



**CONSOLIDATED MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the three and nine months ended September 30, 2025 and 2024

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

The following Management's Discussion and Analysis ("MD&A"), dated as of October 28, 2025, provides a detailed explanation of the consolidated financial and operating results of Advantage Energy Ltd. ("Advantage", the "Corporation", "us", "we" or "our") for the three and nine months ended September 30, 2025 and should be read in conjunction with the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2025 and the audited consolidated financial statements for the year ended December 31, 2024 (together, the "consolidated financial statements"). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), representing generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada. All references in the MD&A and consolidated financial statements are to Canadian dollars unless otherwise indicated. All dollar per boe figures herein forth only include the results of Advantage's natural gas and liquids operations and exclude the results of its subsidiary, Entropy Inc. ("Entropy").

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

Financial Highlights	Three months ended		Nine months ended	
	September 30		September 30	
(\$000, except as otherwise indicated)	2025	2024	2025	2024
<b>Consolidated Financial Statement Highlights</b>				
Natural gas and liquids sales	<b>130,805</b>	139,840	<b>517,188</b>	379,818
Net income (loss) and comprehensive income (loss) <sup>(4)</sup>	<b>(43)</b>	(6,490)	<b>43,435</b>	4,589
per basic share <sup>(2)</sup>	-	(0.04)	<b>0.26</b>	0.03
per diluted share <sup>(2)</sup>	-	(0.04)	<b>0.25</b>	0.03
Basic weighted average shares (000)	<b>166,968</b>	166,972	<b>166,990</b>	162,941
Diluted weighted average shares (000)	<b>166,968</b>	166,972	<b>170,405</b>	166,116
Cash provided by operating activities	<b>80,100</b>	46,719	<b>283,133</b>	161,183
Cash provided by (used in) financing activities	<b>(33,040)</b>	(1,097)	<b>20,676</b>	458,288
Cash used in investing activities	<b>(102,338)</b>	(52,765)	<b>(305,487)</b>	(626,523)
<b>Segmented Financial Highlights <sup>(1)</sup></b>				
<u>Advantage Energy Ltd.</u>				
Adjusted funds flow	<b>72,422</b>	54,662	<b>282,439</b>	165,722
per basic share <sup>(2)</sup>	<b>0.43</b>	0.33	<b>1.69</b>	1.02
per diluted share <sup>(3)</sup>	<b>0.42</b>	0.32	<b>1.66</b>	1.00
Net capital expenditures	<b>71,594</b>	54,936	<b>214,605</b>	616,310
Free cash flow - surplus (deficit)	<b>828</b>	(475)	<b>63,834</b>	(5,314)
Bank indebtedness	<b>411,895</b>	469,551	<b>411,895</b>	469,551
Net debt	<b>572,310</b>	621,890	<b>572,310</b>	621,890
<u>Entropy Inc.</u>				
Adjusted funds flow	<b>(3,244)</b>	(2,402)	<b>(9,372)</b>	(5,715)
per basic share <sup>(2)</sup>	<b>(0.02)</b>	(0.02)	<b>(0.06)</b>	(0.04)
per diluted share <sup>(3)</sup>	<b>(0.02)</b>	(0.01)	<b>(0.05)</b>	(0.04)
Net capital expenditures	<b>48,446</b>	11,791	<b>86,710</b>	21,439
Free cash flow - deficit	<b>(26,521)</b>	(14,193)	<b>(70,913)</b>	(27,154)
Net debt	<b>203,413</b>	72,069	<b>203,413</b>	72,069

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

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

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

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

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

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<b>Operating</b>				
Production				
Crude oil (bbls/d)	<b>8,483</b>	8,144	<b>8,199</b>	4,615
Condensate (bbls/d)	<b>684</b>	1,055	<b>850</b>	1,162
NGLs (bbls/d)	<b>2,972</b>	3,621	<b>3,377</b>	3,042
Total liquids (bbls/d)	<b>12,139</b>	12,820	<b>12,426</b>	8,819
Natural gas (Mcf/d)	<b>356,059</b>	369,306	<b>391,900</b>	360,791
Total production (boe/d)	<b>71,482</b>	74,371	<b>77,743</b>	68,951
Average realized prices (including realized derivatives)				
Natural gas (\$/Mcf)	<b>2.37</b>	1.65	<b>2.81</b>	2.10
Liquids (\$/bbl)	<b>78.13</b>	85.05	<b>81.67</b>	83.74
<b>Operating Netback (\$/boe) <sup>(2)</sup></b>				
Natural gas and liquids sales	<b>19.89</b>	20.44	<b>24.37</b>	20.10
Realized gains on derivatives	<b>5.19</b>	2.44	<b>2.84</b>	1.62
Processing and other income	<b>0.14</b>	0.15	<b>0.12</b>	0.25
Net sales of purchased natural gas	<b>0.26</b>	-	<b>0.08</b>	-
Royalty expense	<b>(1.87)</b>	(2.83)	<b>(2.20)</b>	(1.88)
Operating expense	<b>(5.82)</b>	(5.46)	<b>(5.13)</b>	(4.58)
Transportation expense	<b>(4.21)</b>	(3.88)	<b>(4.10)</b>	(3.94)
Operating netback	<b>13.58</b>	10.86	<b>15.98</b>	11.57

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

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

## 2025 Guidance

During the third quarter of 2025, Advantage proactively curtailed dry natural gas production in response to persistently low or negative AECO benchmark pricing (see "Production"). This disciplined response resulted in lower operating expense, higher adjusted funds flow, reduced depreciation expense and deferral of capital expenditures amid volatile market conditions. With fourth quarter production expected to average between 79,000 and 83,000 boe/d, subject to AECO pricing, we are revising our full-year 2025 production guidance from 80,000 to 83,000 boe/d to a range of 78,100 to 79,100 boe/d.

The table below summarizes Advantage's 2025 guidance as at October 28, 2025:

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

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

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

<sup>(3)</sup> Cash Used in Investing Activities is the same as Net Capital Expenditures as no change in non-cash working capital is assumed between years and other differences are immaterial.

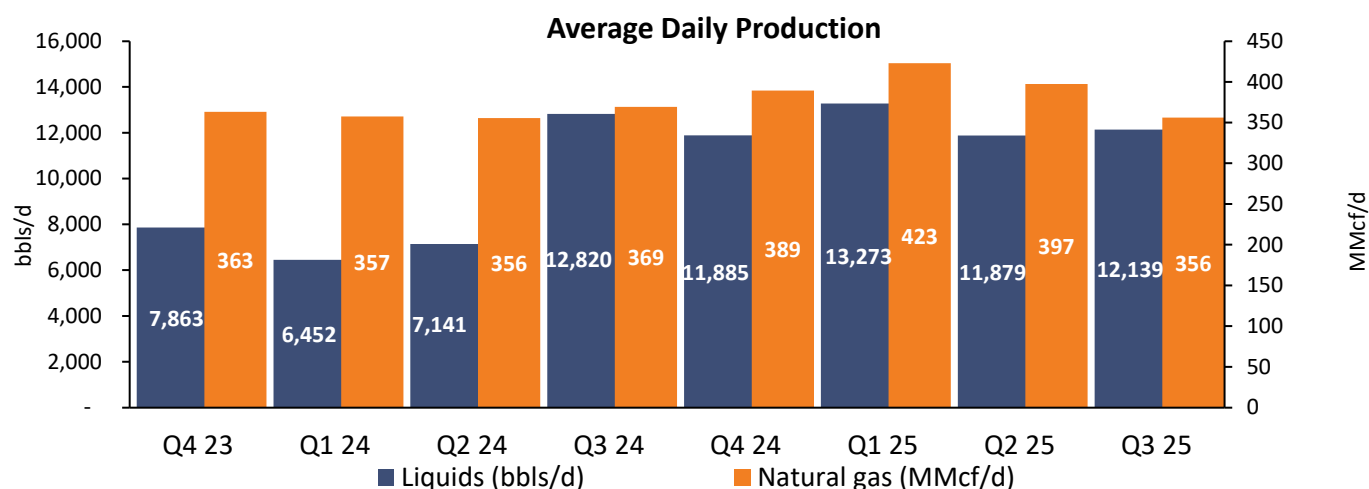
<sup>(4)</sup> \$/boe are specified financial measures which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

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

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

## Production

Average Daily Production	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Crude oil (bbls/d)	8,483	8,144	4	8,199	4,615	78
Condensate (bbls/d)	684	1,055	(35)	850	1,162	(27)
NGLs (bbls/d)	2,972	3,621	(18)	3,377	3,042	11
<b>Total liquids (bbls/d)</b>	<b>12,139</b>	<b>12,820</b>	<b>(5)</b>	<b>12,426</b>	<b>8,819</b>	<b>41</b>
Natural gas (Mcf/d)	356,059	369,306	(4)	391,900	360,791	9
<b>Total production (boe/d)</b>	<b>71,482</b>	<b>74,371</b>	<b>(4)</b>	<b>77,743</b>	<b>68,951</b>	<b>13</b>
Liquids (% of total production)	17	17		16	13	
Natural gas (% of total production)	83	83		84	87	



For the three and nine months ended September 30, 2025, Advantage's total production averaged 71,482 and 77,743 boe/d, reflecting a 4% decrease and a 13% increase, respectively, compared to the same periods in 2024. The third quarter decline was primarily due to strategic curtailments of dry natural gas production in response to persistently weak AECO prices, as well as a brief maintenance outage at the Glacier Gas Plant. Advantage maintained its disciplined capital allocation strategy by overproducing during strong pricing in the first quarter and curtailing gas production in the second and third quarters during weak AECO prices. Ongoing poor NGTL system reliability and maintenance on key export pipelines continued throughout the third quarter, contributing to the weakest quarter and the weakest month (September) on record for AECO benchmark pricing. During the third quarter, production curtailments averaged 60 MMcf/d, with some days in September exceeding 300 MMcf/d of shut-in dry gas. On certain days, Advantage "purchased" spot gas at negative prices to meet physical commitments, which increased net revenue while preserving future resource value (see "Net Sales of Purchased Natural Gas"). Voluntary curtailments were suspended in early October, with production restored to full capacity. For the nine months ended September 30, 2025, production growth was driven by the successful integration of the June 2024 acquisition of high-quality Charlie Lake and Montney assets (the "Acquired Assets"), which contributed meaningfully to both natural gas and liquids production.

Natural gas production for the three and nine months ended September 30, 2025 averaged 356.1 and 391.9 MMcf/d, respectively, a decrease of 4% for the three-month period and an increase of 9% for the nine-month period when compared to the same periods of the prior year. The quarterly decrease was attributable to the strategic curtailments and infrastructure maintenance, while the year-to-date increase reflects contributions from the Acquired Assets and continued development at Glacier and Valhalla, including 7.0 net Montney wells brought onstream during the period (see "Cash Used in Investing Activities and Net Capital Expenditures").

## Production (continued)

Liquids production for the three and nine months ended September 30, 2025, averaged 12,139 bbls/d and 12,426 bbls/d, a decrease of 5% for the three-month period and an increase of 41% for the nine-month period. The quarterly decrease was due to the timing of new well completions and both planned and unplanned infrastructure downtime. The year-to-date increase was primarily driven by production from the Acquired Assets.

