of the proceeds from recent non-core asset dispositions and free cash flow to fund purchasing 0.7 million Common Shares for cancellation at an average price of \$10.16 per Common Share for a total of \$6.7 million.

As at December 31, 2025, a total of 2.9 million Performance Share Units were outstanding under the Corporation's Restricted and Performance Award Incentive Plan, which represents 1.8% of Advantage's total outstanding Common Shares.

As at March 5, 2026, Advantage had 166.9 million Common Shares outstanding.

## Annual Financial Information

The following is a summary of select financial information of the Corporation for the years indicated.

(\$'000, except as otherwise indicated)	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Total revenues	685,287	553,073	535,187
Net income attributable to Advantage shareholders	53,051	21,719	101,597
per share - basic	0.32	0.13	0.61
per share - diluted	0.31	0.13	0.59
Total assets	3,071,015	2,945,958	2,299,028
Total non-current liabilities	999,391	1,061,293	599,932

## Quarterly Performance

(\$'000, except as otherwise indicated)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Financial Statement Highlights</b>								
Natural gas and liquids sales	181,796	130,805	164,593	221,790	163,477	139,840	104,081	135,897
Net income (loss) and comprehensive income (loss) <sup>(4)</sup>	9,616	(43)	72,502	(29,024)	17,130	(6,490)	(12,084)	23,163
per basic share <sup>(2)</sup>	0.06	-	0.43	(0.17)	0.10	(0.04)	(0.07)	0.14
per diluted share <sup>(2)</sup>	0.06	-	0.41	(0.17)	0.10	(0.04)	(0.07)	0.14
Basic weighted average shares (000)	166,941	166,968	167,179	166,821	166,974	166,972	161,362	160,444
Diluted weighted average shares (000)	170,338	166,968	180,785	166,821	169,785	166,972	161,362	164,129
Cash provided by operating activities	74,357	80,100	80,084	122,949	56,350	46,719	47,090	67,374
Cash provided by (used in) financing activities	41,387	(33,040)	42,046	11,670	22,789	(1,097)	447,502	11,883
Cash used in investing activities	(116,477)	(102,338)	(95,230)	(107,919)	(71,202)	(52,765)	(494,331)	(79,427)
<b>Other Financial Highlights</b>								
Adjusted funds flow <sup>(1)</sup>	96,172	69,178	85,247	118,642	81,389	52,260	42,354	65,393
per basic share <sup>(1)(2)</sup>	0.58	0.41	0.51	0.71	0.49	0.31	0.26	0.41
per diluted share <sup>(1)(3)</sup>	0.56	0.40	0.50	0.70	0.48	0.31	0.26	0.40
Net capital expenditures <sup>(1)</sup>	117,581	120,040	67,288	113,987	99,162	66,727	490,888	80,134
Free cash flow surplus (deficit) <sup>(1)</sup>	(15,461)	(25,693)	17,959	655	(29,194)	(14,668)	(3,059)	(14,741)
Bank indebtedness	412,993	411,895	440,957	446,333	470,424	469,551	488,008	238,578
Net debt <sup>(1)</sup>	806,688	775,723	717,465	723,247	718,449	693,959	674,665	279,963
<b>Operating Highlights <sup>(5)</sup></b>								
<b>Production</b>								
Crude oil (bbls/d)	7,372	8,483	7,627	8,487	7,527	8,144	3,033	2,630
Condensate (bbls/d)	938	684	848	1,023	979	1,055	1,200	1,231
NGLs (bbls/d)	3,462	2,972	3,404	3,763	3,379	3,621	2,908	2,591
Total liquids production (bbls/d)	11,772	12,139	11,879	13,273	11,885	12,820	7,141	6,452
Natural gas (mcf/d)	408,307	356,059	397,379	422,998	389,331	369,306	355,563	357,410
Total production (boe/d)	79,823	71,482	78,108	83,773	76,774	74,371	66,401	66,020
<b>Average prices (including realized derivatives)</b>								
Natural gas (\$/mcf)	3.31	2.37	2.70	3.29	2.46	1.65	1.82	2.86
Liquids (\$/bbl)	72.82	78.13	79.96	86.53	87.84	85.05	84.58	80.21
<b>Operating Netback (\$/boe)</b>								
Natural gas and liquids sales	24.76	19.89	23.16	29.42	23.14	20.44	17.22	22.62
Realized gains on derivatives	2.92	5.19	2.77	0.87	2.91	2.44	1.59	0.70
Processing and other income	0.08	0.14	0.09	0.13	0.11	0.15	0.32	0.30
Net sales of purchased natural gas	-	0.26	-	-	-	-	-	-
Royalty expense	(1.83)	(1.87)	(1.86)	(2.80)	(2.40)	(2.83)	(1.16)	(1.52)
Operating expense	(5.93)	(5.82)	(4.90)	(4.76)	(5.19)	(5.46)	(4.09)	(4.08)
Transportation expense	(4.01)	(4.21)	(4.03)	(4.06)	(3.77)	(3.88)	(3.73)	(4.23)
Operating netback <sup>(1)</sup>	15.99	13.58	15.23	18.80	14.80	10.86	10.15	13.79

(1) Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

(2) Based on basic and diluted weighted average shares outstanding, as applicable.

