# EQM Midstream Partners, LP

**QUARTERLY REPORT**
**AS OF MARCH 31, 2024 AND DECEMBER 31, 2023 AND**
**FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

# EQM MIDSTREAM PARTNERS, LP AND SUBSIDIARIES
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# Glossary of Commonly Used Terms, Abbreviations and Measurements

**Allowance for Funds Used During Construction (AFUDC)** – carrying costs for the construction of certain long-lived regulated assets are capitalized and amortized over the related assets' estimated useful lives. The capitalized amount for construction of regulated assets includes interest cost and a designated cost of equity for financing the construction of these regulated assets.

**Amended EQM Credit Facility** – that certain Third Amended and Restated Credit Agreement, dated as of October 31, 2018, among EQM, as borrower, Wells Fargo Bank, National Association, as the administrative agent, swing line lender, and a letter of credit (L/C) issuer, the lenders party thereto from time to time and any other persons party thereto from time to time (as amended by that certain First Amendment to Third Amended and Restated Credit Agreement, dated as of March 30, 2020, by that certain Second Amendment to Third Amended and Restated Credit Agreement, dated April 16, 2021, by that certain Third Amendment to the Third Amended and Restated Credit Agreement, dated as of April 22, 2022, by that certain Fourth Amendment to Third Amended and Restated Credit Agreement, dated as of October 6, 2023, by that certain Fifth Amendment to Third Amended and Restated Credit Agreement, dated as of February 15, 2024, and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time). For the avoidance of doubt, any reference to the Amended EQM Credit Facility as of any particular date shall mean the Amended EQM Credit Facility as in effect on such date.

**Annual Revenue Commitments (ARC or ARCs)** – contractual term in a water services agreement that obligates the customer to pay for a fixed amount of water services annually.

**Appalachian Basin** – the area of the United States composed of those portions of West Virginia, Pennsylvania, Ohio, Maryland, Kentucky and Virginia that lie in the Appalachian Mountains.

**British thermal unit** – a measure of the amount of energy required to raise the temperature of one pound of water one-degree Fahrenheit.

**delivery point** – the point where gas is delivered into a downstream gathering system or transmission pipeline.

**Equitrans Midstream** – Equitrans Midstream Corporation (NYSE: ETRN), which is the parent company of EQM, and its subsidiaries.

**EQT** – EQT Corporation (NYSE: EQT) and its subsidiaries.

**EQT Global GGA** – that certain Gas Gathering and Compression Agreement entered into on February 26, 2020 (the EQT Global GGA Effective Date) by and among EQM, EQT and certain affiliates of EQT for the provision of certain gas gathering services to EQT in the Marcellus and Utica Shales of Pennsylvania and West Virginia, as subsequently amended.

**EQT Transaction –**that certain proposed acquisition of the Equitrans Midstream Corporation by EQT pursuant to that certain Agreement and Plan of Merger (the Merger Agreement), dated as of March 10, 2024, by and among Equitrans Midstream Corporation, EQT Corporation (Parent), Humpty Merger Sub Inc., an indirect wholly owned subsidiary of Parent (Merger Sub), and Humpty Merger Sub LLC, an indirect wholly owned subsidiary of Parent (LLC Sub), pursuant to which, among other things, Merger Sub will merge with and into Equitrans Midstream Corporation (the First Merger), with Equitrans Midstream Corporation surviving the First Merger as an indirect wholly owned subsidiary of Parent (the First Step Surviving Corporation) and, as the second step in a single integrated transaction, the First Step Surviving Corporation will merge with and into LLC Sub (the Second Merger and, together with the First Merger, the Mergers), with LLC Sub surviving the Second Merger as an indirect wholly owned subsidiary of Parent.

**firm contracts** – contracts for gathering, transmission, storage and water services that reserve an agreed upon amount of pipeline or storage capacity regardless of the capacity used by the customer during each month, and generally obligate the customer to pay a fixed, monthly charge.

**firm reservation fee revenues** – contractually obligated revenues that include fixed monthly charges under firm contracts and fixed volumetric charges under MVC (as defined below) and ARC (as defined above) contracts.

**gas –** natural gas.

**Minimum volume commitments (MVC or MVCs)** – contracts for gathering or water services that obligate the customer to pay for a fixed amount of volumes daily, monthly, annually or over the life of the contract.

**Mountain Valley Pipeline (MVP)** – a 303-mile, 42-inch diameter natural gas interstate pipeline with a targeted capacity of 2.0 Bcf per day that is designed to span from EQM's existing transmission and storage system in Wetzel County, West Virginia to Pittsylvania County, Virginia, providing access to the growing Southeast demand markets.

**Mountain Valley Pipeline, LLC (MVP Joint Venture)** – a joint venture formed among EQM and, as applicable, affiliates of each of NextEra Energy, Inc., Consolidated Edison, Inc. (Con Edison), AltaGas Ltd. and RGC Resources, Inc. (RGC) for purposes of the MVP and the MVP Southgate (as defined below) projects.

**MVP Southgate** –an estimated 31-mile, 30-inch diameter natural gas interstate pipeline with a targeted capacity of 550,000 dekatherms per day that is designed to span from the terminus of the MVP in Pittsylvania County, Virginia to planned new delivery points in Rockingham County, North Carolina.

**Preferred Interest –** the preferred interest that EQM has in EQT Energy Supply, LLC (EES), a subsidiary of EQT.

**Rager Mountain natural gas storage field incident –** that certain venting of natural gas in 2022 at a storage well (well 2244) at Equitrans, L.P.'s Rager Mountain natural gas storage facility, located in Jackson Township, a remote section of Cambria County, Pennsylvania, which venting was successfully halted on November 19, 2022.

**Scope 1 emissions**– direct greenhouse gas emissions from owned or controlled sources.

**Scope 2 emissions**– indirect greenhouse gas emissions from the generation of purchased energy.

**throughput –** the volume of natural gas transported or passing through a pipeline, plant, terminal or other facility during a particular period.

**wellhead –** the equipment at the surface of a well used to control the well's pressure and the point at which the hydrocarbons and water exit the ground.

Unless the context otherwise requires, a reference to a “Note” herein refers to the accompanying Notes to the Consolidated Financial Statements contained in this Quarterly Report and all references to *"we," "us," "our"* and *"EQM"* refer to EQM and its subsidiaries.

| **Abbreviations** | **Measurements** |
|---|---|
| **ASC** – Accounting Standards Codification | **Btu** = one British thermal unit |
| **ASU** – Accounting Standards Update | **BBtu** = billion British thermal units |
| **FASB** – Financial Accounting Standards Board | **Bcf** = billion cubic feet |
| **FERC** – United States Federal Energy Regulatory Commission | **Mcf** = thousand cubic feet |
| **GAAP** – United States Generally Accepted Accounting Principles | **MMBtu** = million British thermal units |
| **NGA –** Natural Gas Act of 1938, as amended | **MMcf** = million cubic feet |
| **NYMEX** – New York Mercantile Exchange | **MMgal** = million gallons |
| **NYSE** – New York Stock Exchange | |
| **PHMSA** – Pipeline and Hazardous Materials Safety Administration of the United States Department of Transportation | |
| **SEC** – United States Securities and Exchange Commission | |

**EQM MIDSTREAM PARTNERS, LP AND SUBSIDIARIES**
**Statements of Consolidated Operations (Unaudited)**

| | Three Months Ended March 31, 2024 | Three Months Ended March 31, 2023 |
|---|---|---|
| | (Thousands) | |
| Operating revenues | $ 365,299 | $ 377,397 |
| Operating expenses: | | |
| Operating and maintenance | 45,206 | 42,831 |
| Selling, general and administrative | 44,165 | 32,612 |
| Depreciation | 71,569 | 69,100 |
| Amortization of intangible assets | 16,205 | 16,205 |
| Total operating expenses | 177,145 | 160,748 |
| Operating income | 188,154 | 216,649 |
| Equity income [(a)] | 73,005 | 122 |
| Other (expense) income, net | (3,907) | (8,030) |
| Net interest expense | (119,090) | (105,092) |
| Net income | 138,162 | 103,649 |
| Net income attributable to noncontrolling interest | 2,890 | 4,409 |
| Net income attributable to EQM | $ 135,272 | $ 99,240 |

(a) Represents equity income from Mountain Valley Pipeline, LLC (the MVP Joint Venture). See Note 6.

The accompanying notes are an integral part of these consolidated financial statements.

## EQM MIDSTREAM PARTNERS, LP AND SUBSIDIARIES
## Statements of Consolidated Cash Flows (Unaudited)

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Thousands) | |
| **Cash flows from operating activities:** | | |
| Net income | $ 138,162 | $ 103,649 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 71,569 | 69,100 |
| Amortization of intangible assets | 16,205 | 16,205 |
| Equity income [(a)] | (73,005) | (122) |
| Other expense (income), net | 4,234 | 8,288 |
| Non-cash long-term compensation expense | 4,859 | 3,433 |
| Changes in other assets and liabilities: | | |
| Accounts receivable | 23,587 | 44,851 |
| Accounts payable | (5,099) | (24,609) |
| Accrued interest | (39,130) | (43,597) |
| Deferred revenue | 59,941 | 75,257 |
| Other assets and other liabilities | 5,280 | 1,582 |
| Net cash provided by operating activities | 206,603 | 254,037 |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (84,944) | (75,640) |
| Capital contributions to the MVP Joint Venture | (422,985) | (34,513) |
| Principal payments received on the Preferred Interest (defined in Note 7) | 1,529 | 1,429 |
| Net cash used in investing activities | (506,400) | (108,724) |
| **Cash flows from financing activities:** | | |
| Proceeds from revolving credit facility borrowings | 280,000 | 137,500 |
| Payments on revolving credit facility borrowings | (660,000) | (180,000) |
| Proceeds from the issuance of long-term debt | 600,000 | — |
| Debt discounts, debt issuance costs and credit facility arrangement fees | (10,206) | — |
| Distributions paid to parent | (116,500) | (117,500) |
| Distributions paid to noncontrolling interest | (8,000) | (8,000) |
| Net cash provided by (used in) financing activities | 85,294 | (168,000) |
| Net change in cash and cash equivalents | (214,503) | (22,687) |
| Cash and cash equivalents at beginning of period | 250,689 | 60,132 |
| Cash and cash equivalents at end of period | $ 36,186 | $ 37,445 |
| **Cash paid during the period for:** | | |
| Interest, net of amount capitalized | $ 156,092 | $ 146,828 |

(a) Represents equity income from the MVP Joint Venture. See Note 6.

The accompanying notes are an integral part of these consolidated financial statements.

## EQM MIDSTREAM PARTNERS, LP AND SUBSIDIARIES
## Consolidated Balance Sheets (Unaudited)

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| | (Thousands, except number of units) | |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 36,186 | $ 250,689 |
| Accounts receivable (net of allowance for credit losses of $7,745 and $6,413 as of March 31, 2024 and December 31, 2023, respectively) | 239,875 | 255,690 |
| Other current assets | 55,332 | 59,240 |
| Total current assets | 331,393 | 565,619 |
| Property, plant and equipment | 9,818,030 | 9,731,600 |
| Less: accumulated depreciation | (1,817,203) | (1,746,767) |
| Net property, plant and equipment | 8,000,827 | 7,984,833 |
| Investment in unconsolidated entity [(a)] | 2,194,117 | 1,832,282 |
| Goodwill | 486,698 | 486,698 |
| Net intangible assets | 505,928 | 522,133 |
| Other assets | 158,951 | 151,702 |
| Total assets | $ 11,677,914 | $ 11,543,267 |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities: | | |
| Current portion of long-term debt | $ 299,846 | $ 299,731 |
| Accounts payable | 49,814 | 57,487 |
| Due to Equitrans Midstream | 24,748 | 22,642 |
| Capital contributions payable to the MVP Joint Venture | 46,835 | 181,051 |
| Accrued interest | 95,200 | 134,330 |
| Accrued liabilities | 33,718 | 36,923 |
| Total current liabilities | 550,161 | 732,164 |
| Long-term liabilities: | | |
| Revolving credit facility borrowings | 850,000 | 1,230,000 |
| Long-term debt | 6,640,152 | 6,046,709 |
| Contract liability | 1,416,133 | 1,354,958 |
| Regulatory and other long-term liabilities | 122,016 | 99,699 |
| Total liabilities | 9,578,462 | 9,463,530 |
| Equity: | | |
| Common units (207,457,630 units issued and outstanding at each of March 31, 2024 and December 31, 2023) | 1,641,958 | 1,617,133 |
| Noncontrolling interest | 457,494 | 462,604 |
| Total equity | 2,099,452 | 2,079,737 |
| Total liabilities and equity | $ 11,677,914 | $ 11,543,267 |

(a) Represents investment in the MVP Joint Venture. See Note 6.

