

**EQT CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF CONSOLIDATED OPERATIONS**  
**YEARS ENDED DECEMBER 31,**

	2019	2018	2017
	(Thousands, except per share amounts)		
Operating revenues:			
Sales of natural gas, natural gas liquids and oil	\$ 3,791,414	\$ 4,695,519	\$ 2,651,318
Gain (loss) on derivatives not designated as hedges	616,634	(178,591)	390,021
Net marketing services and other	8,436	40,940	49,681
Total operating revenues	4,416,484	4,557,868	3,091,020
Operating expenses:			
Transportation and processing	1,752,752	1,697,001	1,164,783
Production	153,785	195,775	181,349
Exploration	7,223	6,765	17,565
Selling, general and administrative	253,006	284,220	208,986
Depreciation and depletion	1,538,745	1,569,038	970,985
Amortization of intangible assets	35,916	41,367	5,400
Impairment/loss on sale/exchange of long-lived assets	1,138,287	2,709,976	—
Impairment of intangible assets	15,411	—	—
Impairment of goodwill	—	530,811	—
Impairment and expiration of leases	556,424	279,708	7,552
Proxy, transaction and reorganization	117,045	26,331	152,188
Total operating expenses	5,568,594	7,340,992	2,708,808
Operating (loss) income	(1,152,110)	(2,783,124)	382,212
Unrealized loss on investment in Equitrans Midstream Corporation	336,993	72,366	—
Dividend and other (income) expense	(91,483)	(7,017)	2,987
Loss on debt extinguishment	—	—	12,641
Interest expense	199,851	228,958	167,971
(Loss) income from continuing operations before income taxes	(1,597,471)	(3,077,431)	198,613
Income tax benefit	(375,776)	(696,511)	(1,188,416)
(Loss) income from continuing operations	(1,221,695)	(2,380,920)	1,387,029
Income from discontinued operations, net of tax	—	373,762	471,113
Net (loss) income	(1,221,695)	(2,007,158)	1,858,142
Less: Net income from discontinued operations attributable to noncontrolling interests	—	237,410	349,613
Net (loss) income attributable to EQT Corporation	\$ (1,221,695)	\$ (2,244,568)	\$ 1,508,529
Amounts attributable to EQT Corporation:			
(Loss) income from continuing operations	\$ (1,221,695)	\$ (2,380,920)	\$ 1,387,029
Income from discontinued operations, net of tax	—	136,352	121,500
Net (loss) income	\$ (1,221,695)	\$ (2,244,568)	\$ 1,508,529
Earnings per share of common stock attributable to EQT Corporation:			
Basic:			
Weighted average common stock outstanding	255,141	260,932	187,380
(Loss) income from continuing operations	\$ (4.79)	\$ (9.12)	\$ 7.40
Income from discontinued operations	—	0.52	0.65
Net (loss) income	\$ (4.79)	\$ (8.60)	\$ 8.05
Diluted:			
Weighted average common stock outstanding	255,141	260,932	187,727
(Loss) income from continuing operations	\$ (4.79)	\$ (9.12)	\$ 7.39
Income from discontinued operations	—	0.52	0.65
Net (loss) income	\$ (4.79)	\$ (8.60)	\$ 8.04