(3) Based on adjusted diluted weighted average shares outstanding.

(4) Net income (loss) and comprehensive income (loss) attributable to Advantage Shareholders.

(5) Operating highlights are for Advantage's natural gas and liquids operations.

## Quarterly Performance (continued)

The table above highlights the Corporation's performance for the fourth quarter of 2025 and for the preceding seven quarters. In the first and second quarters of 2024, Advantage allowed production to decline slightly while natural gas and liquids sales and adjusted funds flow decreased with lower natural gas prices from an unseasonably mild winter, strong natural gas supply and resulting high North American storage levels. The Corporation increased its sales and adjusted funds flow in the third and fourth quarters of 2024 primarily due to increased production and cash flow provided from the Acquired Assets, although significantly weak natural gas prices persisted and had an adverse offsetting impact. The particularly low natural gas pricing environment during the second and third quarters resulted in the recognition of net losses.

In the first quarter of 2025 the Corporation generated higher natural gas and liquids sales and adjusted funds flow, primarily due to increased production and higher natural gas prices. Despite the improved operating and financial results, the Corporation recorded a net loss driven by a significant unrealized loss from changes in the fair value of outstanding derivative contracts. In the second quarter of 2025, natural gas and liquids sales and adjusted funds flow declined relative to the first quarter, reflecting lower production and weaker natural gas and liquids benchmark prices. This trend continued into the third quarter of 2025 where Alberta natural gas prices declined to historic low levels and the Corporation strategically curtailed dry gas production during days of exceptionally weak gas prices, contributing to the nominal net loss for the quarter. However, the lower commodity price environment in the second and third quarters of 2025 contributed to material unrealized gains on outstanding derivative contracts. In the fourth quarter of 2025, the Corporation improved its natural gas and liquids sales and adjusted funds flow from a combination of higher production and higher natural gas prices, partially offset by lower liquids prices, contributing to a return to net income for the quarter. Cash provided by operating activities experienced greater fluctuations than adjusted funds flow due to changes in non-cash working capital, which primarily resulted from the amount and timing of trade payable settlements and accounts receivable collections.

## Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS Accounting Standards requires Management to make certain judgments and estimates. Changes in these judgments and estimates could have a material impact on the Corporation's financial results and financial condition.

Management relies on the estimate of reserves as prepared by the Corporation's independent qualified reserves evaluator. The process of estimating reserves is critical to several accounting estimates. The process of estimating reserves is complex and requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development and production activities becomes available and as economic conditions impact natural gas and liquids prices, operating expense, royalty burden changes, and future development costs. Reserve estimates impact net income and comprehensive income through depreciation, impairment and impairment reversals of natural gas and liquids properties. After tax discounted cash flows are used to ensure the carrying amount of the Corporation's natural gas and liquids properties are recoverable. The discount rate used is subject to judgement and may impact the carrying value of the Corporation's property, plant and equipment. The reserve estimates are also used to assess the borrowing base for the Credit Facilities. Revision or changes in the reserve estimates can have either a positive or a negative impact on asset values, net income, comprehensive income and the borrowing base of the Corporation.

The Corporation's assets are required to be aggregated into cash generating units ("CGUs") for the purpose of calculating impairment based on their ability to generate largely independent cash inflows. Factors considered in the classification include the integration between assets, shared infrastructures, the existence of common sales points, geography, geologic structure, and the manner in which Management monitors and makes decisions about its

## **Critical Accounting Estimates (continued)**

operations. The classification of assets and allocation of corporate assets into CGUs requires significant judgment and may impact the carrying value of the Corporation's assets in future periods.

Management's process of determining the provision for deferred income taxes and the provision for decommissioning liability costs and related accretion expense are based on estimates. Estimates used in the determination of deferred income taxes provisions are significant and can include expected future tax rates, expectations regarding the realization or settlement of the carrying amount of assets and liabilities and other relevant assumptions. Estimates used in the determination of decommissioning liability cost provisions and accretion expense are significant and can include proved and probable reserves, future production rates, future commodity prices, future costs, future interest rates and other relevant assumptions. Revisions or changes in any of these estimates can have either a positive or a negative impact on asset and liability values, net income and comprehensive income.

