



CIVITAS

Delivering through the Cycle

February 2023

Cautionary Statement Regarding Forward-Looking Statements and Important Disclosures

Forward-Looking Statements and Cautionary Statements

Certain statements in this presentation concerning future opportunities for Civitas, future financial performance and condition, guidance and any other statements regarding Civitas' future expectations, beliefs, plans, objectives, financial conditions, returns to shareholders assumptions or future events or performance that are not historical facts are "forward-looking" statements based on assumptions currently believed to be valid. Forward-looking statements are all statements other than statements of historical facts. The words "anticipate," "believe," "ensure," "expect," "if," "intend," "estimate," "probable," "project," "forecasts," "predict," "outlook," "aim," "will," "could," "should," "would," "potential," "may," "might," "anticipate," "likely," "plan," "positioned," "strategy," and similar expressions or other words of similar meaning, and the negatives thereof, are intended to identify forward-looking statements. Specific forward-looking statements include statements regarding Civitas' plans and expectations with respect to the Transactions and the anticipated impact of the Transactions on Civitas's results of operations, financial position, growth opportunities and competitive position. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995.

These forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those anticipated, including, but not limited to, Civitas' future financial condition, results of operations, strategy and plans; the ability of Civitas to realize anticipated synergies in the timeframe expected or at all; changes in capital markets and the ability of Civitas to finance operations in the manner expected; the effects of commodity prices; and the risks of oil and gas activities. Additionally, risks and uncertainties that could cause actual results to differ materially from those anticipated also include: declines or volatility in the prices we receive for our oil, natural gas, and natural gas liquids; general economic conditions, whether internationally, nationally or in the regional and local market areas in which we do business, including any future economic downturn, the impact of inflation, disruption in the financial markets and the availability of credit; the effects of disruption of our operations or excess supply of oil and natural gas due to world health events, including the COVID-19 pandemic and the actions by certain oil and natural gas producing countries; the continuing effects of the COVID-19 pandemic, including any recurrence or the worsening thereof; the ability of our customers to meet their obligations to us; our access to capital; our ability to generate sufficient cash flow from operations, borrowings, or other sources to enable us to fully develop our undeveloped acreage positions; the presence or recoverability of estimated oil and natural gas reserves and the actual future sales volume rates and associated costs; uncertainties associated with estimates of proved oil and gas reserves; the possibility that the industry may be subject to future local, state, and federal regulatory or legislative actions (including additional taxes and changes in environmental regulation); environmental risks; seasonal weather conditions; lease stipulations; drilling and operating risks, including the risks associated with the employment of horizontal drilling and completion techniques; our ability to acquire adequate supplies of water for drilling and completion operations; availability of oilfield equipment, services, and personnel; exploration and development risks; operational interruption of centralized oil and natural gas processing facilities; competition in the oil and natural gas industry; management's ability to execute our plans to meet our goals; our ability to attract and retain key members of our senior management and key technical employees; our ability to maintain effective internal controls; access to adequate gathering systems and pipeline take-away capacity; our ability to secure adequate processing capacity for natural gas we produce, to secure adequate transportation for oil, natural gas, and natural gas liquids we produce, and to sell the oil, natural gas, and natural gas liquids at market prices; costs and other risks associated with perfecting title for mineral rights in some of our properties; political conditions in or affecting other producing countries, including conflicts in or relating to the Middle East, South America, and other sustained military campaigns or acts of terrorism or sabotage; and other economic, competitive, governmental, legislative, regulatory, geopolitical, and technological factors that may negatively impact our businesses, operations, or pricing. Expectations regarding business outlook, including changes in revenue, pricing, capital expenditures, cash flow generation, strategies for our operations, oil and natural gas market conditions, legal, economic and regulatory conditions, and environmental matters are only forecasts regarding these matters.

Additional information concerning other risk factors is also contained in Civitas' most recently filed Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other Securities and Exchange Commission ("SEC") filings. All forward-looking statements speak only as of the date they are made and are based on information available at that time. Civitas does not assume any obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

Disclaimer

The common stock repurchase authorization permits Civitas to make repurchases on a discretionary basis as determined by management, subject to market conditions, applicable legal requirements, available liquidity, compliance with the company's debt agreements and other appropriate factors. Acquisitions under this repurchase authorization are to be made through open market or privately negotiated transactions and may be made pursuant to plans entered into in accordance with Rule 10b5-1 and/or Rule 10b-18 of the Securities Exchange Act of 1934. This repurchase authorization does not obligate Civitas to acquire any particular amount of common stock or warrants, and may be modified, extended, suspended or discontinued at any time without prior notice. No assurance can be given that any particular amount of common stock or warrants will be repurchased.

Non-GAAP Measures

To provide investors with additional information in connection with our results as determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we disclose certain non-GAAP financial measures. The non-GAAP financial measures include Net Debt, Adjusted EBITDAX, PV10, free cash flow and related calculations. We believe the non-GAAP financial measures provide users of our financial information with additional meaningful comparisons between the current results and results of prior periods, as well as comparisons with peer companies. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Reconciliations of each non-GAAP financial measure to the applicable most comparable GAAP measure can be found in the Appendix section of this presentation.

Delivering on Our Strategy in 2022

	Pillar	Key Ingredients	Results
1	Generate Free Cash Flow	Capital efficient asset base Low operating costs Minimizing reinvestment rates	2022 FCF \$1.2 B (~24% of Mkt Cap) ⁽¹⁾ 2022 \$4.21/Boe LOE + Recurring Cash G&A 2022 Capex reinvestment rate of ~34% ⁽²⁾
2	Maintain Premier Balance Sheet	0.5x leverage target Minimal midstream commitments Deep liquidity	(0.2x) net leverage as of Q4 2022 ⁽³⁾ Undrawn RBL with \$1.85 B borrowing base and \$1 B elected commitment
3	Return Cash to Shareholders	Established framework Base and variable dividend Opportunistic buybacks	2022 Dividends totaled \$530+ MM \$300 MM stock repurchase in January 2023 \$1 B buyback authorization
4	Demonstrate ESG Leadership	Committed to sustainability 1 st carbon neutral E&P in CO	50% emissions reduction target by 2027 Plugging orphan wells in CIVI operated areas

2023 Plan Reinforces Strategic Pillars

Maximizing capital efficiencies and through-cycle returns

Maximizing Capital Efficiencies

- ~\$850 MM total capital expenditure program in 2023 (~15% decrease YoY)
- <50% reinvestment rate

