**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2022**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
**FOR THE TRANSITION PERIOD FROM_____ TO_____**

COMMISSION FILE NUMBER: 001-03551

# EQT CORPORATION

(Exact name of registrant as specified in its charter)

| **Pennsylvania** | **25-0464690** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |
| **625 Liberty Avenue, Suite 1700**<br>**Pittsburgh, Pennsylvania** | **15222** |
| (Address of principal executive offices) | (Zip Code) |

**(412) 553-5700**
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, no par value | EQT | New York Stock Exchange |

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

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

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

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

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

As of April 22, 2022, 369,535,705 shares of common stock, no par value, of the registrant were outstanding.

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**EQT CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF CONDENSED CONSOLIDATED OPERATIONS (UNAUDITED)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Thousands, except per share amounts) | |
| Operating revenues: | | |
| Sales of natural gas, natural gas liquids and oil | $ 2,486,624 | $ 1,130,951 |
| Loss on derivatives not designated as hedges | (3,077,637) | (188,813) |
| Net marketing services and other | 11,903 | 7,785 |
| Total operating revenues | (579,110) | 949,923 |
| Operating expenses: | | |
| Transportation and processing | 516,104 | 445,784 |
| Production | 71,012 | 47,230 |
| Exploration | 772 | 949 |
| Selling, general and administrative | 69,096 | 45,006 |
| Depreciation and depletion | 422,098 | 377,116 |
| Gain on sale/exchange of long-lived assets | (1,209) | (1,207) |
| Impairment of contract asset | 184,945 | — |
| Impairment and expiration of leases | 29,991 | 16,757 |
| Other operating expenses | 16,347 | 9,443 |
| Total operating expenses | 1,309,156 | 941,078 |
| Operating (loss) income | (1,888,266) | 8,845 |
| Loss (income) from investments | 20,785 | (11,848) |
| Dividend and other income | (3,596) | (3,304) |
| Loss on debt extinguishment | 6,923 | 4,424 |
| Interest expense | 67,902 | 70,473 |
| Loss before income taxes | (1,980,280) | (50,900) |
| Income tax benefit | (465,697) | (12,959) |
| Net loss | (1,514,583) | (37,941) |
| Less: Net income (loss) attributable to noncontrolling interest | 1,465 | (514) |
| Net loss attributable to EQT Corporation | $ (1,516,048) | $ (37,427) |
| | | |
| Loss per share of common stock attributable to EQT Corporation: | | |
| Basic and diluted: | | |
| Weighted average common stock outstanding | 374,142 | 278,852 |
| Net loss | $ (4.05) | $ (0.13) |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**EQT CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF CONDENSED CONSOLIDATED COMPREHENSIVE LOSS (UNAUDITED)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| | **(Thousands)** | |
| Net loss | $ (1,514,583) | $ (37,941) |
| Other comprehensive income, net of tax: | | |
| Other postretirement benefits liability adjustment, net of tax expense: $20 and $27 | 63 | 80 |
| Comprehensive loss | (1,514,520) | (37,861) |
| Less: Comprehensive income (loss) attributable to noncontrolling interest | 1,465 | (514) |
| Comprehensive loss attributable to EQT Corporation | $ (1,515,985) | $ (37,347) |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**EQT CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| | (Thousands) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 16,913 | $ 113,963 |
| Accounts receivable (less provision for doubtful accounts: $321 and $321) | 1,212,596 | 1,438,031 |
| Derivative instruments, at fair value | 1,304,109 | 543,337 |
| Prepaid expenses and other | 492,312 | 191,435 |
| Total current assets | 3,025,930 | 2,286,766 |
| | | |
| Property, plant and equipment | 26,304,423 | 26,016,092 |
| Less: Accumulated depreciation and depletion | 8,008,534 | 7,597,172 |
| Net property, plant and equipment | 18,295,889 | 18,418,920 |
| | | |
| Contract asset | 29,250 | 410,000 |
| Other assets | 463,542 | 491,702 |
| Total assets | $ 21,814,611 | $ 21,607,388 |
| | | |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities: | | |
| Current portion of debt | $ 493,815 | $ 1,060,970 |
| Accounts payable | 1,416,274 | 1,339,251 |
| Derivative instruments, at fair value | 5,362,080 | 2,413,608 |
| Other current liabilities | 333,118 | 372,412 |
| Total current liabilities | 7,605,287 | 5,186,241 |
| | | |
| Credit facility borrowings | 26,000 | — |
| Senior notes | 4,437,572 | 4,435,782 |
| Note payable to EQM Midstream Partners, LP | 92,891 | 94,320 |
| Deferred income taxes | 433,769 | 907,306 |
| Other liabilities and credits | 1,013,059 | 1,012,740 |
| Total liabilities | 13,608,578 | 11,636,389 |
| | | |
| Equity: | | |
| Common stock, no par value, shares authorized: 640,000, shares issued: 369,266 and 377,432 | 9,921,348 | 10,071,820 |
| Treasury stock, shares at cost: 192 and 1,033 | (2,848) | (18,046) |
| Accumulated deficit | (1,725,279) | (94,400) |
| Accumulated other comprehensive loss | (4,548) | (4,611) |
| Total common shareholders' equity | 8,188,673 | 9,954,763 |
| Noncontrolling interest in consolidated subsidiary | 17,360 | 16,236 |
| Total equity | 8,206,033 | 9,970,999 |
| Total liabilities and equity | $ 21,814,611 | $ 21,607,388 |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**EQT CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF CONDENSED CONSOLIDATED CASH FLOWS (UNAUDITED)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Thousands) | |
| **Cash flows from operating activities:** | | |
| Net loss | $ (1,514,583) | $ (37,941) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Deferred income tax benefit | (473,557) | (11,970) |
| Depreciation and depletion | 422,098 | 377,116 |
| Impairments of long-lived assets and gain on sale/exchange of long-lived assets | 213,727 | 15,550 |
| Loss (income) from investments | 20,785 | (11,848) |
| Loss on debt extinguishment | 6,923 | 4,424 |
| Share-based compensation expense | 7,470 | 6,239 |
| Amortization, accretion and other | 13,179 | 6,342 |
| Loss on derivatives not designated as hedges | 3,077,637 | 188,813 |
| Net cash settlements paid on derivatives not designated as hedges | (885,539) | (38,140) |
| Net premiums received (paid) on derivative instruments | 372 | (3,147) |
| Changes in other assets and liabilities: | | |
| Accounts receivable | 225,968 | (112,899) |
| Accounts payable | 52,867 | 116,732 |
| Other current assets | (107,455) | (34,066) |
| Other items, net | (38,673) | (65,290) |
| Net cash provided by operating activities | 1,021,219 | 399,915 |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (292,281) | (251,277) |
| Proceeds from sale of assets | 1,258 | — |
| Other investing activities | (149) | 3,367 |
| Net cash used in investing activities | (291,172) | (247,910) |
| **Cash flows from financing activities:** | | |
| Proceeds from credit facility borrowings | 2,721,000 | 1,581,000 |
| Repayment of credit facility borrowings | (2,695,000) | (1,581,000) |
| Repayment and retirement of debt | (570,174) | (126,396) |
| Premiums paid on debt extinguishment | (6,240) | (4,267) |
| Dividends paid | (47,063) | — |
| Cash paid for taxes related to net settlement of share-based incentive awards | (13,648) | (2,632) |
| Proceeds from exercises under employee compensation plans | 1,214 | — |
| Repurchase and retirement of common stock | (216,491) | — |
| (Distribution to) contribution from noncontrolling interest | (341) | 3,750 |
| Other financing activities | (354) | — |
| Net cash used in financing activities | (827,097) | (129,545) |
| Net change in cash and cash equivalents | (97,050) | 22,460 |
| Cash and cash equivalents at beginning of period | 113,963 | 18,210 |
| Cash and cash equivalents at end of period | $ 16,913 | $ 40,670 |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.
See Note 1 for supplemental cash flow information.

**EQT CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF CONDENSED CONSOLIDATED EQUITY (UNAUDITED)**

| | Common Stock | | | | | | |
|---|---|---|---|---|---|---|---|
| | Shares | No Par Value | Treasury Stock | Retained Earnings (Accumulated Deficit) | Accumulated Other Comprehensive Loss (a) | Noncontrolling Interest in Consolidated Subsidiary | Total Equity |
| | (Thousands, except per share amounts) | | | | | | |
| **Balance at January 1, 2021** | 278,345 | $ 8,145,539 | $ (29,348) | $ 1,056,626 | $ (5,355) | $ 7,490 | $ 9,174,952 |
| Comprehensive loss, net of tax: | | | | | | | |
| Net loss | | | | (37,427) | | (514) | (37,941) |
| Other postretirement benefits liability adjustment, net of tax expense: $27 | | | | | 80 | | 80 |
| Share-based compensation plans | 436 | (3,041) | 7,879 | | | | 4,838 |
| Contribution from noncontrolling interest | | | | | | 3,750 | 3,750 |
| **Balance at March 31, 2021** | 278,781 | $ 8,142,498 | $ (21,469) | $ 1,019,199 | $ (5,275) | $ 10,726 | $ 9,145,679 |
| | | | | | | | |
| **Balance at January 1, 2022** | 376,399 | $ 10,071,820 | $ (18,046) | $ (94,400) | $ (4,611) | $ 16,236 | $ 9,970,999 |
| Comprehensive loss, net of tax: | | | | | | | |
| Net (loss) income | | | | (1,516,048) | | 1,465 | (1,514,583) |
| Other postretirement benefits liability adjustment, net of tax expense: $20 | | | | | 63 | | 63 |
| Dividends ($0.125 share) | | | | (47,063) | | | (47,063) |
| Share-based compensation plans | 1,207 | (18,220) | 15,198 | | | | (3,022) |
| Issuance of common stock for Convertible Notes settlement (Note 6) | 1 | 8 | | | | | 8 |
| Repurchase and retirement of common stock | (8,533) | (132,260) | | (67,768) | | | (200,028) |
| Distribution to noncontrolling interest | | | | | | (341) | (341) |
| **Balance at March 31, 2022** | 369,074 | $ 9,921,348 | $ (2,848) | $ (1,725,279) | $ (4,548) | $ 17,360 | $ 8,206,033 |

Common shares authorized: 640,000. Preferred shares authorized: 3,000. There were no preferred shares issued or outstanding.

(a) Amounts included in accumulated other comprehensive loss are related to other postretirement benefits liability adjustments, net of tax, which are attributable to net actuarial losses and net prior service costs.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**EQT CORPORATION AND SUBSIDIARIES**
**Notes to the Condensed Consolidated Financial Statements (Unaudited)**

## 1. Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with United States generally accepted accounting principles (GAAP) for interim financial information and with the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and notes required by GAAP for complete financial statements. In the opinion of management, these statements include all adjustments (consisting of only normal recurring accruals, unless otherwise disclosed in this Quarterly Report on Form 10-Q) necessary for a fair presentation of the financial position of EQT Corporation and subsidiaries as of March 31, 2022 and December 31, 2021, the results of its operations, equity and cash flows for the three month periods ended March 31, 2022 and 2021. Certain previously reported amounts have been reclassified to conform to the current year presentation. In this Quarterly Report on Form 10-Q, references to "EQT," "EQT Corporation" and "the Company" refer collectively to EQT Corporation and its consolidated subsidiaries.

These financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

*Recently Issued Accounting Standards*

In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2020-06, *Debt with Conversion and Other Options and Derivatives and Hedging: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This ASU simplifies accounting for convertible instruments by removing certain separation models for convertible instruments. For convertible instruments with conversion features that are not accounted for as derivatives under Accounting Standards Codification 815 or do not result in substantial premiums accounted for as paid-in capital, the convertible instrument's embedded conversion features are no longer separated from the host contract. Consequently, and as long as no other feature requires bifurcation and recognition as a derivative, the convertible instrument is accounted for as a single liability measured at its amortized cost. Under ASU 2020-06, entities are required to use the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS). The if-converted method assumes share settlement of the instrument, which increases the number of potentially dilutive securities used to calculate diluted EPS. This ASU also adds several new disclosure requirements.