The accompanying notes are an integral part of these consolidated financial statements.

## EQM MIDSTREAM PARTNERS, LP AND SUBSIDIARIES
## Statements of Consolidated Equity (Unaudited)

| | Limited Partners | | | |
|---|---|---|---|---|
| | Common Units | Class B Units | Noncontrolling Interest | Total Equity |
| | | (Thousands) | | |
| Balance at January 1, 2023 | $ 1,519,851 | $ (55,110) | $ 479,399 | $ 1,944,140 |
| Net income | 95,892 | 3,348 | 4,409 | 103,649 |
| Capital contributions | 4,088 | 143 | — | 4,231 |
| Distributions paid to parent | (117,500) | — | — | (117,500) |
| Distributions paid to noncontrolling interest in Eureka Midstream Holdings, LLC | — | — | (8,000) | (8,000) |
| Balance at March 31, 2023 | $ 1,502,331 | $ (51,619) | $ 475,808 | $ 1,926,520 |
| | | | | |
| Balance at January 1, 2024 | $ 1,617,133 | $ — | $ 462,604 | $ 2,079,737 |
| Net income | 135,272 | — | 2,890 | 138,162 |
| Capital contributions | 6,053 | — | — | 6,053 |
| Distributions paid to parent | (116,500) | — | — | (116,500) |
| Distributions paid to noncontrolling interest in Eureka Midstream Holdings, LLC | — | — | (8,000) | (8,000) |
| Balance at March 31, 2024 | $ 1,641,958 | $ — | $ 457,494 | $ 2,099,452 |

The accompanying notes are an integral part of these consolidated financial statements.

**EQM MIDSTREAM PARTNERS, LP AND SUBSIDIARIES**
**Notes to Consolidated Financial Statements (Unaudited)**

## 1. Financial Statements

*Nature of Business.* EQM provides midstream services to its customers in Pennsylvania, West Virginia and Ohio through three primary assets: the gathering system, which includes predominantly dry gas gathering systems of high-pressure gathering lines; the transmission system, which includes FERC-regulated interstate pipelines and storage systems; and the water network, which primarily consists of water pipelines and other facilities that support well completion activities and produced water handling activities.

*Basis of Presentation.* References in these financial statements to EQM refer collectively to EQM Midstream Partners, LP and its consolidated subsidiaries for all periods presented, unless otherwise indicated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, these unaudited consolidated financial statements include all adjustments (consisting of only normal, recurring adjustments, unless otherwise disclosed in this Quarterly Report) necessary for a fair presentation of the financial position of EQM as of March 31, 2024, the results of its operations, cash flows and equity for the three months ended March 31, 2024 and 2023. The consolidated balance sheet at December 31, 2023 has been derived from the audited financial statements at that date, but does not include all of the information and notes required by GAAP for complete financial statements. This Quarterly Report should be read in conjunction with EQM's Annual Report for the year ended December 31, 2023, which includes all disclosures required by GAAP.

Due to, among other things, the seasonal nature of EQM's utility customer contracts, as well as producers' well completion activities and varying needs for fresh and produced water (which are primarily driven by horizontal lateral lengths and the number of completion stages per well), the interim statements for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

For further information, refer to EQM's consolidated financial statements and related notes in EQM's Annual Report for the year ended December 31, 2023, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein.

*Recently Issued Accounting Standards.*

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which provides improvements to reportable segment disclosures and is intended to enhance the disclosures regarding significant segment expenses. The guidance is applicable to all public entities that are required to report segment information in accordance with Topic 280 and is to be applied retrospectively to all prior periods presented in the financial statements. EQM is currently evaluating the potential impact of adopting this standard on its financial statements and related disclosures.

## 2. Proposed EQT Transaction

*Proposed EQT Transaction.* On March 10, 2024, Equitrans Midstream Corporation (Equitrans Midstream), EQT Corporation (Parent), Humpty Merger Sub Inc., an indirect wholly owned subsidiary of Parent (Merger Sub), and Humpty Merger Sub LLC, an indirect wholly owned subsidiary of Parent (LLC Sub), entered into an Agreement and Plan of Merger (the Merger Agreement), pursuant to which, among other things, Merger Sub will merge with and into Equitrans Midstream (the First Merger), with Equitrans Midstream surviving the First Merger as an indirect wholly owned subsidiary of Parent (the First Step Surviving Corporation) and, as the second step in a single integrated transaction, the First Step Surviving Corporation will merge with and into LLC Sub (the Second Merger and, together with the First Merger, the Mergers), with LLC Sub surviving the Second Merger as an indirect wholly owned subsidiary of Parent (the transactions contemplated by the Merger Agreement, the EQT Transaction).

Under the terms of the Merger Agreement, and subject to the satisfaction or waiver of certain conditions therein, at the effective time of the First Merger (the Effective Time), (i) each share of common stock, no par value per share, of Equitrans Midstream Corporation (Equitrans Midstream common stock) issued and outstanding immediately prior to the Effective Time (excluding any excluded shares) will be converted automatically at the Effective Time into the right to receive 0.3504 (the Exchange Ratio) fully-paid and nonassessable shares of common stock of Parent, no par value per share (EQT Shares) and (ii) each Equitrans Midstream Corporation Series A Perpetual Convertible Preferred Share, no par value (Equitrans Midstream Preferred Share), issued and outstanding immediately prior to the Effective Time will be treated in accordance with Section 8 of Equitrans Midstream's Second Amended and Restated Articles of Incorporation and the procedures set forth in Section 2.5 of the Merger Agreement.

The EQT Transaction is expected to close during the fourth quarter of 2024. The completion of the First Merger is subject to the satisfaction or waiver of certain closing conditions, including, among others: (i) approval of the Merger Agreement and the Mergers by holders of a majority of the outstanding shares of Equitrans Midstream common stock and Equitrans Midstream Preferred Shares, with such Equitrans Midstream Preferred Shares treated as Equitrans Midstream common stock on an as-converted basis, voting together as a single class, (ii) approval of the issuance of EQT Shares in connection with the Mergers by a majority of votes cast at a special meeting of holders of EQT Shares, (iii) expiration or termination of (a) all waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act) and (b) any commitment to, or agreement with, any governmental entity to delay the consummation of, or not to consummate the transactions contemplated by the Merger Agreement, and (iv) the MVP Joint Venture receiving authorization of the Federal Energy Regulatory Commission (FERC) to place the Mountain Valley Pipeline (MVP) in-service.

The Merger Agreement contains representations and warranties from the parties, and each party has agreed to certain covenants, including, among others, covenants relating to (i) the conduct of business during the interim period between the execution of the Merger Agreement and the Effective Time and (ii) the obligation to use reasonable best efforts to cause the Mergers to be consummated.

Upon termination of the Merger Agreement under certain circumstances, Equitrans Midstream will be obligated to pay Parent a termination fee equal to $191 million. Upon termination of the Merger Agreement under certain circumstances, Parent will be obligated to pay Equitrans Midstream (i) a termination fee equal to $545 million or (ii) a special termination fee equal to $176 million.

## 3. Financial Information by Business Segment

EQM reports its operations in three segments that reflect its three lines of business of Gathering, Transmission and Water, which reflects the manner in which management evaluates the business for making operating decisions and assessing performance.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Thousands) | |
| **Revenues from customers:** | | |
| Gathering [(a)] | $ 225,665 | $ 211,812 |
| Transmission [(a)] | 116,894 | 138,906 |
| Water | 22,740 | 26,679 |
| Total operating revenues | $ 365,299 | $ 377,397 |
| | | |
| **Operating income:** | | |
| Gathering | $ 106,084 | $ 105,354 |
| Transmission | 77,082 | 98,922 |
| Water | 4,988 | 12,373 |
| Total operating income | $ 188,154 | $ 216,649 |
| | | |
| **Reconciliation of operating income to net income:** | | |
| Equity income [(b)] | $ 73,005 | $ 122 |
| Other (expense) income, net [(c)] | (3,907) | (8,030) |
| Net interest expense | (119,090) | (105,092) |
| Net income | $ 138,162 | $ 103,649 |

(a) For the three months ended March 31, 2023, volumetric-based fee revenues associated with Gathering and Transmission included one-time contract buyouts by a customer for approximately $5.0 million and $23.8 million, respectively.

(b) Equity income is included in the Transmission segment.

(c) Includes unrealized loss on derivative instruments recorded in the Gathering segment.

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| | (Thousands) | |
| **Segment assets:** | | |
| Gathering | $ 7,573,577 | $ 7,612,820 |
| Transmission [(a)] | 3,731,064 | 3,369,718 |
| Water | 245,270 | 217,225 |
| Total operating segments | 11,549,911 | 11,199,763 |
| Headquarters, including cash | 128,003 | 343,504 |
| Total assets | $ 11,677,914 | $ 11,543,267 |

(a) The equity method investment in the MVP Joint Venture is included in the Transmission segment.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Thousands) | |
| **Depreciation:** | | |
| Gathering | $ 50,152 | $ 49,349 |
| Transmission | 14,383 | 13,888 |
| Water | 7,034 | 5,863 |
| Total | $ 71,569 | $ 69,100 |
| | | |
| **Capital expenditures:** | | |
| Gathering[(a)] | $ 54,256 | $ 59,713 |
| Transmission[(b)] | 17,704 | 9,189 |
| Water | 10,047 | 11,076 |
| Total[(c)] | $ 82,007 | $ 79,978 |

(a) Includes capital expenditures related to the noncontrolling interest in Eureka Midstream Holdings, LLC (Eureka Midstream) of approximately $5.0 million and $3.2 million for the three months ended March 31, 2024 and 2023, respectively.

(b) Transmission capital expenditures do not include aggregate capital contributions made to the MVP Joint Venture of approximately $423.0 million and $34.5 million for the three months ended March 31, 2024 and 2023, respectively.

(c) EQM accrues capital expenditures when the work has been completed but the associated bills have not yet been paid. Accrued capital expenditures are excluded from the statements of consolidated cash flows until they are paid. The net impact of non-cash capital expenditures, including the effect of accrued capital expenditures, transfers to/from inventory as assets are completed/assigned to a project and capitalized share-based compensation costs, was $2.9 million and $(4.3) million for the three months ended March 31, 2024 and 2023, respectively.

## 4. Revenue from Contracts with Customers

For the three months ended March 31, 2024 and 2023, substantially all revenues recognized on EQM's statements of consolidated operations were from contracts with customers. As of March 31, 2024 and December 31, 2023, all receivables recorded on EQM's consolidated balance sheets represented performance obligations that have been satisfied and for which an unconditional right to consideration exists.

*Summary of disaggregated revenues.* The tables below provide disaggregated revenue information by business segment.

| | Three Months Ended March 31, 2024 | | | |
|---|---|---|---|---|
| | Gathering | Transmission | Water | Total |
| | (Thousands) | | | |
| Firm reservation fee revenues [(a)] | $ 135,676 | $ 100,323 | $ 9,375 | $ 245,374 |
| Volumetric-based fee revenues | 89,989 | 16,571 | 13,365 | 119,925 |
| Total operating revenues | $ 225,665 | $ 116,894 | $ 22,740 | $ 365,299 |

| | Three Months Ended March 31, 2023 | | | |
|---|---|---|---|---|
| | Gathering | Transmission | Water | Total |
| | (Thousands) | | | |
| Firm reservation fee revenues [(a)] | $ 140,071 | $ 101,722 | $ 9,375 | $ 251,168 |
| Volumetric-based fee revenues [(b)] | 71,741 | 37,184 | 17,304 | 126,229 |
| Total operating revenues | $ 211,812 | $ 138,906 | $ 26,679 | $ 377,397 |

(a) Firm reservation fee revenues associated with Gathering included MVC unbilled revenues of approximately $5.9 million and $3.3 million for the three months ended March 31, 2024 and 2023, respectively.