Returning Free Cash Flow to Shareholders

- ~\$1 B in 2023 free cash flow ⁽¹⁾
- Expect to return the majority of FCF through dividends
- Announced \$1 B buyback authorization through year-end 2024

Maintaining Production

- 2023 production of 160-170 MBoe/d is broadly flat year-over-year and exit-to-exit
- Wells turned-in-line held flat year-over-year (140-150 TILs vs. 146 in 2022)
- Focusing on drilling high return, longer lateral locations in 2023

Leading on ESG

- Plan to reduce GHG emissions by ~35% and methane emissions by ~90% in 2023
- \$11 MM investment in emissions reduction projects in 2023

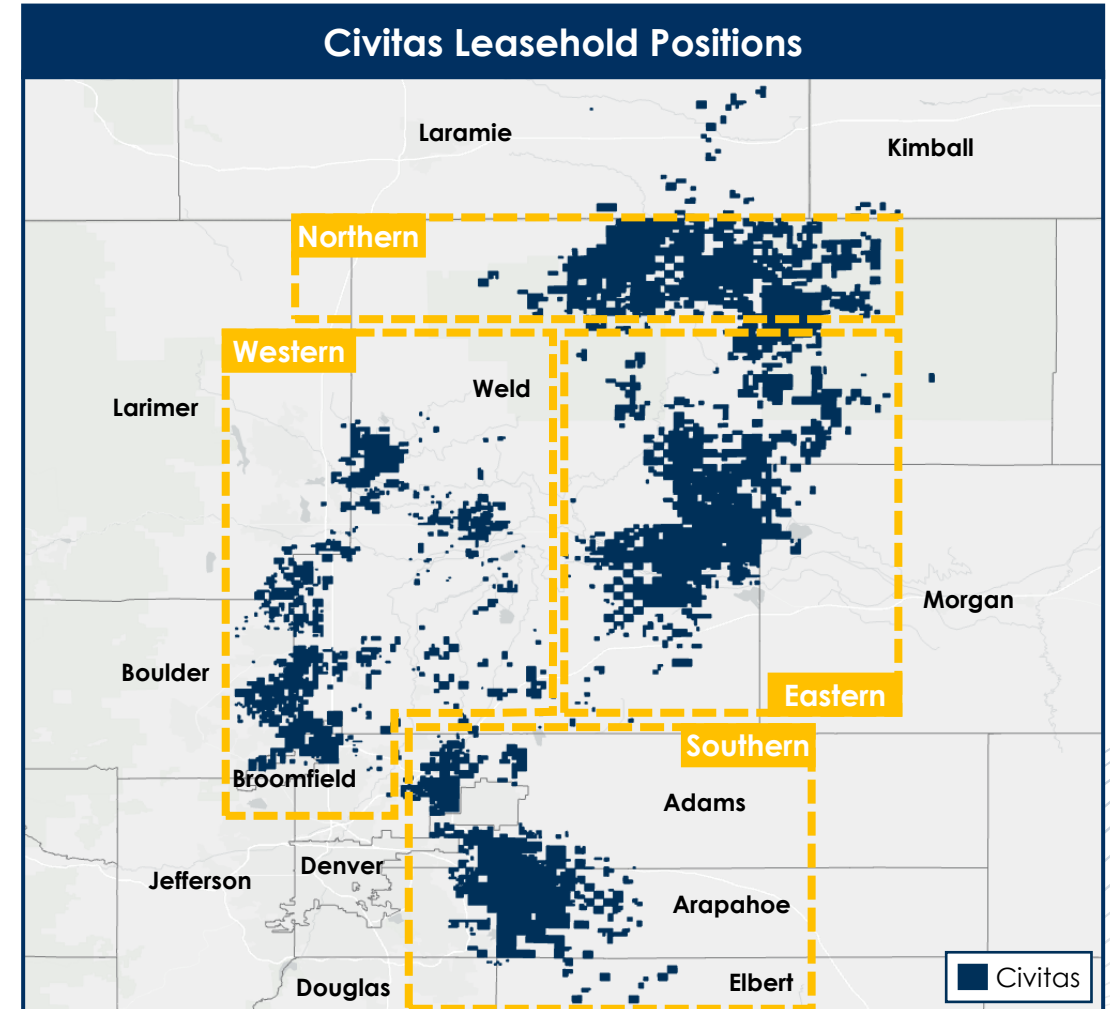
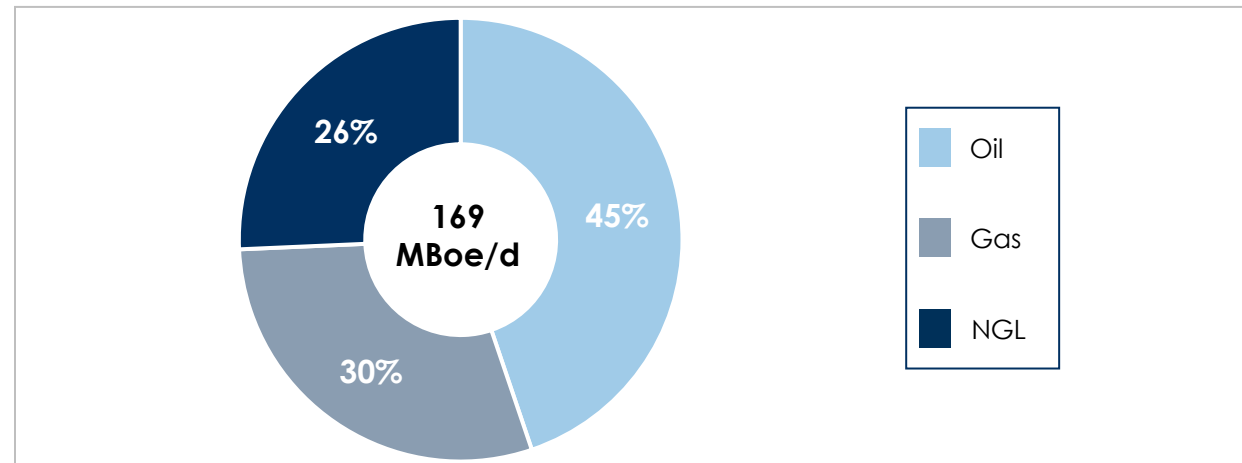