The Company adopted this ASU effective as of January 1, 2022 using the full retrospective method of adoption. The following tables present the impact of the adoption of ASU 2020-06 on the Company's previously reported historical results. See Note 6 for discussion of the Convertible Notes (defined in Note 6).

| | Three Months Ended March 31, 2021 | | |
|---|---|---|---|
| | As Reported | ASU 2020-06 Adoption Adjustment | As Adjusted |
| | (Thousands, except per share amounts) | | |
| Interest expense | $ 75,099 | $ (4,626) | $ 70,473 |
| Income tax benefit | (14,494) | 1,535 | (12,959) |
| Net loss | (41,032) | 3,091 | (37,941) |
| Less: Net loss attributable to noncontrolling interest | (514) | — | (514) |
| Net loss attributable to EQT Corporation | $ (40,518) | $ 3,091 | $ (37,427) |
| | | | |
| Basic and diluted: | | | |
| Weighted average common stock outstanding (a) | 278,852 | — | 278,852 |
| Loss per share of common stock attributable to EQT Corporation | $ (0.15) | $ 0.02 | $ (0.13) |

(a) For the three months ended March 31, 2021, diluted weighted average common stock outstanding did not change because the potentially dilutive securities had an anti-dilutive effect on loss per share.

| | December 31, 2021 | | |
|---|---|---|---|
| | As Reported | ASU 2020-06 Adoption Adjustment | As Adjusted |
| | (Thousands) | | |
| Current portion of debt (a) | $ 954,900 | $ 106,070 | $ 1,060,970 |
| Deferred income taxes | 938,612 | (31,306) | 907,306 |
| Common stock, no par value | 10,167,963 | (96,143) | 10,071,820 |
| Accumulated deficit | (115,779) | 21,379 | (94,400) |

(a) Pursuant to the terms of the Convertible Notes indenture, a sale price condition for conversion of the Convertible Notes was satisfied as of December 31, 2021, and, accordingly, holders of the Convertible Notes were permitted to convert any of their Convertible Notes at their option at any time during the three months ended March 31, 2022, subject to all terms and conditions set forth in the Convertible Notes indenture. Therefore, as of December 31, 2021, the net carrying value of the Convertible Notes was included in current portion of debt in the Consolidated Balance Sheet.

Certain line items in the Statement of Condensed Consolidated Cash Flows were adjusted to reflect the impact of the adoption of ASU 2020-06; however, the adoption did not impact cash and did not change net cash provided by operating, investing or financing activities.

*Supplemental Cash Flow Information*. The following table summarizes net cash paid for interest and income taxes and non-cash activity included in the Statements of Condensed Consolidated Cash Flows.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Thousands) | |
| **Cash paid during the period for:** | | |
| Interest, net of amount capitalized | $ 82,698 | $ 85,211 |
| Income taxes, net | 2,129 | 22,751 |
| | | |
| **Non-cash activity during the period for:** | | |
| Increase in asset retirement costs and obligations | $ 6,475 | $ 907 |
| Capitalization of non-cash equity share-based compensation | 1,033 | 1,228 |
| Issuance of common stock for Convertible Notes settlement (Note 6) | 8 | — |
| Increase in right-of-use assets and lease liabilities, net | — | 783 |

## 2. Revenue from Contracts with Customers

Under the Company's natural gas, natural gas liquids (NGLs) and oil sales contracts, the Company generally considers the delivery of each unit (MMBtu or Bbl) to be a separate performance obligation that is satisfied upon delivery. These contracts typically require payment within 25 days of the end of the calendar month in which the commodity is delivered. A significant number of these contracts contain variable consideration because the payment terms refer to market prices at future delivery dates. In these situations, the Company has not identified a standalone selling price because the terms of the variable payments relate specifically to the Company's efforts to satisfy the performance obligations. Other contracts, such as fixed price contracts or contracts with a fixed differential to New York Mercantile Exchange (NYMEX) or index prices, contain fixed consideration. The fixed consideration is allocated to each performance obligation on a relative standalone selling price basis, which requires judgment from management. For these contracts, the Company generally concludes that the fixed price or fixed differentials in the contracts are representative of the standalone selling price.

Based on management's judgment, the performance obligations for the sale of natural gas, NGLs and oil are satisfied at a point in time because the customer obtains control and legal title of the asset when the natural gas, NGLs or oil is delivered to the designated sales point.

The sales of natural gas, NGLs and oil presented in the Statements of Condensed Consolidated Operations represent the Company's share of revenues net of royalties and exclude revenue interests owned by others. When selling natural gas, NGLs and oil on behalf of royalty or working interest owners, the Company acts as an agent and, thus, reports the revenue on a net basis.

For contracts with customers where the Company's performance obligations had been satisfied and an unconditional right to consideration existed as of the balance sheet date, the Company recorded amounts due from contracts with customers of $898.4 million and $1,093.9 million in accounts receivable in the Condensed Consolidated Balance Sheets as of March 31, 2022 and December 31, 2021, respectively.

The table below provides disaggregated information on the Company's revenues. Certain other revenue contracts are outside the scope of ASU 2014-09, *Revenue from Contracts with Customers*. These contracts are reported in net marketing services and other in the Statements of Condensed Consolidated Operations. Derivative contracts are also outside the scope of ASU 2014-09.

| | Three Months Ended March 31, | |
|---|---|---|
| | **2022** | **2021** |
| | **(Thousands)** | |
| **Revenues from contracts with customers:** | | |
| Natural gas sales | $ 2,289,365 | $ 1,013,080 |
| NGLs sales | 173,503 | 100,257 |
| Oil sales | 23,756 | 17,614 |
| **Total revenues from contracts with customers** | $ 2,486,624 | $ 1,130,951 |
| | | |
| **Other sources of revenue:** | | |
| Loss on derivatives not designated as hedges | (3,077,637) | (188,813) |
| Net marketing services and other | 11,903 | 7,785 |
| **Total operating revenues** | $ (579,110) | $ 949,923 |

The following table summarizes the transaction price allocated to the Company's remaining performance obligations on all contracts with fixed consideration as of March 31, 2022. Amounts shown exclude contracts that qualified for the exception to the relative standalone selling price method as of March 31, 2022.

| | **2022 (a)** | **2023** | **Total** |
|---|---|---|---|
| | | **(Thousands)** | |
| Natural gas sales | $ 6,146 | $ 6,795 | $ 12,941 |

(a) April 1 through December 31.

### 3. Derivative Instruments

The Company's primary market risk exposure is the volatility of future prices for natural gas and NGLs, which can affect the Company's operating results. The Company uses derivative commodity instruments to hedge its cash flows from sales of produced natural gas and NGLs. The overall objective of the Company's hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices.

The derivative commodity instruments used by the Company are primarily swap, collar and option agreements. These agreements may require payments to, or receipt of payments from, counterparties based on the differential between two prices for the commodity. The Company uses these agreements to hedge its NYMEX and basis exposure. The Company may also use other contractual agreements when executing its commodity hedging strategy. The Company typically enters into over the counter (OTC) derivative commodity instruments with financial institutions, and the creditworthiness of all counterparties is regularly monitored.

The Company does not designate any of its derivative instruments as cash flow hedges; therefore, all changes in fair value of the Company's derivative instruments are recognized in operating revenues in the Statements of Condensed Consolidated Operations. The Company recognizes all derivative instruments as either assets or liabilities at fair value on a gross basis. These derivative instruments are reported as either current assets or current liabilities due to their highly liquid nature. The Company can net settle its derivative instruments at any time.

Contracts that result in physical delivery of a commodity expected to be sold by the Company in the normal course of business are generally designated as normal sales and are exempt from derivative accounting. Contracts that result in the physical receipt or delivery of a commodity but are not designated or do not meet all of the criteria to qualify for the normal purchase and normal sale scope exception are subject to derivative accounting.

The Company's OTC derivative instruments generally require settlement in cash. The Company also enters into exchange traded derivative commodity instruments that are generally settled with offsetting positions. Settlements of derivative commodity instruments are reported as a component of cash flows from operating activities in the Statements of Condensed Consolidated Cash Flows.

With respect to the derivative commodity instruments held by the Company, the Company hedged portions of its expected sales of production and portions of its basis exposure covering approximately 2,471 billion cubic feet (Bcf) of natural gas and 2,143 thousand barrels (Mbbl) of NGLs as of March 31, 2022 and 2,184 Bcf of natural gas and 3,055 Mbbl of NGLs as of December 31, 2021. The open positions at both March 31, 2022 and December 31, 2021 had maturities extending through December 2027.

Certain of the Company's OTC derivative instrument contracts provide that, if the Company's credit rating assigned by Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P) or Fitch Ratings Service (Fitch) is below the agreed-upon credit rating threshold (typically, below investment grade) and if the associated derivative liability exceeds the agreed-upon dollar threshold for such credit rating, the counterparty to such contract can require the Company to deposit collateral. Similarly, if such counterparty's credit rating assigned by Moody's, S&P or Fitch is below the agreed-upon credit rating threshold and if the associated derivative liability exceeds the agreed-upon dollar threshold for such credit rating, the Company can require the counterparty to deposit collateral with the Company. Such collateral can be up to 100% of the derivative liability. Investment grade refers to the quality of a company's credit as assessed by one or more credit rating agencies. To be considered investment grade, a company must be rated "Baa3" or higher by Moody's, "BBB–" or higher by S&P and "BBB–" or higher by Fitch. Anything below these ratings is considered non-investment grade. As of March 31, 2022, the Company's senior notes were rated "Ba1" by Moody's, "BBB–" by S&P and "BBB–" by Fitch.

When the net fair value of any of the Company's OTC derivative instrument contracts represents a liability to the Company that is in excess of the agreed-upon dollar threshold for the Company's then-applicable credit rating, the counterparty has the right to require the Company to remit funds as a margin deposit in an amount equal to the portion of the derivative liability that is in excess of the dollar threshold amount. The Company records these deposits as a current asset in the Condensed Consolidated Balance Sheets. As of March 31, 2022 and December 31, 2021, the aggregate fair value of all OTC derivative instruments with credit rating risk-related contingent features that were in a net liability position was $639.6 million and $594.9 million, respectively, for which the Company deposited and recorded current assets of $117.7 million and $0.1 million, respectively.

When the net fair value of any of the Company's OTC derivative instrument contracts represents an asset to the Company that is in excess of the agreed-upon dollar threshold for the counterparty's then-applicable credit rating, the Company has the right to require the counterparty to remit funds as a margin deposit in an amount equal to the portion of the derivative asset that is in excess of the dollar threshold amount. The Company records these deposits as a current liability in the Condensed Consolidated Balance Sheets. As of both March 31, 2022 and December 31, 2021, there were no such deposits recorded in the Condensed Consolidated Balance Sheets.

When the Company enters into exchange traded natural gas contracts, exchanges may require the Company to remit funds to the corresponding broker as good-faith deposits to guard against the risks associated with changing market conditions. The Company is required to make such deposits based on an established initial margin requirement and the net liability position, if any, of the fair value of the associated contracts. The Company records these deposits as a current asset in the Condensed Consolidated Balance Sheets. When the fair value of such contracts is in a net asset position, the broker may remit funds to the Company. The Company records these deposits as a current liability in the Condensed Consolidated Balance Sheets. The initial margin requirements are established by the exchanges based on the price, volatility and the time to expiration of the contract. The margin requirements are subject to change at the exchanges' discretion. As of March 31, 2022 and December 31, 2021, the Company recorded $141.6 million and $147.7 million, respectively, of such deposits as current assets in the Condensed Consolidated Balance Sheets.