Advantage expects 2025 annual production to average between 78,100 and 79,100 boe/d based on the Corporation's planned 2025 capital program and subject to AECO pricing (see "2025 Guidance").

## Commodity Prices and Marketing

Average Realized Prices <sup>(2)</sup>	Three months ended			Nine months ended		
	September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
<b>Natural gas</b>						
Excluding derivatives (\$/Mcf)	1.44	1.20	20	2.36	1.81	30
Including derivatives (\$/Mcf)	2.37	1.65	44	2.81	2.10	34
<b>Liquids</b>						
Crude oil (\$/bbl)	84.34	95.72	(12)	87.39	96.37	(9)
Condensate (\$/bbl)	84.76	95.39	(11)	89.88	97.88	(8)
NGLs (\$/bbl)	45.58	54.50	(16)	52.34	57.78	(9)
Total liquids excluding derivatives (\$/bbl)	74.87	84.05	(11)	78.04	83.26	(6)
Total liquids including derivatives (\$/bbl)	78.13	85.05	(8)	81.67	83.74	(2)
<b>Average Benchmark Prices</b>						
<b>Natural gas</b> <sup>(1)</sup>						
AECO daily (\$/Mcf)	0.63	0.69	(9)	1.49	1.46	2
Empress daily (\$/Mcf)	0.63	0.70	(10)	1.69	1.49	13
Henry Hub (\$US/MMbtu)	3.07	2.08	48	3.39	2.19	55
Emerson daily (\$US/MMbtu)	0.52	0.68	(24)	1.69	1.34	26
Dawn daily (\$US/MMbtu)	2.79	1.70	64	3.18	1.87	70
Chicago Citygate (\$US/MMbtu)	2.79	1.76	59	3.16	2.07	53
<b>Liquids</b>						
WTI (\$US/bbl)	64.95	75.16	(14)	66.67	77.54	(14)
MSW Edmonton (\$/bbl)	86.42	97.94	(12)	88.58	98.57	(10)
Average Exchange rate (\$US/\$CAD)	0.7260	0.7333	(1)	0.7152	0.7352	(3)

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

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

### Natural gas

Advantage's realized natural gas prices excluding derivatives for the three and nine months ended September 30, 2025, were \$1.44/Mcf and \$2.36/Mcf, respectively, representing increases of 20% and 30% compared to the same periods in 2024. These improvements were driven by stronger benchmark prices in several markets where Advantage has physical delivery and market diversification exposure. Eastern Canada and US natural gas benchmark prices increased in 2025, supported by higher liquefied natural gas demand and a colder winter. In contrast, Alberta markets remained weak due to elevated production and inventory levels ahead of anticipated LNG Canada demand. Additionally, ongoing poor NGTL system reliability and maintenance on key export pipelines persisted throughout the third quarter, contributing to the weakest quarter and the weakest month (September) on record for AECO cash prices. Despite this, Advantage improved its average realized AECO price by strategically curtailing production on

## Commodity Prices and Marketing (continued)

days with particularly low or negative pricing, preserving volumes for future sale at stronger prices. On negative AECO days, Advantage also opportunistically "purchased" spot gas to fulfill physical commitments while maintaining the value of its natural gas resource (see "Net Sales of Purchased Natural Gas").

Advantage's natural gas exposure consists of the AECO, Empress, Emerson, Dawn, and Chicago markets. Additionally, the Corporation delivers 25,000 MMBtu/d under a long-term natural gas supply agreement and receives a PJM electricity-based spark-spread price, less Alliance tolls. Advantage incurs additional transportation expense to deliver production beyond AECO to the Empress, Emerson, Dawn and Chicago markets (see "Transportation Expense").

The following table outlines the Corporation's 2025 forward-looking natural gas market exposure, and the nine months ended September 30, 2025, actual natural gas market exposure, excluding hedging.

Sales Markets	Nine months ended September 30, 2025		Forward-looking 2025 <sup>(2)</sup>	
	Production (MMcf/d) <sup>(1)</sup>	Percentage of Natural Gas Production (%)	Effective production (MMcf/d) <sup>(1)</sup>	Percentage of Natural Gas Production (%)
AECO	124.0	32%	135.7	34%
AECO Other <sup>(4)</sup>	49.6	13%	48.7	13%
Empress	91.0	23%	88.4	22%
Emerson	32.2	8%	30.9	8%
Dawn	52.7	14%	52.7	13%
Chicago	17.4	4%	17.1	4%
PJM electricity price <sup>(5)</sup>	25.0	6%	25.0	6%
<b>Total</b>	<b>391.9</b>	<b>100%</b>	<b>398.5</b> <sup>(3)</sup>	<b>100%</b>

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

<sup>(2)</sup> Natural gas market exposure based on contracts in-place at September 30, 2025.

<sup>(3)</sup> Represents the midpoint of our 2025 guidance for natural gas production volumes (see "2025 Guidance").

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

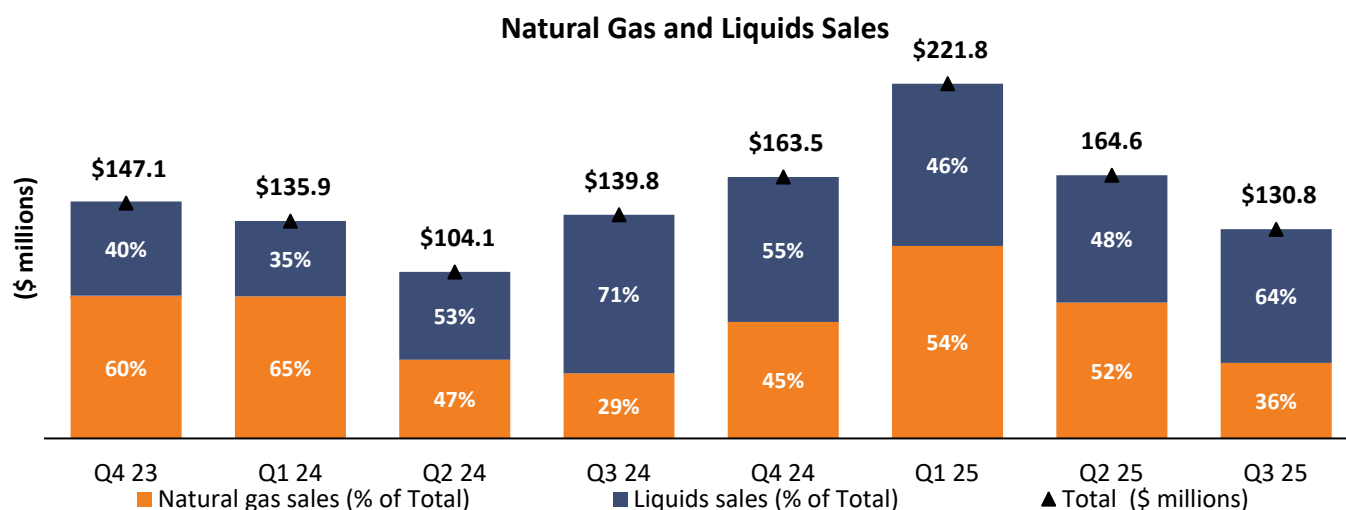
<sup>(5)</sup> Sales are based upon a spark-spread price, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar.

## Liquids

Advantage's realized liquids prices excluding derivatives for the three and nine months ended September 30, 2025, were \$74.87/bbl and \$78.04/bbl, respectively, declines of 11% and 6% compared to the same periods in 2024. The decrease in realized prices across crude oil, condensate, and NGLs was primarily driven by elevated global supply including increased OPEC+ production. Broader market dynamics also contributed to the pricing pressure, including softening demand in key regions, evolving trade policies and tariffs, and seasonal consumption shifts. The prices that Advantage receives for crude oil and condensate production are largely influenced by global supply and demand fundamentals and the Edmonton light sweet oil and condensate price differentials. Approximately 84% of our liquids production is comprised of crude oil, condensate and pentanes, which typically command higher market prices than other NGLs. The quality of our liquids production has increased significantly from the prior year due to the Acquired Assets.

## Natural Gas and Liquids Sales

(\$000, except as otherwise indicated)	Three months ended September 30			Nine months ended September 30		
	2025	2024	% Change	2025	2024	% Change
Crude oil	65,819	71,717	(8)	195,607	121,860	61
Condensate	5,334	9,259	(42)	20,856	31,165	(33)
NGLs	12,463	18,155	(31)	48,255	48,156	-
<b>Liquids</b>	<b>83,616</b>	<b>99,131</b>	<b>(16)</b>	<b>264,718</b>	<b>201,181</b>	<b>32</b>
Natural gas	47,189	40,709	16	252,470	178,637	41
<b>Natural gas and liquids sales</b>	<b>130,805</b>	<b>139,840</b>	<b>(6)</b>	<b>517,188</b>	<b>379,818</b>	<b>36</b>
per boe	19.89	20.44	(3)	24.37	20.10	21



Natural gas and liquids sales for the three months ended September 30, 2025 totaled \$130.8 million, a decrease of \$9.0 million or 6% compared to the same period in 2024. This decline was driven by a 16% reduction in liquids sales, which fell by \$15.5 million due to a combination of 11% lower realized liquids prices and a 5% decrease in production volumes (see "Commodity Prices and Marketing" and "Production"). In contrast, natural gas sales increased by \$6.5 million or 16%, supported by a 20% improvement in realized natural gas prices, partially offset by a 4% decline in production volumes (see "Commodity Prices and Marketing" and "Production"). This pricing uplift was achieved despite record-low AECO cash prices in September, as Advantage strategically curtailed production on weak pricing days and leveraged market diversification to higher-priced regions.

Natural gas and liquids sales for the nine months ended September 30, 2025, rose by \$137.4 million or 36%, reaching \$517.2 million. Natural gas sales increased by \$73.8 million or 41%, while liquids sales grew by \$63.5 million or 32%. These gains were driven by a 9% increase in natural gas production and a 41% increase in liquids volumes, largely attributable to the successful integration of the Acquired Assets (see "Production"). Additionally, realized natural gas prices improved by 30%, while realized liquids prices declined by 6%, reflecting broader market dynamics and global supply trends (see "Commodity Prices and Marketing").