High Quality Asset Base

Contiguous acreage position facilitates development optimization

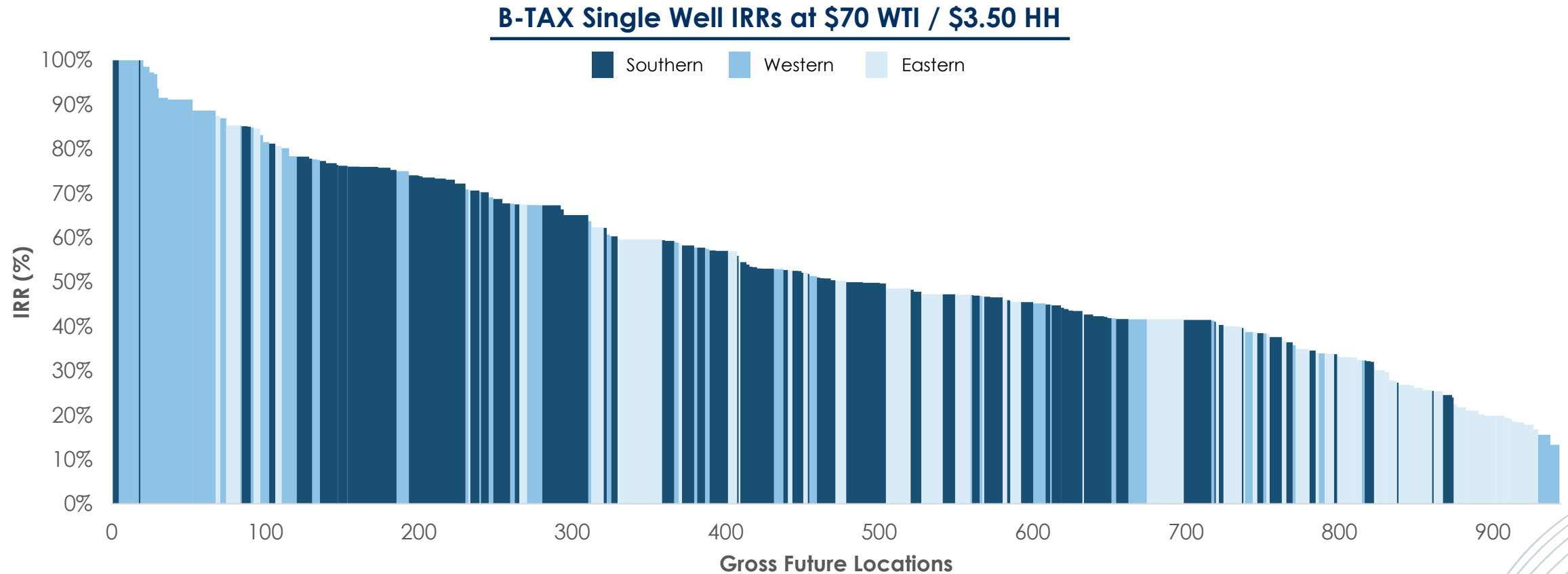
Development Area	Approximate DJ Basin Net Acres ⁽¹⁾	Geography
Western	130,000	Suburban / Rural
Eastern	145,000	Rural
Southern	100,000	Suburban / Rural
Northern	95,000	Rural

Q4 2022 Production Mix (%)



High Quality Asset Base

High-return wells across acreage position



Robust, highly economic inventory of ~1,000 gross locations (~85% operated)⁽¹⁾

Operations: A Culture of Performance

Civitas rig among the fastest in America

Significantly Improving Drilling Times & Doing More with Less

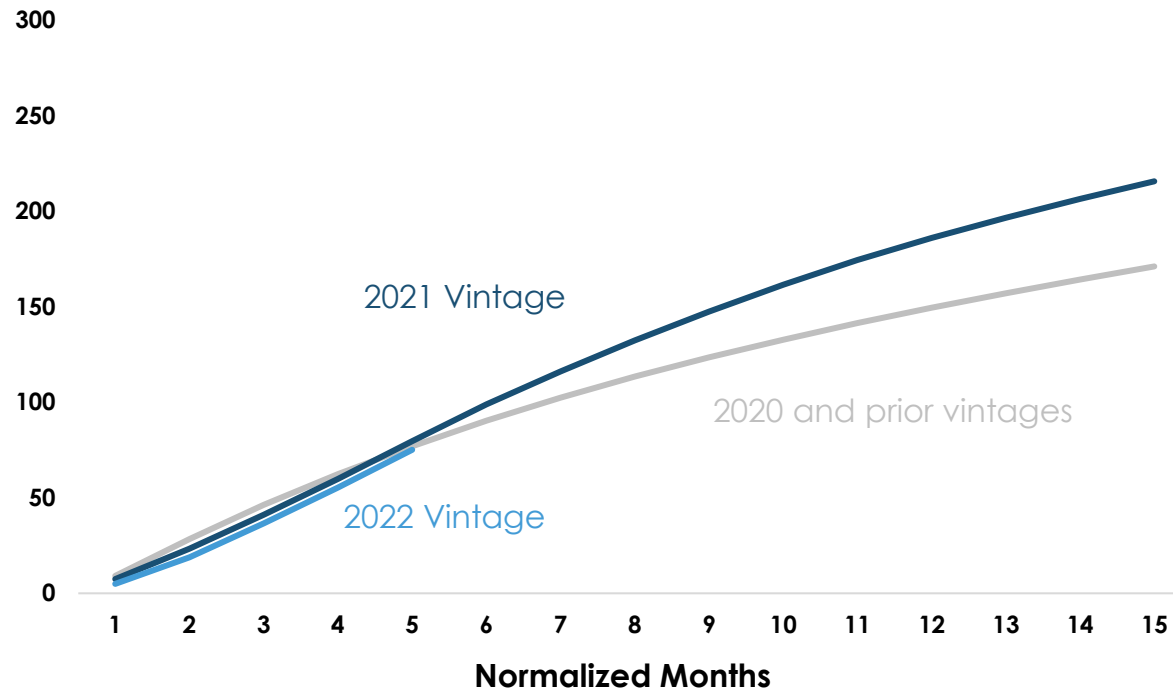
- On average, Civitas rigs drilled 2-mile lateral wells in 4.6 days in 2022 ⁽¹⁾
 - 16% improvement relative to 2019 (5.5 days) and 32% improvement relative to 2017 (6.8 days) ⁽²⁾
- Highest performing rig operated by Civitas in 2022:
 - Averaged over 1.3 wells per week
 - Zero lost time incidents during year
 - Recently drilled company best 2.5-mile lateral in 2.2 days - 20,600' total measured depth