(b) For the three months ended March 31, 2023, volumetric-based fee revenues associated with Gathering and Transmission included one-time contract buyouts by a customer for approximately $5.0 million and $23.8 million, respectively.

*Contract assets.* EQM's contract assets related to EQM's future MVC deficiency payments are generally expected to be collected within the next twelve months and are primarily included in other current assets in EQM's consolidated balance sheets until such time as the MVC deficiency payments are invoiced to the customer.

The following table presents changes in EQM's contract assets balance:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Thousands) | |
| Balance as of beginning of period | $ 11,123 | $ 27,493 |
| Revenue recognized in excess of amounts invoiced [(a)] | 5,903 | 3,262 |
| Minimum volume commitments invoiced [(b)] | (7,833) | (23,558) |
| Amortization [(c)] | (165) | (165) |
| Balance as of end of period | $ 9,028 | $ 7,032 |

(a) Primarily includes revenues associated with MVCs that are included in revenues within the Gathering and Water segments.

(b) Unbilled revenues are transferred to accounts receivable once EQM has an unconditional right to consideration from the customer.

(c) Amortization of capitalized contract costs paid to customers over the expected life of the agreement.

*Contract liabilities.* EQM's contract liabilities consist of deferred revenue primarily associated with the EQT Global GGA. Contract liabilities are classified as current or non-current according to when such amounts are expected to be recognized.

The following table presents changes in EQM's contract liability balances:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Thousands) | |
| Balance as of beginning of period | $ 1,360,019 | $ 1,036,217 |
| Amounts recorded during the period [(a)] | 61,432 | 80,927 |
| Change in estimated variable consideration [(b)] | — | (3,449) |
| Amounts transferred during the period [(c)] | (1,491) | (2,221) |
| Balance as of end of period | $ 1,419,960 | $ 1,111,474 |

(a) Includes deferred billed revenue during the three months ended March 31, 2024 and 2023 primarily associated with the EQT Global GGA.

(b) For the three months ended March 31, 2023, the change in estimated variable consideration represents the decrease in total deferred revenue due to changes in MVP timing assumptions.

(c) Deferred revenues are recognized as revenue upon satisfaction of EQM's performance obligation to the customer.

*Summary of remaining performance obligations.* The following table summarizes the estimated transaction price allocated to EQM's remaining performance obligations under all contracts with firm reservation fees, MVCs and/or ARCs as of March 31, 2024 that EQM will invoice or transfer from contract liabilities and recognize in future periods.

| | 2024[(a)] | 2025 | 2026 | 2027 | 2028 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| | | | | (Thousands) | | | |
| Gathering firm reservation fees | $ 128,764 | $ 176,822 | $ 167,220 | $ 160,435 | $ 156,743 | $ 1,553,481 | $ 2,343,465 |
| Gathering revenues supported by MVCs | 337,104 | 463,796 | 496,374 | 494,421 | 491,798 | 2,722,972 | 5,006,465 |
| Transmission firm reservation fees | 291,127 | 400,381 | 400,511 | 399,762 | 397,081 | 2,771,121 | 4,659,983 |
| Water revenues supported by ARCs/MVCs | 36,331 | 48,441 | 45,159 | 44,065 | 45,706 | 120,938 | 340,640 |
| Total[(b)] | $ 793,326 | $ 1,089,440 | $ 1,109,264 | $ 1,098,683 | $ 1,091,328 | $ 7,168,512 | $12,350,553 |

(a) April 1, 2024 through December 31, 2024.

(b) Includes assumptions regarding timing for placing certain projects in-service. Such assumptions may not be realized and delays in the in-service dates for projects have substantially altered, and any future additional delays may further substantially alter, the remaining performance obligations for certain contracts with firm reservation fees, MVCs and/or ARCs. The MVP Joint Venture is accounted for as an equity method investment and those amounts are not included in the table above.

Based on total projected contractual revenues, including projected contractual revenues from future capacity expected from expansion projects that are not yet fully constructed or not yet fully in-service for which EQM has executed firm contracts, EQM's firm gathering contracts and firm transmission and storage contracts had weighted average remaining terms of approximately 13 years and 11 years, respectively, as of March 31, 2024.

## 5. Related Party Transactions

Equitrans Midstream allocates a portion of operating and maintenance expenses and selling, general and administrative expenses incurred by Equitrans Midstream and certain of its affiliates for the benefit of EQM. EQM also periodically distributes cash generated from its operations to Equitrans Midstream in order for Equitrans Midstream to pay dividends to its shareholders and to service its other liquidity needs.

During the three months ended March 31, 2024 and 2023, EQM incurred $16.9 million and $19.0 million, respectively, in operating and maintenance expenses and $37.8 million and $29.5 million, respectively, in selling, general and administrative expenses from the portion allocated by Equitrans Midstream.

Distributions to Equitrans Midstream during the three months ended March 31, 2024 and 2023, were $116.5 million and $117.5 million, respectively. Payables due to Equitrans Midstream were $24.7 million and $22.6 million as of March 31, 2024 and December 31, 2023, respectively.

## 6. Investment in Unconsolidated Entity

*The MVP Joint Venture.* EQM has an equity method investment in the MVP Joint Venture. The MVP Joint Venture is constructing the Mountain Valley Pipeline and is developing the MVP Southgate project, each discussed in more detail below. EQM maintains separate ownership interests in and is expected to operate the two MVP Joint Venture projects.

*Mountain Valley Pipeline.* The MVP Joint Venture is constructing the Mountain Valley Pipeline (MVP), a 303-mile natural gas interstate pipeline that is designed to span from northern West Virginia to southern Virginia. EQM will operate the MVP and owned a 48.9% interest in the MVP project as of March 31, 2024.

In April 2024, the MVP Joint Venture filed its in-service authorization request for the MVP project with the FERC. As of the filing of this Quarterly Report, the MVP Joint Venture has continued to make substantial progress on completing the MVP and construction, together with commissioning activity and certain pre-MVP in-service restoration on the MVP is ongoing. EQM expects to complete construction and final commissioning of the pipeline on or about May 31, 2024 and is targeting a total project cost of approximately $7.85 billion (including contingency and excluding allowance for funds used during construction (AFUDC)).

MVP and MVP-related long-term firm capacity will begin on the first day of the month immediately following the date MVP receives FERC authorization to commence service and is able to provide the applicable service level (with certain MVC step ups and more significant gathering MVC fee declines under the EQT Global GGA commencing effective the first day of the calendar quarter in which the MVP long-term firm capacity obligations commence). The targeted completion timing, and accordingly the commencement of MVP and MVP-related long-term firm capacity contractual obligations, as well as the estimated total project cost, are subject to many ongoing factors. If construction and final commissioning were to be completed on or about May 31, 2024 and the project completed at a total project cost of approximately $7.85 billion (including contingency and excluding AFUDC), EQM expects its equity ownership in the MVP project would progressively increase from approximately 48.9% to approximately 49.2%.

The MVP Joint Venture is a variable interest entity because it has insufficient equity to finance its activities during the construction stage of the project. EQM is not the primary beneficiary of the MVP Joint Venture because EQM does not have the power to direct the activities that most significantly affect the MVP Joint Venture's economic performance. Certain business decisions, such as decisions to make distributions of cash, require a greater than 66 2/3% ownership interest approval, and no one member owns more than a 66 2/3% interest. Upon completion of the MVP project, EQM expects the MVP Joint Venture to no longer be a variable interest entity because it will have sufficient equity to finance its activities, including accessing capital markets and returning a portion of invested capital to its owners.

In March 2024, the MVP Joint Venture issued a capital call notice for the funding of the MVP project to MVP Holdco, LLC (MVP Holdco), a wholly owned subsidiary of EQM, for $46.8 million, which was paid in April 2024. The capital contributions payable and the corresponding increase to the investment balance are reflected on the consolidated balance sheet as of March 31, 2024.

Pursuant to the MVP Joint Venture's limited liability company agreement, MVP Holdco is obligated to provide performance assurances in respect of the MVP project, which may take the form of a guarantee from EQM (provided that EQM's debt is rated as investment grade in accordance with the requirements of the MVP Joint Venture's limited liability company agreement), a letter of credit or cash collateral, in favor of the MVP Joint Venture to provide assurance as to the funding of MVP Holdco's proportionate share of the construction budget for the MVP project. As of March 31, 2024, the letter of credit with respect to the MVP project was in the amount of approximately $104.7 million. The letter of credit with respect to the MVP project is expected to be further reduced as EQM contributes capital to fund MVP Holdco's remaining proportionate share of the construction budget, subject to a minimum-required level to be maintained through in-service of the MVP project.

EQM's ownership interest in the MVP Joint Venture related to the MVP project is significant for the three months ended March 31, 2024 as defined by the SEC's Regulation S-X Rule 1-02(w). Accordingly, as required by Regulation S-X Rule 3-09, the following tables summarize the condensed financial statements of the MVP Joint Venture in relation to the MVP project.

<u>Condensed Balance Sheets</u>

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| | (Unaudited) | |
| | (Thousands) | |
| Current assets | $ 228,562 | $ 349,417 |
| Non-current assets | 9,099,814 | 8,480,539 |
| Total assets | $ 9,328,376 | $ 8,829,956 |
| | | |
| Current liabilities | $ 238,888 | $ 371,508 |
| Equity | 9,089,488 | 8,458,448 |
| Total liabilities and equity | $ 9,328,376 | $ 8,829,956 |

Condensed Statements of Operations

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| | (Unaudited) | |
| | (Thousands) | |
| Operating (expense) income | $ (34) | $ — |
| Other income | 3,270 | 257 |
| AFUDC - debt | 43,960 | — |
| AFUDC - equity | 102,579 | — |
| Net income | $ 149,775 | $ 257 |

*MVP Southgate Project.* In April 2018, the MVP Joint Venture announced the MVP Southgate project (MVP Southgate) as a contemplated interstate pipeline that was approved by the United States FERC and designed to extend approximately 75 miles from the MVP in Pittsylvania County, Virginia to new delivery points in Rockingham and Alamance Counties, North Carolina using 24-inch and 16-inch diameter pipe.

In late December 2023, following completion of its negotiations with each of Public Service Company of North Carolina, Inc. (PSNC) and Duke Energy Carolinas, LLC (Duke), the MVP Joint Venture entered into precedent agreements with each of PSNC and Duke. The precedent agreements contemplate an amended project (in lieu of the original project) and, among other things, describe certain conditions precedent to the parties' respective obligations regarding MVP Southgate. The amended project would extend approximately 31 miles from the terminus of the MVP in Pittsylvania County, Virginia to planned new delivery points in Rockingham County, North Carolina using 30-inch diameter pipe.

EQM is expected to operate the MVP Southgate pipeline and owned a 47.2% interest in the MVP Southgate project as of March 31, 2024. The targeted completion timing for the project is June 2028.

Pursuant to the MVP Joint Venture's limited liability company agreement, MVP Holdco is obligated to provide performance assurances in respect of MVP Southgate, which performance assurances may take the form of a guarantee from EQM (provided that EQM's debt is rated as investment grade in accordance with the requirements of the MVP Joint Venture's limited liability company agreement), a letter of credit or cash collateral. On April 6, 2023, EQM's $14.2 million letter of credit with respect to the MVP Southgate project was terminated, following the determination to temporarily defer partners' obligations to post performance assurances with respect to the MVP Southgate project, which may be reinstated upon further developments. Upon the FERC’s initial release to begin construction of the MVP Southgate project, EQM will be obligated to deliver an allowable form of performance assurance in an amount equal to 33% of MVP Holdco’s proportionate share of the remaining capital obligations under the applicable construction budget.