In accordance with IFRS, derivative assets and liabilities are recorded at their fair values at the reporting date, with gains and losses recognized directly into comprehensive income. The fair value of derivatives outstanding is an estimate based on pricing models, estimates, assumptions and market data available at that time. As such, the recognized amounts are non-cash items and the actual gains or losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices as compared to the valuation assumptions. For embedded derivatives, Management assesses and determines the definition of the host contract and the separate embedded derivative. The judgements made in determining the host contract can influence the fair value of the embedded derivative. Determining the fair value of the embedded derivatives requires judgments related to the choice of a pricing model, estimates of volatility, and market data available at that time. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Corporation's future operating results.

In determining the fair value of Entropy's unsecured debentures, judgments are required related to the choice of a pricing model, the estimation of share price, share price volatility, timing and probability of an IPO, credit spread, interest rates, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Corporation's future operating results.

## **Changes in Accounting Policies**

The Corporation has adopted the following accounting policies during the year ended December 31, 2025.

### *Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures*

On May 30, 2024, the IASB issued targeted amendments to IFRS 9, "Financial Instruments", and IFRS 7, "Financial Instruments: Disclosures". The amendments include new requirements not only for financial institutions but also for corporate entities which include clarifying the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These new requirements will apply at January 1, 2026, with early application permitted. The Corporation has early adopted the amendments of IFRS 9 and IFRS 7 on the Consolidated Financial Statements at December 31, 2025, with no material impact.

## **Accounting Pronouncements not yet Adopted**

A description of additional accounting standards and interpretations that will be adopted in future periods can be found in the notes to the Consolidated Financial Statements for the year ended December 31, 2025.

## **Environmental Reporting**

Environmental regulations impacting climate-related matters continue to evolve and may have additional disclosure requirements in the future. The International Sustainability Standards Board published the new IFRS sustainability disclosure standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, with the aim to develop an environment sustainability disclosure framework that is accepted globally. In December 2024, the Canadian Sustainability Standards Board (CSSB) published Canadian versions of the international standards (CSDS 1 and CSDS 2) and the Canadian Securities Administrators (CSA) previously announced that it intended to take the finalized CSSB standards into account and develop new Canadian climate-related disclosure requirements that would be mandatory for subject Canadian issuers. On April 23, 2025, the CSA issued a news release advising that it has paused the work it had previously undertaken to develop new climate and diversity-related disclosure requirements for Canadian issuers.

If the Corporation is unable to meet future sustainability reporting requirements of regulators or current and future expectations of stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licenses, registrations, approvals and authorizations from various government authorities, and raise capital may be adversely affected. The cost to comply with these standards, and others that may be developed or evolved over time, has not yet been quantified.

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

Advantage's Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures ("DC&P"), or caused it to be designed under their supervision, to provide reasonable assurance that material information relating to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Management of Advantage, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Corporation's DC&P as at December 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the DC&P are effective as of the end of the year, in all material respects.

## **Evaluation of Internal Controls over Financial Reporting**

Advantage's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"). They have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Advantage's officers used to design the Corporation's ICFR is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations.

Management of Advantage, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Corporation's ICFR as at December 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the ICFR are effective as of the end of the year, in all material respects.

Advantage's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the ICFR that occurred during our most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR. No material changes in the ICFR were identified during either the quarter or year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our ICFR.

It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that the Corporation's design of DC&P and ICFR provide a reasonable level of assurance that they are effective, they do not expect that the control system will prevent all errors and fraud. A control system, no matter how well conceived or operated, does not provide absolute, but rather is designed to provide reasonable assurance that the objective of the control system is met. The Corporation's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Corporation's policies and procedures.

## **Specified Financial Measures**

Throughout this MD&A and in other documents disclosed by the Corporation, Advantage discloses certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income and comprehensive income, cash provided by operating activities, and cash used in investing activities, as indicators of Advantage's performance.

## Specified Financial Measures (continued)

### Non-GAAP Financial Measures

#### Adjusted Funds Flow

The Corporation considers adjusted funds flow to be a useful measure of Advantage's ability to generate cash from the production of natural gas and liquids, which may be used to settle outstanding debt and obligations, support future capital expenditures plans, or return capital to shareholders. Changes in non-cash working capital are excluded from adjusted funds flow as they may vary significantly between periods and are not considered to be indicative of the Corporation's operating performance as they are a function of the timeliness of collecting receivables and paying payables. Expenditures on decommissioning liabilities are excluded from the calculation as the amount and timing of these expenditures are unrelated to current production and are partially discretionary due to the nature of our low liability. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended December 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	73,194	1,163	74,357	62,487	(6,137)	56,350
Expenditures on decommissioning liability	941	-	941	2,071	-	2,071
Changes in non-cash working capital	25,008	(4,134)	20,874	19,751	3,217	22,968
Adjusted funds flow	99,143	(2,971)	96,172	84,309	(2,920)	81,389

(\$000)	Year ended December 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	362,487	(4,997)	357,490	228,965	(11,432)	217,533
Expenditures on decommissioning liability	5,052	-	5,052	3,059	-	3,059
Changes in non-cash working capital	14,043	(7,346)	6,697	18,007	2,797	20,804
Adjusted funds flow	381,582	(12,343)	369,239	250,031	(8,635)	241,396