The Company has netting agreements with financial institutions and its brokers that permit net settlement of gross commodity derivative assets against gross commodity derivative liabilities. The table below summarizes the impact of netting agreements and margin deposits on gross derivative assets and liabilities.

| | Gross derivative instruments recorded in the Condensed Consolidated Balance Sheets | Derivative instruments subject to master netting agreements | Margin requirements with counterparties | Net derivative instruments |
|---|---|---|---|---|
| | (Thousands) | | | |
| March 31, 2022 | | | | |
| Asset derivative instruments, at fair value | $ 1,304,109 | $ (1,268,394) | $ — | $ 35,715 |
| Liability derivative instruments, at fair value | 5,362,080 | (1,268,394) | (259,245) | 3,834,441 |
| | | | | |
| December 31, 2021 | | | | |
| Asset derivative instruments, at fair value | $ 543,337 | $ (468,266) | $ — | $ 75,071 |
| Liability derivative instruments, at fair value | 2,413,608 | (468,266) | (147,773) | 1,797,569 |

The Consolidated GGA (defined in Note 8) executed in connection with the Equitrans Share Exchange (defined in Note 8) provides for additional cash bonus payments (the Henry Hub Cash Bonus) payable by the Company during the period beginning on the first day of the quarter in which the Mountain Valley Pipeline is placed in service and ending on the earlier of 36 months thereafter or December 31, 2024. Such payments are conditioned upon the quarterly average of the NYMEX Henry Hub natural gas settlement price exceeding certain price thresholds. As of March 31, 2022 and December 31, 2021, the derivative liability related to the Henry Hub Cash Bonus had a fair value of approximately $51 million and $111 million, respectively. The fair value of the derivative liability related to the Henry Hub Cash Bonus is based on significant inputs that are interpolated from observable market data and, as such, is a Level 2 fair value measurement. See Note 4 for a description of the fair value hierarchy.

During the second quarter of 2020, the Company closed a transaction to sell certain non-strategic assets located in Pennsylvania and West Virginia (the 2020 Divestiture), the purchase and sale agreement for which, among other things, provides for additional cash bonus payments (the Contingent Consideration) payable to the Company of up to $20 million, conditioned upon the three-month average of the NYMEX Henry Hub natural gas settlement price relative to stated floor and target price thresholds beginning on August 31, 2020 and ending on November 30, 2022. As of March 31, 2022 and December 31, 2021, the derivative asset related to the Contingent Consideration had a fair value of approximately $5.8 million and $8.2 million, respectively. During the three months ended March 31, 2022, the Company received cash from the Contingent Consideration of $2.5 million. Changes in fair value are recorded in gain on sale/exchange of long-lived assets in the Statements of Condensed Consolidated Operations. The fair value of the derivative asset related to the Contingent Consideration is based on significant inputs that are interpolated from observable market data and, as such, is a Level 2 fair value measurement. See Note 4 for a description of the fair value hierarchy.

## 4. Fair Value Measurements

The Company records its financial instruments, which are principally derivative instruments, at fair value in the Condensed Consolidated Balance Sheets. The Company estimates the fair value of its financial instruments using quoted market prices when available. If quoted market prices are not available, the fair value is based on models that use market-based parameters, including forward curves, discount rates, volatilities and nonperformance risk, as inputs. Nonperformance risk considers the effect of the Company's credit standing on the fair value of liabilities and the effect of the counterparty's credit standing on the fair value of assets. The Company estimates nonperformance risk by analyzing publicly available market information, including a comparison of the yield on debt instruments with credit ratings similar to the Company's or counterparty's credit rating and the yield on a risk-free instrument.

The Company has categorized its assets and liabilities recorded at fair value into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Assets and liabilities that use Level 2 inputs primarily include the Company's swap, collar and option agreements.

Exchange traded commodity swaps have Level 1 inputs. The fair value of the commodity swaps with Level 2 inputs is based on standard industry income approach models that use significant observable inputs, including, but not limited to, NYMEX natural gas forward curves, LIBOR-based discount rates, basis forward curves and NGLs forward curves. The Company's collars and options are valued using standard industry income approach option models. The significant observable inputs used by the option pricing models include NYMEX forward curves, natural gas volatilities and LIBOR-based discount rates.

The table below summarizes assets and liabilities measured at fair value on a recurring basis.

| | Gross derivative instruments recorded in the Condensed Consolidated Balance Sheets | Fair value measurements at reporting date using: | | |
|---|---|---|---|---|
| | | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| | (Thousands) | | | |
| March 31, 2022 | | | | |
| Asset derivative instruments, at fair value | $ 1,304,109 | $ 306,902 | $ 997,207 | $ — |
| Liability derivative instruments, at fair value | 5,362,080 | 193,244 | 5,168,836 | — |
| | | | | |
| December 31, 2021 | | | | |
| Asset derivative instruments, at fair value | $ 543,337 | $ 66,833 | $ 476,504 | $ — |
| Liability derivative instruments, at fair value | 2,413,608 | 126,053 | 2,287,555 | — |

The carrying values of cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term maturities. The carrying value of the Company's investment in Equitrans Midstream Corporation (Equitrans Midstream) approximates fair value as Equitrans Midstream is a publicly traded company. The carrying value of borrowings under the Company's credit facility approximates fair value as the interest rate is based on prevailing market rates. The Company considered all of these fair values to be Level 1 fair value measurements.

During April 2022, the Company sold the remaining balance of its Equitrans Midstream common stock for net proceeds of approximately $189 million.

The Company has an investment in a fund (the Investment Fund) that invests in companies developing technology and operating solutions for exploration and production companies. The investment is valued using, as a practical expedient, the net asset value provided in the financial statements received from fund managers.

The Company estimates the fair value of its senior notes using established fair value methodology. Because not all of the Company's senior notes are actively traded, their fair value is a Level 2 fair value measurement. As of March 31, 2022 and December 31, 2021, the Company's senior notes had a fair value of approximately $5.8 billion and $6.5 billion, respectively, and a carrying value of approximately $4.9 billion and $5.5 billion, respectively, inclusive of any current portion. The fair value of the Company's note payable to EQM Midstream Partners, LP (EQM) is estimated using an income approach model with a market-based discount rate and is a Level 3 fair value measurement. As of March 31, 2022 and December 31, 2021, the Company's note payable to EQM had a fair value of approximately $109 million and $118 million, respectively, and a carrying value of approximately $98 million and $100 million, respectively, inclusive of any current portion. See Note 6 for further discussion of the Company's debt.

The Company recognizes transfers between Levels as of the actual date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the periods presented.

See Note 3 for a discussion of the fair value measurement of the derivative liability recorded in connection with the Equitrans Share Exchange and the embedded derivative recorded in connection with the 2020 Divestiture. See Note 8 for a discussion of the fair value measurement of the contract asset. See Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of the fair value measurement of the Company's oil and gas properties and other long-lived assets, including impairment and expiration of leases.

## 5. Income Taxes

For the three months ended March 31, 2022 and 2021, the Company calculated the provision for income taxes for interim periods by applying an estimate of the annual effective tax rate for the full fiscal year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring items) for the period. There were no material changes to the Company's methodology for determining unrecognized tax benefits during the three months ended March 31, 2022.

The Company recorded income tax benefit at an effective tax rate of 23.5% and 25.5% for the three months ended March 31, 2022 and 2021, respectively. The Company's effective tax rate for the three months ended March 31, 2022 was higher compared to the U.S. federal statutory rate due primarily to state taxes, including valuation allowances limiting certain state tax benefits. The Company's effective tax rate for the three months ended March 31, 2021 was higher compared to the U.S. federal statutory rate due primarily to state taxes, including valuation allowances limiting certain state tax benefits, partly offset by tax expense related to deduction limitations for executive compensation.

## 6. Debt

*Credit facility*. The Company has a $2.5 billion credit facility that matures in July 2023.

The Company had approximately $425 million and $440 million of letters of credit outstanding under its credit facility as of March 31, 2022 and December 31, 2021, respectively.

Under the Company's credit facility, for the three months ended March 31, 2022 and 2021, the maximum amounts of outstanding borrowings were $615 million and $890 million, respectively, the average daily balances were approximately $306 million and $525 million, respectively, and interest was incurred at weighted average annual interest rates of 2.0% and 2.1%, respectively.

*Debt repayments*. In the first quarter of 2022, the Company redeemed or repurchased all $568.8 million of the remaining aggregate principal amount of its 3.00% senior notes at a total cost of $581.5 million, inclusive of premiums of $5.5 million and accrued but unpaid interest of $7.2 million.

*Convertible Notes*. In April 2020, the Company issued $500 million aggregate principal amount of 1.75% convertible senior notes (the Convertible Notes) due May 1, 2026 unless earlier redeemed, repurchased or converted.

Holders of the Convertible Notes may convert their Convertible Notes at their option at any time prior to the close of business on January 30, 2026 under the following circumstances:

- during any quarter as long as the last reported price of EQT common stock for at least 20 trading days (consecutive or otherwise) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price on each such trading day (the Sale Price Condition);

- during the five-business-day period after any five-consecutive-trading-day period (the measurement period) in which the trading price per $1,000 principal amount of the Convertible Notes for each trading day of the measurement period is less than 98% of the product of the last reported price of EQT common stock and the conversion rate for the Convertible Notes on each such trading day;
- if the Company calls any or all of the Convertible Notes for redemption at any time prior to the close of business on the second scheduled trading day immediately preceding such redemption date; and
- upon the occurrence of certain corporate events set forth in the Convertible Notes indenture.

On or after February 1, 2026, holders of the Convertible Notes may convert their Convertible Notes at their option at any time until the close of business on the second scheduled trading date immediately preceding May 1, 2026.

The Company may not redeem the Convertible Notes prior to May 5, 2023. On or after May 5, 2023 and prior to February 1, 2026, the Company may redeem for cash all or any portion of the Convertible Notes at its option at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed plus accrued and unpaid interest up to the redemption date as long as the last reported price per share of EQT common stock has been at least 130% of the conversion price in effect for at least 20 trading days (consecutive or otherwise) during any 30-consecutive-trading-day period ending on the trading day immediately preceding the date on which the Company delivers notice of redemption. A sinking fund is not provided for the Convertible Notes.

The initial conversion rate for the Convertible Notes was 66.6667 shares of EQT common stock per $1,000 principal amount of the Convertible Notes, which was equivalent to an initial conversion price of $15.00 per share of EQT common stock. The initial conversion price represents a premium of 20% to the $12.50 per share closing price of EQT common stock on April 23, 2020. The conversion rate is subject to adjustment under certain circumstances. In addition, following certain corporate events that occur prior to May 1, 2026 or if the Company delivers notice of redemption, the Company will, in certain circumstances, increase the conversion rate for a holder who elects to convert its Convertible Notes in connection with such corporate event or notice of redemption.

As a result of the cash dividend the Company paid on its common stock in the first quarter of 2022, effective February 11, 2022, the conversion rate for the Convertible Notes was adjusted to 67.0535 shares of EQT common stock per $1,000 principal amount of the Convertible Notes. Future dividend payments by the Company will result in further adjustments to the conversion rate per share of EQT common stock.

The Sale Price Condition for conversion of the Convertible Notes was satisfied as of December 31, 2021 and March 31, 2022, and, accordingly, holders of the Convertible Notes are permitted to convert any of their Convertible Notes at their option at any time beginning on January 1, 2022 and continuing until June 30, 2022, subject to the terms and conditions set forth in the Convertible Notes indenture. Therefore, as of December 31, 2021 and March 31, 2022, the net carrying value of the Convertible Notes was included in current portion of debt on the Condensed Consolidated Balance Sheets.

