

## Management

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## EPG Commentary by Dan Steffens

**Baytex Energy Corp. (BTE)** is the largest company in our Small-Cap Growth Portfolio with a market-cap over \$2.4 billion. I have been following the Company closely since Baytex announced the acquisition of Ranger Oil (one of my Top Picks in the Sweet 16 heading into 2023). They closed the Ranger acquisition on June 20, 2023.

Baytex reported financial and operational results that were in line with my forecasts during each quarter in 2024. Total production increased 25.3% year-over-year in 2024, with production volumes and proved reserves per share significantly higher year-over-year.

Based on the Company's guidance, production will be down in Q1 2024 due to weather related issues in Canada during Q1, bounce back in Q2 and then ramp up to a 2025 exit rate of approximately **155,000 Boepd (~70% oil)**.

**Baytex is a "Shareholder Friendly" Company.** Since closing the acquisition of Ranger Oil, Baytex has generated free cash flow each quarter. Based on my forecast, the Company should generate approximately **\$425Cdn million of free cash flow in 2025**. Baytex is committed to returning 50% of free cash from operations to shareholders in the form of cash dividends and stock buybacks. The balance sheet is in good shape with no LT debt due until 2030.

Disciplined Reinvestment and Capital Allocation	Prioritizing free cash flow <sup>(1)</sup> High-quality oil-weighted portfolio with more than 10-years of drilling inventory Track record of new discoveries
Shareholder Returns	~ 50% of free cash flow to shareholder returns (share buybacks and quarterly dividend) and ~ 50% to the balance sheet Repurchased 11% of shares outstanding since June 2023
Financial Position	Significant credit capacity Long-term notes termed out to 2030 and 2032 Resilient through the commodity price cycles

**My Fair Value Estimate for BTE is \$7.00Cdn & \$4.90US/share**

Compared to TipRanks' Price Target of \$5.00Cdn/share

**Disclosure:** I have a long position in Baytex and I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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## Company Overview

The Company's vision is to be a top-tier North American oil producer focused on per share value creation. Their key oil resource plays represent some of the highest rate of return projects in North America. Baytex's crude oil and natural gas operations are organized into three main operating areas: Light Oil USA (Eagle Ford), Light Oil Canada (Pembina Duvernay / Viking) and Heavy Oil Canada (Peace River / Peavine / Lloydminster). The Company's current production mix is approximately 43% light oil & condensate, 28% heavy oil, 14% NGLs and 15% natural gas.

## A DIVERSIFIED NORTH AMERICAN E&P OPERATOR



### Market Summary

Ticker Symbol	TSX, NYSE   BTE
Average Daily Volume <sup>(1)</sup>	Canada: 7.9 million   US: 31.3 million
Shares Outstanding <sup>(2)</sup>	771 million
Market Capitalization / Enterprise Value <sup>(3)</sup>	\$2.5 billion / \$4.9 billion
Annual Dividend per Share   Dividend Yield <sup>(4)(5)</sup>	\$0.09   2.7%

### Operating Statistics

Production (working interest) <sup>(6)</sup>	148 - 152 Mboe/d
Production Mix <sup>(6)</sup>	85% liquids
E&D Expenditures <sup>(6)</sup>	\$1.2 - \$1.3 billion
Reserves - 2P Gross <sup>(7)</sup>	660 MMboe
Net Acres	1.6 million

### 2025 Production by Business Unit

- U.S. Light Oil (Eagle Ford)
- Canada Light Oil (Duvernay / Viking)
- Canada Heavy Oil (Peace River/Peavine/Lloydminster)
- Other



### 2025 Production by Commodity

- Heavy Oil
- Light Oil
- NGLs
- Natural Gas



**The merger with Ranger Oil in June, 2023 was significant, increasing production by approximately 70% and adding high-quality / low-risk running room in the South Texas Eagle Ford oil play.**

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## 2024 Highlights (\$Cdn)