## 7. Debt

*Amended EQM Credit Facility.* On February 15, 2024 (the Fifth Amendment Date), EQM entered into an amendment (the Fifth Amendment) to the Third Amended and Restated Credit Agreement, dated as of October 31, 2018 (as amended, supplemented or otherwise modified, the Amended EQM Credit Facility), among EQM, as borrower, Wells Fargo Bank, National Association, as the administrative agent, swing line lender and an L/C issuer, the lenders party thereto from time to time and any other persons party thereto from time to time. The Fifth Amendment, among other things, amended the financial covenant, such that the Consolidated Leverage Ratio (as defined in the Amended EQM Credit Facility) (i) as of March 31, 2024, could not exceed 6.00 to 1.00, (ii) as of June 30, 2024, cannot exceed 6.25 to 1.00, (iii) as of September 30, 2024, cannot exceed 5.85 to 1.00 and (iv) as of the end of each fiscal quarter thereafter, cannot exceed 5.50 to 1.00. EQM has or, as applicable, will have aggregate commitments available under the Amended EQM Credit Facility of approximately $1.55 billion prior to April 30, 2025, and approximately $1.45 billion on and after April 30, 2025 and prior to April 30, 2026. For the avoidance of doubt, any reference to the Amended EQM Credit Facility as of any particular date shall mean the Amended EQM Credit Facility as in effect on such date.

As of March 31, 2024, EQM had $520 million of borrowings and approximately $105.8 million of letters of credit outstanding under the Amended EQM Credit Facility. Taking into account the maximum Consolidated Leverage Ratio applicable under the Amended EQM Credit Facility that, as of March 31, 2024, could not exceed 6.00 to 1.00, EQM had the ability to borrow approximately $0.2 billion under the Amended EQM Credit Facility as of March 31, 2024. As of December 31, 2023, EQM had $915 million of borrowings and approximately $105.8 million of letters of credit outstanding under the Amended EQM Credit Facility.

During the three months ended March 31, 2024 and 2023, the maximum outstanding borrowings at any time were approximately $1,055 million and $315 million, respectively, the average daily balances were approximately $834 million and $262 million, respectively, and the weighted average annual interest rates were approximately 8.3% and 7.5%, respectively. For the three months ended March 31, 2024 and 2023, commitment fees of $0.7 million and $2.1 million, respectively, were paid to maintain credit availability under the Amended EQM Credit Facility. As of March 31, 2024, no term loans were outstanding under the Amended EQM Credit Facility.

The Amended EQM Facility contains negative covenants that, among other things, limit restricted payments, the incurrence of debt, dispositions, mergers and other fundamental changes, and transactions with affiliates, in each case and as applicable, subject to certain specified exceptions. In addition, the Amended EQM Credit Facility contains certain specified events of default such as insolvency, nonpayment of scheduled principal or interest obligations, change of control and cross-default related to the acceleration or default of certain other financial obligations.

*Eureka Credit Facility.* Eureka has a $400 million senior secured revolving credit facility with Sumitomo Mitsui Banking Corporation, as administrative agent, the lenders party thereto from time to time and any other persons party thereto from time to time (the 2021 Eureka Credit Facility) that matures in November 2025.

As of March 31, 2024, and December 31, 2023, Eureka had $330 million and $315 million, respectively, of borrowings outstanding under the 2021 Eureka Credit Facility. For the three months ended March 31, 2024 and 2023, the maximum amount of outstanding borrowings under the 2021 Eureka Credit Facility at any time were approximately $330 million and $303 million, respectively, the average daily balances were approximately $323 million and $299 million, respectively, and Eureka incurred interest at weighted average annual interest rates of approximately 8.3% and 7.1%, respectively. For the three months ended March 31, 2024 and 2023, commitment fees of $0.1 million and $0.1 million, respectively, were paid to maintain credit availability under the 2021 Eureka Credit Facility.

The 2021 Eureka Credit Facility contains negative covenants that, among other things, limit restricted payments, the incurrence of debt, dispositions, mergers and other fundamental changes, and transactions with affiliates, in each case and as applicable, subject to certain specified exceptions. In addition, the 2021 Eureka Credit Facility contains certain specified events of default such as insolvency, nonpayment of scheduled principal or interest obligations, loss and failure to replace certain material contracts, change of control and cross-default related to the acceleration or default of certain other financial obligations.

*2024 Senior Notes.* On February 26, 2024, EQM completed a private offering of $600 million in aggregate principal amount of new 6.375% senior notes due 2029 (the 2024 Senior Notes) and received net proceeds from the offering of approximately $590.6 million inclusive of a discount of approximately $7.5 million and debt issuance costs of approximately $1.9 million. EQM used the net proceeds from the 2024 Senior Notes offering to repay certain outstanding indebtedness, including borrowings under the Amended EQM Credit Facility, and for general partnership purposes.

The 2024 Senior Notes were issued under and are governed by an indenture, dated February 26, 2024 (the 2024 Indenture), between EQM and U.S. Bank Trust Company, National Association, as trustee (the Trustee). The 2024 Indenture contains covenants that limit EQM's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale and leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all of EQM's assets. The 2024 Senior Notes will mature on April 1, 2029 and interest on the 2024 Senior Notes is payable semi-annually in arrears on April 1 and October 1 of each year, commencing on October 1, 2024.

The 2024 Senior Notes are unsecured and rank equally in right of payment with all of EQM's existing and future senior indebtedness. The 2024 Senior Notes are senior in right of payment to any of EQM's future indebtedness that are, by their terms, expressly subordinated in right of payment to the 2024 Senior Notes. The 2024 Senior Notes are effectively subordinated to EQM's future secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness, and structurally subordinated to all existing and future obligations, including trade payables, of EQM's subsidiaries, other than any subsidiaries that may guarantee the Notes in the future.

EQM may, at its option, redeem some or all of the 2024 Senior Notes, in whole or in part, at any time prior to their maturity at the applicable redemption price as set forth in the Indenture.

Upon the occurrence of a Change of Control Triggering Event (as defined in the 2024 Indenture), EQM may be required to offer to purchase the 2024 Senior Notes at a purchase price equal to 101% of the aggregate principal amount of the 2024 Senior Notes repurchased, plus accrued and unpaid interest, if any, on the 2024 Senior Notes repurchased, to, but excluding, the date of settlement, subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the date of settlement.

The 2024 Indenture contains certain events of default (each an Event of Default), including the following: (1) default in the payment of interest on such 2024 Senior Notes when due that continues for 30 days; (2) default in the payment of principal of or premium, if any, on any such 2024 Senior Notes when due, whether at its stated maturity, upon redemption or otherwise; (3) failure by EQM or any subsidiary guarantor, if any, to comply for 90 days with the other agreements with respect to such 2024 Senior Notes contained in the 2024 Indenture after written notice by the Trustee or by the holders of at least 25% in principal amount of the outstanding 2024 Senior Notes; (4) certain events of bankruptcy, insolvency or reorganization of EQM or any subsidiary guarantor, if any, that is one of EQM's Significant Subsidiaries (as defined in the 2024 Indenture); and (5) if such 2024 Senior Notes are guaranteed by a subsidiary guarantor that is one of EQM's Significant Subsidiaries, (a) the guarantee of that subsidiary guarantor ceases to be in full force and effect, except as otherwise provided in the 2024 Indenture; (b) the guarantee of that subsidiary guarantor is declared null and void in a judicial proceeding; or (c) such subsidiary guarantor denies or disaffirms its obligations under the 2024 Indenture or its guarantee.

If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the outstanding 2024 Senior Notes may declare the principal of and all accrued and unpaid interest on such 2024 Senior Notes to be immediately due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization occurs, the principal of and interest on the 2024 Senior Notes will become immediately due and payable without any action on the part of the Trustee or any holders of the 2024 Senior Notes.

As of March 31, 2024, EQM and Eureka were in compliance with all debt provisions and covenants.

## 8. Fair Value Measurements

*Assets Measured at Fair Value on a Recurring Basis.* EQM records derivative instruments at fair value on a gross basis in its consolidated balance sheets. The EQT Global GGA provides for potential cash bonus payments payable by EQT to EQM during the period beginning on the first day of the calendar quarter in which the MVP long-term firm capacity obligations commence through the calendar quarter ending December 31, 2024 (the Henry Hub cash bonus payment provision). The potential cash bonus payments are conditioned upon the quarterly average of certain Henry Hub natural gas prices exceeding certain price thresholds. The Henry Hub cash bonus payment provision is accounted for as a derivative instrument and recorded at its estimated fair value using a Monte Carlo simulation model. Significant inputs used in the fair value measurement include NYMEX Henry Hub natural gas futures prices as of the date of valuation, probability-weighted assumptions regarding MVP project completion, risk-free interest rates based on U.S. Treasury rates, expected volatility of NYMEX Henry Hub natural gas futures prices and an estimated credit spread of EQT. The probability-weighted assumptions regarding MVP project completion utilizing internally developed methodologies, and the expected volatility of NYMEX Henry Hub natural gas futures prices used in the valuation methodology represent significant unobservable inputs causing the Henry Hub cash bonus payment provision to be designated as a Level 3 fair value measurement. An expected average volatility of approximately 45.0% was utilized in the valuation model, which is based on market-quoted volatilities of relevant NYMEX Henry Hub natural gas forward prices.

As of March 31, 2024 and December 31, 2023, the fair values of the Henry Hub cash bonus payment provision were $19.8 million and $24.5 million, respectively, which were recorded in other current assets on EQM's consolidated balance sheets. During the three months ended March 31, 2024 and 2023, EQM recognized losses of $4.7 million and $8.5 million, respectively, representing the change in estimated fair value of the derivative instrument during the respective periods and are recorded in other (expense) income, net in EQM's statements of consolidated operations.

*Other Financial Instruments.* The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short maturity of the instruments. The carrying values of borrowings under the Amended EQM Credit Facility and the 2021 Eureka Credit Facility approximate fair value as the interest rates are based on prevailing market rates. As EQM's borrowings under its senior notes are not actively traded, their fair values are estimated using an income approach model that applies a discount rate based on prevailing market rates for debt with similar remaining time-to-maturity and credit risk; as such, their fair values are Level 2 fair value measurements. As of March 31, 2024 and December 31, 2023, the estimated fair values of EQM's senior notes were approximately $6,901.2 million and $6,334.3 million, respectively, and the carrying values of EQM's senior notes were approximately $6,940.0 million and $6,346.4 million, respectively. The fair value of the preferred interest that EQM has in EQT Energy Supply, LLC (EES), a subsidiary of EQT (the Preferred Interest) is a Level 3 fair value measurement and is estimated using an income approach model that applies a market-based discount rate. As of March 31, 2024, and December 31, 2023, the estimated fair values of the Preferred Interest were approximately $88.2 million and $90.7 million, respectively, and the carrying values of the Preferred Interest were approximately $87.0 million and $88.5 million, respectively.