The following table summarizes Convertible Notes conversion right exercises from issuance through April 22, 2022. The Company elected to settle all such conversions by issuing to the converting holders shares of EQT common stock.

| Settlement Month | Principal Converted | Shares Issued | Average Conversion Price |
|---|---|---|---|
| | (Thousands) | | |
| September 2021 | $ 9 | 599 | $ 19.64 |
| March 2022 | 8 | 536 | 33.65 |
| April 2022 | 26 | 1,742 | 34.78 |

Upon conversion of the remaining outstanding Convertible Notes, the Company may satisfy its conversion obligation by paying and/or delivering at the Company's election, in the manner and subject to the terms and conditions provided in the Convertible Notes indenture, cash, shares of EQT common stock or a combination thereof. The Company intends to use a combined settlement approach to satisfy its obligation by paying or delivering to holders of the Convertible Notes cash equal to the principal amount of the obligation and EQT common stock for amounts that exceed the principal amount of the obligation.

In connection with the Convertible Notes offering, the Company entered into privately negotiated capped call transactions (the Capped Call Transactions), the purpose of which is to reduce the potential dilution to EQT common stock upon conversion of the Convertible Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of such obligation, with such reduction and offset subject to a cap. The Capped Call Transactions have an initial strike price of $15.00 per share of EQT common stock and an initial capped price of $18.75 per share of EQT common stock, each of which are subject to certain customary adjustments, including adjustments as a result of the Company paying a dividend on its common stock.

The Capped Call Transactions are separate from the Convertible Notes. The Capped Call Transactions were recorded in shareholders' equity and were not accounted for as derivatives. The cost to purchase the Capped Call Transactions of $32.5 million was recorded as a reduction to equity and will not be remeasured.

Based on the closing stock price of EQT common stock of $34.41 on March 31, 2022 and excluding the impact of the Capped Call Transactions, the if-converted value of the Convertible Notes exceeded the principal amount by $651 million.

The table below summarizes the net carrying value and fair value of the Convertible Notes.

| | March 31, 2022 | December 31, 2021 |
|---|---|---|
| | (Thousands) | |
| Principal | $ 499,983 | $ 499,991 |
| Less: Unamortized debt issuance costs | 11,764 | 12,448 |
| Net carrying value of Convertible Notes | $ 488,219 | $ 487,543 |
| | | |
| Fair value of Convertible Notes (a) | $ 1,187,320 | $ 854,985 |

(a) The fair value is a Level 2 fair value measurement. See Note 4 for further discussion.

The table below summarizes the components of interest expense related to the Convertible Notes. The effective interest rate for the Convertible Notes is 2.4%.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Thousands) | |
| Contractual interest expense | $ 2,187 | $ 2,188 |
| Amortization of issuance costs | 684 | 669 |
| Total Convertible Notes interest expense | $ 2,871 | $ 2,857 |

## 7. Earnings Per Share

In periods when the Company reports a net loss, all options, restricted stock, performance awards and stock appreciation rights are excluded from the calculation of diluted weighted average shares outstanding because of their anti-dilutive effect on loss per share. As a result, for the three months ended March 31, 2022 and 2021, all such securities, totaling 7,336,020 and 7,745,522, respectively, were excluded from potentially dilutive securities because of their anti-dilutive effect on loss per share.

Additionally, the Company uses the if-converted method to calculate the impact of the Convertible Notes on diluted EPS. For the three months ended March 31, 2022 and 2021, approximately 33.5 million and 33.3 million shares, respectively, were excluded from potentially dilutive securities because of their anti-dilutive effect on loss per share. See Notes 1 and 6 for further discussion of the Convertible Notes.

## 8. Impairment of Contract Asset

During the first quarter of 2020, the Company sold to Equitrans Midstream approximately 50% of the Company's equity interest in Equitrans Midstream in exchange for a combination of cash and rate relief under certain of the Company's gathering contracts with an affiliate of Equitrans Midstream (the Equitrans Share Exchange). The rate relief was effected through the execution of a consolidated gas gathering and compression agreement entered into between the Company and an affiliate of Equitrans Midstream (the Consolidated GGA). In addition, because the Mountain Valley Pipeline was not in service by January 1, 2022, the Consolidated GGA provides the Company with the option to forgo a portion of the gathering fee relief that would otherwise be applicable following the Mountain Valley Pipeline in-service date in exchange for a cash payment to the Company of $196 million. The cash payment option can be exercised following January 1, 2022 and ending on the earlier of the Mountain Valley Pipeline in-service date or December 31, 2022. To date, the Company has not exercised the cash payment option.

On the closing date of the Equitrans Share Exchange, the Company recorded in the Condensed Consolidated Balance Sheet a contract asset of $410 million representing the estimated fair value of the rate relief inclusive of the cash payment option. During the first quarter of 2022, the Company identified indicators that the carrying value of the contract asset may not be fully recoverable, including increased uncertainty of the estimated timing of completion of the Mountain Valley Pipeline due to recent court rulings. As a result of the Company's impairment evaluation, the Company recognized impairment of $184.9 million in the Statement of Condensed Consolidated Operations for the three months ended March 31, 2022. The impairment reduced the carrying value of the contract asset to its estimated fair value as of March 31, 2022 of $225 million, of which $196 million was attributable to the cash payment option provided by the Consolidated GGA and presented in prepaid expenses and other in the Condensed Consolidated Balance Sheet and $29 million was attributable to the residual rate relief realizable upon the in-service date of the Mountain Valley Pipeline and presented in contract asset in the Condensed Consolidated Balance Sheet. The fair value of the contract asset was based on significant inputs that are not observable in the market and, as such, is a Level 3 fair value measurement. See Note 4 for a description of the fair value hierarchy. Key assumptions used in the fair value calculation included the following: (i) a probability-weighted estimate of the in-service date of the Mountain Valley Pipeline; (ii) an estimate of the potential exercise and timing of the cash payment option; (iii) an estimated production volume forecast and (iv) a market-based weighted average cost of capital.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of financial condition and results of operations should be read in conjunction with the Condensed Consolidated Financial Statements and the notes thereto included in this report. Unless the context otherwise indicates, all references in this report to "EQT," the "Company," "we," "us," or "our" are to EQT Corporation and its subsidiaries, collectively.*

### CAUTIONARY STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the Securities Act of 1933, as amended. Statements that do not relate strictly to historical or current facts are forward-looking and are usually identified by the use of words such as "anticipate," "estimate," "could," "would," "will," "may," "forecast," "approximate," "expect," "project," "intend," "plan," "believe" and other words of similar meaning, or the negative thereof, in connection with any discussion of future operating or financial matters. Without limiting the generality of the foregoing, forward-looking statements contained in this Quarterly Report on Form 10-Q include the expectations of our plans, strategies, objectives and growth and anticipated financial and operational performance, including guidance regarding our strategy to develop our reserves; drilling plans and programs, including availability of capital to complete these plans and programs; total resource potential and drilling inventory duration; projected production and sales volume and growth rates; natural gas prices; changes in basis and the impact of commodity prices on our business; potential future impairments of our assets; projected well costs and capital expenditures; infrastructure programs; the cost, capacity, and timing of obtaining regulatory approvals; our ability to successfully implement and execute our operational, organizational, technological and environmental, social and governance (ESG) initiatives, and achieve the anticipated results of such initiatives; projected gathering and compression rates; monetization transactions, including asset sales, joint ventures or other transactions involving our assets, and our planned use of the proceeds from such monetization transactions; potential acquisition transactions or other strategic transactions, the timing thereof and our ability to achieve the intended operational, financial and strategic benefits from any such transactions; the amount and timing of any repayments, redemptions or repurchases of our common stock, outstanding debt securities or other debt instruments; our ability to reduce our debt and the timing of such reductions, if any; the projected amount and timing of dividends; projected cash flows and free cash flow and the timing thereof; liquidity and financing requirements, including funding sources and availability; our ability to maintain or improve our credit ratings, leverage levels and financial profile; our hedging strategy and projected margin posting obligations; the effects of litigation, government regulation and tax position; and the expected impact of changes to tax laws.

The forward-looking statements included in this Quarterly Report on Form 10-Q involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. We have based these forward-looking statements on current expectations and assumptions about future events, taking into account all information currently known by us. While we consider these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks and uncertainties, many of which are difficult to predict and beyond our control. These risks and uncertainties include, but are not limited to, volatility of commodity prices; the costs and results of drilling and operations; uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future; the assumptions underlying production forecasts; the quality of technical data; our ability to appropriately allocate capital and resources among our strategic opportunities; access to and cost of capital; our hedging and other financial contracts; inherent hazards and risks normally incidental to drilling for, producing, transporting and storing natural gas, natural gas liquids (NGLs) and oil; cyber security risks; availability and cost of drilling rigs, completion services, equipment, supplies, personnel, oilfield services and water required to execute our exploration and development plans, including as a result of the COVID-19 pandemic; risks associated with operating primarily in the Appalachian Basin and obtaining a substantial amount of our midstream services from Equitrans Midstream Corporation (Equitrans Midstream); the ability to obtain environmental and other permits and the timing thereof; government regulation or action, including regulations pertaining to methane and other greenhouse gas emissions; negative public perception of the fossil fuels industry; increased consumer demand for alternatives to natural gas; environmental and weather risks, including the possible impacts of climate change; and disruptions to our business due to acquisitions and other significant transactions. These and other risks and uncertainties are described under Item 1A., "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021 and set forth in other documents we file from time to time with the Securities and Exchange Commission.

Any forward-looking statement speaks only as of the date on which such statement is made, and we do not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

**Consolidated Results of Operations**

Net loss attributable to EQT Corporation for the three months ended March 31, 2022 was $1,516.0 million, $4.05 per diluted share, compared to net loss attributable to EQT Corporation for the same period in 2021 of $37.4 million, $0.13 per diluted share. The change was attributable primarily to the loss on derivatives not designated as hedges and, to a lesser extent, the impairment of our contract asset (discussed in Note 8 to the Condensed Consolidated Financial Statements), increased transportation and processing expense, increased depreciation and depletion and a loss from investments, partly offset by increased sales of natural gas, NGLs and oil and higher income tax benefit.

Results of operations for 2022 include the results of our operation of assets acquired from Alta Resources Development, LLC (the Alta Acquisition), which closed in July 2021.

See "Sales Volume and Revenues" and "Operating Expenses" for discussions of items affecting operating income and "Other Income Statement Items" for a discussion of other income statement items. See "Investing Activities" under "Capital Resources and Liquidity" for a discussion of capital expenditures.