- Reported cash flows from operating activities of \$469 million (\$0.60 per basic share) in Q4/2024 and \$1,908 million (\$2.38 per basic share) for 2024.
- Increased production per basic share by 10% in 2024, compared to 2023.
- Production for the full-year 2024 averaged 153,048 boe/d (85% oil and NGL), compared to 122,154 boe/d in 2023 (85% oil and NGL). Production in Q4/2024 averaged 152,894 boe/d (84% oil and NGL). *< Due to low natural gas prices, some of their Canadian natural gas was shut-in during 2024. Natural gas and NGLs are expected to be a higher percentage of the Company's production in 2025.*
- Delivered adjusted funds flow of \$462 million (\$0.59 per basic share) in Q4/2024 and \$1,957 million (\$2.44 per basic share) for 2024.
- Generated free cash flow of \$255 million (\$0.33 per basic share) in Q4/2024 and \$656 million (\$0.82 per basic share) for 2024.
- Returned \$290 million to shareholders in 2024 through the share buyback program and dividends. Baytex repurchased 48.4 million common shares for \$218 million, representing 6% of shares outstanding. In addition, the Company declared four quarterly dividends of \$0.0225 per share, totaling \$72 million.
- Improved cash cost structure (operating, transportation, and general & administrative expenses) in 2024 by 5% on a boe basis, as compared to 2023.
- Reduced net debt by 5% in 2024 (13% in U.S. dollars) and maintained balance sheet strength with a total debt to EBITDA ratio of 1.1x.

## Management Commentary

*"Our strong 2024 results speak to our disciplined, returns-based capital allocation philosophy that delivers increased per-share returns. In 2024, we generated 10% production per share growth and grew reserves per-share across all reserves categories. We executed our capital program on budget, generated meaningful free cash flow and returned \$290 million to shareholders through our buyback program and quarterly dividend. For 2025, we will continue to prioritize free cash flow and shareholder returns."*

- Eric T. Greager, President and Chief Executive Officer.

## Dividends (annualized yield of ~2.8%)

Baytex Energy Corp. announced that its Board of Directors has declared a quarterly cash dividend of CDN\$0.0225 per share to be paid on April 1, 2025 for shareholders of record on March 14, 2025. The U.S. dollar equivalent amount is approximately US\$0.0158 per share assuming a foreign exchange rate of 1.42 CAD/US. Payments to shareholders who are not residents of Canada will be net of any Canadian withholding taxes that may be applicable. This dividend is designated an "eligible dividend" for Canadian tax purposes and is considered a "qualified dividend" for U.S. income tax purposes. *< U.S. shareholders can claim a foreign tax credit for the Canadian income taxes that are withheld.*

## 2024 HIGHLIGHTS

### Delivered substantial value and shareholder returns

	<b>Strong Execution</b>	<p>Executed capital program on budget</p> <p>Delivered 10% production per share growth and 6% to 8% reserves per share growth across all reserves categories<sup>(1)</sup></p> <p>Improved cash cost structure<sup>(2)</sup> by 5% on a boe basis</p>
	<b>Shareholder Returns</b>	<p>Returned \$290 million to shareholders through share buybacks and dividend</p> <p>Repurchased 6% of shares outstanding</p> <p>Reduced net debt<sup>(3)</sup> by 5% (13% in U.S. dollars)</p>
	<b>Value Creation</b>	<p>Increased 2P net asset value<sup>(4)</sup> 13% to \$7.27 per share</p> <p>Generated strong PDP recycle ratio<sup>(5)</sup> of 1.9x; 1P and 2P recycle ratio of 2.7x</p> <p>Replaced 102% of production on a 1P basis; 101% on a 2P basis</p>
	<b>Operating Performance</b>	<p>Delivered strong drilling and completion performance in the Eagle Ford</p> <p>Advanced Pembina Duvernay</p> <p>Further delineated Clearwater and Mannville heavy oil</p>

## Ranger Acquisition

On February 28, 2023, Baytex announced the acquisition of Ranger Oil Corp. (the "Merger"), a pure play Eagle Ford operator. With this transaction, Baytex is building a quality, scaled North American oil-weighted exploration and production company with a portfolio across the Western Canadian Sedimentary Basin and the Eagle Ford.

On June 20, 2023, Baytex closed the acquisition of Ranger, adding quality scale in the Eagle Ford and reinforcing a resilient and sustainable business. The total consideration paid by Baytex, including assumption of net debt, was US\$2.4 billion (C\$3.2 billion). Under the terms of the agreement, Ranger shareholders received 7.49 Baytex shares plus US\$13.31 cash for each share of Ranger common stock. Second quarter 2023 results include 11 days of operations from Ranger. **Baytex's total production increased by 67.8% (60,840 Boepd) to 150,601 Boepd in the 3<sup>rd</sup> quarter, followed by organic growth to 160,373 Boepd in the 4<sup>th</sup> quarter.**

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## Financial Update

Baytex delivered operating and financial results consistent with the full-year plan.