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

*You should read the following discussion and analysis of financial condition and results of operations in conjunction with the consolidated financial statements, and the notes thereto, included elsewhere in this report.*

### Cautionary Statements

Disclosures in this Quarterly Report contain certain forward-looking statements. Statements that do not relate strictly to historical or current facts are forward-looking and usually identified by the use of words such as “aim,” “anticipate,” “approximate,” “aspire,” “assume,” “believe,” “budget,” “cause,” “continue,” “could,” “depend,” develop,” “design,” “estimate,” “expect,” “focused,” “forecast,” “goal,” “guidance,” “impact,” “implement,” “increase,” “intend,” “lead,” “maintain,” “may,” “might,” “objective,” “opportunity,” “outlook,” “plan,” “position,” “possible,” “potential,” “predict,” “project,” “pursue,” “reduce,” “remain,” “result,” “scheduled,” “seek,” “should,” “strategy,” “strive,” “target,” “view,” “will,” or “would” and other similar words. The absence of such words or expressions does not necessarily mean the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this Quarterly Report include the expectations of plans, strategies, objectives, and growth and anticipated financial and operational performance of EQM and its affiliates, including the following and/or statements with respect thereto, as applicable:

- statements regarding (i) the proposed EQT Transaction, including the ability to consummate the Mergers in the expected time frame or at all, including due to the inability to obtain all approvals necessary or the failure of closing conditions and (ii) anticipated or perceived benefits of the proposed EQT Transaction, including any synergies;
- guidance and any changes in such guidance in respect of EQM’s gathering, transmission and storage and water services revenue and volume, including the anticipated effects associated with the EQT Global GGA;
- projected revenue (including from firm reservation fees) and volumes, gathering rates, deferred revenues, expenses and contract liabilities, and the effects on liquidity, leverage, projected revenue, deferred revenue and contract liabilities associated with the EQT Global GGA and the MVP project (including changes in timing for such project);
- the ultimate gathering MVC fee relief, and timing thereof, provided to EQT under the EQT Global GGA and related agreements, and timing of commencement of step ups in MVC thereunder;
- EQM's ability to de-lever and timing and means thereof;
- the ultimate financial, business, reputational and/or operational impacts resulting, directly or indirectly, from the Rager Mountain natural gas storage field incident;
- the weighted average contract life of gathering, transmission and storage contracts;
- infrastructure programs (including the targeted or ultimate timing, cost, capacity and sources of funding with respect to gathering, transmission and storage and water projects);
- the cost to construct or restore right-of-way for, capacity of, shippers for, timing and durability of regulatory approvals and concluding litigation, final design (including project scope, expansions, extensions or refinements and capital related thereto), ability and timing to contract additional capacity on, mitigate emissions from, targeted in-service dates of, and completion (including potential timing of such completion) of current, planned or in-service projects or assets, in each case as applicable;
- the effect of the Fiscal Responsibility Act of 2023 on the MVP Joint Venture's ability to complete the MVP project;
- the ability to construct, complete and place in service the MVP project;
- the targeted timing and cost of completing, the MVP project (and risks related thereto);
- the targeted total MVP project cost and schedule, including the timing for contractual obligations to commence, and the ability to continue construction, potential receipt of in-service authorization, and the realizability of the perceived benefits of the MVP project;
- view as to having finalized the scope of the MVP Southgate and the ability to permit, construct, complete and place in service the MVP Southgate;

- the targeted total project cost and timing for completing (and ability to complete) MVP Southgate, including the satisfaction, if any, of conditions precedent with respect to the relevant precedent agreements, timing for forecasted capital expenditures related thereto, and the realizability of the perceived benefits of the amended project, design, scope and provisions included in the relevant precedent agreements, and any potential extensions of the terms of the precedent agreements;
- the MVP Joint Venture's ability to execute any additional agreements for firm capacity for the MVP Southgate;
- the realizability of all or any portion of the Henry Hub cash bonus payment under the EQT Global GGA;
- the potential for future bipartisan support for, and the potential timing for, additional federal energy infrastructure permitting reform legislation to be enacted;
- the ultimate terms, partner relationships and structure of the MVP Joint Venture and ownership interests therein;
- the impact of changes in assumptions and estimates relating to the potential completion and full in-service timing of the MVP project (as well as changes in such timing) on, among other things, the fair value of the Henry Hub cash bonus payment provision of the EQT Global GGA, gathering rates, the amount of gathering MVC fee relief and the estimated transaction price allocated to EQM's remaining performance obligations under certain contracts with firm reservation fees and MVCs;
- EQM's ability to identify and complete opportunities to optimize its existing asset base and/or expansion projects in EQM's operating areas and in areas that would provide access to new markets;
- EQM's ability to bring, and targeted timing for bringing, in-service extensions and expansions of its mixed-use water system, and realize benefits therefrom in accordance with its strategy for its water services business segment;
- EQM's ability to identify and complete acquisitions and other strategic transactions, including joint ventures, effectively integrate transactions into EQM's operations, and achieve synergies, system optionality, accretion and other benefits associated with transactions, including through increased scale;
- the potential for the MVP project, EQM's leverage, the EQT Transaction, customer credit ratings changes, defaults, acquisitions, dispositions and financings to impact EQM's credit ratings and the potential scope of any such impacts;
- the effect and outcome of contractual disputes, litigation and other proceedings, including regulatory investigations and proceedings;
- the potential effects of any consolidation of or effected by upstream gas producers, including acquisitions of midstream assets, whether in or outside of the Appalachian Basin;
- the effects of seasonality;
- expected cash flows, cash flow profile (and support therefor from certain contract structures) and MVCs, including those associated with the EQT Global GGA, and the potential impacts thereon of the commission and in-service timing (or absence thereof) and cost of the MVP project;
- projected capital contributions and capital and operating expenditures (which may be adjusted by management of the combined company should the EQT Transaction close),including the amount and timing of reimbursable capital expenditures, capital budget and sources of funds for capital expenditures;
- EQM's ability to recoup replacement and related costs;
- statements regarding macroeconomic factors' effects on EQM's business, including future commodity prices, the impact of MVP in-service on commodity prices or natural gas volumes in the Appalachian Basin, and takeaway capacity constraints in the Appalachian Basin;
- beliefs regarding future decisions of customers in respect of production growth, curtailing natural gas production, timing of turning wells in line, rig and completion activity and related impacts on EQM's business, and the effect, if any, on such future decisions should the MVP be brought in-service, as well as the potential for increased volumes to flow to EQM's gathering and transmission system to supply the MVP following in-service;
- EQM's liquidity and financing position and requirements, including sources, availability and sufficiency;

- statements regarding future interest rates and/or reference rates and the potential impacts thereof;
- the ability of EQM's subsidiaries (some of which are not wholly owned) to service debt under, and comply with the covenants contained in, their respective credit agreements;
- the MVP Joint Venture's ability to raise project-level debt, and the anticipated proceeds that EQM expects to receive therefrom;
- expectations regarding natural gas and water volumes in EQM's areas of operations;
- EQM's ability to achieve anticipated benefits associated with the execution of commercial agreements;
- EQM's ability to position itself for a lower carbon economy, achieve, and create value from, Equitrans Midstream's environmental, social and governance (ESG) and sustainability initiatives, targets and aspirations (including targets and aspirations set forth in its climate policy) and respond, and impacts of responding, to increasing stakeholder scrutiny in these areas;
- the effectiveness of EQM's information technology and operational technology systems and practices to detect and defend against evolving cyberattacks on United States critical infrastructure; and
- the effects and associated cost of compliance with existing or new government regulations including any quantification of potential impacts of regulatory matters related to climate change on EQM.

The forward-looking statements included in this Quarterly Report involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, persons including any EQM noteholder, should not place undue reliance on forward-looking statements as a prediction of actual results. EQM has based these forward-looking statements on management's current expectations and assumptions about future events. While EQM considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, judicial, construction and other risks and uncertainties, many of which are difficult to predict and are beyond EQM's control, including, as it pertains to the MVP project and its total cost and timing, risks and uncertainties such as the physical construction and restoration conditions, including steep slopes and any further unexpected geological impediments, equipment issues, weather which could affect forward construction and restoration, including the amount and severity of pipeline slips, testing, commissioning, continued crew availability, ability to meet workforce draw down plans, productivity ultimately realized, assumptions related to, and the realizability of, bids provided or to be provided and/or claims which could be made by or against contractors, including relating to materials or subcontractors, project opposition, and the receipt of any necessary approvals, including in-service authorization. Further, the commencement of MVP and MVP-related long-term firm capacity contractual obligations, and certain MVC step ups, more significant gathering MVC fee declines and potential Henry Hub cash bonus payments under the EQT Global GGA, are dependent on MVP authorization from the FERC and ability to commence service and also the terms of the applicable contracts governing the timing of such commencement, which generally provide that such firm capacity obligations commence on the first day of the month immediately following the date MVP is authorized and able to provide the applicable service level and in the case of the EQT Global GGA begin on the first day of the calendar quarter in which such MVP long-term firm capacity obligations commence. The risks and uncertainties that may affect the operations, performance and results of EQM's business and forward-looking statements include, but are not limited to, those set forth under "Risk Factors" in EQM's Annual Report for the year ended December 31, 2023, as updated by this Quarterly Report, as applicable.

Any forward-looking statement speaks only as of the date on which such statement is made and EQM does not intend to correct or update any forward-looking statement, unless required by securities law, whether as a result of new information, future events or otherwise. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements. All such statements are expressly qualified by this cautionary statement.

**Executive Overview**

Net income attributable to EQM was $135.3 million for the three months ended March 31, 2024 compared to $99.2 million for the three months ended March 31, 2023. The increase resulted primarily from higher equity income, partially offset by higher operating expenses, higher net interest expense and lower operating revenues.

On March 10, 2024, Equitrans Midstream entered into a definitive agreement to be acquired by EQT. For additional information see "Proposed Acquisition by EQT Corporation" under "Outlook" in Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations", in Equitrans Midstream's Quarterly Report on Form 10-Q for the period ended March 31, 2024 as filed with the SEC on April 30, 2024.

**Business Segment Results**

Operating segments are revenue-producing components of an enterprise for which separate financial information is produced internally and is subject to evaluation by the chief operating decision maker in deciding how to allocate resources. Net interest expense, loss on extinguishment of debt and components of other (expense) income, net are managed on a consolidated basis. EQM has presented each segment's operating income, other (expense) income, net, equity income, impairment of equity method investment and various operational measures, as applicable, in the following sections. Management believes that the presentation of this information is useful to management and noteholders regarding the financial condition, results of operations and trends and uncertainties of its segments. EQM has reconciled each segment's operating income to EQM's consolidated operating income and net income in Note 3.

**Gathering Results of Operations**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | **2024** | **2023** | **% Change** |
| | (Thousands, except per day amounts) | | |
| **FINANCIAL DATA** | | | |
| Firm reservation fee revenues [a] | $ 135,676 | $ 140,071 | (3.1) |
| Volumetric-based fee revenues [b] | 89,989 | 71,741 | 25.4 |
| Total operating revenues | 225,665 | 211,812 | 6.5 |
| Operating expenses: | | | |
| Operating and maintenance | 24,760 | 21,396 | 15.7 |
| Selling, general and administrative | 28,464 | 19,508 | 45.9 |
| Depreciation | 50,152 | 49,349 | 1.6 |
| Amortization of intangible assets | 16,205 | 16,205 | — |
| Total operating expenses | 119,581 | 106,458 | 12.3 |
| Operating income | $ 106,084 | $ 105,354 | 0.7 |
| | | | |
| Other (expense) income, net [c] | $ (4,672) | $ (8,494) | (45.0) |
| | | | |
| **OPERATIONAL DATA** | | | |
| Gathered volumes (BBtu per day) | | | |
| Firm capacity [d] | 4,777 | 5,292 | (9.7) |
| Volumetric-based services | 2,603 | 2,088 | 24.7 |
| Total gathered volumes | 7,380 | 7,380 | — |
| | | | |
| Capital expenditures[e] | $ 54,256 | $ 59,713 | (9.1) |

(a) For the three months ended March 31, 2024 and 2023, firm reservation fee revenues included approximately $5.9 million and $3.3 million, respectively, of MVC unbilled revenues.

(b) For the three months ended March 31, 2023, volumetric-based fee revenues included a one-time contract buyout by a customer for approximately $5.0 million.

(c) Other (expense) income, net includes the unrealized loss on derivative instruments associated with the Henry Hub cash bonus payment provision. See Note 8 for further information on the Henry Hub cash bonus payment provision.

(d) Includes volumes up to the contractual MVC under agreements structured with MVCs. Volumes in excess of the contractual MVC are reported under volumetric-based services.

(e) Includes approximately $5.0 million and $3.2 million of capital expenditures related to the noncontrolling interest in Eureka Midstream for the three months ended March 31, 2024 and 2023, respectively.

***Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023***

Gathering operating revenues increased by $13.9 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Volumetric-based fee revenues increased by $18.2 million primarily due to higher gathered volumes that previously were subject to MVC revenues. Firm reservation fee revenues decreased by $4.4 million primarily due to the aforementioned change in volumes caused by the expiration of MVCs under a certain customer contract, partially offset by new customer agreements and higher effective rates. Although not a primary factor affecting first quarter gathering results of operations, first quarter 2024 gathered volumes and revenue were impacted by the negative effect of the approximately one Bcf per day of gross production curtailments announced in March 2024 by EQT, as a substantial portion of such curtailments were realized on EQM's systems beginning in late February 2024.

Gathering operating expenses increased by $13.1 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Selling, general and administrative expenses increased by $9.0 million primarily due to an increase in litigation reserves and higher personnel costs. Operating and maintenance expenses increased by $3.4 million primarily due to higher personnel costs.