**Average Realized Price Reconciliation**

The following table presents detailed natural gas and liquids operational information to assist in the understanding of our consolidated operations, including the calculation of our average realized price ($/Mcfe), which is based on adjusted operating revenues, a non-GAAP supplemental financial measure. Adjusted operating revenues is presented because it is an important measure we use to evaluate period-to-period comparisons of earnings trends. Adjusted operating revenues should not be considered as an alternative to total operating revenues. See "Non-GAAP Financial Measures Reconciliation" for a reconciliation of adjusted operating revenues with total operating revenues, the most directly comparable financial measure calculated in accordance with GAAP.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Thousands, unless otherwise noted) | |
| **NATURAL GAS** | | |
| Sales volume (MMcf) | 466,136 | 390,298 |
| NYMEX price ($/MMBtu) | $ 4.90 | $ 2.69 |
| Btu uplift | 0.23 | 0.15 |
| Natural gas price ($/Mcf) | $ 5.13 | $ 2.84 |
| | | |
| Basis ($/Mcf) (a) | $ (0.22) | $ (0.25) |
| Cash settled basis swaps not designated as hedges ($/Mcf) | (0.21) | (0.09) |
| Average differential, including cash settled basis swaps ($/Mcf) | $ (0.43) | $ (0.34) |
| Average adjusted price ($/Mcf) | $ 4.70 | $ 2.50 |
| Cash settled derivatives not designated as hedges ($/Mcf) | (1.73) | (0.01) |
| Average natural gas price, including cash settled derivatives ($/Mcf) | $ 2.97 | $ 2.49 |
| Natural gas sales, including cash settled derivatives | $ 1,383,196 | $ 972,494 |
| | | |
| **LIQUIDS** | | |
| ***NGLs, excluding ethane:*** | | |
| Sales volume (MMcfe) (b) | 14,634 | 14,600 |
| Sales volume (Mbbl) | 2,439 | 2,433 |
| Price ($/Bbl) | $ 64.05 | $ 37.28 |
| Cash settled derivatives not designated as hedges ($/Bbl) | (4.85) | (2.99) |
| Average price, including cash settled derivatives ($/Bbl) | $ 59.20 | $ 34.29 |
| NGLs sales | $ 144,381 | $ 83,443 |
| ***Ethane:*** | | |
| Sales volume (MMcfe) (b) | 9,839 | 8,587 |
| Sales volume (Mbbl) | 1,640 | 1,431 |
| Price ($/Bbl) | $ 10.54 | $ 6.66 |
| Ethane sales | $ 17,289 | $ 9,534 |
| ***Oil:*** | | |
| Sales volume (MMcfe) (b) | 1,666 | 1,705 |
| Sales volume (Mbbl) | 278 | 284 |
| Price ($/Bbl) | $ 85.55 | $ 61.98 |
| Oil sales | $ 23,756 | $ 17,614 |
| | | |
| Total liquids sales volume (MMcfe) (b) | 26,139 | 24,892 |
| Total liquids sales volume (Mbbl) | 4,357 | 4,148 |
| Total liquids sales | $ 185,426 | $ 110,591 |
| | | |
| **TOTAL** | | |
| Total natural gas and liquids sales, including cash settled derivatives (c) | $ 1,568,622 | $ 1,083,085 |
| Total sales volume (MMcfe) | 492,275 | 415,190 |
| Average realized price ($/Mcfe) | $ 3.19 | $ 2.61 |

(a) Basis represents the difference between the ultimate sales price for natural gas, including the effects of delivered price benefit or deficit associated with our firm transportation agreements, and the New York Mercantile Exchange (NYMEX) natural gas price.
(b) NGLs, ethane and oil were converted to Mcfe at a rate of six Mcfe per barrel.
(c) Total natural gas and liquids sales, including cash settled derivatives, is also referred to in this report as adjusted operating revenues, a non-GAAP supplemental financial measure.

**Non-GAAP Financial Measures Reconciliation**

The table below reconciles adjusted operating revenues, a non-GAAP supplemental financial measure, with total operating revenues, its most directly comparable financial measure calculated in accordance with GAAP. Adjusted operating revenues (also referred to in this report as total natural gas and liquids sales, including cash settled derivatives) is presented because it is an important measure we use to evaluate period-to-period comparisons of earnings trends. Adjusted operating revenues excludes the revenue impacts of changes in the fair value of derivative instruments prior to settlement and net marketing services and other. We use adjusted operating revenues to evaluate earnings trends because, as a result of the measure's exclusion of the often-volatile changes in the fair value of derivative instruments prior to settlement, the measure reflects only the impact of settled derivative contracts. Net marketing services and other consists of the costs of, and recoveries on, pipeline capacity releases, revenues for gathering services provided to third parties and other revenues. Because we consider net marketing services and other to be unrelated to our natural gas and liquids production activities, adjusted operating revenues excludes net marketing services and other. We believe that adjusted operating revenues provides useful information to investors for evaluating period-to-period comparisons of earnings trends.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Thousands, unless otherwise noted) | |
| Total operating revenues | $ (579,110) | $ 949,923 |
| Add (deduct): | | |
| Loss on derivatives not designated as hedges | 3,077,637 | 188,813 |
| Net cash settlements paid on derivatives not designated as hedges | (885,539) | (38,140) |
| Premiums paid for derivatives that settled during the period | (32,463) | (9,726) |
| Net marketing services and other | (11,903) | (7,785) |
| Adjusted operating revenues, a non-GAAP financial measure | $ 1,568,622 | $ 1,083,085 |
| | | |
| Total sales volume (MMcfe) | 492,275 | 415,190 |
| Average realized price ($/Mcfe) | $ 3.19 | $ 2.61 |

**Sales Volume and Revenues**

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2022 | 2021 | Change | % Change |
| | (Thousands, unless otherwise noted) | | | |
| Sales volume by shale (MMcfe): | | | | |
| Marcellus | 455,427 | 373,941 | 81,486 | 21.8 |
| Ohio Utica | 34,206 | 39,929 | (5,723) | (14.3) |
| Other | 2,642 | 1,320 | 1,322 | 100.2 |
| Total sales volume (a) | 492,275 | 415,190 | 77,085 | 18.6 |
| | | | | |
| Average daily sales volume (MMcfe/d) | 5,470 | 4,613 | 857 | 18.6 |
| | | | | |
| Operating revenues: | | | | |
| Sales of natural gas, NGLs and oil | $ 2,486,624 | $ 1,130,951 | $ 1,355,673 | 119.9 |
| Loss on derivatives not designated as hedges | (3,077,637) | (188,813) | (2,888,824) | 1,530.0 |
| Net marketing services and other | 11,903 | 7,785 | 4,118 | 52.9 |
| Total operating revenues | $ (579,110) | $ 949,923 | $ (1,529,033) | (161.0) |

(a) NGLs, ethane and oil were converted to Mcfe at a rate of six Mcfe per barrel.

*Sales of natural gas, NGLs and oil.* Sales of natural gas, NGLs and oil increased for the three months ended March 31, 2022 compared to the same period in 2021 due to a higher average realized price and increased sales volume.

Average realized price for the three months ended March 31, 2022 compared to the same period in 2021 increased due to higher NYMEX prices and higher liquids prices, partly offset by unfavorable cash settled derivatives and unfavorable differential. For the three months ended March 31, 2022 and 2021, we paid $885.5 million and $38.1 million, respectively, of net cash settlements on derivatives not designated as hedges, which are included in average realized price but may not be included in operating revenues.

Sales volume increased primarily as a result of sales volume increases from the assets acquired in the Alta Acquisition.

*Loss on derivatives not designated as hedges.* For the three months ended March 31, 2022 and 2021, we recognized a loss on derivatives not designated as hedges of $3,077.6 million and $188.8 million, respectively. The losses were related primarily to decreases in the fair market value of our NYMEX swaps and options due to increases in NYMEX forward prices.

*Net marketing services and other.* Net marketing services and other increased for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to third-party gathering revenues recognized on the midstream assets acquired in the Alta Acquisition.

**Operating Expenses**

The following table presents information on our production-related operating expenses.

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | **2022** | **2021** | **Change** | **% Change** |
| | **(Thousands, unless otherwise noted)** | | | |
| **Operating expenses:** | | | | |
| Gathering | $ 320,529 | $ 280,361 | $ 40,168 | 14.3 |
| Transmission | 147,106 | 124,872 | 22,234 | 17.8 |
| Processing | 48,469 | 40,551 | 7,918 | 19.5 |
| Lease operating expenses (LOE) | 39,829 | 27,019 | 12,810 | 47.4 |
| Production taxes | 31,183 | 20,211 | 10,972 | 54.3 |
| Exploration | 772 | 949 | (177) | (18.7) |
| Selling, general and administrative | 69,096 | 45,006 | 24,090 | 53.5 |
| | | | | |
| Production depletion | $ 416,925 | $ 373,008 | $ 43,917 | 11.8 |
| Other depreciation and depletion | 5,173 | 4,108 | 1,065 | 25.9 |
| Total depreciation and depletion | $ 422,098 | $ 377,116 | $ 44,982 | 11.9 |
| | | | | |
| **Per Unit ($/Mcfe):** | | | | |
| Gathering | $ 0.65 | $ 0.68 | $ (0.03) | (4.4) |
| Transmission | 0.30 | 0.30 | — | — |
| Processing | 0.10 | 0.10 | — | — |
| LOE | 0.08 | 0.07 | 0.01 | 14.3 |
| Production taxes | 0.06 | 0.05 | 0.01 | 20.0 |
| Selling, general and administrative | 0.14 | 0.11 | 0.03 | 27.3 |
| Production depletion | 0.85 | 0.90 | (0.05) | (5.6) |

*Gathering.* Gathering expense increased on an absolute basis for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to increased sales volume from the assets acquired in the Alta Acquisition and higher gathering rates on certain contracts indexed to price. Gathering expense decreased on a per Mcfe basis for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to the lower gathering rate structure on the assets acquired in the Alta Acquisition.

*Transmission.* Transmission expense increased on an absolute basis for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to additional capacity acquired as part of the Alta Acquisition, lower credits received from and higher rates on the Texas Eastern Transmission Pipeline and additional capacity acquired on the Rockies Express Pipeline in the third quarter of 2021.

*Processing.* Processing expense increased on an absolute basis for the three months ended March 31, 2022 compared to the same period in 2021 due to increased liquid sales volume as a result of increased development of liquids-rich areas throughout 2021.

*LOE.* LOE increased on an absolute and per Mcfe basis for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to additional lease operating costs as a result of the Alta Acquisition.

*Production taxes.* Production taxes increased on an absolute and per Mcfe basis for the three months ended March 31, 2022 compared to the same period in 2021 due to increased West Virginia severance taxes, which resulted primarily from higher prices, and increased Pennsylvania impact fees, which resulted from the additional wells acquired in the Alta Acquisition, higher prices and inflation.

*Selling, general and administrative.* Selling, general and administrative expense increased on an absolute and per Mcfe basis for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to higher long-term incentive compensation costs as a result of changes in the fair value of awards and higher litigation expense. Long-term incentive compensation may fluctuate with changes in our stock price and performance conditions.

*Depreciation and depletion.* Production depletion expense increased on an absolute basis for the three months ended March 31, 2022 compared to the same period in 2021 due to increased sales volume, partly offset by a lower annual depletion rate. Production depletion expense decreased on a per Mcfe basis for the three months ended March 31, 2022 compared to the same period in 2021 due to a lower annual depletion rate.

*Impairment of contract asset.* During the three months ended March 31, 2022, we recognized impairment of our contract asset of $184.9 million. See Note 8 to the Condensed Consolidated Financial Statements.

*Impairment and expiration of leases.* During the three months ended March 31, 2022 and 2021, we recognized impairment and expiration of leases of $30.0 million and $16.8 million, respectively, related to leases that we no longer expect to extend or develop prior to their expiration based on our development plan.

*Other operating expenses.* Other operating expenses for the three months ended March 31, 2022 of $16.3 million were attributable primarily to changes in legal reserves, including settlements. Other operating expenses for the three months ended March 31, 2021 of $9.4 million were attributable primarily to transaction costs associated with our acquisition of upstream assets from Chevron U.S.A. Inc. and changes in legal reserves, including settlements.

**Other Income Statement Items**

*Loss (income) from investments.* For the three months ended March 31, 2022, we recognized a loss from investments due primarily to a loss on our investment in Equitrans Midstream, which resulted from a decrease in Equitrans Midstream's stock price to $8.44 as of March 31, 2022 from $10.34 as of December 31, 2021, partly offset by a gain on our investment in the Investment Fund (defined in Note 4 to the Condensed Consolidated Financial Statements) and equity earnings on our investment in Laurel Mountain Midstream LLC. For the three months ended March 31, 2021, we recognized gains on our investments in the Investment Fund and Equitrans Midstream.

*Loss on debt extinguishment.* During the three months ended March 31, 2022, we recognized a loss on debt extinguishment of $6.9 million due to the repayment of our 3.00% senior notes. During the three months ended March 31, 2021, we recognized a loss on debt extinguishment of $4.4 million due to the repayment of our 4.875% senior notes. See Note 6 to the Condensed Consolidated Financial Statements.

*Interest expense.* Interest expense decreased for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to reduced interest expense on letters of credit and lower borrowings under our credit facility. See Note 6 to the Condensed Consolidated Financial Statements.

*Income tax benefit.* See Note 5 to the Condensed Consolidated Financial Statements.