## Financial Risk Management

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

The Corporation enters into financial risk management derivative contracts to manage its exposure to commodity price risk, foreign exchange risk and interest rate risk. A summary of realized and unrealized derivative gains and losses for the three and nine months ended September 30, 2025, and 2024 are as follows:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<b>Realized gains (losses) on derivatives</b>				
Natural gas	26,108	16,345	41,531	31,473
Crude oil	3,640	1,175	12,345	1,175
Foreign exchange	185	74	14	78
Natural gas embedded derivative	4,227	(889)	6,476	(2,179)
<b>Total</b>	<b>34,160</b>	<b>16,705</b>	<b>60,366</b>	<b>30,547</b>
<b>Unrealized gains (losses) on derivatives</b>				
Natural gas	(5,146)	5,534	(10,586)	18,774
Crude oil	(4,236)	22,468	(1,227)	17,557
Foreign exchange	(360)	766	877	(173)
Natural gas embedded derivative	3,621	(21,646)	(12,712)	(30,526)
Unsecured debentures derivative	769	(530)	1,262	(798)
<b>Total</b>	<b>(5,352)</b>	<b>6,592</b>	<b>(22,386)</b>	<b>4,834</b>
<b>Gains (losses) on derivatives</b>				
Natural gas	20,962	21,879	30,945	50,247
Crude oil	(596)	23,643	11,118	18,732
Foreign exchange	(175)	840	891	(95)
Natural gas embedded derivative	7,848	(22,535)	(6,236)	(32,705)
Unsecured debentures derivative	769	(530)	1,262	(798)
<b>Total</b>	<b>28,808</b>	<b>23,297</b>	<b>37,980</b>	<b>35,381</b>

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

### Natural gas

For the three and nine months ended September 30, 2025, Advantage realized gains on natural gas derivatives of \$26.1 million and \$41.5 million, respectively, due to the settlement of contracts with average derivative contract prices that were above average market prices.

Advantage recognized an unrealized loss on natural gas derivatives of \$5.1 million and \$10.6 million, respectively, for the three and nine months ended September 30, 2025. Unrealized gains and losses are a result of changes in the fair value of outstanding natural gas derivative contracts accompanied with the settlement of contracts in their respective periods. The change in the fair value of our outstanding natural gas derivative contracts was primarily due to the settlement of contracts during the period.

### Crude oil

For the three and nine months ended September 30, 2025, Advantage realized gains on crude oil derivatives of \$3.6 million and \$12.3 million, respectively, due to the settlement of contracts with average derivative contract prices that were above average market prices.

Advantage recognized an unrealized loss on crude oil derivatives of \$4.2 million and \$1.2 million for the three and nine months ended September 30, 2025. The change in the fair value of our outstanding crude oil derivative contracts was primarily due to the settlement of contracts during the period.

### Foreign exchange

For the three and nine months ended September 30, 2025, Advantage realized a gain on foreign exchange derivatives of \$0.2 million and nil, respectively, while recognizing an unrealized loss of \$0.4 million and a gain of \$0.9 million for the three and nine months ended September 30, 2025. The unrealized gains and losses are a result of a change in fair value of outstanding contracts and the settlement of contracts during the period.

### Natural gas embedded derivative

Advantage has a long-term natural gas supply agreement under which Advantage will supply 25,000 MMBtu/d of natural gas for a 10-year period. Commercial terms of the agreement are based upon a spark-spread price, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar. The contract contains an embedded derivative as a result of the spark-spread price and the natural gas price collar. The Corporation defined the host contract as a natural gas sales arrangement with a fixed price of US\$2.50/MMBtu. The Corporation will have realized gains (losses) on the embedded derivative when the realized settlement price differs from US\$2.50/MMBtu, resulting in a realized gain of \$4.2 million and \$6.5 million for the three and nine months ended September 30, 2025, respectively (three and nine months ended September 30, 2024 – realized loss of \$0.9 million and \$2.2 million). The Corporation will have unrealized gains (losses) on the embedded derivative based on movements in the forward curve for PJM electricity prices. For the three and nine months ended September 30, 2025, the Corporation recognized an unrealized gain on the natural gas embedded derivative of \$3.6 million and an unrealized loss of \$12.7 million, respectively, as a result of changes in the forward curve for PJM electricity prices.

## Financial Risk Management (continued)

### Unsecured debentures derivative

Entropy has issued and outstanding unsecured debentures that have exchange features that meet the definition of a derivative liability, as the exchange features allow the unsecured debentures to be potentially exchanged for a variable number of Entropy common shares (see "Unsecured Debentures"). The Corporation will record unrealized gains (losses) as the valuation of the conversion option changes. For the three and nine months ended September 30, 2025, the Entropy unsecured debentures derivative liability resulted in an unrealized gain of \$0.8 million and \$1.3 million, respectively, due to changes in the value of the conversion option.

The fair value of derivative assets and liabilities is the estimated value to settle the outstanding contracts as at a point in time. As such, unrealized derivative gains and losses do not impact adjusted funds flow and the actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices, foreign exchange rates and interest rates as compared to the valuation assumptions. Remaining derivative contracts will settle between October 1, 2025 and March 31, 2028, apart from the natural gas embedded derivative which is expected to be settled between the years 2025 and 2033.

As at September 30, 2025 and October 28, 2025, the Corporation had the following commodity and foreign exchange derivative contracts in place:

Description of derivative	Term	Volume	Price
<b>Natural gas - AECO</b>			
Fixed price swap	October 2025	135,064 Mcf/d	\$2.62/Mcf
Fixed price swap	November 2025 to March 2026	142,173 Mcf/d	\$3.54/Mcf
Fixed price swap	April 2026 to October 2026	75,825 Mcf/d	\$3.15/Mcf <sup>(1)</sup>
Fixed price swap	November 2026 to March 2027	94,782 Mcf/d	\$3.39/Mcf
Fixed price swap	April 2027 to March 2028	14,217 Mcf/d	\$3.23/Mcf
<b>Natural gas - Chicago</b>			
Fixed price swap	October 2025	4,739 Mcf/d	\$5.10/Mcf
<b>Natural gas - Dawn</b>			
Fixed price swap	October 2025	47,391 Mcf/d	\$4.04/Mcf
Fixed price swap	November 2025 to March 2026	28,435 Mcf/d	\$4.65/Mcf
Fixed price swap	April 2026 to October 2026	28,435 Mcf/d	\$4.52/Mcf
Fixed price swap	November 2026 to March 2027	9,478 Mcf/d	\$4.25/Mcf
<b>Crude oil – WTI NYMEX</b>			
Fixed price swap	October 2025 to December 2025	4,000 bbls/d	US \$71.89/bbl
Fixed price swap	January 2026 to June 2026	1,500 bbls/d	US \$63.47/bbl

Description of derivative	Term	Notional Amount	Rate
<b>Forward rate - CAD/USD</b>			
Average rate currency swap	October 2025 to December 2025	US \$ 1,000,000/month	1.4320

(1) Contains contracts entered into subsequent to September 30, 2025.

## Net Sales of Purchased Natural Gas

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Sales of purchased natural gas	1,121	-	nm	1,121	-	nm
Natural gas purchases	556	-	nm	556	-	nm
<b>Net sales of purchased natural gas</b>	<b>1,677</b>	<b>-</b>	<b>nm</b>	<b>1,677</b>	<b>-</b>	<b>nm</b>
per boe	0.26	-	nm	0.08	-	nm

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

## Processing and Other Income

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Advantage processing and other income	922	1,060	(13)	2,515	4,811	(48)
per boe	0.14	0.15	(7)	0.12	0.25	(52)
Entropy engineering services	-	-	-	2,625	375	nm
<b>Total processing and other income</b>	<b>922</b>	<b>1,060</b>	<b>(13)</b>	<b>5,140</b>	<b>5,186</b>	<b>(1)</b>

Advantage earns processing income from contracts whereby the Corporation charges third-parties to utilize excess capacity at its facilities. For the three and nine months ended September 30, 2025, Advantage generated \$0.9 million and \$2.5 million, respectively, in processing and other income, a decrease of 13% and 48% compared to the same periods of the prior year. The decrease for the nine-month period is a result of less third-party throughput at the Glacier Gas Plant as Advantage acquired production in 2024 that was previously being charged natural gas processing fees.

Entropy generated \$2.6 million in other income for the nine months ended September 30, 2025, associated with front-end engineering and design studies for third-parties.

## Royalty Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Royalty expense	12,309	19,338	(36)	46,644	35,488	31
per boe	1.87	2.83	(34)	2.20	1.88	17
Royalty rate (%) <sup>(1)</sup>	9.4	13.8	(4.4)	9.0	9.3	(0.3)

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

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

## Royalty Expense (continued)

Royalty expense decreased for the three-month period ended September 30, 2025, by \$7.0 million due to lower natural gas and liquids sales from lower production (see "Production") and liquids prices (see "Commodity Prices and Marketing"). The royalty rate decreased from the prior period due to lower liquids benchmark prices.

The increase in royalty expense for the nine-month period ended September 30, 2025, was due to significantly higher natural gas and liquids sales, particularly from liquids production (see "Production") and natural gas prices (see "Commodity Prices and Marketing"). The average royalty rate was comparable to the prior year.

Advantage expects royalty rates to range from 8% to 10% in 2025 (see "2025 Guidance").

## Operating Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Advantage operating expense	38,258	37,335	2	108,922	86,549	26
per boe	5.82	5.46	7	5.13	4.58	12
Entropy operating expense	332	644	(48)	1,682	1,662	1
<b>Operating expense</b>	<b>38,590</b>	<b>37,979</b>	<b>2</b>	<b>110,604</b>	<b>88,211</b>	<b>25</b>

Operating expense for the three and nine months ended September 30, 2025, increased by \$0.9 million and \$22.4 million, respectively, increases of 2% and 26%. Operating expense per boe for the three and nine months ended September 30, 2025, was \$5.82/boe and \$5.13/boe, respectively. Operating expense for the three-month period was comparable to the prior year while higher per boe attributed to lower production volumes due to the strategic production curtailments during extremely low natural gas pricing and infrastructure maintenance. The higher operating expense in the nine-month period is primarily due to higher production volumes associated with the Acquired Assets, which are more liquids-weighted and generate stronger operating netbacks but also carry higher operating costs per boe. Operating costs have continued to be significantly better than our expectations, primarily driven by a reduction of over 25% in operating costs per boe on the Acquired Assets and a deferral of third-party processing commitments.

Advantage expects 2025 annual operating expense per boe to be approximately \$4.95 to 5.30 (see "2025 Guidance"), which includes new third-party processing commitments during the second half of 2025.

## Transportation Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Natural gas	21,627	20,978	3	70,416	62,200	13
Liquids	6,075	5,598	9	16,512	12,307	34
<b>Transportation expense</b>	<b>27,702</b>	<b>26,576</b>	<b>4</b>	<b>86,928</b>	<b>74,507</b>	<b>17</b>
per boe	4.21	3.88	9	4.10	3.94	4

Transportation expense represents the cost of transporting our natural gas and liquids production to the sales points, including associated fuel costs. Transportation expense for the three and nine months ended September 30, 2025, increased by \$1.1 million and \$12.4 million, respectively, increases of 4% and 17%. The increase in transportation expense for the nine-month period is a result of additional production from the Acquired Assets and additional physical natural gas transportation to downstream markets (see "Commodity Prices and Marketing").

## Transportation Expense (continued)

Transportation expense per boe for the three- and nine-month period ended September 30, 2025, increased by 9% and 4%, respectively. The increase in transportation cost per boe for the three-month period was primarily due to lower production as firm transportation commitments were incurred with lower associated production due to the Corporation's strategic natural gas curtailments ("Production").

Advantage expects 2025 annual transportation expense per boe to be approximately \$3.95 to \$4.25/boe (see "2025 Guidance").