See "EQT Global GGA" under "Outlook" in Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations", in Equitrans Midstream's Quarterly Report on Form 10-Q for the period ended March 31, 2024 as filed with the SEC on April 30, 2024 and "Business" in EQM's Annual Report for the year ended December 31, 2023 for discussion of the EQT Global GGA, and the transactions related thereto, including periodic gathering MVC fee declines and, additionally, discussion that in connection with MVP full in-service the EQT Global GGA provides for more significant potential gathering MVC fee declines in certain contract years. Firm reservation fee revenues under EQM’s Hammerhead gathering agreement with EQT are expected to contribute to an increase in EQM’s firm reservation fee revenues following achievement of the Hammerhead pipeline full commercial in-service in conjunction with full MVP in-service. However, the percentage of EQM's operating revenues that are generated by firm reservation fees may vary year to year depending on various factors, including customer volumes and the rates realizable under EQM’s contracts, including the EQT Global GGA. See also "Cautionary Statements," above and "Commodity Price Risk" in Part I, "Item 3. Quantitative and Qualitative Disclosures About Market Risk" in Equitrans Midstream's Quarterly Report on Form 10-Q for the period ended March 31, 2024 as filed with the SEC on April 30, 2024 for additional information on factors that could affect EQM's operating revenues, including EQM's expectation that EQT will continue to curtail production on the EQM's systems through May 2024 and that EQT and/or other producers could curtail production further in 2024.

**Transmission Results of Operations**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | % Change |
| | (Thousands, except per day amounts) | | |
| **FINANCIAL DATA** | | | |
| Firm reservation fee revenues | $ 100,323 | $ 101,722 | (1.4) |
| Volumetric-based fee revenues [(a)] | 16,571 | 37,184 | (55.4) |
| Total operating revenues | 116,894 | 138,906 | (15.8) |
| Operating expenses: | | | |
| Operating and maintenance | 11,753 | 14,390 | (18.3) |
| Selling, general and administrative | 13,676 | 11,706 | 16.8 |
| Depreciation | 14,383 | 13,888 | 3.6 |
| Total operating expenses | 39,812 | 39,984 | (0.4) |
| Operating income | $ 77,082 | $ 98,922 | (22.1) |
| | | | |
| Equity income | $ 73,005 | $ 122 | 59,740.2 |
| | | | |
| **OPERATIONAL DATA** | | | |
| | | | |
| Transmission pipeline throughput (BBtu per day) | | | |
| Firm capacity [(b)] | 3,370 | 3,345 | 0.7 |
| Interruptible capacity | 49 | 3 | 1,533.3 |
| Total transmission pipeline throughput | 3,419 | 3,348 | 2.1 |
| | | | |
| Average contracted firm transmission reservation commitments (BBtu per day) | 4,157 | 4,239 | (1.9) |
| | | | |
| Capital expenditures [(c)] | $ 17,704 | $ 9,189 | 92.7 |

(a) For the three months ended March 31, 2023, volumetric-based fee revenues included a one-time contract buyout by a customer for approximately $23.8 million.

(b) Firm capacity includes volumes associated with firm capacity contracts including volumes in excess of firm capacity.

(c) Transmission capital expenditures do not include aggregate capital contributions made to the MVP Joint Venture of approximately $423.0 million and $34.5 million for the three months ended March 31, 2024 and 2023, respectively.

***Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023***

Transmission operating revenues decreased by $22.0 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 primarily as a result of a one-time contract buyout by a customer of approximately $23.8 million incurred during the three months ended March 31, 2023, partially offset by increased throughput volumes.

Operating expenses decreased by $0.2 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Operating and maintenance expense decreased $2.6 million primarily due to expenses associated with the Rager Mountain natural gas storage field incident incurred in the first quarter of 2023, partially offset by higher personnel costs and higher property taxes. Selling, general and administrative expenses increased by $2.0 million primarily due to higher personnel costs and higher professional service fees, partially offset by lower bad debt expense.

See "Legal Proceedings" of this Quarterly Report for information regarding the Rager Mountain natural gas storage incident. See also, **"W*e have incurred and expect to incur costs and expenses as a result of or arising in relation to the Rager Mountain natural gas storage field incident in November 2022, which has included and may include potential additional regulatory penalties or other sanctions, which could, depending on their scope and timing, materially adversely affect our business, financial condition, results of operations, liquidity and ability to pay dividends to our shareholders.*"** included in Part I, "Item 1A. Risk Factors" in Equitrans Midstream's Annual Report on Form 10-K for the year ended December 31, 2023.

Equity income increased by $72.9 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 due to the increase in the MVP Joint Venture's AFUDC on the MVP project resulting from the continuance of growth construction activities in 2024. Following MVP full in-service, EQM's equity income will be primarily derived from 20-year firm reservation contracts for the MVP project.

**Water Results of Operations**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | 2024 | 2023 | % Change |
| | (Thousands, except MMgal amounts) | | |
| **FINANCIAL DATA** | | | |
| Firm reservation fee revenues | $ 9,375 | $ 9,375 | — |
| Volumetric-based fee revenues | 13,365 | 17,304 | (22.8) |
| Total operating revenues | 22,740 | 26,679 | (14.8) |
| Operating expenses: | | | |
| Operating and maintenance | 8,693 | 7,045 | 23.4 |
| Selling, general and administrative | 2,025 | 1,398 | 44.8 |
| Depreciation | 7,034 | 5,863 | 20.0 |
| Total operating expenses | 17,752 | 14,306 | 24.1 |
| Operating income | $ 4,988 | $ 12,373 | (59.7) |
| | | | |
| **OPERATIONAL DATA** | | | |
| Water services volumes (MMgal) | | | |
| Firm capacity [(a)] | 127 | 108 | 17.6 |
| Volumetric-based services | 282 | 351 | (19.7) |
| Total water volumes | 409 | 459 | (10.9) |
| | | | |
| Capital expenditures | $ 10,047 | $ 11,076 | (9.3) |

(a) Includes volumes up to the contractual MVC under agreements structured with MVCs or ARCs, as applicable. Volumes in excess of the contractual MVC are reported under volumetric-based services.

***Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023***

Water operating revenues decreased by $3.9 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 as a result of decreased volumetric-based fee revenues primarily due to lower volumes and lower average rates.

Water operating expenses increased by $3.4 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Operating and maintenance expense increased $1.6 million due to higher mixed-use water storage expenses related to a storage facility placed in-service during 2023 and higher purchased water costs as a result of increased activity. Depreciation expense increased $1.2 million due to additional assets placed in-service.

EQM’s volumetric-based water services are directly associated with producers’ well completion activities and fresh and produced water needs (which are primarily driven by horizontal lateral lengths and the number of completion stages per well). Therefore, the Water volumetric operating results traditionally fluctuate from year-to-year in response to producers’ well completion activities.

**Other Income Statement Items**

***Other (Expense) Income, Net***

Other (expense) income, net decreased by $4.1 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The decrease was primarily due to a $4.7 million unrealized loss on derivative instruments during the three months ended March 31, 2024, as compared to a $8.5 million unrealized loss on derivative instruments during the three months ended March 31, 2023, primarily due to changes in NYMEX Henry Hub natural gas futures prices and probability-weighted assumptions regarding MVP project completion associated with the Henry Hub cash bonus payment provision.

See also Note 8 for a discussion of factors affecting the estimated fair value of the derivative asset attributable to the Henry Hub cash bonus payment provision that is recognized in other (expense) income, net on EQM's statements of consolidated operations.

***Net Interest Expense***

Net interest expense increased by $14.0 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 primarily due to increased borrowings and interest rates under the revolving credit facilities and interest on the 2024 Senior Notes issued in February 2024, partially offset by the redemption of the 4.75% senior notes due 2023 (the 2023 Notes) effected in June 2023 and increased interest income.

See Note 7 for a discussion of certain of EQM's outstanding debt.

***Net Income Attributable to Noncontrolling Interest***

Net income attributable to noncontrolling interest decreased by $1.5 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023, primarily as a result of lower net income on Eureka Midstream.

For additional information regarding the outlook, including with respect to expansion projects, commodity prices and other relevant matters, and for additional information regarding capital resources and liquidity for EQM, please see "Outlook" and "Capital Resources and Liquidity" each in Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations", in Equitrans Midstream's Quarterly Report on Form 10-Q for the period ended March 31, 2024 as filed with the SEC on April 30, 2024.

## LEGAL PROCEEDINGS

From time to time, various legal and regulatory claims, investigations and proceedings are pending or threatened against Equitrans Midstream, EQM and its subsidiaries. While to the extent applicable the amounts claimed may be substantial, EQM is unable to predict with certainty the ultimate outcome of such claims, investigations and proceedings. EQM accrues legal and other direct costs related to loss contingencies when incurred. EQM establishes reserves whenever it believes a reserve is appropriate for pending matters. Furthermore, after consultation with counsel and considering the availability, if any, of insurance, EQM believes, although no assurance can be given, that the ultimate outcome of any matter currently pending against it or any of its consolidated subsidiaries as of the filing of this Quarterly Report will not materially adversely affect its business, financial condition, results of operations, or liquidity.

***Environmental Proceedings***

*Pratt Storage Field.* On October 31, 2018, a gas explosion occurred in Morgan Township, Greene County, Pennsylvania (the Incident). Following the explosion, the Pennsylvania Department of Environmental Protection (the PADEP), the Pennsylvania Public Utilities Commission and the PHMSA began investigating the Incident. In October 2019, the PADEP notified EQM that it was required to submit an investigation report pursuant to the state’s gas migration regulations due to the Incident's proximity to EQM's Pratt Storage Field assets. EQM, while disputing the applicability of the regulations, submitted a report to the PADEP in May 2020. In September 2020, the PADEP responded to EQM’s investigation report with a request for additional information. EQM responded to the September 2020 request. Over the next months EQM provided many responses to the PADEP's continuing information requests. The PADEP issued a final report and closed its investigation and EQM does not expect further inquiry from the PADEP on this matter. On October 23, 2023, EQM received permission from the FERC to plug and abandon the well in the Pratt Storage Field that is the subject of the PADEP's investigation of EQM. Additionally, EQM is continuing to defend in a civil litigation related to the Incident.

On October 30, 2023, EQM received a criminal complaint from the State Attorney General's Office charging EQM with violations of the Clean Streams Law (the Pratt Complaint). In response to the Pratt Complaint, EQM intends to fully assert its rights and defenses to the claims raised. The Pratt Complaint carries the possibility of a monetary sanction, that if imposed could result in a fine in excess of $300,000. The Pratt Complaint could also cause reputational or other adverse impacts.

*Rager Mountain Storage Field.* On November 6, 2022, EQM became aware of natural gas venting from one of the storage wells, well 2244, at Equitrans, L.P.’s Rager Mountain natural gas storage facility (Rager Mountain facility), located in Jackson Township, a remote section of Cambria County, Pennsylvania, which venting was halted on November 19, 2022. Since the time of the incident, The PADEP has concluded its investigation and PHMSA and other investigators are continuing to conduct civil and criminal investigations of the incident and Equitrans Midstream is cooperating in such investigations. On December 7, 2022, Equitrans Midstream and its subsidiary Equitrans, L.P. each separately received an order from the PADEP alleging, in connection with earth disturbance activities undertaken to halt the venting of natural gas from well 2244, (i) in the case of the order received by Equitrans Midstream, violations of Pennsylvania's Clean Streams Law and requiring certain remedial actions and (ii) in the case of the order received by Equitrans, L.P., violations of Pennsylvania's 2012 Oil and Gas Act, Clean Streams Law and Solid Waste Management Act and requiring certain remedial actions. On December 8, 2022, the PADEP submitted a compliance order to Equitrans, L.P. relating to certain alleged violations of law in respect of wells at the Rager Mountain natural gas storage field and the venting of natural gas, including from well 2244. The December 8, 2022 order also prohibited Equitrans, L.P. from injecting natural gas into the storage wells at the Rager Mountain facility. Equitrans Midstream and Equitrans, L.P. disputed aspects of the applicable orders, and on January 5, 2023, Equitrans Midstream and Equitrans, L.P., as applicable, appealed each of the orders to the Commonwealth of Pennsylvania Environmental Hearing Board. Additionally, Equitrans Midstream and Equitrans, L.P., as applicable, received notices of violation (NOVs) related to the incident that alleged violations of various Pennsylvania statutes and regulations. Equitrans, L.P. engaged in discussions with the PADEP to address the outstanding NOVs. Equitrans, L.P. and the PADEP entered into a Stipulation of Settlement on April 12, 2023 that, among other things, resulted in the PADEP rescinding its December 8, 2022 order and Equitrans, L.P. withdrawing its appeal of such order.