#### Net Capital Expenditures

Net capital expenditures include total capital expenditures related to property, plant and equipment, exploration and evaluation assets and intangible assets. Management considers this measure reflective of actual capital activity for the period as it excludes changes in working capital related to other periods and excludes cash receipts on government grants. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended December 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash used in investing activities	75,779	40,698	116,477	60,083	11,119	71,202
Changes in non-cash working capital	(2,686)	3,790	1,104	24,204	3,756	27,960
Net capital expenditures	73,093	44,488	117,581	84,287	14,875	99,162

(\$000)	Year ended December 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash used in investing activities	296,653	125,311	421,964	667,101	30,624	697,725
Changes in non-cash working capital	(8,955)	5,887	(3,068)	33,496	5,690	39,186
Net capital expenditures	287,698	131,198	418,896	700,597	36,314	736,911

## Specified Financial Measures (continued)

### Non-GAAP Financial Measures (continued)

#### Free Cash Flow

The Corporation computes free cash flow as adjusted funds flow less net capital expenditures excluding the impact of asset acquisitions and dispositions. The Corporation uses free cash flow as an indicator of the efficiency and liquidity of the Corporation's business by measuring its cash available after net capital expenditures, excluding acquisitions and dispositions, to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back Common Shares. The Corporation excludes the impact of acquisitions and dispositions as they are not representative of the free cash flow generated and used in the Corporation's natural gas and liquids and carbon capture operations. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended December 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	73,194	1,163	74,357	62,487	(6,137)	56,350
Cash used in investing activities	(75,779)	(40,698)	(116,477)	(60,083)	(11,119)	(71,202)
Changes in non-cash working capital	27,694	(7,924)	19,770	(4,453)	(539)	(4,992)
Expenditures on decommissioning liability	941	-	941	2,071	-	2,071
Acquisitions	1,300	4,648	5,948	-	-	-
Dispositions	-	-	-	(11,421)	-	(11,421)
Free cash flow - surplus (deficit)	27,350	(42,811)	(15,461)	(11,399)	(17,795)	(29,194)

(\$000)	Year ended December 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	362,487	(4,997)	357,490	228,965	(11,432)	217,533
Cash used in investing activities	(296,653)	(125,311)	(421,964)	(667,101)	(30,624)	(697,725)
Changes in non-cash working capital	22,998	(13,233)	9,765	(15,489)	(2,893)	(18,382)
Expenditures on decommissioning liability	5,052	-	5,052	3,059	-	3,059
Acquisitions	1,300	29,817	31,117	445,274	-	445,274
Dispositions	(4,000)	-	(4,000)	(11,421)	-	(11,421)
Free cash flow - surplus (deficit)	91,184	(113,724)	(22,540)	(16,713)	(44,949)	(61,662)

## Specified Financial Measures (continued)

### Operating Income

Operating income for Advantage's natural gas and liquids operations is comprised of natural gas and liquids sales, realized gains on derivatives, processing and other income, net sales of purchased natural gas, net of expenses from field operations including royalty expense, operating expense and transportation expense. Operating income provides Management and users with a measure to compare the profitability of Advantage's field operations across companies, development areas and specific wells. The composition of operating income is as follows:

(\$000)	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Natural gas and liquids sales	181,796	163,477	698,984	543,295
Realized gains on derivatives	21,431	20,580	81,797	51,127
Processing and other income	599	746	3,114	5,557
Net sales of purchased natural gas	-	-	1,677	-
Royalty expense	(13,461)	(16,983)	(60,105)	(52,471)
Operating expense	(43,544)	(36,677)	(152,466)	(123,226)
Transportation expense	(29,459)	(26,632)	(116,387)	(101,139)
Operating income	117,362	104,511	456,614	323,143

### **Non-GAAP Ratios**

#### Adjusted Funds Flow per Basic Share & Adjusted Funds Flow per Diluted Share

Adjusted funds flow per share is calculated by dividing adjusted funds flow, by segment, by the basic weighted average shares outstanding and the adjusted diluted weighted average shares outstanding. The Corporation adjusted diluted weighted average shares to be calculated based on adjusted funds flow and to include only dilutive instruments that Management considers likely to be dilutive as at the balance sheet date, based on the current economic situation. Performance Share Units are included in adjusted diluted shares as they are expected to be settled in Common Shares. Convertible debentures are excluded until such time that the share price of the Corporation is greater than the conversion price as it avoids overstating dilution in periods where instruments are out-of-the-money and not economically viable to convert. Management believes that adjusted funds flow per share and per diluted share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

## Specified Financial Measures (continued)

### Non-GAAP Ratios (continued)

#### Adjusted Funds Flow per Basic Share & Adjusted Funds Flow per Diluted Share (continued)

Effective June 30, 2025, the Corporation revised its methodology for calculating adjusted funds flow per diluted share to use adjusted diluted weighted average shares outstanding, to include only instruments likely to be economically dilutive, as Management believes this approach provides a more accurate measure of adjusted funds flow per diluted share by better reflecting the economic reality of our capital structure. Comparative figures have been restated accordingly.