**Capital Resources and Liquidity**

Although we cannot provide any assurance, we believe cash flows from operating activities and availability under our credit facility should be sufficient to meet our cash requirements inclusive of, but not limited to, normal operating needs, debt service obligations, planned capital expenditures and commitments for at least the next twelve months and, based on current expectations, for the long term.

*Planned Capital Expenditures and Sales Volume*. In 2022, we expect to spend approximately $1.30 to $1.45 billion in total capital expenditures, excluding amounts attributable to noncontrolling interest. We expect to fund our capital expenditures with cash generated from operations and, if required, borrowings under our credit facility. Because we are the operator of a high percentage of our developed acreage, the amount and timing of these capital expenditures are largely discretionary. We could choose to defer a portion of these planned 2022 capital expenditures depending on a variety of factors, including prevailing and anticipated prices for natural gas, NGLs and oil; the availability of necessary equipment, infrastructure and capital; the receipt and timing of required regulatory permits and approvals; and drilling, completion and acquisition costs. Sales volume in 2022 is expected to be 1,950 Bcfe to 2,050 Bcfe.

*Operating Activities.* Net cash provided by operating activities was $1,021 million for the three months ended March 31, 2022 compared to $400 million for the same period in 2021. The increase was due primarily to higher cash operating revenues and favorable timing of working capital payments, partly offset by net cash settlements paid on derivatives not designated as hedges and higher cash operating expenses.

Our cash flows from operating activities are affected by movements in the market price for commodities. We are unable to predict such movements outside of the current market view as reflected in forward strip pricing. Refer to Item 1A., "Risk Factors – Natural gas, NGLs and oil price volatility, or a prolonged period of low natural gas, NGLs and oil prices, may have an adverse effect on our revenue, profitability, future rate of growth, liquidity and financial position" in our Annual Report on Form 10-K for the year ended December 31, 2021.

*Investing Activities.* Net cash used in investing activities was $291 million for the three months ended March 31, 2022 compared to $248 million for the same period in 2021. The increase was due to increased capital expenditures.

The following table summarizes our capital expenditures.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2022 | 2021 |
| | (Millions) | |
| Reserve development | $ 229 | $ 189 |
| Land and lease (a) | 49 | 23 |
| Capitalized overhead | 12 | 13 |
| Capitalized interest | 6 | 4 |
| Other production infrastructure | 13 | 5 |
| Other | 1 | 4 |
| Total capital expenditures | 310 | 238 |
| (Deduct) add: Non-cash items (b) | (18) | 13 |
| Total cash capital expenditures | $ 292 | $ 251 |

(a) Capital expenditures attributable to noncontrolling interest were $1.9 million and $1.3 million for the three months ended March 31, 2022 and 2021, respectively.

(b) Represents the net impact of non-cash capital expenditures, including the effect of timing of receivables from working interest partners, accrued capital expenditures and capitalized share-based compensation costs. The impact of accrued capital expenditures includes the current period estimate, net of the reversal of the prior period accrual.

*Financing Activities.* Net cash used in financing activities was $827 million for the three months ended March 31, 2022 compared to $130 million for the same period in 2021. For the three months ended March 31, 2022, the primary use of financing cash flows was repayment and retirement of debt, repurchase and retirement of EQT common stock and payment of dividends, and the primary source of financing cash flows was net proceeds from credit facility borrowings. For the three months ended March 31, 2021, the primary use of financing cash flows was net repayments of debt.

See Note 6 to the Condensed Consolidated Financial Statements for further discussion of our debt and borrowings under our credit facility.

On April 20, 2022, our Board of Directors declared a quarterly cash dividend of $0.125 per share of EQT common stock, payable on June 1, 2022, to shareholders of record at the close of business on May 11, 2022.

During April 2022, we sold the remaining balance of our Equitrans Midstream common stock for net proceeds of approximately $189 million.

Depending on our actual and anticipated sources and uses of liquidity, prevailing market conditions and other factors, we may from time to time seek to redeem or repurchase our outstanding debt or equity securities through cash purchases in the open market or privately negotiated transactions. The amounts involved in any such transactions may be material.

**Security Ratings and Financing Triggers**

The table below reflects the credit ratings and rating outlooks assigned to our debt instruments as of April 22, 2022. Our credit ratings and rating outlooks are subject to revision or withdrawal at any time by the assigning rating agency, and each rating should be evaluated independent from any other rating. We cannot ensure that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn by a rating agency if, in the rating agency's judgment, circumstances so warrant. See Note 3 to the Condensed Consolidated Financial Statements for a description of what is deemed investment grade.

| Rating agency | Senior notes | Outlook |
|---|---|---|
| Moody's Investors Service (Moody's) | Ba1 | Stable |
| Standard & Poor's Ratings Service (S&P) | BBB– | Stable |
| Fitch Ratings Service (Fitch) | BBB– | Stable |

Changes in credit ratings may affect our access to the capital markets, the cost of short-term debt through interest rates and fees under our credit facility, the interest rate on our senior notes with adjustable rates, the rates available on new long-term debt, our pool of investors and funding sources, the borrowing costs and margin deposit requirements on our over the counter (OTC) derivative instruments and credit assurance requirements, including collateral, in support of our midstream service contracts, joint venture arrangements or construction contracts. Margin deposits on our OTC derivative instruments are also subject to factors other than credit rating, such as natural gas prices and credit thresholds set forth in the agreements between us and our hedging counterparties.

As of April 22, 2022, we had sufficient unused borrowing capacity, net of letters of credit, under our credit facility to satisfy any requests for margin deposit or other collateral that our counterparties are permitted to request of us pursuant to our OTC derivative instruments, midstream services contracts and other contracts. As of April 22, 2022, such assurances could be up to approximately $1.0 billion, inclusive of letters of credit, OTC derivative instrument margin deposits and other collateral posted of approximately $0.8 billion in the aggregate. See Notes 3 and 6 to the Condensed Consolidated Financial Statements for further information.

Our debt agreements and other financial obligations contain various provisions that, if not complied with, could result in default or event of default under our credit facility, mandatory partial or full repayment of amounts outstanding, reduced loan capacity or other similar actions. The most significant covenants and events of default under the debt agreements relate to maintenance of a debt-to-total capitalization ratio, limitations on transactions with affiliates, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of other financial obligations and change of control provisions. Our credit facility contains financial covenants that require us to have a total debt to total capitalization ratio no greater than 65%. The calculation of this ratio excludes the effects of accumulated other comprehensive loss. As of March 31, 2022, we were in compliance with all debt provisions and covenants under our debt agreements.

See Note 6 to the Condensed Consolidated Financial Statements for a discussion of borrowings under our credit facility.

**Commodity Risk Management**

The substantial majority of our commodity risk management program is related to hedging sales of our produced natural gas. The overall objective of our hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices. The derivative commodity instruments that we use are primarily swap, collar and option agreements. The following table summarizes the approximate volume and prices of our NYMEX hedge positions as of April 22, 2022. The difference between the fixed price and NYMEX price is included in average differential presented in our price reconciliation in "Average Realized Price Reconciliation." The fixed price natural gas sales agreements can be physically or financially settled.

| | Q2 2022 (a) | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|
| Hedged Volume (MMDth) | 329 | 286 | 287 | 185 | 233 | 236 | 204 | 17 |
| Hedged Volume (MMDth/d) | 3.6 | 3.1 | 3.1 | 2.1 | 2.6 | 2.6 | 2.2 | — |
| | | | | | | | | |
| **Swaps, including Futures** | | | | | | | | |
| Volume (MMDth) | 296 | 253 | 232 | — | 41 | 42 | 42 | 2 |
| Avg. Price ($/Dth) | $ 2.63 | $ 2.34 | $ 2.40 | $ — | $ 2.53 | $ 2.53 | $ 2.53 | $ 2.67 |
| | | | | | | | | |
| **Calls – Net Short** | | | | | | | | |
| Volume (MMDth) | 101 | 102 | 102 | 162 | 192 | 194 | 127 | 15 |
| Avg. Short Strike ($/Dth) | $ 3.00 | $ 3.05 | $ 3.02 | $ 8.07 | $ 4.16 | $ 4.16 | $ 4.18 | $ 3.11 |
| | | | | | | | | |
| **Puts – Net Long** | | | | | | | | |
| Volume (MMDth) | 32 | 32 | 54 | 184 | 191 | 193 | 162 | 15 |
| Avg. Long Strike ($/Dth) | $ 2.78 | $ 2.68 | $ 2.68 | $ 3.77 | $ 2.73 | $ 2.73 | $ 2.85 | $ 2.45 |
| | | | | | | | | |
| **Fixed Price Sales** | | | | | | | | |
| Volume (MMDth) | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.3 | — |
| Avg. Price ($/Dth) | $ 2.38 | $ 2.38 | $ 2.38 | $ 2.38 | $ 2.38 | $ 2.38 | $ 2.38 | $ — |

(a) April 1 through June 30.

For 2022 (April 1 through December 31), 2023 and 2024, we have natural gas sales agreements for approximately 14 MMDth, 88 MMDth and 11 MMDth, respectively, that include average NYMEX ceiling prices of $3.17, $2.84 and $3.21, respectively.

We entered into 455 MMDth per day of NYMEX swaps at a weighted average price of $6.05 that offset existing NYMEX swaps related to the first quarter of 2023 with a weighted average price of $2.53. These positions have been excluded from the table above.

We have also entered into derivative instruments to hedge basis. We may use other contractual agreements to implement our commodity hedging strategy from time to time.

See Item 3., "Quantitative and Qualitative Disclosures About Market Risk" and Note 3 to the Condensed Consolidated Financial Statements for further discussion of our hedging program.

**Commitments and Contingencies**

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against us. While the amounts claimed may be substantial, we are unable to predict with certainty the ultimate outcome of such claims and proceedings. We accrue legal and other direct costs related to loss contingencies when actually incurred. We have established reserves that we believe to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, we believe that the ultimate outcome of any pending matter involving us will not materially affect our financial condition, results of operations or liquidity. See Note 16 to the Consolidated Financial Statements and Part I, Item 3., "Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2021 for a discussion of our commitments and contingencies.

**Recently Issued Accounting Standards**

Our recently issued accounting standards are described in Note 1 to the Condensed Consolidated Financial Statements.

**Critical Accounting Policies and Estimates**

Our critical accounting policies, including a discussion regarding the estimation uncertainty and the impact that our critical accounting estimates have had, or are reasonably likely to have, on our financial condition or results of operations, are described in Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2021. The application of our critical accounting policies may require us to make judgments and estimates about the amounts reflected in the Condensed Consolidated Financial Statements. We use historical experience and all available information to make these estimates and judgments. Different amounts could be reported using different assumptions and estimates.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

*Commodity Price Risk and Derivative Instruments.* Our primary market risk exposure is the volatility of future prices for natural gas and NGLs. Due to the volatility of commodity prices, we are unable to predict future potential movements in the market prices for natural gas and NGLs at our ultimate sales points and, thus, cannot predict the ultimate impact of prices on our operations. Prolonged low, or significant, extended declines in, natural gas and NGLs prices could adversely affect, among other things, our development plans, which would decrease the pace of development and the level of our proved reserves. Increases in natural gas and NGLs prices may be accompanied by, or result in, increased well drilling costs, increased production taxes, increased lease operating expenses, increased volatility in seasonal gas price spreads for our storage assets and increased end-user conservation or conversion to alternative fuels. In addition, to the extent we have hedged our production at prices below the current market price, we will not benefit fully from an increase in the price of natural gas, and, depending on our then-current credit ratings and the terms of our hedging contracts, we may be required to post additional margin with our hedging counterparties.

The overall objective of our hedging program is to protect cash flows from undue exposure to the risk of changing commodity prices. Our use of derivatives is further described in Note 3 to the Condensed Consolidated Financial Statements and "Commodity Risk Management" under "Capital Resources and Liquidity" in Item 2., "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our OTC derivative commodity instruments are placed primarily with financial institutions and the creditworthiness of those institutions is regularly monitored. We primarily enter into derivative instruments to hedge forecasted sales of production. We also enter into derivative instruments to hedge basis. Our use of derivative instruments is implemented under a set of policies approved by our management-level Hedge and Financial Risk Committee and is reviewed by our Board of Directors.