Production and exploration and development expenditures were in line with full-year guidance and the Company improved its cash cost structure (operating, transportation, general & administrative expenses) by 5% on a boe basis, compared to 2023.

Adjusted funds flow totaled \$2.0 billion (\$2.44 per basic share) and net income of \$237 million (\$0.29 per basic share).

Baytex increased production per basic share by 10% in 2024, compared to 2023, with production averaging 153,048 boe/d (84% oil and NGL), up from 122,154 boe/d in 2023.

Production in Q4/2024 averaged 152,894 boe/d (84% oil and NGL).

Exploration and development expenditures totaled \$1.26 billion in 2024 and Baytex participated in the drilling of 290 (246.4 net) wells.

Baytex generated free cash flow of \$656 million (\$0.82 per basic share) in 2024 and returned \$290 million to shareholders through its share buyback program and dividend. Baytex repurchased 48.4 million common shares for \$218 million, representing 6% of shares outstanding, at an average price of \$4.50 per share. In addition, Baytex declared four quarterly dividends of \$0.0225 per share, totaling \$72 million.

Over the last six quarters, Baytex generated free cash flow of \$1.1 billion and returned \$550 million to shareholders through its share buyback program and dividend. The Company repurchased 88.9 million common shares for \$440 million, representing 10% of shares outstanding, at an average price of \$4.95 per share. In addition, Baytex declared six quarterly dividends of \$0.0225 per share, totaling \$110 million.

On December 20, 2024, Baytex completed the divestiture of the Kerrobert thermal asset in southwest Saskatchewan for net proceeds of \$41.5 million. Proceeds from the sale were applied against its credit facilities. Production from the assets at the time of the sale was approximately 2,000 bbl/d (100% heavy oil).

## Operations Update

### Notable well results reported by BMO Capital Markets / GeoLOGIC Solutions Ltd. on October 25, 2024

**Clearwater:** “Baytex continues to show that it is best-in-class with its Clearwater well results at Peavine. Month after month, Baytex continues to take nearly all top ten spots on our Clearwater top ten list. The best well this month goes to the 102/05-22 well, that produced at 875 bbls/d, putting monthly production at 26 mbbbls (and cumulative oil volumes at 61 mbbbls after 84 days). With some of BTE's wells now producing upward of 150 mbbbls after 168 days, showing **payout at 2-3x within the year**, it is a play that will continue to help push BTE's capital efficiencies higher.

**Duverney:** “Outside of BTE's Clearwater play, the **Willesden Green Duverney fairway** will be a meaningful part of the company's long-term potential. The solid results so far set the stage for the 2025 program. Two of BTE's recent Duverney wells brought on production in August appear among the top wells in Canada. The 16-10 well produced 51,600 bbls of condensate in 54 days (or ~925 bbls/d in September). As BTE brings technology from its Eagle Ford operations, that ultimately have increased the intensity of frac designs, all while dropping costs by 10% vs. 2023 costs,

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*the efficiency of the play continues to improve. Today, Baytex ranks its Duvernay as its top go-forward play, based on a CROCI (cash return on capital invested), and with seven wells planned for the year (and at least 221 future locations still to drill), there appears to be plenty of running room in this play. We suspect with heavy M&A activity potentially in the formation in the coming months, a rise in 'main-stream' investor attention is expected to come."*

## BUSINESS UNIT HIGHLIGHTS



	Light Oil – USA (Eagle Ford)	Light Oil – Canada (Viking/Duvernay)	Heavy Oil – Canada (Peace River/Peavine/ Lloydminster)
Production (2025E)	85,000 boe/d	19,000 boe/d	42,000 boe/d
% Liquids	81%	84%	96%
Land (net acres)	178,000	317,000	745,000
2P Reserves (Gross) <sup>(1)</sup>	401 MMboe	109 MMboe	137 MMboe
Asset Level Free Cash Flow (% of corporate) <sup>(2)</sup>	60%	5%	35%
Drilling Locations (net risked) <sup>(3)</sup>	~ 800	~ 1,200	~ 900
Individual Well Economics <sup>(4) (5)</sup>			
IRRs	45% to 90%	55% to 90%	95% to > 250%
Payouts	14 to 26 months	14 to 21 months	8 to 13 months
CROCI <sup>(6)</sup>	2.1x to 2.5x	2.0x to 2.7x	2.4x to 4.0x