## Operating Income and Operating Netback

	Three months ended September 30			
	2025		2024	
	\$000	per boe	\$000	per boe
Natural gas and liquids sales	130,805	19.89	139,840	20.44
Realized gains on derivatives	34,160	5.19	16,705	2.44
Processing and other income	922	0.14	1,060	0.15
Net sales of purchased natural gas	1,677	0.26	-	-
Royalty expense	(12,309)	(1.87)	(19,338)	(2.83)
Operating expense	(38,258)	(5.82)	(37,335)	(5.46)
Transportation expense	(27,702)	(4.21)	(26,576)	(3.88)
<b>Operating income and operating netback <sup>(1)</sup></b>	<b>89,295</b>	<b>13.58</b>	<b>74,356</b>	<b>10.86</b>

	Nine months ended September 30			
	2025		2024	
	\$000	per boe	\$000	per boe
Natural gas and liquids sales	517,188	24.37	379,818	20.10
Realized gains on derivatives	60,366	2.84	30,547	1.62
Processing and other income	2,515	0.12	4,811	0.25
Net sales of purchased natural gas	1,677	0.08	-	-
Royalty expense	(46,644)	(2.20)	(35,488)	(1.88)
Operating expense	(108,922)	(5.13)	(86,549)	(4.58)
Transportation expense	(86,928)	(4.10)	(74,507)	(3.94)
<b>Operating income and operating netback <sup>(1)</sup></b>	<b>339,252</b>	<b>15.98</b>	<b>218,632</b>	<b>11.57</b>

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

For the three and nine months ended September 30, 2025, Advantage's operating income increased by 20% and 55%, respectively, or \$2.72/boe and \$4.41/boe. The increase in operating netback per boe for the three-month period was primarily due to higher realized gains on derivatives (see "Financial Risk Management"). The increase in operating netback per boe for the nine-month period was primarily driven by higher natural gas and liquids sales, particularly from increased liquids associated with the Acquired Assets (see "Production") and stronger natural gas prices (see "Commodity Prices and Marketing"). These gains were further supported by realized gains on derivatives, partially offset by higher royalty expense associated with elevated commodity prices (see "Royalty Expense") and increased operating expenses related to the Acquired Assets (see "Operating Expense").

## General and Administrative Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Advantage G&A	4,956	5,647	(12)	20,739	21,327	(3)
Capitalized	(470)	(1,677)	(72)	(3,489)	(4,756)	(27)
Advantage G&A expense	4,486	3,970	13	17,250	16,571	4
per boe	0.68	0.58	17	0.81	0.88	(8)
Entropy G&A expense	3,786	2,726	39	13,482	7,098	90
<b>General and administrative expense</b>	<b>8,272</b>	<b>6,696</b>	<b>24</b>	<b>30,732</b>	<b>23,669</b>	<b>30</b>
Employees at September 30				98	83	18

Advantage general and administrative ("G&A") expense for the three and nine months ended September 30, 2025, increased by \$0.5 million and \$0.7 million, respectively. On a per boe basis, G&A expense increased in the three-month period due to lower volumes from curtailed production (see "Production"), while the nine-month period saw a decrease, reflecting efficiency gains from higher production and increased scale.

Entropy G&A expense incurred for the three and nine months ended September 30, 2025, increased by \$1.1 million and \$6.4 million, respectively. The increase is primarily attributable to expenditures incurred for completing front-end engineering and design studies for emitters. These studies are undertaken with the expectation that either Entropy and the emitters will subsequently approve a final investment decision for the project, or Entropy will receive compensation for the studies (see "Processing and Other Income"). In addition, Entropy has expanded its staffing levels to support ongoing business growth and operational scalability.

## Share-based Compensation Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Share-based compensation	3,231	3,033	7	8,448	4,698	80
Capitalized	(575)	(686)	(16)	(1,492)	(1,017)	47
<b>Share-based compensation expense</b>	<b>2,656</b>	<b>2,347</b>	<b>13</b>	<b>6,956</b>	<b>3,681</b>	<b>89</b>
per boe	0.40	0.34	18	0.33	0.19	74

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

Advantage's share-based compensation expense for the three and nine months ended September 30, 2025, increased by \$0.3 million and \$3.3 million, or 13% and 89%, respectively. This increase reflects the unusually modest expense levels in 2024, which were driven by a reduced performance multiplier, downward revisions to estimates for outstanding Performance Share Units, and forfeitures related to employee retirements.

## Finance Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Advantage interest expense	11,964	14,757	(19)	36,747	29,884	23
per boe	1.82	2.16	(16)	1.73	1.58	9
Advantage accretion expense	1,402	1,790	(22)	4,005	2,914	37
Advantage finance expense	13,366	16,547	(19)	40,752	32,798	24
Entropy finance expense	1,900	1,234	54	5,202	2,919	78
<b>Finance expense</b>	<b>15,266</b>	<b>17,781</b>	<b>(14)</b>	<b>45,954</b>	<b>35,717</b>	<b>29</b>

Advantage realized lower interest expense during the three months ended September 30, 2025, primarily due to reduced average outstanding bank indebtedness and lower interest rates. Advantage realized higher interest expense during the nine months ended September 30, 2025, primarily due to financing of the Acquired Assets through a combination of bank indebtedness and convertible debentures. The trend of declining bank indebtedness and associated interest expense over the last year demonstrates Advantage's continued execution of its post-acquisition strategy to reduce net debt. Interest on bank indebtedness is based on short-term loans plus fees and determined by net debt to the trailing four quarters earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio as calculated pursuant to our Credit Facilities (see "Bank Indebtedness, Credit Facilities and Working Capital"). Advantage recognized \$1.8 million and \$5.4 million of interest expense related to the convertible debentures and incurred incremental associated accretion expense for the three and nine months ended September 30, 2025, due to the accounting treatment for convertible debentures (see "Convertible Debentures").

Entropy finance expense increased during the three and nine months ended September 30, 2025, due to an increased average outstanding aggregate principal amount of unsecured debentures associated with investors continued financing of the ongoing Glacier Phase 2 CCS project and the acquisition of certain carbon hub assets in Saskatchewan (see "Cash Used in Investing Activities and Net Capital Expenditures"). Entropy funds its projects by issuing unsecured debentures to third-party investors with committed capital. The unsecured debentures are non-recourse to Advantage, which does not provide any financing to Entropy for capital projects (see "Unsecured Debentures").

## Depreciation and Amortization Expense

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Advantage depreciation	54,359	58,870	(8)	168,744	142,155	19
per boe	8.27	8.60	(4)	7.95	7.52	6
Entropy depreciation and amortization	1,112	851	31	3,045	4,022	(24)
<b>Depreciation and amortization expense</b>	<b>55,471</b>	<b>59,721</b>	<b>(7)</b>	<b>171,789</b>	<b>146,177</b>	<b>18</b>

The decrease in depreciation and amortization expense for the three months ended September 30, 2025, was attributable to lower production as the Corporation strategically curtailed dry gas production during days of exceptionally weak natural gas prices (see "Production"). These curtailments resulted in approximately \$5 million of depreciation expense savings for the quarter and higher net income, since depreciation is recognized based on production volumes. This approach also positions the Corporation to realize higher value for the curtailed production as prices recover. The increase in depreciation and amortization expense for the nine months ended September 30, 2025, was attributable to an increased net book value associated with the Corporation's property, plant, and equipment accompanied by increased production (see "Production"). Depreciation and amortization expense per boe increased compared to the prior nine-month period due to the Acquired Assets having a higher depreciation rate per boe typical for liquids-weighted assets as compared to the Corporation's pre-existing natural gas-weighted assets.

## Taxes

(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Income tax expense	2,374	96	nm	19,324	6,274	208
Effective tax rate (%)	128.2	(1.4)		31.5	64.6	

Deferred income taxes arise from differences between the accounting and tax bases of our assets and liabilities. For the three and nine months ended September 30, 2025, the Corporation recognized a deferred income tax expense of \$2.4 million and \$19.3 million, respectively. Income tax expense for three and nine months ended September 30, 2025, is a result of net income before taxes and non-controlling interest of \$1.9 million and \$61.3 million, respectively, combined with non-deductible share-based compensation expense, and valuation allowances applied against Entropy's non-capital losses. These tax adjustments can significantly impact the effective tax rate, resulting in figures that may appear disproportionate relative to pre-tax income. As at September 30, 2025, the Corporation had a deferred income tax liability of \$272.5 million.

## Net Income (Loss) and Comprehensive Income (Loss) Attributable to Advantage Shareholders

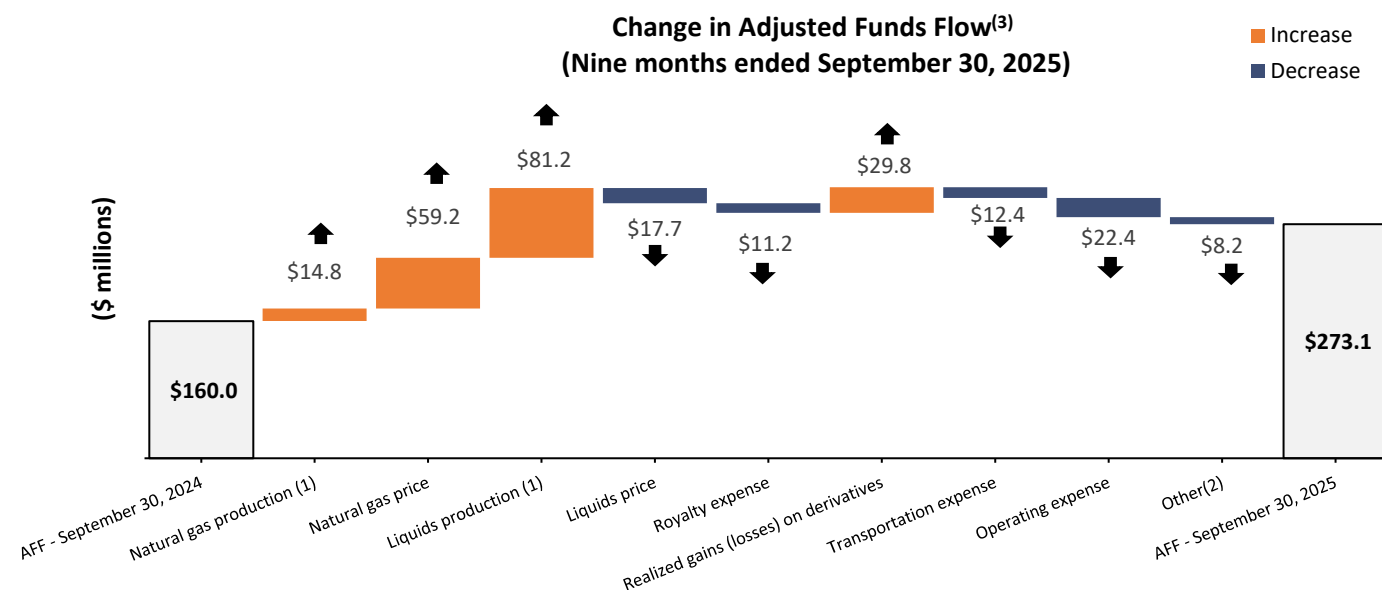
(\$000, except as otherwise indicated)	Three months ended			Nine months ended		
	September 30		%	September 30		%
	2025	2024	Change	2025	2024	Change
Net income (loss) and comprehensive income (loss) attributable to Advantage shareholders	(43)	(6,490)	nm	43,435	4,589	847
per basic share	-	(0.04)	nm	0.26	0.03	767
per diluted share	-	(0.04)	nm	0.25	0.03	767

Advantage recognized a nominal net loss attributable to shareholders for the three months ended September 30, 2025, compared to a net loss of \$6.5 million in the same period of 2024. For the nine-month period, net income attributable to shareholders increased significantly to \$43.4 million from \$4.6 million in the prior year. Significantly increased gains on derivatives (see "Financial Risk Management") contributed to the increase for the three and nine months ended September 30, 2025. The year-to-date increase was further supported by higher natural gas and liquids sales, reflecting increased production volumes (see "Production") and stronger natural gas prices (see "Natural Gas and Liquids Sales"). These gains were partially offset by higher royalty expense (see "Royalty Expense"), operating expense (see "Operating Expense"), and transportation expense (see "Transportation Expense").