**EQT CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF CONSOLIDATED CASH FLOWS**  
**YEARS ENDED DECEMBER 31,**

	2019	2018	2017
	(Thousands)		
<b>Cash flows from operating activities:</b>			
Net (loss) income	\$ (1,221,695)	\$ (2,007,158)	\$ 1,858,142
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Deferred income tax benefit	(275,063)	(510,405)	(1,050,612)
Depreciation and depletion	1,538,745	1,729,739	1,077,559
Amortization of intangible assets	35,916	77,374	10,940
Impairment of long-lived assets and leases and exploratory well costs	1,710,122	2,989,684	20,327
Impairment of goodwill	—	798,689	—
Unrealized loss on investment in Equitrans Midstream Corporation	336,993	72,366	—
Loss on debt extinguishment	—	—	12,641
Amortization, accretion and other	23,296	(33,039)	(25,934)
Share-based compensation expense	31,233	25,189	94,592
(Gain) loss on derivatives not designated as hedges	(616,634)	178,591	(390,021)
Cash settlements received (paid) on derivatives not designated as hedges	246,639	(225,279)	40,728
Net premiums received on derivative instruments	22,616	—	—
Changes in other assets and liabilities:			
Accounts receivable	432,323	(439,062)	(8,979)
Accounts payable	(238,674)	457,113	(16,680)
Tax receivable	(167,281)	(117,188)	(12,285)
Other items, net	(6,832)	(20,358)	27,280
Net cash provided by operating activities	1,851,704	2,976,256	1,637,698
<b>Cash flows from investing activities:</b>			
Capital expenditures	(1,602,454)	(2,999,037)	(1,559,051)
Cash paid for Rice Merger and other acquisitions (see Note 8), net of cash acquired	—	—	(2,379,229)
Capital expenditures for discontinued operations	—	(732,727)	(380,151)
Net sales of trading securities	—	—	283,758
Exploratory dry hole costs	—	—	(11,420)
Capital contributions to Mountain Valley Pipeline, LLC	—	(820,943)	(159,550)
Proceeds from sale of assets	—	583,381	3,573
Other investing activities	1,312	(9,778)	—
Net cash used in investing activities	(1,601,142)	(3,979,104)	(4,202,070)
<b>Cash flows from financing activities:</b>			
Proceeds from borrowings on credit facility	2,978,750	8,637,500	2,063,000
Repayment of borrowings on credit facility	(3,484,750)	(8,953,500)	(1,076,500)
Proceeds from borrowings on term loan facility	1,000,000	—	—
Debt issuance costs and credit facility origination fees	(913)	(40,966)	(41,876)
Proceeds from issuance of debt	—	2,500,000	3,000,000
Repayments and retirements of debt	(704,661)	(8,376)	(2,000,000)
Premiums paid on debt extinguishment	—	—	(89,363)
Dividends paid	(30,655)	(31,375)	(20,827)
Proceeds and excess tax benefits from awards under employee compensation plans	—	1,946	244
Cash paid for taxes related to net settlement of share-based incentive awards	(7,224)	(22,647)	(72,116)
Repurchase and retirement of common stock	—	(538,876)	—
Repurchase of common stock	—	(27)	(30)
Distributions to noncontrolling interests	—	(380,651)	(236,123)
Contribution to Strike Force Midstream LLC by minority owner, net of distribution	—	—	6,738
Acquisition of 25% of Strike Force Midstream LLC	—	(175,000)	—
Net cash transferred at Separation and Distribution	—	(129,008)	—
Net cash (used in) provided by financing activities	(249,453)	859,020	1,533,147

**EQT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31,**

	2019	2018
	(Thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,596	\$ 3,487
Accounts receivable (less provision for doubtful accounts: \$6,861 and \$8,648)	610,088	1,241,843
Derivative instruments, at fair value	812,664	481,654
Tax receivable	298,854	131,573
Prepaid expenses and other	28,653	111,107
Total current assets	1,754,855	1,969,664
Property, plant and equipment	21,655,351	22,148,012
Less: Accumulated depreciation and depletion	5,499,861	4,755,505
Net property, plant and equipment	16,155,490	17,392,507
Intangible assets, net	26,006	77,333
Investment in Equitrans Midstream Corporation	676,009	1,013,002
Other assets	196,867	268,838
Total assets	\$ 18,809,227	\$ 20,721,344
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	\$ 16,204	\$ 704,390
Accounts payable	796,438	1,059,873
Derivative instruments, at fair value	312,696	336,051
Other current liabilities	220,564	254,687
Total current liabilities	1,345,902	2,355,001
Credit facility borrowings	294,000	800,000
Term loan facility borrowings	999,353	—
Senior notes	3,878,366	3,882,932
Note payable to EQM Midstream Partners, LP	105,056	110,059
Deferred income taxes	1,485,814	1,823,381
Other liabilities and credits	897,148	791,742
Total liabilities	9,005,639	9,763,115
Shareholders' Equity:		
Common stock, no par value, shares authorized: 320,000, shares issued: 257,003 and 257,225	7,818,205	7,828,554
Treasury stock, shares at cost: 1,832 and 2,753	(32,507)	(49,194)
Retained earnings	2,023,089	3,184,275
Accumulated other comprehensive loss	(5,199)	(5,406)
Total shareholders' equity	9,803,588	10,958,229
Total liabilities and shareholders' equity	\$ 18,809,227	\$ 20,721,344

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