For derivative commodity instruments used to hedge our forecasted sales of production, which are at, for the most part, NYMEX natural gas prices, we set policy limits relative to the expected production and sales levels that are exposed to price risk. We have an insignificant amount of financial natural gas derivative commodity instruments for trading purposes.

The derivative commodity instruments we use are primarily swap, collar and option agreements. These agreements may require payments to, or receipt of payments from, counterparties based on the differential between two prices for the commodity. We use these agreements to hedge our NYMEX and basis exposure. We may also use other contractual agreements when executing our commodity hedging strategy.

We monitor price and production levels on a continuous basis and make adjustments to quantities hedged as warranted.

A hypothetical decrease of 10% in the NYMEX natural gas price on March 31, 2022 and December 31, 2021 would increase the fair value of our natural gas derivative commodity instruments by approximately $763 million and $577 million, respectively. A hypothetical increase of 10% in the NYMEX natural gas price on March 31, 2022 and December 31, 2021 would decrease the fair value of our natural gas derivative commodity instruments by approximately $769 million and $581 million, respectively. For purposes of this analysis, we applied the 10% change in the NYMEX natural gas price on March 31, 2022 and December 31, 2021 to our natural gas derivative commodity instruments as of March 31, 2022 and December 31, 2021 to calculate the hypothetical change in fair value. The change in fair value was determined using a method similar to our normal process for determining derivative commodity instrument fair value described in Note 4 to the Condensed Consolidated Financial Statements.

The above analysis of our derivative commodity instruments does not include the offsetting impact that the same hypothetical price movement may have on our physical sales of natural gas. The portfolio of derivative commodity instruments held to hedge our forecasted produced gas approximates a portion of our expected physical sales of natural gas; therefore, an adverse impact to the fair value of the portfolio of derivative commodity instruments held to hedge our forecasted production associated with the hypothetical changes in commodity prices referenced above should be offset by a favorable impact on our physical sales of natural gas, assuming that the derivative commodity instruments are not closed in advance of their expected term and the derivative commodity instruments continue to function effectively as hedges of the underlying risk.

If the underlying physical transactions or positions are liquidated prior to the maturity of the derivative commodity instruments, a loss on the financial instruments may occur or the derivative commodity instruments might be worthless as determined by the prevailing market value on their termination or maturity date, whichever comes first.

*Interest Rate Risk.* Changes in market interest rates affect the amount of interest we earn on cash, cash equivalents and short-term investments and the interest rate we pay on borrowings under our credit facility. None of the interest we pay on our senior notes fluctuates based on changes to market interest rates. A 1% increase in interest rates on the borrowings under our credit facility during the three months ended March 31, 2022 would have increased interest expense by approximately $3 million.

Interest rates on our 6.125% senior notes due 2025 and 7.00% senior notes due 2030 fluctuate based on changes to the credit ratings assigned to our senior notes by Moody's, S&P and Fitch. Interest rates on our other outstanding senior notes do not fluctuate based on changes to the credit ratings assigned to our senior notes by Moody's, S&P and Fitch. For a discussion of credit rating downgrade risk, see Item 1A., "Risk Factors – Our exploration and production operations have substantial capital requirements, and we may not be able to obtain needed capital or financing on satisfactory terms" in our Annual Report on Form 10-K for the year ended December 31, 2021. Changes in interest rates affect the fair value of our fixed rate debt. See Note 6 to the Condensed Consolidated Financial Statements for further discussion of our debt and Note 4 to the Condensed Consolidated Financial Statements for a discussion of fair value measurements, including the fair value measurement of our debt.

*Other Market Risks.* We are exposed to credit loss in the event of nonperformance by counterparties to our derivative contracts. This credit exposure is limited to derivative contracts with a positive fair value, which may change as market prices change. Our OTC derivative instruments are primarily with financial institutions and, thus, are subject to events that would impact those companies individually as well as the financial industry as a whole. We use various processes and analyses to monitor and evaluate our credit risk exposures, including monitoring current market conditions and counterparty credit fundamentals. Credit exposure is controlled through credit approvals and limits based on counterparty credit fundamentals. To manage the level of credit risk, we enter into transactions primarily with financial counterparties that are of investment grade, enter into netting agreements whenever possible and may obtain collateral or other security.

Approximately 16%, or $997 million, of our OTC derivative contracts outstanding at March 31, 2022 had a positive fair value. Approximately 17%, or $477 million, of our OTC derivative contracts outstanding at December 31, 2021 had a positive fair value.

As of March 31, 2022, we were not in default under any derivative contracts and had no knowledge of default by any counterparty to our derivative contracts. During the three months ended March 31, 2022, we made no adjustments to the fair value of our derivative contracts due to credit related concerns outside of the normal non-performance risk adjustment included in our established fair value procedure. We monitor market conditions that may impact the fair value of our derivative contracts.

We are exposed to the risk of nonperformance by credit customers on physical sales of natural gas, NGLs and oil. Revenues and related accounts receivable from our operations are generated primarily from the sale of produced natural gas, NGLs and oil to marketers, utilities and industrial customers located in the Appalachian Basin and in markets that are accessible through our transportation portfolio, which includes markets in the Gulf Coast, Midwest and Northeast United States and Canada. We also contract with certain processors to market a portion of NGLs on our behalf.

No one lender of the large group of financial institutions in the syndicate for our credit facility holds more than 10% of the financial commitments under such facility. The large syndicate group and relatively low percentage of participation by each lender are expected to limit our exposure to disruption or consolidation in the banking industry.

**Item 4. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), as of the end of the period covered by this report. Based on that evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

*Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the first quarter of 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against us. While the amounts claimed may be substantial, we are unable to predict with certainty the ultimate outcome of such claims and proceedings. We accrue legal and other direct costs related to loss contingencies when actually incurred. We have established reserves in amounts that we believe to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, we believe that the ultimate outcome of any pending matter involving us will not materially affect our financial position, results of operations or liquidity.

There have been no material updates to the matters previously disclosed in Item 3, "Legal Proceedings" of our Annual Report on Form 10-K for the year ended December 31, 2021.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors previously disclosed in Item 1A., "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2021.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

*Conversion of Certain Convertible Notes*

In March 2022, we received notices from holders of the Convertible Notes (defined and described in Note 6 to the Condensed Consolidated Financial Statements) requesting the conversion of the aggregate principal of Convertible Notes stated in the table below (the Converted Notes). We settled the conversion of the Converted Notes by issuing to the converting holders of the Converted Notes shares of EQT common stock. Such shares were issued in transactions exempt from registration under the Securities Act of 1933, as amended, by virtue of Section 3(a)(9) thereof, because no commission or other remuneration was paid in connection with conversion of the Converted Notes.

| Settlement Date | Principal Converted | Shares Issued | Fair Market Value |
|---|---|---|---|
| | (Thousands) | | (Thousands) |
| March 31, 2022 | $ 8 | 536 | $ 18 |
| April 4, 2022 | 26 | 1,742 | 63 |

*Repurchases of Equity Securities*

The following table sets forth our repurchases of equity securities registered under Section 12 of the Exchange Act that have occurred during the three months ended March 31, 2022.

| | Total number of shares purchased (a) | Average price paid per share (b) | Total number of shares purchased as part of publicly announced plans or programs (c) | Approximate dollar value of shares that may yet be purchased under the plans or programs (c) |
|---|---|---|---|---|
| January 1, 2022 – January 31, 2022 | 1,119,691 | $ 20.88 | 1,118,569 | $ 947,284,444 |
| February 1, 2022 – February 28, 2022 | 3,772,657 | 22.41 | 3,772,657 | 862,731,746 |
| March 1, 2022 – March 31, 2022 | 3,641,659 | 25.25 | 3,641,659 | 770,784,573 |
| Total | 8,534,007 | | 8,532,885 | |

(a) In January 2022, we withheld 1,122 shares at an average price paid per share of $21.81 to pay taxes upon vesting of restricted stock. There were no shares withheld to pay taxes upon vesting of restricted stock in February and March 2022.

(b) Excludes any fees, commissions or other expenses associated with the share repurchases.

(c) On December 13, 2021, we announced that our Board of Directors approved a share repurchase program to repurchase shares of our outstanding common stock for an aggregate purchase price of up to $1 billion, excluding fees, commissions and expenses. Pursuant to the share repurchase authority, we may repurchase shares from time to time in the open market or in privately negotiated transactions. The share repurchase authority does not obligate us to acquire any specific number of shares, was effective immediately and is valid through December 31, 2023. As of March 31, 2022, we had purchased shares for an aggregate purchase price of $229.2 million, excluding fees, commissions and expenses, under this authorization since its inception. The total number of shares purchased and the approximate dollar value of shares that may yet be purchased under our repurchase authority reported in this table reflect shares purchased in each month based on the trade date; however, certain purchases may not have settled until the following month.

**Item 6. Exhibits**

| Exhibit No. | Description | Method of Filing |
|---|---|---|
| 3.01(a) | Restated Articles of Incorporation of EQT Corporation (as amended through November 13, 2017). | Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-3551) filed on November 14, 2017. |
| 3.01(b) | Articles of Amendment to the Restated Articles of Incorporation of EQT Corporation (effective May 1, 2020). | Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-3551) filed on May 4, 2020. |
| 3.01(c) | Articles of Amendment to the Restated Articles of Incorporation of EQT Corporation (effective July 23, 2020). | Incorporated herein by reference to Exhibit 3.1 to Form 8-K (#001-3551) filed on July 23, 2020. |
| 3.02 | Amended and Restated Bylaws of EQT Corporation (as amended through May 1, 2020). | Incorporated herein by reference to Exhibit 3.4 to Form 8-K (#001-3551) filed on May 4, 2020. |
| 10.01* | Letter Agreement (Ealy North – February 2022), dated February 4, 2022, among EQT Corporation, EQT Production Company, Rice Drilling B LLC, EQT Energy, LLC and EQM Gathering Opco, LLC, amending that certain Gas Gathering and Compression Agreement, dated February 26, 2020, as amended and restated. | Filed herewith as Exhibit 10.01. |
| 31.01 | Rule 13(a)-14(a) Certification of Principal Executive Officer. | Filed herewith as Exhibit 31.01. |
| 31.02 | Rule 13(a)-14(a) Certification of Principal Financial Officer. | Filed herewith as Exhibit 31.02. |
| 32 | Section 1350 Certification of Principal Executive Officer and Principal Financial Officer. | Furnished herewith as Exhibit 32. |
| 101 | Interactive Data File. | Filed herewith as Exhibit 101. |
| 104 | Cover Page Interactive Data File. | Formatted as Inline XBRL and contained in Exhibit 101. |

*Certain schedules and similar attachments to this exhibit have been omitted pursuant to Item 601(a)(5) and/or Item 601(b)(10)(iv), as applicable, of Regulation S-K. EQT Corporation agrees to furnish an unredacted, supplemental copy (including any omitted schedule or attachment) to the SEC upon request. Redactions and omissions are designated with brackets containing asterisks.

**SIGNATURE**

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

EQT CORPORATION
(Registrant)

By: /s/ David M. Khani
David M. Khani
Chief Financial Officer

Date: April 28, 2022

**Exhibit 10.01**

SPECIFIC TERMS IN THIS LETTER AGREEMENT HAVE BEEN REDACTED BECAUSE SUCH TERMS ARE BOTH NOT MATERIAL AND ARE OF A TYPE THAT EQT CORPORATION TREATS AS CONFIDENTIAL. THESE REDACTED TERMS HAVE BEEN MARKED IN THIS EXHIBIT AT THE APPROPRIATE PLACE WITH THREE ASTERISKS [***].