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

(\$000, except as otherwise indicated)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<b>Cash provided by operating activities</b>	80,100	46,719	283,133	161,183
Expenditures on decommissioning liability	1,548	879	4,111	988
Changes in non-cash working capital	(12,470)	4,662	(14,177)	(2,164)
<b>Adjusted funds flow <sup>(1)</sup></b>	<b>69,178</b>	<b>52,260</b>	<b>273,067</b>	<b>160,007</b>
Advantage adjusted funds flow <sup>(1)</sup>	72,422	54,662	282,439	165,722
per basic share <sup>(1)</sup>	0.43	0.33	1.69	1.02
per diluted share <sup>(1)</sup>	0.42	0.32	1.66	1.00
per boe <sup>(1)</sup>	11.01	7.99	13.31	8.77
Entropy adjusted funds flow <sup>(1)</sup>	(3,244)	(2,402)	(9,372)	(5,715)

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



<sup>(1)</sup> The change in natural gas and liquids sales related to the change in production is determined by multiplying the prior period realized price by the change in current period production.

<sup>(2)</sup> Other includes processing and other income, the net impact of net sales of purchased natural gas, G&A expense, transaction cost, finance expense (excluding accretion expense), foreign exchange gain and settlement of Performance Share Units in cash.

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

For the three and nine months ended September 30, 2025, the Corporation realized cash provided by operating activities of \$80.1 million and \$283.1 million, representing year-over-year improvements of \$33.4 million and \$122.0 million, respectively. After adjusting for non-cash changes in working capital and expenditures on decommissioning liability, adjusted funds flow was \$69.2 million and \$273.1 million for the respective periods, increases of \$16.9 million and \$113.1 million when compared to the same periods of 2024. The higher cash provided by operating activities and adjusted funds flow for the three-month period were largely impacted by the increase in realized gains on derivatives (see "Financial Risk Management"), while the nine-month period was additionally influenced by an increase in natural gas and liquids sales as a result of higher total production and natural gas prices (see "Production" and "Commodity Prices and Marketing"), partially offset by higher costs associated with stronger commodity prices and a more liquids-weighted production mix.

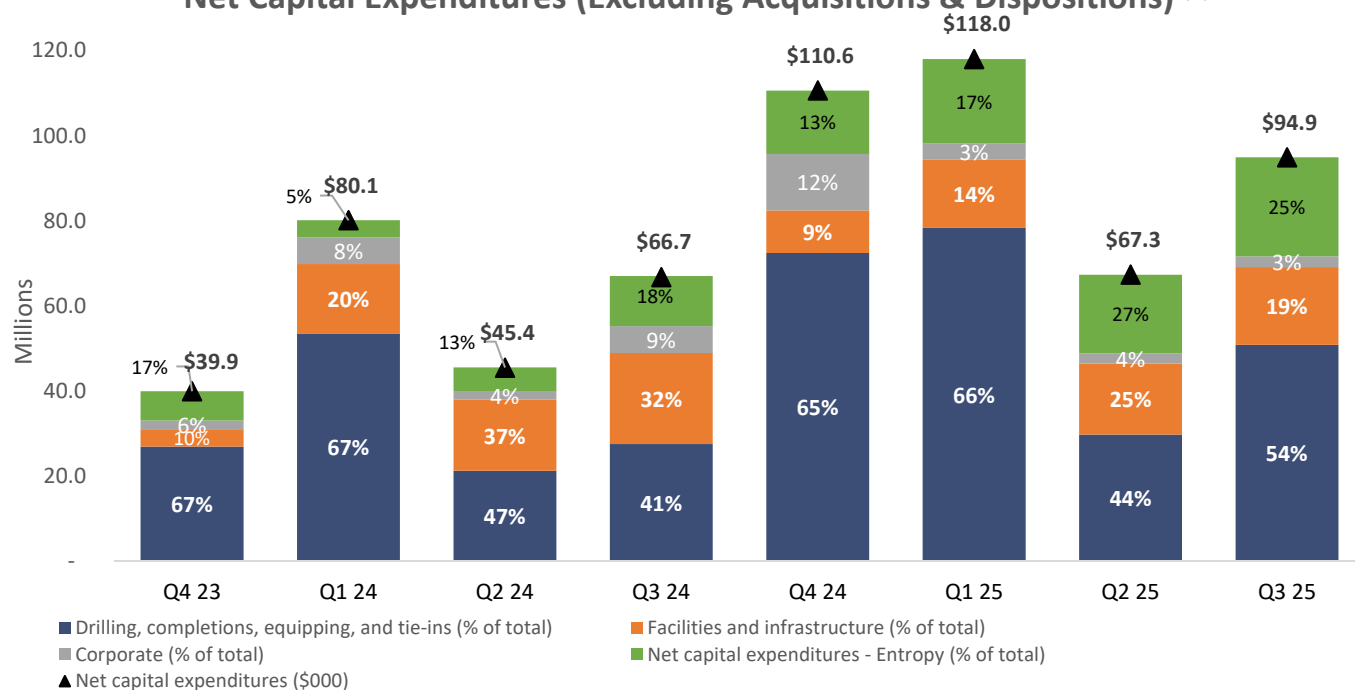
## Cash Used in Investing Activities and Net Capital Expenditures

(\$000)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Drilling, completions, equipping and tie-ins	50,775	27,469	158,774	102,193
Facilities and infrastructure	18,340	21,402	51,181	54,358
Corporate <sup>(2)</sup>	2,479	6,266	8,650	14,485
<b>Exploration and development expenditures</b>	<b>71,594</b>	<b>55,137</b>	<b>218,605</b>	<b>171,036</b>
Asset acquisitions	-	(201)	-	445,274
Asset dispositions	-	-	(4,000)	-
<b>Net capital expenditures - Advantage</b>	<b>71,594</b>	<b>54,936</b>	<b>214,605</b>	<b>616,310</b>
Carbon capture and storage facilities	22,999	11,672	60,993	20,516
Intangible assets	278	119	548	923
Asset acquisition	25,169	-	25,169	-
<b>Net capital expenditures - Entropy</b>	<b>48,446</b>	<b>11,791</b>	<b>86,710</b>	<b>21,439</b>
<b>Net capital expenditures <sup>(1)</sup></b>	<b>120,040</b>	<b>66,727</b>	<b>301,315</b>	<b>637,749</b>
Changes in non-cash working capital	(17,702)	(13,962)	4,172	(11,226)
<b>Cash used in investing activities</b>	<b>102,338</b>	<b>52,765</b>	<b>305,487</b>	<b>626,523</b>

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

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

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



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

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

### Advantage

Advantage incurred \$71.6 million and \$218.6 million on exploration and development expenditures during the three and nine months ended September 30, 2025, respectively. The following table summarizes wells drilled, completed and on production for the three and nine months ended September 30, 2025:

(# of wells)	Three months ended September 30, 2025			Nine months ended September 30, 2025		
	Drilled	Completed	On production	Drilled	Completed	On production
	Gross (Net)	Gross (Net)	Gross (Net)	Gross (Net)	Gross (Net)	Gross (Net)
Glacier	5 (5.0)	3 (3.0)	1 (1.0)	7 (7.0)	7 (7.0)	5 (5.0)
Valhalla	1 (1.0)	- -	- -	1 (1.0)	2 (2.0)	2 (2.0)
Wembley	- -	- -	- -	3 (3.0)	3 (3.0)	3 (3.0)
Service wells	1 (1.0)	- -	- -	2 (2.0)	1 (1.0)	- -
<b>Montney</b>	<b>7 (7.0)</b>	<b>3 (3.0)</b>	<b>1 (1.0)</b>	<b>13 (13.0)</b>	<b>13 (13.0)</b>	<b>10 (10.0)</b>
Valhalla	2 (2.0)	- -	1 (1.0)	7 (5.6)	6 (4.5)	8 (6.5)
Progress	- -	- -	- -	4 (2.0)	4 (2.0)	4 (2.0)
Gordondale	- -	- -	- -	2 (2.0)	2 (2.0)	2 (2.0)
<b>Charlie Lake</b>	<b>2 (2.0)</b>	<b>- -</b>	<b>1 (1.0)</b>	<b>13 (9.6)</b>	<b>12 (8.5)</b>	<b>14 (10.5)</b>
<b>Total</b>	<b>9 (9.0)</b>	<b>3 (3.0)</b>	<b>2 (2.0)</b>	<b>26 (22.6)</b>	<b>25 (21.5)</b>	<b>24 (20.5)</b>

### Charlie Lake Assets

#### *Valhalla/Progress/Gordondale*

Activity on our Charlie Lake properties continued to accelerate following the closing of the acquisition on June 24, 2024. Activity during the first nine months of 2025 consisted of 13 gross (9.6 net) wells drilled, 12 gross (8.5 net) wells completed, and 14 gross (10.5 net) wells placed on production. Our Charlie Lake drilling program continues to outperform our acquisition type curve which exceeds historical results from the asset.

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

### Montney Assets

#### *Glacier*

During the first nine months of 2025 activity at our Glacier property consisted of 7 gross (7.0 net) wells drilled, 7 gross (7.0 net) wells completed, and 5 gross (5.0 net) wells were placed on production.

Well performance from the property continues to be strong and resilient. Of all Alberta Montney gas wells placed on production in 2024, Advantage had 7 of the top 10 gas producing wells, based on IP90 rates.

Our drill program for the balance of the season at Glacier is focused on preparing to add 50MMcf/d gas to the Glacier Gas Plant. This volume will replace gas from the Valhalla and Progress areas that are currently flowing to the Glacier Gas Plant but will be redirected to our new Progress 4-21 gas plant following commissioning of the facility in Q2 2026.

A new water disposal well was added during the first quarter and will help maintain our low-cost structure at Glacier.

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

### *Valhalla*

During the first nine months of 2025 activity at our Valhalla property consisted of 1 gross (1.0 net) well drilled, 2 gross (2.0 net) wells completed, and 2 gross (2.0 net) wells placed on production.