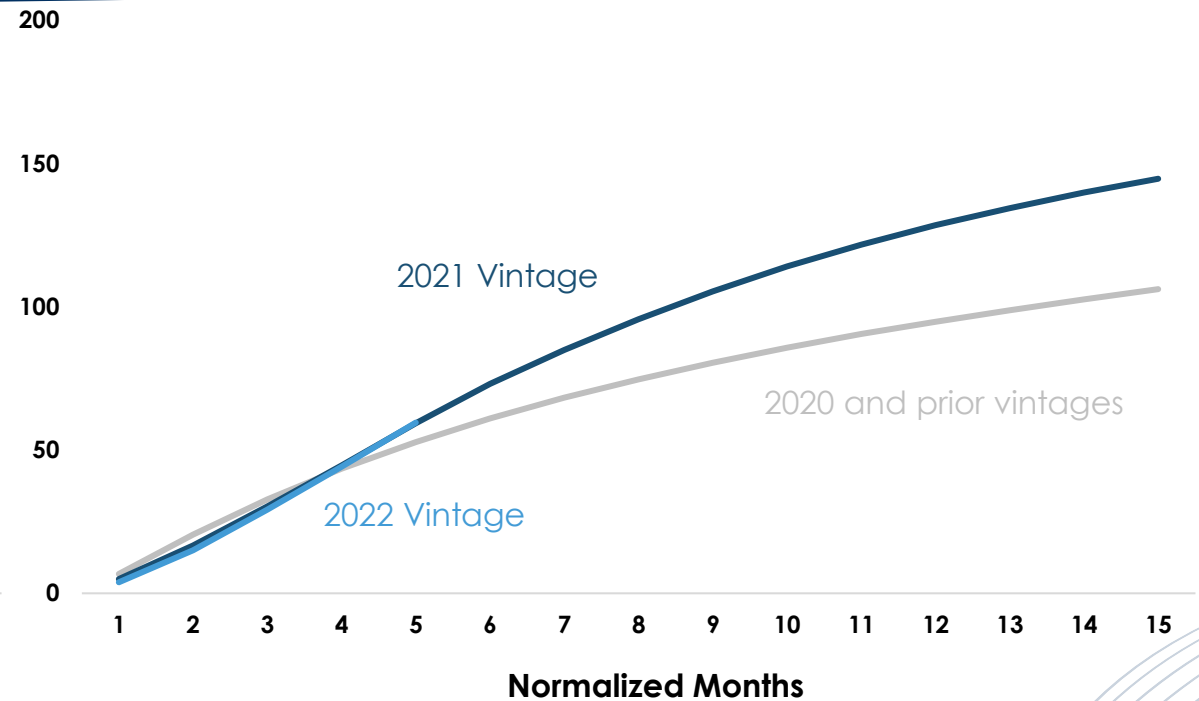
Operations: A Culture of Performance

No degradation in 2022 well results & none expected in 2023

Cumulative Production (Mboe)



Cumulative Production (Mbo)



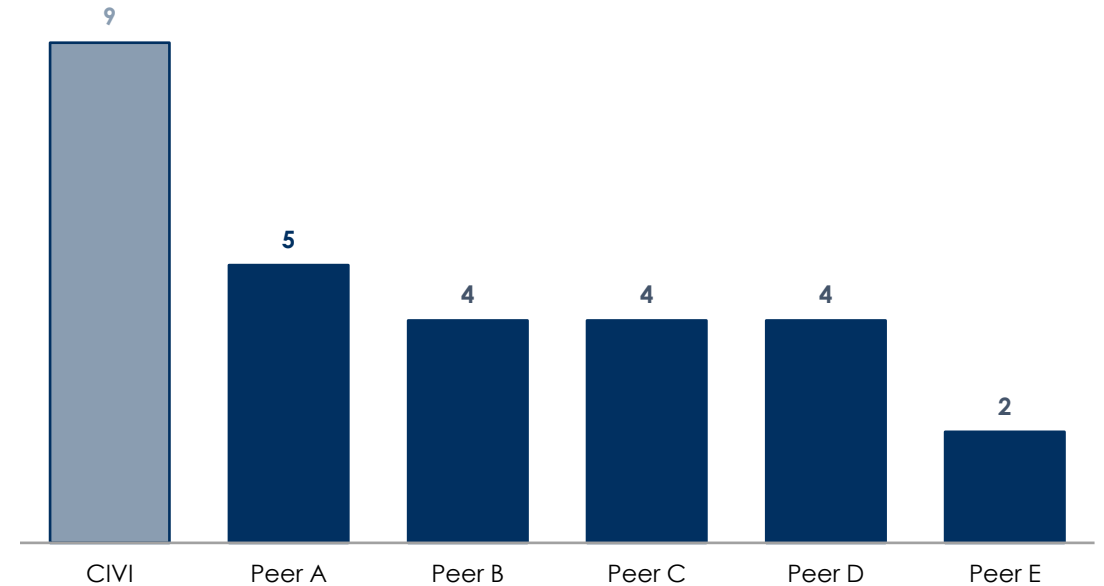
DJ Basin Permitting

Demonstrating leadership under new regulatory process

CIVI Permitting Overview

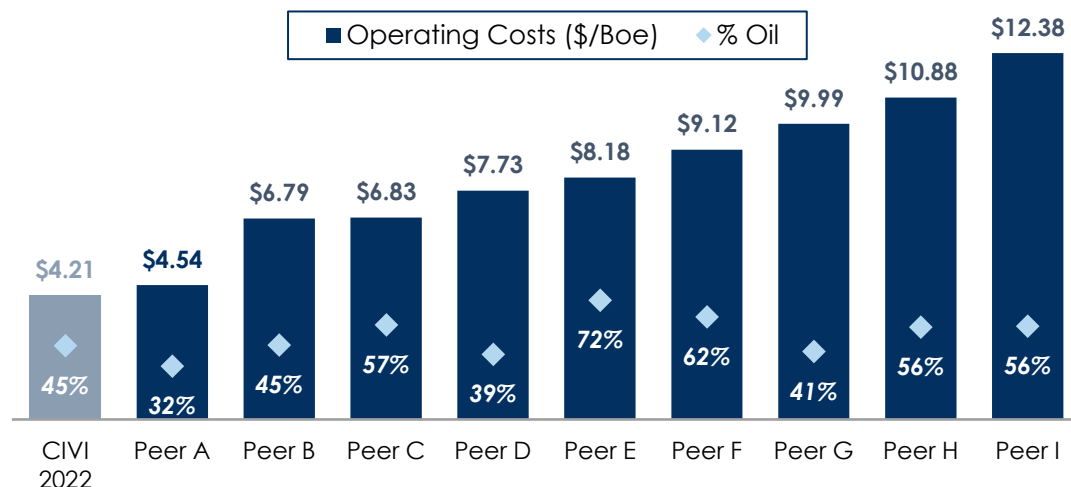
- ~85% of 2023 plan is permitted
- 4Q22: Approval of first Comprehensive Area Plan (CAP) with preliminary siting – Box Elder
 - Southern area, 11 pads, ~38,000 gross acres
 - OGD⁽²⁾ approvals inside CAP expected in 2023
- Second CAP submitted in 4Q22 - Lowry
 - Southern area, ~170 wells, ~40,000 gross acres
- 132 individual well permits received in 2022
- ~600 wells currently in permitting process