(\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Weighted average shares outstanding (000)	166,941	166,974	166,978	163,955
Diluted weighted average shares outstanding (000)	170,338	169,785	170,180	166,821
Common shares impact - Convertible debentures (000)	-	-	-	-
Adjusted diluted weighted average shares outstanding (000)	170,338	169,785	170,180	166,821
Advantage adjusted funds flow	99,143	84,309	381,582	250,031
Entropy adjusted funds flow	(2,971)	(2,920)	(12,343)	(8,635)
<u>Advantage</u>				
Adjusted funds flow per basic share (\$/share)	0.59	0.51	2.29	1.53
Adjusted funds flow per diluted share (\$/share)	0.57	0.50	2.24	1.50
<u>Entropy</u>				
Adjusted funds flow per basic share (\$/share)	(0.01)	(0.02)	(0.07)	(0.05)
Adjusted funds flow per diluted share (\$/share)	(0.01)	(0.02)	(0.07)	(0.05)

#### Adjusted Funds Flow per BOE

Adjusted funds flow per boe is derived by dividing adjusted funds flow attributable to Advantage by the total production in boe for the reporting period. Adjusted funds flow per boe is a useful ratio that allows users to compare the Corporation's adjusted funds flow against other corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Advantage adjusted funds flow	99,143	84,309	381,582	250,031
Total production (boe/d)	79,823	76,774	78,267	70,918
Days in period	92	92	365	366
Total production (boe)	7,343,716	7,063,208	28,567,455	25,955,988
Adjusted funds flow per BOE (\$/boe)	13.50	11.94	13.36	9.63

## Specified Financial Measures (continued)

### Non-GAAP Ratios (continued)

#### Operating Netback

Operating netback is derived by dividing operating income by the total production in boe for the reporting period. Operating netback provides Management and users with a measure to compare the profitability of field operations across companies, development areas and specific wells against other corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Operating income	117,362	104,511	456,614	323,143
Total production (boe/d)	79,823	76,774	78,267	70,918
Days in period	92	92	365	366
Total production (boe)	7,343,716	7,063,208	28,567,455	25,955,988
Operating netback (\$/boe)	15.99	14.80	15.99	12.44

#### Debt to Adjusted Funds Flow Ratio

Debt to adjusted funds flow ratio is a coverage ratio that provides Management and users the ability to determine how long it would take the Corporation to repay its bank indebtedness, including working capital, and its outstanding Convertible Debentures if Advantage devoted all its adjusted funds flow to debt repayment. Debt to adjusted funds flow is calculated by taking the total of bank indebtedness, working capital, and Convertible Debentures, and dividing it by adjusted fund flow (for the trailing four quarters) that can be used to satisfy such borrowings. The Unsecured Debentures, and adjusted funds flow attributed to Entropy are excluded from the calculation as they are a liability of Entropy and are non-recourse to Advantage.

(\$000, except as otherwise indicated)	December 31	December 31
	2025	2024
Bank indebtedness	412,993	470,424
Convertible debentures	143,750	143,750
Working capital (surplus) deficit	(7,651)	11,377
Debt	549,092	625,551
Adjusted funds flow (prior four quarters)	381,584	250,031
Debt to adjusted funds flow	1.4	2.5

## Specified Financial Measures (continued)

### Capital Management Measures

#### Working capital

Working capital is a capital management financial measure that provides Management and users with a measure of the Corporation's short-term operating liquidity. By excluding short-term derivatives and the current portion of provisions and other liabilities, Management and users can determine if the Corporation's operations are sufficient to cover the short-term operating requirements. Working capital is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

A summary of working capital as at December 31, 2025 and December 31, 2024 is as follows:

	December 31 2025	December 31 2024
Cash and cash equivalents	17,735	20,146
Trade and other receivables	84,973	83,188
Prepaid expenses and deposits	11,016	10,000
Trade and other accrued liabilities	(109,248)	(116,609)
Working capital surplus (deficit)	4,476	(3,275)

#### Net Debt

Net debt is a capital management financial measure that provides Management and users with a measure to assess the Corporation's liquidity. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

A summary of the reconciliation of net debt as at December 31, 2025 and December 31, 2024 is as follows:

	December 31 2025	December 31 2024
Bank indebtedness	412,993	470,424
Convertible debentures	143,750	143,750
Working capital (surplus) deficit	(7,651)	11,377
Net debt attributable to Advantage	549,092	625,551
Unsecured debentures	254,421	101,000
Working capital (surplus) deficit	3,175	(8,102)
Net debt attributable to Entropy	257,596	92,898
Net debt	806,688	718,449

## Specified Financial Measures (continued)

### Supplementary Financial Measures

#### Average Realized Prices

The Corporation discloses multiple average realized prices within the MD&A (see "Commodity Prices and Marketing"). The determination of these prices are as follows:

"*Condensate*" is comprised of condensate sales, as determined in accordance with IFRS, divided by the Corporation's condensate production.