Two new Montney wells were brought on production at restricted rates due to low gas prices and pipeline constraints. The constraints will be removed when Valhalla gas is redirected to our new Progress 4-21 gas plant in Q2, 2026. Well performance from the two wells was strong with the wells achieving average well peak IP30 rates of 10.9 MMcf/d raw natural gas despite being choked back significantly. Continued strong well results support Management's view that our Valhalla Montney asset will continue to play a pivotal role in the Corporation's liquids-rich gas development plan.

### *Wembley*

During the first nine months of 2025 activity at our Wembley property consisted of 3 gross (3.0 net) wells drilled, 3 gross (3.0 net) wells completed, and 3 gross (3.0 net) wells placed on production. Average peak IP30 rates for these wells were 1,074 boe/d (2.6 MMcf/d natural gas, 520 bbls/d crude oil and 123 bbls/d NGLs) resulting in a 61% liquid content.

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

### *Progress*

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

Construction at the Progress 4-21 gas plant resumes in Q4 2025 with commissioning taking place in Q2, 2026. The acid gas disposal well that services the plant was drilled and completed during Q3 2025. All key regulatory components for the facility are in place.

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

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

### **Entropy**

Net capital expenditures incurred by Entropy are funded through the issuance of unsecured debentures to investors that have provided Entropy access to \$500 million in committed capital, of which \$205.7 million has been drawn as at September 30, 2025. Advantage does not provide any financing to Entropy for capital projects.

Entropy invested \$48.4 million and \$86.7 million in net capital expenditures during the three and nine months ended September 30, 2025, respectively. Entropy's expenditures were mainly attributable to procurement of equipment required for construction of the ongoing Glacier Phase 2 CCS project and front-end engineering and design studies for emitters. During the third quarter Entropy acquired certain carbon hub assets in Saskatchewan for cash consideration of \$25.2 million.

On September 21, 2024, the CCUS ITC which was included in Bill C-59 received royal assent. Advantage and Entropy have incurred carbon capture expenditures dating back to January 1, 2022, which once approved by the federal government, should be eligible expenditures under the CCUS ITC program. The Corporation is working with Natural Resources Canada and the Canada Revenue Agency to finalize approval for our existing carbon capture projects at Glacier.

## Commitments and Contractual Obligations

The Corporation has commitments and contractual obligations in the normal course of operations. Such commitments include operating costs for office leases, natural gas processing costs associated with third-party facilities, and transportation costs for delivery of our natural gas and liquids production to sales points (crude oil, condensate and NGLs). Transportation commitments are required to ensure our production is delivered to sales markets and Advantage actively manages our portfolio in conjunction with our future development plans ensuring we are properly diversified to multiple markets. Of our total transportation commitments, \$332.5 million or 44% is required for delivery of natural gas and liquids production to Alberta markets, while Advantage has proactively committed to \$417.6 million in additional transportation to diversify natural gas production to the Dawn, Empress, Emerson, and Chicago markets, with the objective of reducing price volatility and achieving higher operating netbacks (see "Transportation Expense"). Contractual obligations comprise those liabilities to third-parties incurred for the purpose of financing Advantage's business and development, including our bank indebtedness.

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

(\$ millions)	Payments due by period						
	Total	2025 (3 months)	2026	2027	2028	2029	Beyond
Building operating cost <sup>(1)</sup>	1.6	0.2	0.8	0.6	-	-	-
Processing	175.4	7.4	31.1	29.4	28.2	26.4	52.9
Transportation	750.0	25.0	99.8	94.2	75.7	66.4	388.9
<b>Total commitments</b>	<b>927.0</b>	<b>32.6</b>	<b>131.7</b>	<b>124.2</b>	<b>103.9</b>	<b>92.8</b>	<b>441.8</b>
Performance Awards	6.6	-	2.4	3.3	0.9	-	-
Lease liability	2.3	0.3	1.1	0.7	0.1	0.1	-
Financing liability	127.3	3.3	13.0	13.0	13.1	13.0	71.9
Bank indebtedness <sup>(2)</sup>							
- principal	415.0	-	-	415.0	-	-	-
- interest	42.4	6.1	24.2	12.1	-	-	-
Unsecured debentures <sup>(3)</sup>							
- principal	205.7	-	-	-	-	-	205.7
- interest	143.8	4.1	16.5	16.5	16.5	16.5	73.7
Convertible debentures <sup>(4)</sup>							
- principal	143.8	-	-	-	-	143.8	-
- interest	27.0	1.8	7.2	7.2	7.2	3.6	-
<b>Total contractual obligations</b>	<b>1,113.9</b>	<b>15.6</b>	<b>64.4</b>	<b>467.8</b>	<b>37.8</b>	<b>177.0</b>	<b>351.3</b>
<b>Total future payments</b>	<b>2,040.9</b>	<b>48.2</b>	<b>196.1</b>	<b>592.0</b>	<b>141.7</b>	<b>269.8</b>	<b>793.1</b>

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

<sup>(2)</sup> As at September 30, 2025 the Corporation's bank indebtedness was governed by the Credit Facilities, which have a two-year term with a syndicate of financial institutions. The Credit Facilities are revolving and extendible for a further 364-day period upon an annual review and at the option of the syndicate. If not extended, the Credit Facilities will mature with any outstanding principal payable at the end of the two-year term (see "Bank Indebtedness, Credit Facilities and Working Capital").

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

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

## Liquidity and Capital Resources

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

<b>(\$000, except as otherwise indicated)</b>	<b>September 30 2025</b>	<b>December 31 2024</b>
Bank indebtedness	411,895	470,424
Aggregate principal balance of convertible debentures <sup>(1)</sup>	143,750	143,750
Aggregate principal balance of unsecured debentures <sup>(2)</sup>	205,740	101,000
Working capital deficit <sup>(3)</sup>	14,338	3,275
<b>Net debt</b> <sup>(3)</sup>	<b>775,723</b>	<b>718,449</b>
Shares outstanding	166,938,122	166,931,440
Shares closing market price (\$/share)	11.41	9.86
<b>Market capitalization</b>	<b>1,904,764</b>	<b>1,645,944</b>
<b>Total capitalization</b>	<b>2,680,487</b>	<b>2,364,393</b>

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

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

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

As at September 30, 2025, the Corporation had net debt of \$775.7 million, consisting of \$572.3 million with Advantage and \$203.4 million with Entropy. Advantage has generated \$63.8 million of free cash flow during the nine months ended September 30, 2025, allowing Advantage to reduce net debt by \$53.2 million, when compared to December 31, 2024. Advantage has a \$650 million Credit Facility of which \$226.5 million or 35% was available after deducting outstanding letters of credit of \$8.5 million (see "Bank Indebtedness, Credit Facilities and Working Capital"). Debt to adjusted funds flow ratio excluding Entropy was 1.6. Advantage remains committed to its strategy of debt reduction and continues to make meaningful progress. This trajectory reflects the Corporation's disciplined financial strategy, supported by strong free cash flow generation and selective non-core asset dispositions.

Entropy net debt increased \$110.5 million from December 31, 2024, due to drawing \$95.0 million of unsecured debentures (see "Unsecured Debentures"), which were used to fund \$86.7 million of net capital expenditures in the nine-month period ended September 30, 2025 (see "Cash Used in Investing Activities and Net Capital Expenditures"). Debentures issued by Entropy are funded by investors that have provided Entropy access to an aggregate of up to \$500 million in committed capital, of which \$205.7 million has been drawn as at September 30, 2025. Entropy funds its capital projects by issuing unsecured debentures that are non-recourse to Advantage, which does not provide any financing to Entropy for capital projects.

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

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

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

As at September 30, 2025, Advantage had bank indebtedness outstanding of \$411.9 million, a decrease of \$58.5 million since December 31, 2024 due to adjusted funds flow in excess of net capital expenditures. Advantage's Credit Facility is collateralized by a \$2 billion floating charge demand debenture covering all assets of the Corporation and has no financial covenants (the "Credit Facility"). The borrowing base for the Credit Facility is determined by the banking syndicate through an evaluation of our reserve estimates based on their independent commodity price assumptions. Revisions or changes in the reserve estimates and commodity prices can have either a positive or a negative impact on the borrowing base. On June 12, 2025, the Credit Facility was renewed with no changes to the borrowing base of \$650 million, comprised of a \$60 million extendible revolving operating loan facility from one financial institution and a \$590 million extendible revolving loan facility from a syndicate of financial institutions. The Credit Facility has a term of two years with a maturity date in June 2027 and is subject to an annual review and extension by the lenders. During the revolving period, a review of the maximum borrowing amount occurs annually on or before May 31 and semi-annually on or before November 30. During the term, no principal payments are required until the revolving period matures in June 2027 in the event of a reduction, or the Credit Facility not being renewed. The Corporation had letters of credit of \$8.5 million outstanding at September 30, 2025 (December 31, 2024 - \$5.5 million). The Credit Facility does not contain any financial covenants, but the Corporation is subject to various affirmative and negative covenants under its Credit Facilities. The Corporation was in compliance with all covenants as at September 30, 2025, and December 31, 2024.

The Corporation had a working capital deficit of \$14.3 million as at September 30, 2025, as compared to a working capital deficit at December 31, 2024 of \$3.3 million, largely due to a decrease in trade and other receivables from low commodity prices in the third quarter. Our working capital includes cash and cash equivalents, trade and other receivables, prepaid expenses and deposits, and trade and other accrued liabilities. Working capital varies primarily due to the timing of such items, the current level of business activity including our capital expenditure program, commodity price volatility, and seasonal fluctuations. We do not anticipate any problems in meeting future obligations as they become due as they can be satisfied with cash provided by operating activities and our available Credit Facilities.

## **Convertible Debentures**

The Corporation has \$143.8 million principal amount of convertible unsecured subordinated debentures outstanding (the "Debentures") at a price of \$1,000 per debenture as at September 30, 2025. The Debentures will mature and be repayable on September 30, 2029 and will accrue interest at the rate of 5% per annum payable semi-annually in arrears on June 30 and December 31 of each year. The fair value of the Debentures at September 30, 2025, was \$157.6 million, using quoted market prices on the Toronto Stock Exchange ("TSX").

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

## **Unsecured Debentures**

The Corporation's subsidiary Entropy has entered into two investment agreements with investors who provided capital commitments of \$300 million and \$200 million, respectively (the "Investment Agreements"). In connection with the Investment Agreements, Entropy will issue unsecured debentures to fund carbon capture and storage projects that reach final investment decision as certain predetermined return thresholds are met. Under the terms of the Investment Agreements, Entropy and the investors have options that provide for the unsecured debentures to be exchanged for common shares at an exchange price of \$10.00 per share and \$12.75 per share, respectively, subject to adjustment in certain circumstances. The investors have the option to exchange the outstanding unsecured debentures for common shares at any time while Entropy may commence a mandatory exchange of unsecured debentures for common shares in advance of an Initial Public Offering ("IPO"). The unsecured debentures have a term of 10 years, if not exchanged for common shares, which are to be repaid at the end of the term in the amount greater of the principal amount and the investor's pro rata share of the fair market value of Entropy. Each unsecured debenture issued by Entropy bears an interest rate of 8% per annum that Entropy can elect to pay in cash or pay-in-kind, due on a quarterly basis. Any paid-in-kind interest is added to the aggregate principal, subject to certain limitations. As at September 30, 2025, Entropy's unsecured debentures have an outstanding aggregate principal balance of \$205.7 million (December 31, 2024 - \$101.0 million).