On April 4, 2024, Equitrans, L.P. and the PADEP entered into a Stipulation of Settlement, that, among other things, resulted in the PADEP deeming the December 7, 2022 orders to Equitrans Midstream and Equitrans, L.P. Administratively Closed. On April 4, 2024, the PADEP issued a Civil Penalty Assessment (CPA) in the amount of $764,000, of which $549,500 is reimbursement of PADEP's expenses. This CPA closes the outstanding NOVs issued by the PADEP's Office of Oil and Gas Management. On October 5, 2023, Equitrans, L.P. received a NOV from the PADEP's Bureau of Air Quality Management for the release of uncontrolled hydrocarbons to the atmosphere during the Rager Mountain natural gas storage field incident. On April 8, 2024, the PADEP's Bureau of Air Quality Management executed a Consent Assessment of Civil Penalty (CACP) that settled the associated NOV and included an agreed upon civil penalty of $350,000. Payment of this civil penalty settled the applicable matters within the October 5, 2023 NOV.

On December 29, 2022, the PHMSA issued Equitrans, L.P. a Notice of Proposed Safety Order that included proposed remedial requirements related to the Rager Mountain natural gas storage field incident, including, but not limited to, completing a root cause analysis. Equitrans Midstream addressed certain proposals in advance of an order from the agency. These efforts included conducting testing, evaluating other wells at the Rager field and hiring a third-party specialist firm to undertake a root cause analysis, and subsequently on May 26, 2023, the PHMSA issued a consent order to Equitrans Midstream incorporating the terms of a consent agreement between the parties, which, among other things, required the completion of a root cause analysis and a remedial work plan, and specified that Equitrans Midstream may not resume injection operations at the Rager Mountain facility until authorized by the PHMSA. In August 2023, Equitrans Midstream submitted a root cause analysis to the PHMSA in accordance with the consent order and later submitted a remedial work plan and, following completion of all actions in its remedial work plan, an injection plan to the PHMSA seeking authority to resume injections at Rager Mountain using all wells except three, which remain disconnected. On October 2, 2023, the PHMSA approved Equitrans Midstream's injection plan. Equitrans Midstream began injections at Rager Mountain on October 5, 2023, subject to certain pressure restrictions and other requirements specified in the consent agreement between the PHMSA and Equitrans, L.P. On November 16, 2023, the PHMSA issued a letter to Equitrans, L.P. approving Equitrans, L.P.'s request to remove all pressure restrictions at the Rager Mountain facility. Equitrans, L.P. plans to continue working with the PHMSA, pursuant to the consent order, regarding the remaining three wells.

If additional penalties are pursued and ultimately imposed related to the Rager Mountain natural gas storage field incident, the penalties, individually and/or in the aggregate, are not expected to have a material adverse impact on EQM's financial condition, results of operations or liquidity, however, there can be no assurance as of the filing of this Quarterly Report regarding the scope of potential (or ultimately actual) financial or other impacts to EQM as a result of the Rager Mountain natural gas storage field incident.

***MVP Matters***

There remain certain legal and regulatory matters relevant to the MVP project, the outcome of which could have adverse effects with respect to the project and consequently EQM, including matters pending with the U.S. Court of Appeals for the District of Columbia (D.C. Circuit) described below:

- *Challenges to FERC Certificate, D.C. Circuit.* Multiple parties have sought judicial review of the FERC's order issuing a certificate of public convenience and necessity to the MVP Joint Venture and/or the exercise by the MVP Joint Venture of eminent domain authority. On February 19, 2019, the D.C. Circuit issued an order rejecting multiple consolidated petitions seeking direct review of the FERC order under the Natural Gas Act of 1938, as amended (NGA) and certain challenges to the exercise by the MVP Joint Venture of eminent domain authority in *Appalachian Voices,* *et al. v. FERC, et al.*, *consolidated under Case No. 17-1271*. No petitions for rehearing or petitions for rehearing *en banc* were filed by the April 5, 2019 deadline. The mandate was issued on April 17, 2019. Another group of parties filed a complaint in the U.S. District Court for the District of Columbia asserting that the FERC's order issuing certificates is unlawful on constitutional and other grounds in *Bold Alliance, et al. v. FERC, et al.*, *Case No. 17-1822*. The district court plaintiffs sought declaratory relief as well as an injunction preventing the MVP Joint Venture from developing its project or exercising eminent domain authority. In December 2017 and January 2018, the FERC and the MVP Joint Venture, respectively, moved to dismiss the petitions for lack of subject matter jurisdiction. The court granted the motion and dismissed plaintiffs' complaint on September 28, 2018. On October 26, 2018, plaintiffs appealed the decision in Case No. 17-1822 to the D.C. Circuit in *Bold Alliance, et al. v. FERC, et al.*, *Case No. 18-5322*. On December 3, 2018, the FERC, as appellee, filed a joint motion with the appellants to hold Case No. 18-5322 in abeyance pending completion of the appeals of the final agency orders related to the MVP certificate in consolidated Case No. 17-1271 and Atlantic Coast Pipeline's (ACP) certificate. The MVP Joint Venture filed a motion to dismiss the case as to some of the plaintiffs. On February 15, 2019, the D.C. Circuit entered an order holding this appeal in abeyance pending rulings on the appeals from the ACP and MVP FERC proceedings. The ACP petitioners on November 16, 2022, filed a joint motion for voluntary dismissal of all petitions for review pertaining to ACP, except for the *Bold Alliance* proceeding. The court granted the motion on November 17, 2022. On January 5, 2023, the D.C. Circuit entered an order holding the *Bold Alliance* proceeding in abeyance pending further order of the court and requiring the parties to file motions to govern future proceedings within 60 days of the U.S. Supreme Court disposition of the petition for writ of certiorari in *Bohon et al. v. FERC et al.*, discussed below. On April 19, 2024, the appellants filed a motion to voluntarily dismiss their appeal.

Similarly, another group of parties filed a complaint in the U.S. District Court for the District of Columbia in Bohon et al. v. FERC et al., Case No. 20-00006, asserting that the delegation of authority to the FERC under the NGA violates the nondelegation doctrine and separation-of-powers principle of the U.S. Constitution. The MVP Joint Venture and the FERC filed motions to dismiss which were granted by the court. On July 6, 2020, the landowners filed a notice of appeal to the D.C. Circuit in Case No. 20-5203. On November 30, 2020, appellants asked the D.C. Circuit to overturn the decision of the lower court. The D.C. Circuit issued an order on September 15, 2021 denying appellants' motion for summary reversal of the decision of the lower court and supplemental briefing was completed as of October 6, 2021. On June 21, 2022, the D.C. Circuit upheld the lower court's decision to dismiss the lawsuit. On September 15, 2022, the petitioners filed a petition for writ of certiorari with the U.S. Supreme Court. The FERC and the MVP Joint Venture filed responses to the petition in November 2022. On April 24, 2023, the U.S. Supreme Court granted the petition for certiorari, vacated the judgment, and remanded the case to the D.C. Circuit for further consideration in light of the U.S. Supreme Court's April 14, 2023 opinion in Axon Enterprises, Inc. v. FTC. The D.C. Circuit subsequently issued an order authorizing, among other things, the parties to address in their supplemental briefing the implications of Section 324 of the Fiscal Responsibility Act of 2023 in addition to Axon. On October 24, 2023, the D.C. Circuit denied a stay motion filed by the petitioners. The parties filed their respective supplemental briefs on November 13, 2023. On November 26, 2023, the petitioners filed in the U.S. Supreme Court an "emergency" motion for an injunction requesting a judicial injunction on, or access to, the petitioners' three properties pending resolution of their underlying claims in the Bohon matter. On December 5, 2023, Chief Justice John Roberts denied the application, without calling for a response from the MVP Joint Venture or the federal government. On February 13, 2024, the D.C. Circuit affirmed and reinstated its June 21, 2022 judgment upholding the lower court's decision to dismiss the lawsuit. On March 22, 2024, the petitioners filed a petition for writ of certiorari with the U.S. Supreme Court requesting a review of the D.C. Circuit's decision.

If the appeal to the U.S. Supreme Court were successful on its merits, it could result in the MVP Joint Venture's certificate of public convenience and necessity being vacated and/or additional proceedings before the FERC, the outcome of which EQM cannot ensure, and cause a delay or further delay in the full in-service date for the MVP project (and consequent impacts related to such delay), or otherwise have adverse effects.

## RISK FACTORS

EQM, including through its parent Equitrans Midstream, is subject to a variety of significant risks in addition to the matters set forth under the forward-looking statements section in "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Quarterly Report. EQM has identified a number of these risk factors in "Risk Factors," in its Annual Report for the year ended December 31, 2023, which risk factors, as modified by this Quarterly Report, are incorporated herein by reference. These risk factors should be considered carefully in evaluating EQM's risk profile.

There have been no material changes from the risk factors previously disclosed in EQM's Annual Report for the year ended December 31, 2023 other than the risks described below.

## Risks Related to the EQT Transaction

***The EQT Transaction is subject to various closing conditions, and any delay in completing the EQT Transaction may reduce, delay or eliminate the benefits expected.***

The EQT Transaction is subject to the satisfaction or waiver of a number of conditions beyond the parties' control that may prevent, delay or otherwise materially adversely affect the completion of the EQT Transaction. These conditions include, among other things, (i) approval of the Merger Agreement and the Mergers by holders of a majority of the outstanding shares of Equitrans Midstream common stock and Equitrans Midstream Preferred Shares, with such Equitrans Midstream Preferred Shares treated as Equitrans Midstream common stock on an as-converted basis, voting together as a single class, (ii) approval of the issuance of EQT Shares in connection with the Mergers by a majority of votes cast at a special meeting of holders of EQT Shares, (iii) expiration or termination of (a) all waiting periods under the HSR Act and (b) any commitment to, or agreement with, any governmental entity to delay the consummation of, or not to consummate the transactions contemplated by the Merger Agreement, and (iv) the MVP Joint Venture receiving authorization of the FERC to place the MVP in-service. EQT and Equitrans Midstream cannot predict with certainty whether or when any of these conditions will be satisfied. Any delay in completing the EQT Transaction could cause the combined company not to realize, or delay the realization of, some or all of the benefits that the companies expect to achieve from the Mergers.

***The Merger Agreement subjects Equitrans Midstream to restrictions on its business activities prior to closing the EQT Transaction, limits its ability to pursue alternatives to the EQT Transaction and may discourage other companies from trying to acquire Equitrans Midstream for greater consideration than what EQT has agreed to pay pursuant to the Merger Agreement.***

The Merger Agreement obligates Equitrans Midstream to use its commercially reasonable efforts to (i) conduct its businesses in all material respects in the ordinary course, (ii) to the extent within its power, cause the MVP Joint Venture and Eureka Midstream to conduct their respective businesses in accordance with the organizational documents of such joint venture, (iii) preserve substantially intact its present lines of business and maintain its material rights and permits and (iv) preserve its relationships with significant customers and suppliers.

The Merger Agreement also subjects Equitrans Midstream, its subsidiaries, the MVP Joint Venture and Eureka Midstream, as applicable, to restrictions on certain of their respective business activities prior to the closing of the First Merger. These restrictions could prevent or delay Equitrans Midstream, its subsidiaries, the MVP Joint Venture and Eureka Midstream, as applicable, from pursuing certain business opportunities or limit their ability to respond to competitive or other developments that arise prior to the closing and are outside the ordinary course of business.