"*Crude Oil*" is comprised of crude oil sales, as determined in accordance with IFRS, divided by the Corporation's crude oil production.

"*Natural gas excluding derivatives*" is comprised of natural gas sales, as determined in accordance with IFRS, divided by the Corporation's natural gas production.

"*Natural gas including derivatives*" is comprised of natural gas sales, including realized gains (losses) on natural gas derivatives, as determined in accordance with IFRS, divided by the Corporation's natural gas production.

"*NGLs*" is comprised of NGLs sales, as determined in accordance with IFRS, divided by the Corporation's NGLs production.

"*Total liquids excluding derivatives*" is comprised of crude oil, condensate and NGLs sales, as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGLs production.

"*Total liquids including derivatives*" is comprised of crude oil, condensate and NGLs sales, including realized gains (losses) on crude oil derivatives, as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGLs production.

#### Dollars per BOE figures

Throughout the MD&A, the Corporation presents certain financial figures, in accordance with IFRS, stated in dollars per boe. All dollar per boe figures herein forth only include the results of Advantage's natural gas and liquids operations and exclude the results of Entropy. These figures are determined by dividing the applicable financial figure as prescribed under IFRS by the Corporation's total production for the respective period. Below is a list of figures which have been presented in the MD&A in \$ per boe:

- Depreciation and amortization expense per boe
- Finance expense per boe
- General and administrative expense per boe
- Interest expense per boe
- Natural gas and liquids sales per boe
- Net sales of purchased natural gas per boe
- Operating expense per boe
- Realized gains on derivatives per boe
- Royalty expense per boe
- Processing and other income per boe
- Share-based compensation expense per boe
- Transportation expense per boe

## Conversion Ratio

The term "boe" or barrels of oil equivalent and "Mcf" or thousand cubic feet equivalent may be misleading, particularly if used in isolation. A boe or Mcfe conversion ratio of six thousand cubic feet of natural gas equivalent to one barrel of oil (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

## Abbreviations

Terms and abbreviations that are used in this MD&A that are not otherwise defined herein are provided below:

bbl(s)	- barrel(s)
bbls/d	- barrels per day
boe	- barrels of oil equivalent (6 Mcf = 1 bbl)
boe/d	- barrels of oil equivalent per day
GJ	- gigajoules
Mcf	- thousand cubic feet
Mcf/d	- thousand cubic feet per day
Mcfe	- thousand cubic feet equivalent (1 bbl = 6 Mcf)
Mcfe/d	- thousand cubic feet equivalent per day
MMbtu	- million British thermal units
MMbtu/d	- million British thermal units per day
MMcf	- million cubic feet
MMcf/d	- million cubic feet per day
Crude oil	- Light Crude Oil and Medium Crude Oil as defined in National Instrument 51-101
"NGLs" & "condensate"	- Natural Gas Liquids as defined in National Instrument 51-101
Natural gas	- "Conventional Natural Gas" and "Shale Gas" as defined in National Instrument 51-101
Liquids	- Total of crude oil, condensate and NGLs
AECO	- a notional market point on TransCanada Pipeline Limited's NGTL system where the purchase and sale of natural gas is transacted
MSW	- price for mixed sweet crude oil at Edmonton, Alberta
NGTL	- NOVA Gas Transmission Ltd.
WTI	- West Texas Intermediate, price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
CCS	- Carbon Capture and Storage
CCUS	- Carbon Capture Utilization and Storage
IP30	- average initial peak production rate over 30 consecutive days after a well is brought on production
IP90	- average initial peak production rate over 90 consecutive days after a well is brought on production
nm	- not meaningful information