During the nine months ended September 30, 2025, Entropy issued unsecured debentures for gross proceeds of \$95.0 million (September 30, 2024 - \$30.0 million) and incurred \$4.5 million of issuance costs (September 30, 2024 - \$2.3 million).

For the nine months ended September 30, 2025, Entropy incurred interest of \$9.7 million which was paid-in-kind (September 30, 2024 - \$3.4 million).

## **Other Liabilities**

The Corporation has a 15-year take-or-pay volume commitment with a 12.5% working interest partner due to expire in 2035. The volume commitment agreement is treated as a financing transaction with an effective interest rate of 9.1%. For the nine months ended September 30, 2025, the Corporation made cash payments of \$9.8 million (September 30, 2024 - \$9.8 million) under the take-or-pay volume commitment agreement.

As at September 30, 2025, the Corporation had a decommissioning liability of \$118.6 million (December 31, 2024 – \$126.8 million) for the future abandonment and reclamation of natural gas and liquids properties. The decommissioning liability has decreased \$8.1 million due to an increase in the risk-free rate, accompanied by decommissioning liabilities associated with non-core asset dispositions and settlement of liabilities through abandonment and reclamation activities. The decommissioning liability includes assumptions in respect of actual costs to abandon and reclaim wells and facilities, the time frame in which such costs will be incurred, annual inflation factors and discount rates. The total estimated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability was \$166.3 million (December 31, 2024 – \$168.7 million), with 38% of these costs to be incurred beyond 2050. Actual spending on decommissioning for the nine months ended September 30, 2025, was \$4.1 million (year ended December 31, 2024 – \$3.1 million).

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

Advantage owns 92% of the common shares of Entropy and therefore consolidates 100% of Entropy while recognizing a non-controlling interest in shareholders' equity that represents the carrying value of the 8% common shares held by outside interests.

For the nine months ended September 30, 2025, the net loss and comprehensive loss attributed to non-controlling interest was \$1.4 million (September 30, 2024 - \$1.2 million).

## **Shareholders' Equity**

On May 8, 2025, the TSX approved the Corporation renewing its normal course issuer bid ("NCIB"). The NCIB commenced on May 14, 2025 and will terminate on May 13, 2026, or such earlier date as Advantage may complete its purchases under the NCIB. Pursuant to the NCIB, Advantage is authorized to purchase for cancellation, from time to time, as it considered advisable, up to a maximum of 14,415,014 Common Shares of the Corporation. Purchases pursuant to the NCIB will be made on the open market through the facilities of the TSX and/or Canadian alternative trading systems at the prevailing market price at the time of purchase. All Common Shares acquired under the NCIB will be cancelled. Securityholders may obtain a copy of the Notice of Intention to Make a Normal Course Issuer Bid, without charge, by contacting Advantage. For the nine months ended September 30, 2025, the Corporation used a portion of the proceeds from recent non-core asset dispositions and free cash flow to fund purchasing 0.7 million Common Shares for cancellation at an average price of \$10.16 per Common Share for a total of \$6.7 million.

As at September 30, 2025, a total of 2.9 million Performance Share Units were outstanding under the Corporation's Restricted and Performance Award Incentive Plan, which represents 1.8% of Advantage's total outstanding Common Shares.

As at October 28, 2025, Advantage had 166.9 million Common Shares outstanding.

## Quarterly Performance

	2025			2024			2023	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>(\$000, except as otherwise indicated)</b>								
<b>Financial Statement Highlights</b>								
Natural gas and liquids sales	130,805	164,593	221,790	163,477	139,840	104,081	135,897	147,137
Net income (loss) and comprehensive income (loss) <sup>(4)</sup>	(43)	72,502	(29,024)	17,130	(6,490)	(12,084)	23,163	41,026
per basic share <sup>(2)</sup>	-	0.43	(0.17)	0.10	(0.04)	(0.07)	0.14	0.25
per diluted share <sup>(2)</sup>	-	0.41	(0.17)	0.10	(0.04)	(0.07)	0.14	0.24
Basic weighted average shares (000)	166,968	167,179	166,821	166,974	166,972	161,362	160,444	163,939
Diluted weighted average shares (000)	166,968	180,785	166,821	169,785	166,972	161,362	164,129	168,441
Cash provided by operating activities	80,100	80,084	122,949	56,350	46,719	47,090	67,374	89,048
Cash provided by (used in) financing activities	(33,040)	42,046	11,670	22,789	(1,097)	447,502	11,883	(52,120)
Cash used in investing activities	(102,338)	(95,230)	(107,919)	(71,202)	(52,765)	(494,331)	(79,427)	(58,846)
<b>Other Financial Highlights</b>								
Adjusted funds flow <sup>(1)</sup>	69,178	85,247	118,642	81,389	52,260	42,354	65,393	82,494
per basic share <sup>(1)(2)</sup>	0.41	0.51	0.71	0.49	0.31	0.26	0.41	0.50
per diluted share <sup>(1)(3)</sup>	0.40	0.50	0.70	0.48	0.31	0.26	0.40	0.49
Net capital expenditures <sup>(1)</sup>	120,040	67,288	113,987	99,162	66,727	490,888	80,134	39,938
Free cash flow surplus (deficit) <sup>(1)</sup>	(25,693)	17,959	655	(29,194)	(14,668)	(3,059)	(14,741)	42,556
Bank indebtedness	411,895	440,957	446,333	470,424	469,551	488,008	238,578	212,854
Net debt <sup>(1)</sup>	775,723	717,465	723,247	718,449	693,959	674,665	279,963	235,010
<b>Operating Highlights <sup>(5)</sup></b>								
<b>Production</b>								
Crude oil (bbls/d)	8,483	7,627	8,487	7,527	8,144	3,033	2,630	3,254
Condensate (bbls/d)	684	848	1,023	979	1,055	1,200	1,231	1,264
NGLs (bbls/d)	2,972	3,404	3,763	3,379	3,621	2,908	2,591	3,345
Total liquids production (bbls/d)	12,139	11,879	13,273	11,885	12,820	7,141	6,452	7,863
Natural gas (mcf/d)	356,059	397,379	422,998	389,331	369,306	355,563	357,410	363,124
Total production (boe/d)	71,482	78,108	83,773	76,774	74,371	66,401	66,020	68,384
<b>Average prices (including realized derivatives)</b>								
Natural gas (\$/mcf)	2.37	2.70	3.29	2.46	1.65	1.82	2.86	2.84
Liquids (\$/bbl)	78.13	79.96	86.53	87.84	85.05	84.58	80.21	81.55
<b>Operating Netback (\$/boe)</b>								
Natural gas and liquids sales	19.89	23.16	29.42	23.14	20.44	17.22	22.62	23.39
Realized gains on derivatives	5.19	2.77	0.87	2.91	2.44	1.59	0.70	0.98
Processing and other income	0.14	0.09	0.13	0.11	0.15	0.32	0.30	0.39
Net sales of purchased natural gas	0.26	-	-	-	-	-	-	-
Royalty expense	(1.87)	(1.86)	(2.80)	(2.40)	(2.83)	(1.16)	(1.52)	(1.64)
Operating expense	(5.82)	(4.90)	(4.76)	(5.19)	(5.46)	(4.09)	(4.08)	(3.61)
Transportation expense	(4.21)	(4.03)	(4.06)	(3.77)	(3.88)	(3.73)	(4.23)	(4.08)
Operating netback <sup>(1)</sup>	13.58	15.23	18.80	14.80	10.86	10.15	13.79	15.43

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

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

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

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

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

The table above highlights the Corporation's performance for the third quarter of 2025 and for the preceding seven quarters. During 2023 the Corporation achieved a steady increase in production over the year rising to 68,384 boe/d in the fourth quarter. In the first and second quarters of 2024 Advantage allowed production to decline slightly while natural gas and liquids sales and adjusted funds flow decreased with lower natural gas prices from an unseasonably mild winter, strong natural gas supply and resulting high North American storage levels. The Corporation increased its sales and adjusted funds flow in the third and fourth quarters of 2024 primarily due to increased production and cash flow provided from the Acquired Assets, although significantly weak natural gas prices persisted and had an adverse offsetting impact. The particularly low natural gas pricing environment during the second and third quarters resulted in the recognition of net losses.

## **Quarterly Performance (continued)**

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

## **Critical Accounting Estimates**

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

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

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

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

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

In accordance with IFRS, derivative assets and liabilities are recorded at their fair values at the reporting date, with gains and losses recognized directly into comprehensive income (loss). The fair value of derivatives outstanding is an estimate based on pricing models, estimates, assumptions and market data available at that time. As such, the recognized amounts are non-cash items and the actual gains or losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices as compared to the valuation assumptions. For embedded derivatives, Management assesses and determines the definition of the host contract and the separate embedded derivative. The judgements made in determining the host contract can influence the fair value of the embedded derivative.

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

## **Accounting Pronouncements not yet Adopted**

A description of additional accounting standards and interpretations that will be adopted in future periods can be found in the notes to the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2025.

## **Environmental Reporting**

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

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

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

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

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

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

Advantage's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the ICFR that occurred during our most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR. No material changes in the ICFR were identified during the interim period ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, our ICFR.

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

### **Specified Financial Measures**

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

## Specified Financial Measures (continued)

### Non-GAAP Financial Measures

#### Adjusted Funds Flow

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

(\$000)	Three months ended September 30					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	82,877	(2,777)	80,100	49,238	(2,519)	46,719
Expenditures on decommissioning liability	1,548	-	1,548	879	-	879
Changes in non-cash working capital	(12,003)	(467)	(12,470)	4,545	117	4,662
Adjusted funds flow	72,422	(3,244)	69,178	54,662	(2,402)	52,260

(\$000)	Nine months ended September 30					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	289,293	(6,160)	283,133	166,478	(5,295)	161,183
Expenditures on decommissioning liability	4,111	-	4,111	988	-	988
Changes in non-cash working capital	(10,965)	(3,212)	(14,177)	(1,744)	(420)	(2,164)
Adjusted funds flow	282,439	(9,372)	273,067	165,722	(5,715)	160,007

#### Net Capital Expenditures

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

(\$000)	Three months ended September 30					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash used in investing activities	56,341	45,997	102,338	43,883	8,882	52,765
Changes in non-cash working capital	15,253	2,449	17,702	11,053	2,909	13,962
Net capital expenditures	71,594	48,446	120,040	54,936	11,791	66,727

(\$000)	Nine months ended September 30					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash used in investing activities	220,272	85,215	305,487	607,018	19,505	626,523
Changes in non-cash working capital	(5,667)	1,495	(4,172)	9,292	1,934	11,226
Net capital expenditures	214,605	86,710	301,315	616,310	21,439	637,749