February 4, 2022

Rice Drilling B LLC
625 Liberty Avenue, Suite 1700
Pittsburgh, PA 15222-3111
Attn: Ray Franks

RE: Ealy North Well Pad

Dear Mr. Franks:

Reference is made to that certain Gas Gathering and Compression Agreement dated as of February 26, 2020 by and among EQT Corporation, EQT Production Company, Rice Drilling B LLC, and EQT Energy, LLC (collectively, "***Producer***"), and EQM Gathering Opco, LLC ("***Gatherer***"), as the same was amended by that certain First Amendment to Gas Gathering and Compression Agreement dated August 26, 2020, that Second Amendment to Gas Gathering and Compression Agreement dated December 6, 2021 and that Third Amendment to Gas Gathering Compression Agreement dated December 21, 2021, between Producer and Gatherer (as amended, the "***Gathering Agreement***"). All capitalized terms used but not otherwise defined in this letter agreement ("***Letter Agreement***") shall have the meanings (if any) ascribed to them in the Gathering Agreement.

WHEREAS, Producer currently delivers Dedicated Gas produced from Producer's Well Pad known as the Ealy North Well Pad ("***Ealy North Pad***") to the applicable Receipt Point ("***Ealy North Receipt Point***");

WHEREAS, by letter dated April 27, 2021, Gatherer notified Producer that the Dedicated Gas being delivered to the Ealy North Receipt Point contains [***] in violation of Section 10.2 of the Gathering Agreement; and

WHEREAS, Producer desires to install, at Producer's sole cost and expense, [***] and appurtenances described on Exhibit A attached hereto ("***Condensate Facilities***") at the Ealy North Receipt Point location ("***Location***") depicted on Exhibit A attached hereto for the purpose of bypassing the [***] around the Gatherer's Measurement Facilities at the Ealy North Receipt Point

NOW, THEREFORE, Gatherer and Producer (collectively, "***Parties***" and each a "***Party***"), by execution of this Letter Agreement and in consideration of the mutual covenants contained herein, do hereby agree as follows, as of the date first written above (the "***Execution Date***"):

1. ***Installation Work; Maintenance Work; Reimbursement***.

(a) Subject to the terms and conditions of this Letter Agreement, Producer agrees to design and install, or cause to be designed and installed, the Condensate Facilities at the Location (the "***Installation Work***") at its sole cost and expense. Producer agrees to use commercially reasonable efforts to complete the Installation Work on or before [***]. The performance standard set forth in Section 3.1 of the Gathering Agreement shall apply to Producer's performance of the Installation Work, *mutatis mutandis*.

(b) Following the completion of the Installation Work, Producer shall notify Gatherer thereof, and Gatherer shall promptly thereafter inspect the Installation Work (including the performance of any necessary tests) and either approve the Condensate Facilities in writing or provide Producer written notice of any deficiencies in the function of the Condensate Facilities or any failure of the Installation Work to meet the performance standard set forth above.

(c) From and after (i) the completion of the Installation Work and (ii) the written approval by Gatherer of the Condensate Facilities, Producer shall assign and convey to Gatherer by an assignment in the form attached hereto as Exhibit C, and Gatherer shall take assignment of, and own and operate, the Condensate Facilities. Following such assignment and conveyance, the Condensate Facilities shall be deemed part of the Gathering System for all purposes under the Gathering Agreement, and Gatherer shall have all rights and responsibilities with respect to the Condensate Facilities as are applicable to the Gathering System under the Gathering Agreement, including with respect to Maintenance under Section 7.2 of the Gathering Agreement, subject to Section 2 (Indemnification). For the avoidance of doubt, Gatherer shall be responsible for performing any necessary Maintenance with respect to the Condensate Facilities in accordance with the terms of the Gathering Agreement (the "***Maintenance Work***"); provided, however, Producer shall reimburse Gatherer for all Maintenance Costs (defined below). Without limitation of the foregoing, the Parties agree to be responsible for the Measurement Facilities and related interconnect facilities at the Ealy North Receipt Point in accordance with Exhibit B attached hereto and Exhibit N to the Gathering Agreement shall be deemed amended hereby with respect to the Ealy North Receipt Point.

(d) "***Maintenance Costs***" means (i) all internal and external costs and expenses incurred or committed to by Gatherer and/or its Affiliates in order to perform the Maintenance Work, including without limitation the costs and expenses of acquiring real property rights and/or repairing of any real or personal property in the performance of those activities, and (ii) overhead and other costs allocated to the Maintenance Work in accordance with GAAP and Gatherer's customary allocation procedures. As soon as practical after the completion of any Maintenance Work, Gatherer shall deliver to Producer a statement showing in reasonable detail the actual Maintenance Costs incurred in connection with such Maintenance Work and an invoice for the full amount of such Costs. Producer agrees to make payment thereof to Gatherer within [***] Business Days following the receipt of such statement and

invoice, subject to the provisions set forth in Section 13.1 of the Gathering Agreement. For the avoidance of doubt, the audit rights of Producer set forth in Section 13.3 of the Gathering Agreement shall apply to any statements delivered hereunder.

(e) Except to the extent expressly set forth herein, this Letter Agreement shall not amend or otherwise modify the obligations of the Parties with respect to the delivery and receipt of Dedicated Gas to each Receipt Point meeting the Gas Quality Specifications, it being understood that Gatherer reserves all of its rights under Article 10 of the Gathering Agreement, including without limitation the right to immediately discontinue receipt of Dedicated Gas containing [***] into the Gathering System downstream of the Condensate Facilities; to the extent Producer's Gas fails at any time to conform to the Gas Quality Specifications or contains [***] following the installation of the Condensate Facilities, as measured downstream of the Condensate Facilities.

2. ***Indemnification***. Producer agrees to release, indemnify, defend and hold harmless Gatherer and its Affiliates, directors, officers, employees, agents, consultants, representatives and invitees ("***Gatherer Indemnitees***") from and against all loss, liability, damage, penalty, claim, action, cause of action, judgment and expense arising from or related to (a) the Installation Work, and (b) solely to the extent arising during the [***] [(***)] period beginning on the Execution Date, Maintenance Work and the operation of the Condensate Facilities, except, in the case of each of clause (a) and (b), to the extent the same is caused by the negligence or the willful misconduct of the Gatherer Indemnitees.

3. ***Miscellaneous***. The terms and provisions of this Letter Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective successors and permitted assigns. This Letter Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile or other electronic transmission (including scanned documents delivered by email) shall be deemed an original signature hereto, and execution and delivery by such means shall be binding upon the Parties.

4. ***Effect of Letter Agreement***. The Parties acknowledge and agree that this Letter Agreement constitutes a written instrument executed by the Parties and fulfills the requirements of an amendment contemplated by Section 18.7 of the Gathering Agreement. The Parties hereby ratify and confirm the Gathering Agreement, as amended hereby. Except as expressly provided herein, the provisions of the Gathering Agreement shall remain in full force and effect in accordance with their respective terms following the execution of this Letter Agreement. In the event of any conflict or inconsistencies between this Letter Agreement and the Gathering Agreement, the terms and conditions of this Letter Agreement shall prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Letter Agreement as of the date first written above.

**GATHERER:**

**EQM GATHERING OPCO, LLC,**
a Delaware limited liability company

| | |
|---|---|
| By: | /s/ Jack Mackin |
| Name: | Jack Mackin |
| Title: | VP Operations |

**PRODUCER:**

**EQT CORPORATION,**
a Pennsylvania corporation

| | |
|---|---|
| By: | /s/ David Khani |
| Name: | David Khani |
| Title: | Chief Financial Officer |

**EQT PRODUCTION COMPANY,**
a Pennsylvania corporation

| | |
|---|---|
| By: | /s/ J.E.B. Bolen |
| Name: | J.E.B. Bolen |
| Title: | Vice President of Operations Planning |

**RICE DRILLING B LLC,**
a Delaware limited liability company

| | |
|---|---|
| By: | /s/ J.E.B. Bolen |
| Name: | J.E.B. Bolen |
| Title: | Vice President of Operations Planning |

**EQT ENERGY, LLC,**
a Delaware limited liability company

| | |
|---|---|
| By: | /s/ Keith Shoemaker |
| Name: | Keith Shoemaker |
| Title: | Senior Vice President, Commercial |

**EXHIBIT A**

**Condensate Facilities**

**[***]**

# EXHIBIT B

## Responsibility Matrix

| Responsibility for Receipt Point Interconnect Facility Equipment into Equitrans Midstream Gathering Systems<br>EQT - Ealy Master Meter | | | | | | |
|---|---|---|---|---|---|---|
| **STATION EQUIPMENT** | **REQUIRED** | **DESIGN SPECIFICATIONS** | **INSTALL** | **OWNERSHIP** | **OPERATE** | **MAINTAIN** |
| **PIPING** | | | | | | |
| Company Pipeline Tap & Valve | Yes | Company | Company | Company | Company | Company |
| Inlet Piping | Yes | Customer | Customer | Customer | Customer | Customer |
| Station & Outlet Piping | Yes | Company | Company | Company | Company | Company |
| Cathodic Protection - Inlet, Station, & Outlet Piping | Yes | Customer | Customer | Customer | Customer | Customer |
| Cathodic Protection - Company Tap & Valve | Yes | Company | Company | Company | Company | Company |
| **GAS CONDITIONING** | | | | | | |
| Filter Separator | Yes | Company | Company | Company | Company | Company |
| Filter Separator Dump Lines (Condensate Facilities) | Yes | Customer | Customer | Company | Company | Company 1/ |
| Particulate Filter | No | | | | | |
| Liquid Level Shutoff | No | | | | | |
| **MEASUREMENT** | | | | | | |
| Meter & Meter Runs | Yes | Company | Company | Company | Company | Company |
| Meter & Flow Control Risers, Valves, etc... | Yes | Company | Company | Company | Company | Company |
| Electronic Measurement & Telecomm Hardware | Yes | Company | Company | Company | Company | Company |
| **GAS QUALITY** | | | | | | |
| Chromatograph | No | | | | | |
| Moisture Analyzer | No | | | | | |
| Oxygen Analyzer | No | | | | | |
| Hydrogen Sulfide Analyzer | No | | | | | |
| **PRESSURE / FLOW CONTROL** | | | | | | |
| Overpressure Protection Device | Yes | Company | Company | Company | Company | Company |
| Primary Pressure Control | No | | | | | |
| Flow Control | No | | | | | |
| Remote Shutoff Valve | Yes | Company | Company | Company | Company | Company |
| Heater | No | | | | | |
| Check Valve | Yes | Company | Company | Company | Company | Company |
| **ODORIZATION** | | | | | | |
| Odorizer & Controls | No | | | | | |
| **MISCELLANEOUS** | | | | | | |
| Communication Service(s) | Yes | Company | Company | Company | Company | Company |
| Electrical Service | Yes | Company | Company | Company | Company | Company |
| Building - Gas Chromatograph | No | | | | | |
| Building / Enclosure - Odorizer | No | | | | | |
| Fence/Vehicle Barrier/Signage | Yes | Company | Company | Company | Company | Company |

1/ Customer agrees to reimburse Company for the Costs of all Maintenance Work performed by Company.

**EXHIBIT C**

**Form of Assignment**

[***]

**Exhibit 31.01**

**CERTIFICATION**

I, Toby Z. Rice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EQT Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

/s/ Toby Z. Rice

Toby Z. Rice

President and Chief Executive Officer

**Exhibit 31.02**

**CERTIFICATION**

I, David M. Khani, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EQT Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2022

/s/ David M. Khani

David M. Khani

Chief Financial Officer

**Exhibit 32**

**CERTIFICATION**

In connection with the Quarterly Report of EQT Corporation ("EQT") on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certify pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of EQT.

/s/ Toby Z. Rice April 28, 2022

Toby Z. Rice
President and Chief Executive Officer

/s/ David M. Khani April 28, 2022

David M. Khani

Chief Financial Officer