**Light Oil - United States:** In the Eagle Ford, production averaged 89,100 boe/d (81% oil and NGL) in 2024 and Baytex brought onstream 64 net wells, including 51 net operated wells. The development program was largely focused on the black oil and volatile oil windows of acreage which typically generates 30-day peak crude oil rates of 700 to 800 bbl/d (900 to 1,100 boe/d) per well with average lateral lengths of 9,000 to 9,500 feet. Baytex realized an 8% improvement in operated drilling and completion costs per completed lateral foot over 2023. In the Eagle Ford, Baytex expects to bring onstream 54 net wells in 2025, including 41 net operated wells. Baytex intends to run a consistent two rig and one frac crew program for most of the year and are targeting a 7% improvement in operated drilling and completion costs per completed lateral foot compared to 2024.

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## U.S. LIGHT OIL: EAGLE FORD

### Strong Operating Capability

Increased Scale in a Premier Basin with Strong Market Access

#### Eagle Ford

**255,000 gross acres**, 70% operated

Lowers full-company cash cost structure, improves operating netbacks and margins

Provides exposure to premium light oil U.S. Gulf Coast pricing

Expect to bring 54 net wells to sales (~ 75% operated) in 2025

#### 2025 Operated Activity

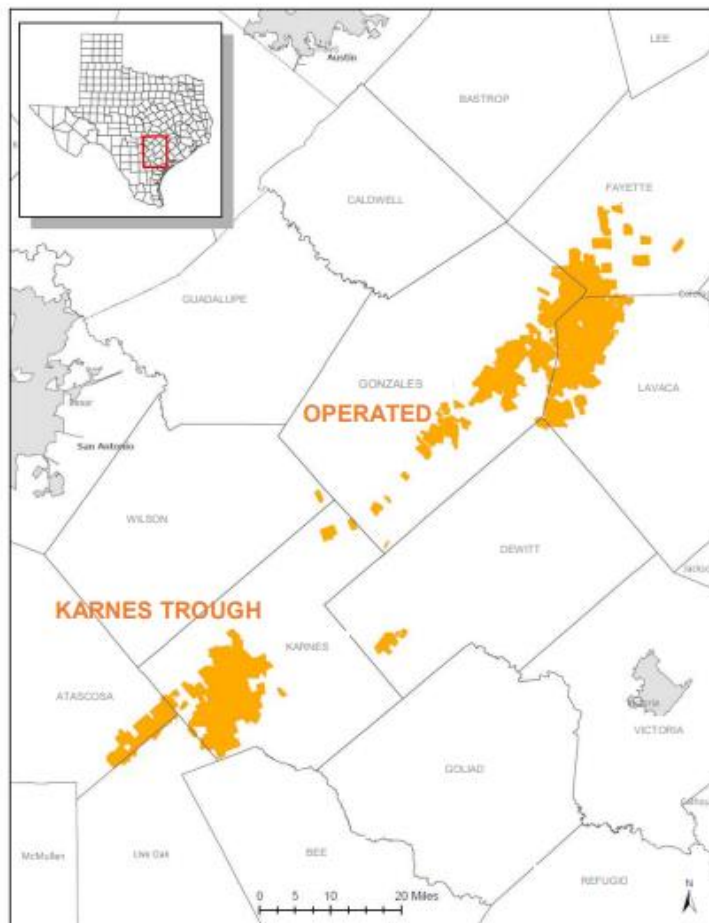
Expect to bring 41 operated wells onstream - **37 Lower Eagle Ford wells and 4 Upper Eagle Ford wells**

Typical 30-day peak crude oil rates in the black and volatile oil windows ~ 700 to 800 bbl/d (900 to 1,100 boe/d) per well

~ US\$10 million well cost based on 9,500 foot completed lateral length

Level loaded pace of development, running a 2 rig and 1 frac crew program for most of the year

Targeting an **8% improvement in drilling and completion costs per lateral foot**, over 2024



**Light Oil – Canada:** In the light oil business unit, production averaged 16,701 boe/d (83% oil and NGL) in 2024. We made substantial strides in advancing our understanding of the Pembina Duvernay with production increasing 64% to 6,112 boe/d (82% oil and NGL) in 2024, compared to 2023. We brought onstream seven net wells in the Pembina Duvernay and 95 net wells in the Viking. In 2025, we expect to bring onstream nine net wells in the Pembina Duvernay and 90 net wells in the Viking.