Most OGDs Approved in 2022 Among DJ Basin Operators ⁽¹⁾



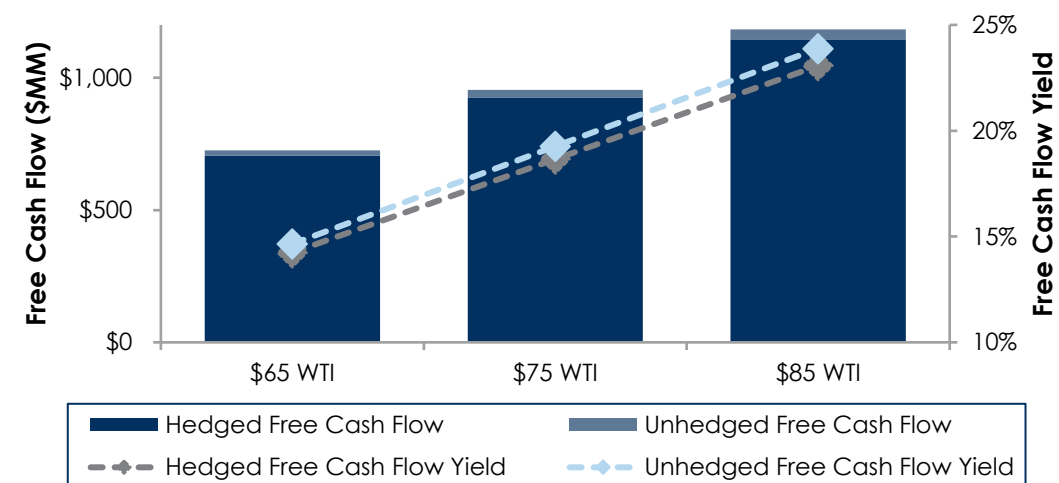
Low-Cost Operations Increase FCF Generation

Peer-Leading Operating Cost (\$/Boe) ⁽¹⁾⁽²⁾



- Relentless focus on controllable cash operating costs (lease operating expense and cash G&A expense highlighted in chart)
- Low-cost structure and oil-weighted mix enhances recycle ratio and corporate level returns

Oil Price vs. Estimated 2023 FCF Yield ⁽³⁾⁽⁴⁾⁽⁵⁾



- Attractive 2023E unhedged free cash flow yield of ~19% at \$75/Bbl flat pricing

(1) Represents reported Q3 2022 lease operating expense and cash G&A for all peers.

(2) Oil-Weighted peers include CHRD, CPE, ESTE, MGY, MTD, MUR, PDCE, PR and ROCC.

(3) Free cash flow yield represents 2023E operating cash flow before working capital changes less capital expenditures divided by CIVI's market capitalization of \$5.0B as of February 17, 2023, with ~80 MM shares outstanding.

(4) Unhedged free cash flow represents 2023E free cash flow excluding 2023E derivative cash settlements.

(5) Price decks assume \$3.50/mmbtu (Henry Hub) and NGL realizations of 38% of WTI for 2023.

Premier Balance Sheet

Essential for reliable cash returns to shareholders

(\$ in millions)

Capitalization Table as of:	12/31/2022
Revolving Credit Facility (\$1.85bn BB; \$1.0bn ECA)	\$0
5.0% Senior Unsecured notes due October 2026	400
Total Debt	\$400
(-) Cash	(768)
Net Debt	(\$368)

Credit Statistics

Net Debt / 2022 Adjusted EBITDAX	(0.2x)
Net Debt / 2022 Unhedged Adjusted EBITDAX ⁽¹⁾	(0.1x)
Liquidity (\$1.0bn ECA) ⁽²⁾	\$1,756

Key Highlights:

- Financial policy and goals include:
 - Maintaining production with reduced reinvestment rates
 - Operate at front end of cost curve
 - Maintain low leverage, with a target of 0.5x Debt to Adjusted EBITDAX
 - Prioritize cash returns to shareholders
 - Peer-leading balance sheet