## Specified Financial Measures (continued)

### Non-GAAP Financial Measures (continued)

#### Free Cash Flow

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

(\$000)	Three months ended September 30					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	82,877	(2,777)	80,100	49,238	(2,519)	46,719
Cash used in investing activities	(56,341)	(45,997)	(102,338)	(43,883)	(8,882)	(52,765)
Changes in non-cash working capital	(27,256)	(2,916)	(30,172)	(6,508)	(2,792)	(9,300)
Expenditures on decommissioning liability	1,548	-	1,548	879	-	879
Acquisitions	-	25,169	(25,169)	(201)	-	(201)
Free cash flow - surplus (deficit)	828	(26,521)	(25,693)	(475)	(14,193)	(14,668)

(\$000)	Nine months ended September 30					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	289,293	(6,160)	283,133	166,478	(5,295)	161,183
Cash used in investing activities	(220,272)	(85,215)	(305,487)	(607,018)	(19,505)	(626,523)
Changes in non-cash working capital	(5,298)	(4,707)	(10,005)	(11,036)	(2,354)	(13,390)
Expenditures on decommissioning liability	4,111	-	4,111	988	-	988
Acquisitions	-	25,169	25,169	445,274	-	445,274
Dispositions	(4,000)	-	(4,000)	-	-	-
Free cash flow - surplus (deficit)	63,834	(70,913)	(7,079)	(5,314)	(27,154)	(32,468)

#### Operating Income

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

(\$000)	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Natural gas and liquids sales	130,805	139,840	517,188	379,818
Realized gains on derivatives	34,160	16,705	60,366	30,547
Processing and other income	922	1,060	2,515	4,811
Net sales of purchased natural gas	1,677	-	1,677	-
Royalty expense	(12,309)	(19,338)	(46,644)	(35,488)
Operating expense	(38,258)	(37,335)	(108,922)	(86,549)
Transportation expense	(27,702)	(26,576)	(86,928)	(74,507)
Operating income	89,295	74,356	339,252	218,632

## Specified Financial Measures (continued)

### Non-GAAP Ratios

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

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

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

(\$000, except as otherwise indicated)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Weighted average shares outstanding (000)	166,968	166,972	166,990	162,941
Diluted weighted average shares outstanding (000)	166,968	166,972	170,405	166,116
Common shares impact - Convertible debentures (000)	-	-	-	-
Common shares impact - Performance Share Units (000)	3,760	2,990	-	-
Adjusted diluted weighted average shares outstanding (000)	170,729	169,962	170,405	166,116
Advantage adjusted funds flow	72,422	54,662	282,439	165,722
Entropy adjusted funds flow	(3,244)	(2,402)	(9,372)	(5,715)
<u>Advantage</u>				
Adjusted funds flow per share (\$/share)	0.43	0.33	1.69	1.02
Adjusted funds flow per diluted share (\$/share)	0.42	0.32	1.66	1.00
<u>Entropy</u>				
Adjusted funds flow per share (\$/share)	(0.02)	(0.02)	(0.06)	(0.04)
Adjusted funds flow per diluted share (\$/share)	(0.02)	(0.01)	(0.05)	(0.04)

#### Adjusted Funds Flow per BOE

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

(\$000, except as otherwise indicated)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Advantage adjusted funds flow	72,422	54,662	282,439	165,722
Total production (boe/d)	71,482	74,371	77,743	68,951
Days in period	92	92	273	274
Total production (boe)	6,576,344	6,842,132	21,223,839	18,892,574
Adjusted funds flow per BOE (\$/boe)	11.01	7.99	13.31	8.77

## Specified Financial Measures (continued)

### Non-GAAP Ratios (continued)

#### Operating Netback

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

(\$000, except as otherwise indicated)	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Operating income	89,295	74,356	339,252	218,632
Total production (boe/d)	71,482	74,371	77,743	68,951
Days in period	92	92	273	274
Total production (boe)	6,576,344	6,842,132	21,223,839	18,892,574
Operating netback (\$/boe)	13.58	10.86	15.98	11.57

#### Debt to Adjusted Funds Flow Ratio

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

(\$000, except as otherwise indicated)	September 30	December 31
	2025	2024
Bank indebtedness	411,895	470,424
Convertible debentures	143,750	143,750
Working capital deficit	16,665	11,377
Debt	572,310	625,551
Adjusted funds flow (prior four quarters)	366,750	250,031
Debt to adjusted funds flow	1.6	2.5

## Specified Financial Measures (continued)

### Capital Management Measures

#### Working capital

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

A summary of working capital as at September 30, 2025, December 31, 2024 and September 30, 2024 is as follows:

	September 30 2025	December 31 2024	September 30 2024
Cash and cash equivalents	18,468	20,146	12,209
Trade and other receivables	59,365	83,188	59,910
Prepaid expenses and deposits	13,196	10,000	13,240
Trade and other accrued liabilities	(105,367)	(116,609)	(91,778)
Working capital deficit	(14,338)	(3,275)	(6,419)

#### Net Debt

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

A summary of the reconciliation of net debt as at September 30, 2025, December 31, 2024 and September 30, 2024 is as follows:

	September 30 2025	December 31 2024	September 30 2024
Bank indebtedness	411,895	470,424	469,551
Convertible debentures	143,750	143,750	143,750
Working capital deficit	16,665	11,377	8,589
Net debt attributable to Advantage	572,310	625,551	621,890
Unsecured debentures	205,740	101,000	74,239
Working capital surplus	(2,327)	(8,102)	(2,170)
Net debt attributable to Entropy	203,413	92,898	72,069
Net debt	775,723	718,449	693,959

## Specified Financial Measures (continued)

### Supplementary Financial Measures

#### Average Realized Prices

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

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

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

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

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

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

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

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

#### Dollars per BOE figures

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

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

## Conversion Ratio

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

## Abbreviations

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

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

## Forward-Looking Information and Other Advisories

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

In particular, forward-looking statements in this MD&A include, but are not limited to, statements about our strategy, plans, objectives, priorities and focus and the benefits to be derived therefrom; the Corporation's disciplined approach to capital allocation and value preservation amid volatile market conditions; that Advantage remains committed to its strategy of debt reduction and continues to make meaningful progress; Advantage's disciplined financial strategy, supported by strong free cash flow generation and selective non-core asset dispositions; Advantage's anticipated 2025 average production; the Corporation's 2025 guidance set forth under the heading "2025 Guidance", including Advantage's anticipated annual royalty rates, operating expense per boe, transportation expense per boe, G&A expense per boe and finance expense per boe in 2025; anticipated effects of LNG Canada, including incremental natural gas demand; the Corporation's forecasted 2025 natural gas market exposure including the anticipated effective production rate; the terms of the Corporation's derivative contracts, including their purposes, the timing of settlement of such contracts and the anticipated benefits to be derived therefrom; terms of the Entropy unsecured debentures; anticipated market dynamics including softening demand in key regions, evolving trade policies and tariffs, and shifting seasonal consumption patterns; anticipated benefits of Advantage's completion of a new water disposal well at Glacier, including its ability to help maintain our low-cost structure; anticipated synergies and growth from completion and commissioning of the Progress facility; the anticipated timing of the completion and commissioning of the Progress gas plant, and the anticipated incremental processing capacity thereof; the anticipated timing of completion of Entropy's Glacier Phase 2 CCS project; management's expectations that the Corporation's Valhalla asset will play a pivotal role in the Corporation's liquids-rich gas development plan; that Advantage is working with Natural Resources Canada and the Canada Revenue Agency to finalize approval for existing carbon capture projects at Glacier; that Advantage will continue to utilize excess processing capacity acquired in 2024 and the anticipated benefits thereof; the Corporation's future commitments and contractual obligations and the anticipated payments in connection therewith and timing thereof; that Advantage monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general; the Corporation's continual financial assessment process and the anticipated benefits in connection therewith; the Corporation's ability to satisfy all liabilities and commitments and meet future obligations as they become due and the means for satisfying such future obligations; the Corporation's strategy for managing its capital structure; the terms of the Corporation's Credit Facilities, including the timing of the next review of the Credit Facilities and the Corporation's expectations regarding the extension of the Credit Facilities at each annual review; the terms of the Debentures; the terms of Entropy's unsecured debentures; the anticipated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability and the anticipated timing that such costs will be incurred; the statements under "critical accounting estimates" in this MD&A; and other matters.

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

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

effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Corporation, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; the impact of significant declines in market prices for oil and natural gas; stock market volatility; changes to legislation and regulations and how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; actions by governmental or regulatory authorities including increasing taxes, regulatory approvals, changes in investment or other regulations; interest rates fluctuation; inflation rate fluctuation; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; the risk that Advantage may not achieve its strategy of debt reduction or that Advantage will not be able to realize strong free cash flow generation or non-core asset dispositions; the effect of acquisitions; our success at acquisition, exploitation and development of reserves; unexpected drilling results; the risk that the Corporation may not be able to continue to realize anticipated cost improvements from acquisition synergies and exceptional operational performance; the risk that Advantage may not be able to realize the anticipated benefits from LNG Canada; failure to achieve production targets on timelines anticipated or at all; changes in commodity prices, currency exchange rates, capital expenditures, reserves or reserves estimates and debt service requirements; the risk that Advantage may be negatively impacted by industry consolidation; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; individual well productivity; delays in anticipated timing of drilling and completion of wells; lack of available capacity on pipelines; delays in timing of facility installation; performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information; the failure to extend the Credit Facilities at each annual review; competition from other producers; the lack of availability of qualified personnel or management; ability to access sufficient capital from internal and external sources; credit risk; the risk that Advantage's average production in 2025 may be less than anticipated; the risk that Advantage does not achieve its anticipated guidance for 2025 as set forth in this MD&A under the heading "2025 Guidance"; the risk that the Corporation's Valhalla asset may not play a pivotal role in the Corporation's liquids-rich gas development plan; the risk that the Corporation may not be properly diversified to multiple markets; the risk that the Corporation may not satisfy all of its liabilities and commitments and meet future obligations as they become due; the risk that the undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability may be greater than expected; the risk that Advantage's annual royalty rates in 2025 may be greater than anticipated; the risk that Advantage's operating expense per boe and transportation expense per boe in 2025 may be greater than anticipated; the risk that additional natural gas processing will not occur in the second half of 2025 as anticipated; the risk that Advantage will not be able to utilize excess capacity acquired in 2024 or realize the anticipated benefits thereof; the risk that the Corporation's water disposal well completed during the first quarter of 2025 at Glacier may not lead to the benefits anticipated; the risk that the Progress gas plant will not be completed and commissioned when anticipated or result in the anticipated benefits thereof; and the risks and uncertainties described in the Corporation's Annual Information Form which is available at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.advantageog.com](http://www.advantageog.com). Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

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

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

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

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

This MD&A contains information that may be considered a financial outlook under applicable securities laws about the Corporation's potential financial position, including, but not limited to: the terms of the Corporation's derivative contracts; Advantage's anticipated annual royalty rates, operating expense per boe and transportation expense per

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

boe in 2025; the Corporation's future commitments and contractual obligations; and the anticipated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability, all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Corporation and the resulting financial results will vary from the amounts set forth in this MD&A and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Corporation's potential future business operations. Readers are cautioned that the financial outlook contained in this MD&A is not conclusive and is subject to change.

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

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

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

### **Additional Information**

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

October 28, 2025