The Merger Agreement contains certain provisions that restrict Equitrans Midstream's ability to directly or indirectly solicit competing acquisition proposals or to enter into discussions concerning, or provide confidential information in connection with, any proposal or offer that constitutes, or would reasonably be expected to lead to, an acquisition proposal, and Equitrans Midstream has agreed to certain terms and conditions relating to Equitrans Midstream's ability to engage in, continue or otherwise participate in any discussions with respect to, provide a third party confidential information with respect to or enter into any acquisition agreement with respect to certain unsolicited proposals that constitute or are reasonably likely to lead to a competing proposal. Further, even if Equitrans Midstream's board of directors changes, withdraws, modifies or qualifies its recommendation with respect to the EQT Transaction, unless the Merger Agreement has been terminated in accordance with its terms, Equitrans Midstream will still be required to submit the EQT Transaction proposal to a vote at its special meeting. The Merger Agreement further provides that, under specified circumstances, upon termination of the Merger Agreement, Equitrans Midstream will be required to pay a termination fee of $191 million to EQT, which in each case could make it more difficult for Equitrans Midstream to sell its business to a party other than EQT. While both Equitrans Midstream and EQT believe these provisions and agreements are reasonable and customary and are not preclusive of other offers, these restrictions, including the added expense of the termination fee that may become payable by Equitrans Midstream to EQT in certain circumstances, might discourage a third party that has an interest in acquiring all or a significant part of Equitrans Midstream from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher per share value than the total value proposed to be paid or received in the EQT Transaction. These provisions might also result in a potential third-party acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

***The market price for EQT Shares following the closing may be affected by factors different from those that historically have affected or currently affect EQT Shares and Equitrans Midstream common stock.***

Upon completion of the EQT Transaction, Equitrans Midstream shareholders who receive EQT Shares will own interests in a combined company operating an expanded business with more assets and a different mix of liabilities. EQT's financial position may differ from its financial position before the completion of the EQT Transaction, and the results of operations of the combined company may be affected by factors that are different from those currently affecting the results of operations of EQT and those currently affecting the results of operations of Equitrans Midstream. Accordingly, the market price and performance of EQT Shares is likely to be different from the performance of Equitrans Midstream common stock or EQT Shares in the absence of the EQT Transaction which may adversely affect the value of a noteholder's investment following closing.

***Equitrans Midstream is expected to incur significant transaction costs in connection with the EQT Transaction, which may be in excess of those anticipated by Equitrans Midstream.***

Equitrans Midstream has incurred and is expected to continue to incur a number of non-recurring costs associated with negotiating and completing the EQT Transaction, combining the operations of the two companies and achieving potential synergies. These costs have been, and are expected to continue to be, substantial and, in many cases, will be borne by Equitrans Midstream whether or not the EQT Transaction is completed. A substantial majority of non-recurring expenses will consist of transaction costs and include, among others, fees paid to financial, legal, accounting and other advisors, employee retention, severance and benefit costs, and filing fees. Equitrans Midstream will continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in connection with the EQT Transaction and the integration of the two companies' businesses. While Equitrans Midstream has assumed that a certain level of expenses would be incurred, there are many factors beyond its control that could affect the total amount or the timing of the expenses. The elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may not offset integration-related costs and achieve a net benefit in the near term, or at all.

***The failure to successfully combine the businesses of EQT and Equitrans Midstream may adversely affect EQT's future results, which may adversely affect the value of the EQT Shares that Equitrans Midstream shareholders would receive in the EQT Transaction.***

The success of the EQT Transaction will depend, in part, on the ability of EQT to realize the anticipated benefits from combining the businesses of EQT and Equitrans Midstream. To realize these anticipated benefits, EQT's and Equitrans Midstream's businesses must be successfully combined. If the combined company is not able to achieve these objectives, the anticipated benefits of the EQT Transaction may not be realized fully or at all or may take longer to realize than expected. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the Mergers.

EQT and Equitrans Midstream, including their respective subsidiaries, have operated and, until the completion of the EQT Transaction, will continue to operate independently. It is possible that the pendency of the transaction, as well as the integration process, could result in the loss of key personnel, as well as the disruption of each company's ongoing businesses. Any or all of those occurrences could adversely affect the combined company's ability to maintain relationships with customers and employees prior to, or after, the EQT Transaction or to achieve the anticipated benefits of the EQT Transaction. Integration efforts between the two companies will also divert management attention and resources from other aspects of the business.

***Uncertainties associated with the EQT Transaction may cause a loss of management and other key personnel of Equitrans Midstream, which could adversely affect the future business and operations of the combined company following the Mergers or the business of Equitrans Midstream should the Mergers not be completed.***

Equitrans Midstream is dependent on the experience and industry knowledge of its officers and other key management, technical and professional personnel to execute its business plans. The combined company's success after the EQT Transaction will depend in part upon its ability to retain key management and other key personnel of Equitrans Midstream. Current and prospective employees of EQT and Equitrans Midstream may experience uncertainty about their roles within the combined company following the EQT Transaction or other concerns regarding the timing and completion of the EQT Transaction or the operations of the combined company following the EQT Transaction, any of which may have an adverse effect on the ability of EQT and Equitrans Midstream to retain or attract key management and other key personnel. If EQT and Equitrans Midstream are unable to retain personnel, including key management, who are critical to the future operations of the companies, EQT and Equitrans Midstream could face disruptions in their operations, loss of existing customers, loss of key information, expertise or know-how and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the EQT Transaction.

***The EQT Transaction may not be completed, and the Merger Agreement may be terminated in accordance with its terms, and failure to complete the EQT Transaction could negatively impact Equitrans Midstream's common stock price and have other adverse effects.***

EQT or Equitrans Midstream may elect to terminate the Merger Agreement in accordance with its terms in certain circumstances. If the EQT Transaction is not completed for any reason, including if the EQT shareholders or Equitrans Midstream shareholders fail to approve the applicable proposals, the ongoing businesses of Equitrans Midstream may be materially adversely affected and, without realizing any of the benefits of having completed the EQT Transaction, Equitrans Midstream would be subject to a number of risks, including the following:

- Equitrans Midstream may experience negative reactions from the financial markets, including negative impacts on its share price;
- Equitrans Midstream, its subsidiaries and/or its joint ventures may experience negative reactions from its respective customers, suppliers, vendors, landlords, joint venture co-members and other business relationships;
- Equitrans Midstream will still be required to pay certain significant costs relating to the EQT Transaction, such as legal, accounting, financial advisor and printing fees;
- Equitrans Midstream may be required to pay a termination fee as required by the Merger Agreement;
- The Merger Agreement places certain restrictions on the conduct of the business pursuant to the terms of the Merger Agreement, which could delay or prevent Equitrans Midstream from pursuing certain business opportunities or responding to competitive or other developments that, absent the Merger Agreement, may have been pursued or responded to;
- Matters relating to the EQT Transaction (including integration planning) require substantial commitments of time and resources by Equitrans Midstream management, which may have resulted in the distraction of Equitrans Midstream's management from ongoing business operations; and
- Litigation related to any failure to complete the EQT Transaction or related to any enforcement proceeding commenced against Equitrans Midstream to perform its obligations pursuant to the Merger Agreement.

***Equitrans Midstream's directors and executive officers have interests in the EQT Transaction that may be different from, or in addition to, the interests of the Equitrans Midstream shareholders generally.***

In considering the recommendation of Equitrans Midstream's board of directors that Equitrans Midstream shareholders vote in favor of the EQT Transaction proposal, Equitrans Midstream shareholders should be aware of the fact that, aside from their interests as Equitrans Midstream shareholders, certain Equitrans Midstream directors and executive officers have interests in the EQT Transaction that may be different from, or in addition to, the interests of Equitrans Midstream shareholders generally. These interests include, among others:

- rights to continuing indemnification and directors’ and officers’ liability insurance;
- certain officers (including certain of Equitrans Midstream's named executive officers, other than Equitrans Midstream's Executive Chairman and President and Chief Executive Officer) and other personnel of Equitrans Midstream will receive certain cash or stock bonuses from Equitrans Midstream upon completion of the EQT Transaction;
- certain members of Equitrans Midstream's board of directors are expected to be named to the board of directors of EQT following consummation of the EQT Transaction; and
- in the event an officer’s or director’s employment or service with Equitrans Midstream is terminated upon or following the closing of the EQT Transaction, vesting and payout of outstanding awards previously granted under the Equitrans Midstream Corporation 2018 Long-Term Incentive Plan may be accelerated in accordance with the terms of the applicable award agreements.

Equitrans Midstream's board of directors was aware of and considered these potential interests, among other matters, in evaluating and negotiating the Merger Agreement and the transactions contemplated therein, in approving the EQT Transaction and in recommending that Equitrans Midstream shareholders approve the EQT Transaction proposal.

***Litigation relating to the EQT Transaction could result in an injunction preventing completion of the EQT Transaction, substantial costs to EQT and Equitrans Midstream and may adversely affect the combined company’s business, financial condition or results of operations following the Mergers.***

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on EQT’s and Equitrans Midstream’s respective liquidity and financial condition.

Lawsuits that may be brought against EQT, Equitrans Midstream and their respective directors and/or officers could seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the Merger Agreement even if already implemented and to otherwise enjoin the parties from consummating the EQT Transaction. One of the conditions to the closing of the EQT Transaction is that no injunction by any court or other tribunal of competent jurisdiction has been entered and continues to be in effect and no law has been adopted or is effective, in either case that prohibits or makes illegal the closing of the EQT Transaction. Consequently, if a plaintiff is successful in obtaining an injunction prohibiting completion of the EQT Transaction, that injunction may delay or prevent the EQT Transaction from being completed within the expected timeframe or at all.

***Equitrans Midstream and EQT must obtain certain regulatory approvals and clearances to consummate the EQT Transaction, which, if delayed, not granted or granted with unacceptable conditions, could prevent, substantially delay or impair consummation of the Mergers, result in additional expenditures of money and resources or reduce the anticipated benefits of the Mergers.***

At any time before or after consummation of the EQT Transaction, the U.S. Department of Justice or the Federal Trade Commission, or any state attorney general, could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including but not limited to seeking to enjoin the completion of the Mergers, seeking divestiture of substantial assets of the parties or requiring the parties to license, or hold separate, assets or terminate existing relationships and contractual rights. Private parties may also seek to take legal action under the antitrust laws under certain circumstances. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the Mergers or of imposing additional costs or limitations on Equitrans Midstream or EQT following completion of the Mergers, any of which might have an adverse effect on Equitrans Midstream or EQT following completion of the Mergers and may diminish the anticipated benefits of the Mergers.

***Completion of the EQT Transaction may trigger change in control or other provisions in certain agreements to which Equitrans Midstream or any of its subsidiaries or joint ventures is a party.***

The completion of the EQT Transaction may trigger change in control or other provisions in certain agreements to which Equitrans Midstream or any of its subsidiaries or joint ventures is a party. If Equitrans Midstream, its subsidiaries or its joint ventures, as applicable, are unable to negotiate modifications, consents or waivers of those provisions, the counterparties may exercise their rights and remedies under such agreements, potentially terminate such agreements, or seek monetary damages. Even if Equitrans Midstream, its subsidiaries or its joint ventures, as applicable, are able to negotiate modifications, consents or waivers, the counterparties may require a fee for such modifications, consents or waivers or seek to renegotiate such agreements on terms less favorable to Equitrans Midstream or the applicable subsidiary or joint venture.

***The synergies attributable to the EQT Transaction may vary from expectations.***

The combined company may fail to realize the anticipated benefits and synergies expected from the EQT Transaction, which could adversely affect the combined company’s business, financial condition and operating results. The success of the Mergers will depend, in significant part, on the combined company’s ability to successfully integrate the acquired business and realize the anticipated strategic and financial performance benefits and synergies from the combination. However, achieving these benefits requires, among other things, realization of the targeted cost and operational synergies expected from the Mergers, which may not be realized fully or at all, may take longer to realize than expected or may be less significant than expected. If the combined company is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the EQT Transaction within the anticipated timing or at all, the combined company’s business, financial condition and operating results may be adversely affected, the combined company’s earnings per share may be diluted, the anticipated accretive effect of the Mergers may decrease or be delayed and the share price of the combined company may be negatively impacted.