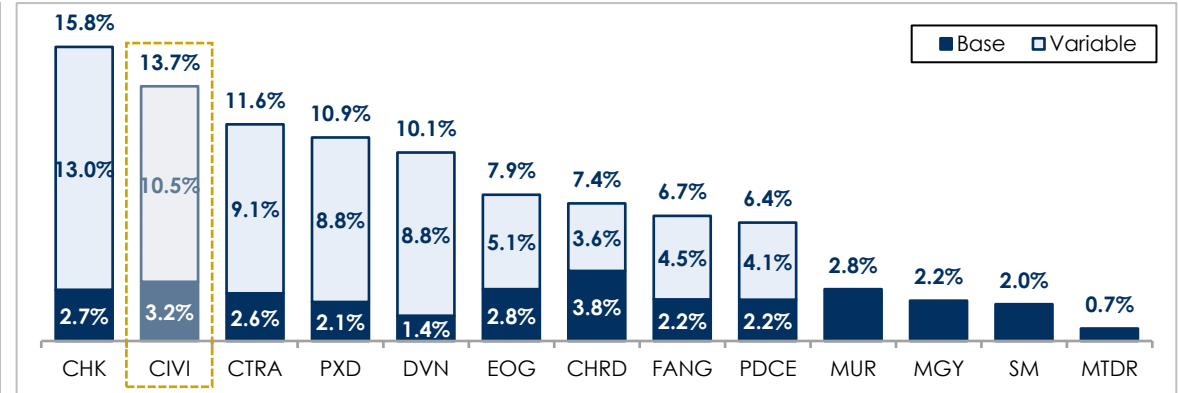
Returning Capital to Our Shareholders

Dividends totaled over \$530 million in 2022

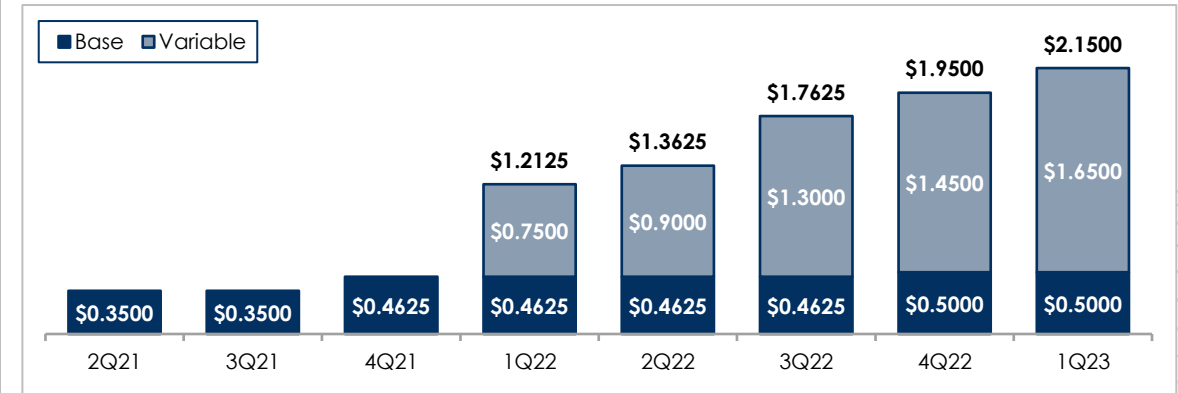
Shareholder Return Highlights

- In 2022, Civitas paid out over \$530 million in base and variable dividends
- In 2023, Civitas expects to distribute over \$600 million in dividends, more than 60% of expected free cash flow during the year, at current strip prices
- The company repurchased \$300 million worth of its outstanding common stock in January, 2023
- In February, Civitas announced Board approval for the repurchase of up to \$1 billion of additional common stock, effective through December 31, 2024

2022E Dividend Yield⁽¹⁾



Dividend History



2023 Guidance

Production

Total Production (MBoe/d)	160 – 170
Oil Production (MBbl/d)	72 – 77
% Liquids	68 – 70%

Operating Costs (\$/Boe, unless stated)

Lease Operating Expense	\$2.90 – 3.20
Gathering, Transportation & Processing	\$4.50 – 5.00
Midstream Operating Expense	\$0.60 – 0.70
Recurring Cash G&A (\$ in millions)	\$90 – 100
Production Taxes (% of revenue)	8 – 9%

Capital Expenditures (\$ in millions)

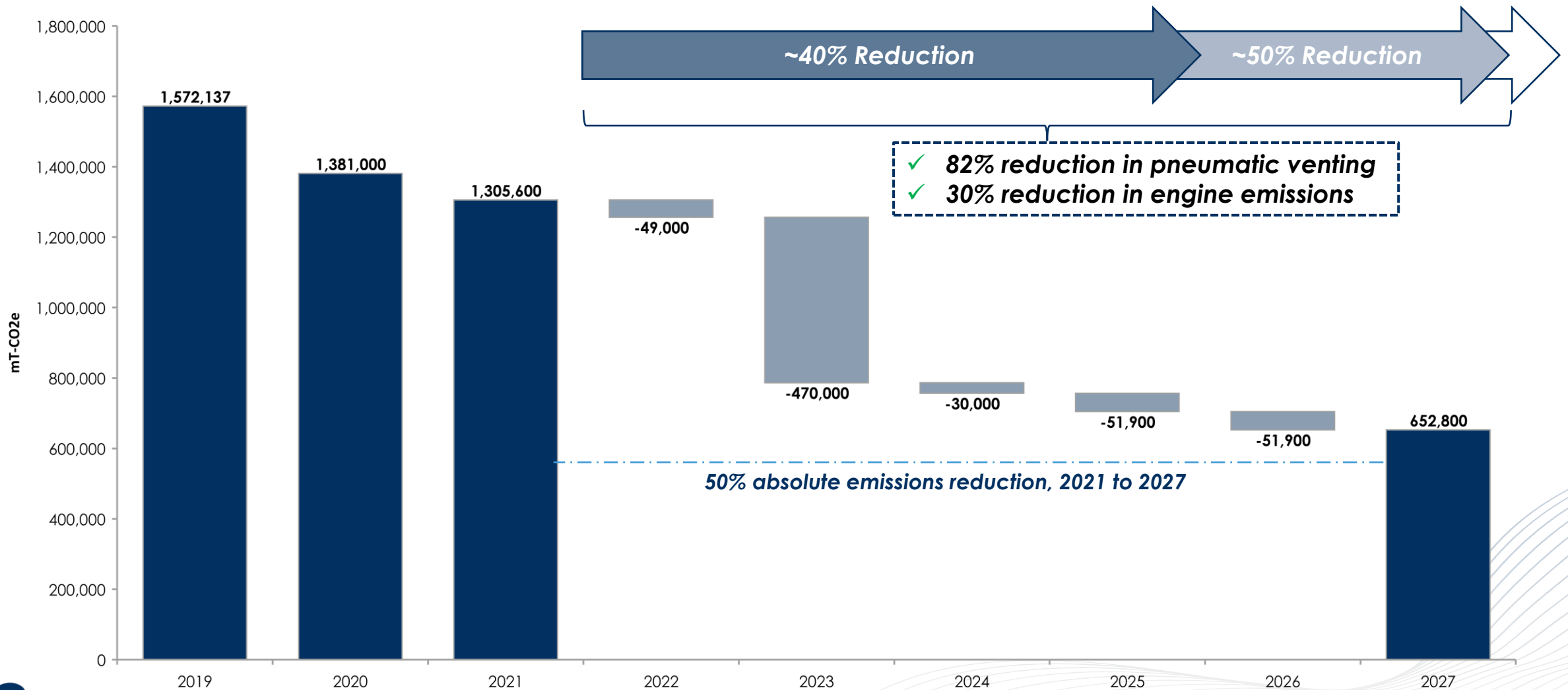
Drilling & Completion	\$725 - 825
Land, Midstream and Other	\$75 – 85

- D&C program reflects ~2 rigs / ~2 frac crews
- Expected oil price differential of -\$4.00-5.00/Bbl relative to WTI
- CIVI expects to pay \$75-125 million in cash income taxes in 2023 (based on February 10th strip pricing)