## Forward-Looking Information and Other Advisories

This MD&A contains certain forward-looking statements and forward-looking information (collectively, "forward-looking statements"), which are based on our current internal expectations, estimates, projections, assumptions and beliefs. These forward-looking statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "target", "intend", "could", "might", "should", "believe", "would" and similar or related expressions. These statements are not guarantees of future performance.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements about our strategy, plans, objectives, priorities and focus and the benefits to be derived therefrom; Advantage's 2026 capital program, and our focus on growing adjusted funds flow per share via high rate-of-return development drilling; anticipated production growth; anticipated timing of the commissioning of our Progress Gas Plant and the turnaround at our Glacier Gas Plant and the anticipated benefits thereof; that as we approach our net debt target, debt reduction will remain a priority, while share repurchases are expected to be layered in opportunistically; Advantage's anticipated 2026 average production; the Corporation's 2026 guidance set forth under the heading "2026 Guidance", including Advantage's anticipated annual royalty rates, operating expense per boe, transportation expense per boe, G&A expense per boe and finance expense per boe in 2026; the Corporation's forecasted 2026 natural gas market exposure including the anticipated effective production rate; anticipated market dynamics including softening demand in key regions, evolving trade policies and tariffs, and shifting seasonal consumption patterns; that Advantage continues to pursue opportunities to diversify sales beyond Alberta markets to reduce exposure to local commodity pricing and enhance operating netbacks, and that such pursuit may impact Advantage's transportation expense; the terms of the Corporation's derivative contracts, including their purposes, the timing of settlement of such contracts and the anticipated benefits to be derived therefrom; that our Charlie Lake drilling program continues to outperform our acquisition type curve; that we have access to sufficient processing capacity to ensure the efficient development of our Charlie Lake properties; the focus of our drill program at Glacier; anticipated benefits of Advantage's completion of a new water disposal well at Glacier, including its ability to help maintain our low-cost structure; anticipated synergies and growth from completion and commissioning of the Progress facility, and that the Progress Gas Plant will provide incremental processing capacity for our next phase of low-cost production growth at Glacier; that Advantage remains committed to its strategy of debt reduction and continues to make meaningful progress; Advantage's disciplined financial strategy, supported by strong free cash flow generation and selective non-core asset dispositions; the Corporation's future commitments and contractual obligations and the anticipated payments in connection therewith and timing thereof; that Advantage monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general; the Corporation's continual financial assessment process and the anticipated benefits in connection therewith; the Corporation's ability to satisfy all liabilities and commitments and meet future obligations as they become due and the means for satisfying such future obligations; the Corporation's strategy for managing its capital structure; the terms of the Corporation's Credit Facility, including the timing of the next review of the Credit Facility and the Corporation's expectations regarding the extension of the Credit Facility at each annual review; the terms of the Debentures; the terms of Entropy's unsecured debentures; the anticipated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability and the anticipated timing that such costs will be incurred; the statements under "critical accounting estimates" in this MD&A; and other matters.

These forward-looking statements involve substantial known and unknown risks and uncertainties, many of which are beyond our control, including, but not limited to, risks related to changes in general economic conditions (including as a result of demand and supply effects resulting from the actions of OPEC and non-OPEC countries) which will, among other things, impact demand for and market prices of the Corporation's products, market and business

## **Forward-Looking Information and Other Advisories (continued)**

conditions; continued volatility in market prices for oil and natural gas; the risk that (i) the tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Corporation, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; the impact of significant declines in market prices for oil and natural gas; stock market volatility; changes to legislation and regulations and how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; actions by governmental or regulatory authorities including increasing taxes, regulatory approvals, changes in investment or other regulations; interest rates fluctuation; inflation rate fluctuation; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; the risk that Advantage may not achieve its strategy of debt reduction or that Advantage will not be able to realize strong free cash flow generation or non-core asset dispositions; the effect of acquisitions; our success at acquisition, exploitation and development of reserves; unexpected drilling results; the risk that the Corporation may not be able to continue to realize anticipated cost improvements from acquisition synergies and exceptional operational performance; failure to achieve production targets on timelines anticipated or at all; changes in commodity prices, currency exchange rates, capital expenditures, reserves or reserves estimates and debt service requirements; the risk that Advantage may be negatively impacted by industry consolidation; the risk that wars and other armed conflicts adversely affect world economies and the demand for oil and natural gas, including the ongoing war between Russian and Ukraine and/or hostilities in the Middle East and Venezuela; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; individual well productivity; delays in anticipated timing of drilling and completion of wells; lack of available capacity on pipelines; delays in timing of facility installation; performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information; the failure to extend the Credit Facility at each annual review; competition from other producers; the lack of availability of qualified personnel or management; ability to access sufficient capital from internal and external sources; credit risk; the risk that Advantage's average production in 2026 may be less than anticipated; the risk that Advantage does not achieve its anticipated guidance for 2026 as set forth in this MD&A under the heading "2026 Guidance"; the risk that the Corporation may not be properly diversified to multiple markets; the risk that Advantage may not have access to sufficient processing capacity to ensure the efficient development of our Charlie Lake properties; the risk that the Corporation may not satisfy all of its liabilities and commitments and meet future obligations as they become due; the risk that the undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability may be greater than expected; the risk that Advantage's annual royalty rates in 2026 may be greater than anticipated; the risk that Advantage's operating expense per boe and transportation expense per boe in 2026 may be greater than anticipated; the risk that additional natural gas processing will not occur in the second half of 2026 as anticipated; the risk that as Advantage approaches its net debt target, it will not prioritize debt reduction or layer in share repurchases opportunistically; the risk that the Corporation's water disposal well completed at Glacier may not lead to the benefits anticipated; the risk that the Progress gas plant will not be completed and commissioned when anticipated or result in the anticipated benefits thereof; and the risks and uncertainties described in the Corporation's Annual Information Form which is available at

## Forward-Looking Information and Other Advisories (continued)

www.sedarplus.ca and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

With respect to forward-looking statements contained in this MD&A, in addition to other assumptions identified herein, Advantage has made assumptions regarding, but not limited to: current and future prices of oil and natural gas; the duration and impact of tariffs that are currently in effect on goods exported from or imported into Canada, and that other than the tariffs that are currently in effect, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, reenacts tariffs that are currently suspended, or imposes new tariffs, on the import of goods from one country to the other, including on oil and natural gas, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas; that the current commodity price and foreign exchange environment will continue or improve; conditions in general economic and financial markets; effects of regulation by governmental agencies; receipt of required stakeholder and regulatory approvals; royalty regimes; future exchange rates; royalty rates; future operating costs; availability of skilled labour; availability of drilling and related equipment; timing and amount of capital expenditures; the ability to efficiently integrate assets acquired through acquisitions; the impact of increasing competition; the price of crude oil and natural gas; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's crude oil and natural gas properties in the manner currently contemplated; availability of pipeline capacity; that current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the Corporation's cash provided by operating activities and available Credit Facilities will be able to satisfy all of the Corporation's liabilities, commitments and future obligations as they become due; and that the estimates of the Corporation's production, reserves and resources volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this MD&A and Advantage disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The future acquisition by the Corporation of Common Shares pursuant to a share buyback program, including its NCIB and future NCIBs, if any, and the level thereof is uncertain. Any decision to implement a share buyback program, including the Corporation's NCIB and to acquire Common Shares of the Corporation pursuant to the NCIB will be subject to the discretion of the board of directors of the Corporation and may depend on a variety of factors, including, without limitation, the Corporation's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Corporation under applicable corporate law. There can be no assurance of the number of Common Shares of the Corporation that the Corporation will acquire pursuant to a share buyback program, including its NCIB or future NCIBs, if any, in the future.

This MD&A contains information that may be considered a financial outlook under applicable securities laws about the Corporation's potential financial position, including, but not limited to: the terms of the Corporation's derivative

## Forward-Looking Information and Other Advisories (continued)

contracts; Advantage's anticipated annual royalty rates, operating expense per boe and transportation expense per boe in 2026; the Corporation's future commitments and contractual obligations; and the anticipated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability, all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Corporation and the resulting financial results will vary from the amounts set forth in this MD&A and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Corporation's potential future business operations. Readers are cautioned that the financial outlook contained in this MD&A is not conclusive and is subject to change.

This MD&A contains metrics commonly used in the oil and natural gas industry which have been prepared by management such as "operating netback". These terms do not have standard meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. Management uses these oil and natural gas metrics for its own performance measurements, and to provide shareholders with measures to compare Advantage's operations overtime. Readers are cautioned that the information provided by these metrics, or that can be derived from metrics presented in the MD&A, should not be relied upon for investment or other purposes. Refer above to "Specified Financial Measures" section of this MD&A for additional disclosure on "operating netback".

References in this MD&A to short-term production rates, such as IP30 and IP90, are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Advantage.

Certain information in this MD&A may constitute "analogous information" as defined in National Instrument 51-101. Such information includes production estimates, well results and other financial and operational information obtained from publicly disclosed, internal, and other sources of data. This information may include total production and production-rates from wells drilled by the Company or other industry participants located in geographical proximity to lands held by the Company. Management believes the information is relevant as it may help to define the well results, reservoir characteristics and production profile of lands in which Advantage holds an interest and to compare the results of operations of such industry participants to that of Advantage. Such information is not an estimate of the production, reserves or resources attributable to lands held or to be held by Advantage and there is no certainty that the production, reserves or resources data and economic information for the lands held or to be held by Advantage will be similar to the information presented herein.

Certain market, independent third party, peer and industry data contained in this MD&A is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but Advantage has not conducted its own independent verification of such information and does not assume any responsibility for the accuracy, completeness or reliability of such information.

## **Forward-Looking Information and Other Advisories (continued)**

References to natural gas, crude oil and condensate and NGLs production in the MD&A refer to conventional natural gas, light crude oil and medium crude oil and natural gas liquids, respectively, product types as defined in National Instrument 51-101.

### **Additional Information**

Additional information relating to Advantage can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and the Corporation's website at [www.advantageog.com](http://www.advantageog.com). Such other information includes the annual information form, the management information circular, press releases, material change reports, material contracts and agreements, and other financial reports. The annual information form will be of particular interest for current and potential shareholders as it discusses a variety of subject matter including the nature of the business, description of our operations, general and recent business developments, risk factors, reserves data and other oil and gas information.

March 5, 2026