2023E Operated Development Schedule

Gross Horizontal Wells Drilled	100-110
Average WI% / Lateral Length	83% / 2.5 miles
Gross Horizontal Wells Completed	120-130
Gross Horizontal Wells Brought Online	140-150

50% Reduction in GHG Emissions by 2027



Committed to Excellence in Social Responsibility

Civitas is focused on remaining a trusted, engaged partner to our communities



Working to Improve Diversity

Civitas is establishing an employee-led diversity committee and implementing diversity trainings focused on elevating employee awareness and recruitment

More Than \$11.2 Million Donated to Social Causes in 2022

Civitas has provided more than \$11.2 million to charitable and social causes in Colorado and around the world since its formation



Visualizing ESG Performance

Civitas invested in a bespoke software application that creates accessibility to emissions and safety performance data to empower data-driven operational decision making



Civitas Community Foundation

The Civitas Community Foundation 501(c)3 sources revenue from specific developments to provide community project grants and scholarships within our operating areas – with special dispensation for community members living closest to our operations

Plugging Colorado's Orphaned Wells

Civitas committed to plugging all orphaned wells in the Greater Denver Area and Northern Front Range of Colorado as of January 2022. The clean-up of these wells would have otherwise been the responsibility of the state of Colorado. Wells left unplugged can emit greenhouse gases, which amplify the effects of climate change.



Fleet Vehicle Transition

Civitas is transitioning to light-duty vehicles where possible with a goal to transition to an electric fleet as safe and reliable technology advances



Appendix

Q1-2023 Dividend Calculation

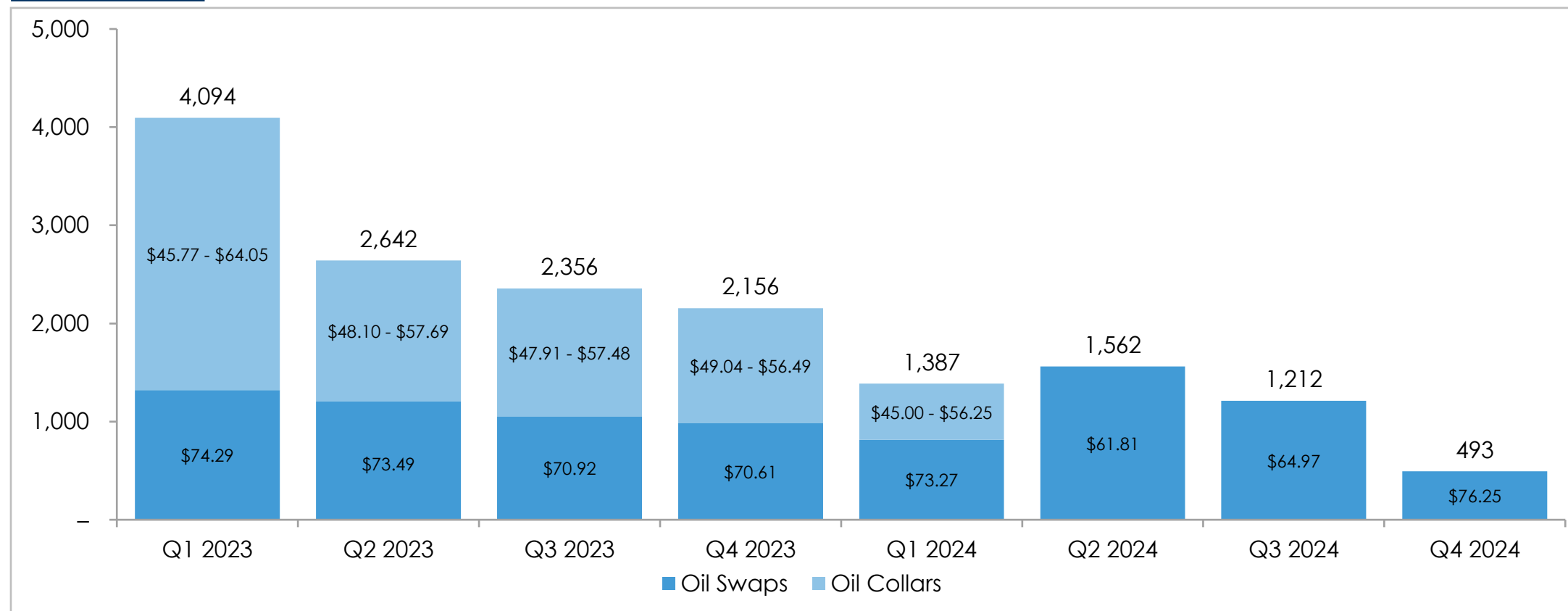
- Quarterly base dividend increased to \$0.50/share
- Quarterly variable dividend framework
 - 50% of FCF (before changes in working capital and after base dividend)
 - Based on average quarterly FCF over prior 12 months
 - To be paid in combination with base dividend
- Total first quarter dividend of \$2.15/share
- To be paid on March 30th to shareholders of record as of March 15th

Q1 2023 Total Dividend Calculation (\$MM)⁽¹⁾

Average Quarterly Free Cash Flows Over Prior 12 Months ⁽²⁾	\$305
Less: Quarterly Base Dividend	(\$40)
Average Quarterly Free Cash Flow After Base Dividend	\$265
Variable Dividend: 50% Payout	\$132
Variable Dividend / Share	\$1.65
(+) Base Dividend / Share	\$0.50
(=) Total Dividend / Share	\$2.15

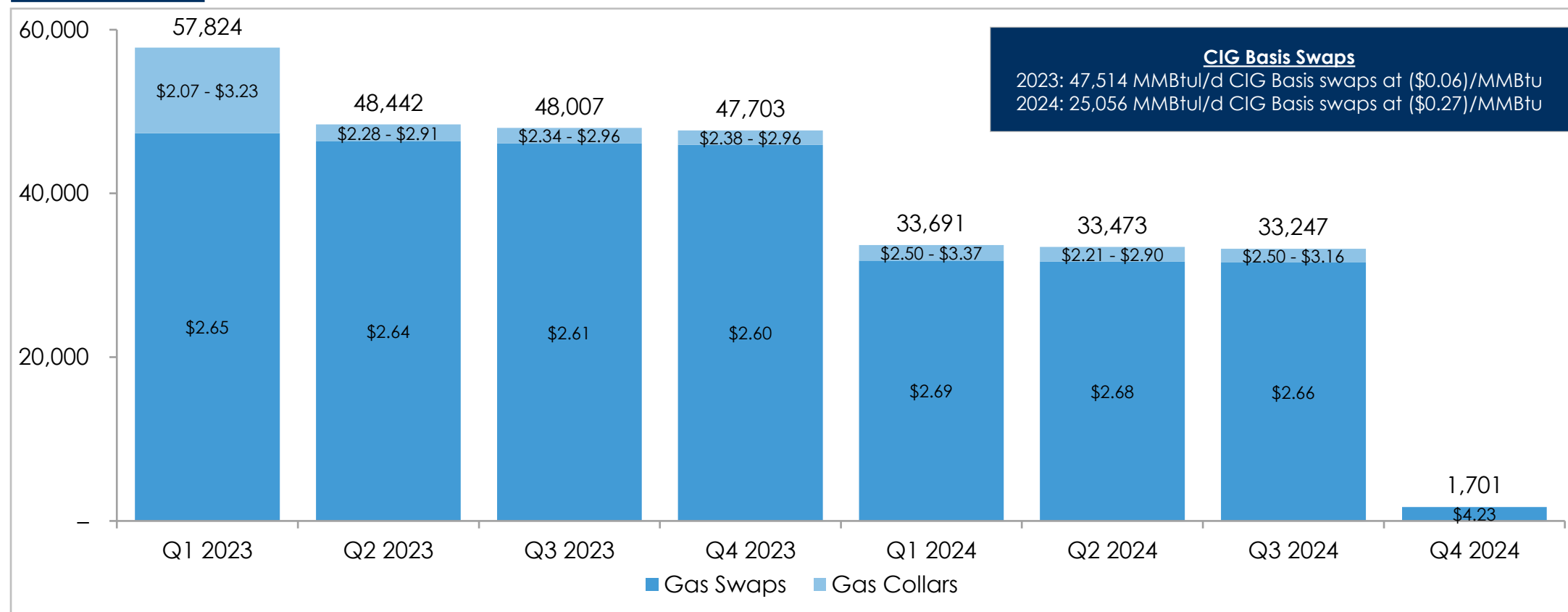
Oil Hedge Positions Summary

Civitas Oil Hedges (Bbl/d)



Gas Hedge Positions Summary

Civitas Gas Hedges (MMBtu/d)



Adjusted EBITDAX Reconciliation

Schedule 6: Adjusted EBITDAX

(in thousands, unaudited)

Adjusted EBITDAX is a supplemental non-GAAP financial measure that is used by management to provide a metric of the Company's ability to internally generate funds for exploration and development of oil and gas properties. The metric excludes items which are non-recurring in nature. We believe that adjusted EBITDAX provides external users of the our consolidated financial statements with additional information to assist in their analysis of the Company. The Company defines adjusted EBITDAX as earnings before interest, income taxes, depreciation, depletion, and amortization, impairment, exploration expenses, and other similar non-cash and non-recurring charges. Adjusted EBITDAX is not a measure of net income or cash flows as determined by GAAP.

The following table presents a reconciliation of the GAAP financial measure of net income to the non-GAAP financial measure of adjusted EBITDAX.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net income	\$ 281,868	\$ 163,700	\$ 1,248,080	\$ 178,921
Exploration	545	2,781	6,981	7,937
Depreciation, depletion, and amortization	214,997	137,498	816,446	226,931
Abandonment and impairment of unproved properties	—	55,045	17,975	57,260
Stock-based compensation ⁽¹⁾	6,898	9,462	31,367	15,558
Non-recurring general and administrative expense ⁽¹⁾	6,221	1,165	18,037	2,609
Merger transaction costs	917	16,434	24,683	43,555
Unused commitments	941	—	3,641	7,692
Gain on property transactions, net	(21)	(981)	(15,880)	(1,932)
Interest expense	7,549	3,015	32,199	9,700
Derivative (gain) loss	(23,702)	(73,103)	335,160	60,510
Derivative cash settlement loss	(84,682)	(225,378)	(576,802)	(275,914)
Income tax expense	93,535	67,491	405,698	72,858
Adjusted EBITDAX	\$ 505,066	\$ 157,129	\$ 2,347,585	\$ 405,685

⁽¹⁾ Included as a portion of general and administrative expense in the consolidated statement of operations and comprehensive income.

Free Cash Flow Reconciliation

Schedule 9: Free Cash Flow

(in thousands, unaudited)

Free cash flow is a supplemental non-GAAP financial measure that is calculated as net cash provided by operating activities before changes in current assets and liabilities and less exploration and development of oil and natural gas properties, changes in working capital related to drilling expenditures, and purchases of carbon offsets. We believe that free cash flow provides additional information that may be useful to external users of our consolidated financial statements in evaluating our ability to generate cash from our existing oil and natural gas assets to fund future exploration and development activities and to return cash to shareholders. Free cash flow is a supplemental measure of liquidity and should not be viewed as a substitute for cash flows from operations because it excludes certain required cash expenditures.

The following table presents a reconciliation of the GAAP financial measure of net cash provided by operating activities to the non-GAAP financial measure of free cash flow.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 512,178	\$ 82,356	\$ 2,477,041	\$ 274,599
Add back: changes in current assets and liabilities	(15,553)	52,380	(276,141)	61,573
Cash flow from operations before changes in operating assets and liabilities	496,625	134,736	2,200,900	336,172
Less: exploration and development of oil and natural gas properties	(258,138)	(47,293)	(967,096)	(151,500)
Less: changes in working capital related to drilling expenditures	(7,712)	(106,802)	(7,679)	(128,977)
Less: purchases of carbon offsets	(102)	—	(7,298)	—
Free cash flow	\$ 230,673	\$ (19,359)	\$ 1,218,827	\$ 55,695

Net Debt Reconciliation

Net Debt

(in thousands, unaudited)

Net Debt is a supplemental non-GAAP financial measure that is used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines net debt as GAAP long-term debt, excluding any applicable unamortized deferred financing costs and discounts/premiums, less GAAP cash and cash equivalents. We believe Net Debt is an important element for assessing the Company's liquidity.

The following table presents a reconciliation of GAAP financial measure of long-term debt to the non-GAAP financial measure of Net Debt.

	December 31, 2022	December 31, 2021
Credit facility	\$ —	\$ —
Senior notes	400,000	500,000
Total debt	400,000	500,000
Less: cash and cash equivalents	(768,032)	(254,454)
Net debt	<u>\$ (368,032)</u>	<u>\$ 245,546</u>