## CANADA LIGHT OIL: PEMBINA DUVERNAY / VIKING

### High netback light oil

Pembina Duvernay Shale is a potential growth asset in the Canadian portfolio

#### Pembina Duvernay

##### 140 net sections

Demonstration-stage light oil resource play

Produced **7,300 boe/d** in Q4/2024 (82% liquids)

Expect to bring **9 net wells** onstream in 2025

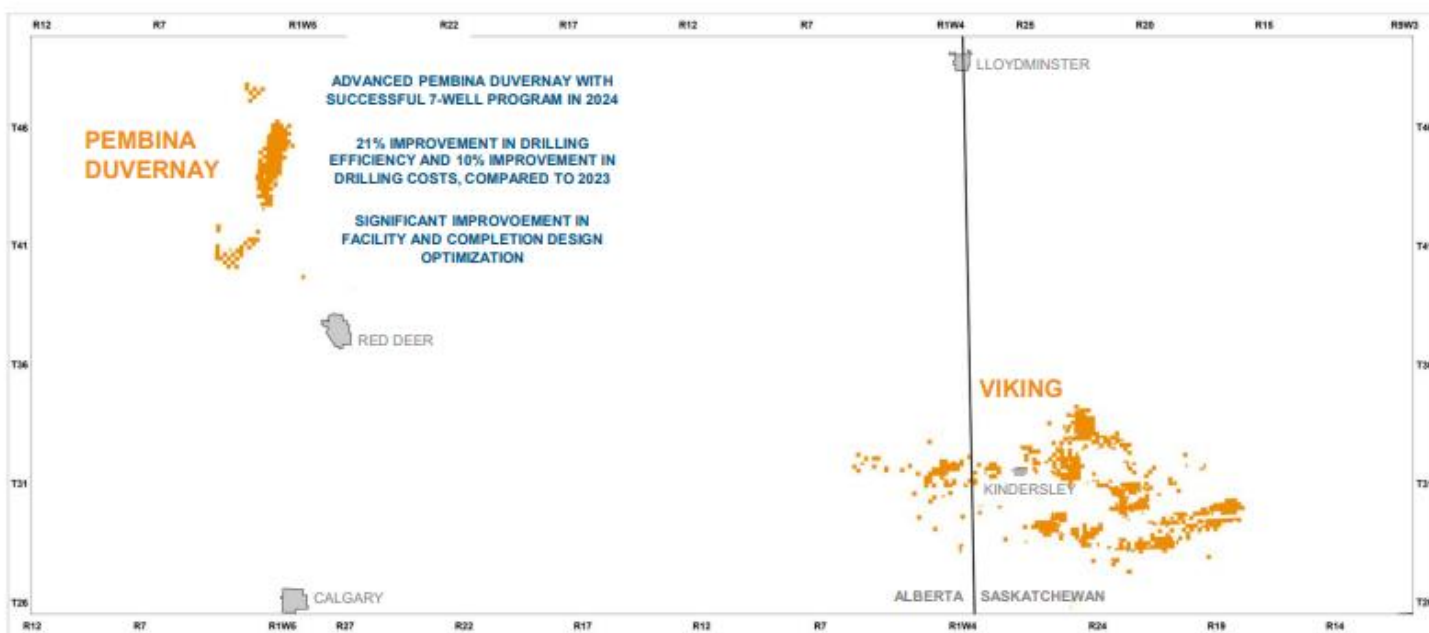
#### Viking

##### 355 net sections

Stable production and meaningful asset level free cash flow<sup>(1)</sup>

Produced **9,700 boe/d** in Q4/2024 (84% liquids)

Expect to bring **~ 90 net wells** onstream in 2025



**Heavy Oil – Canada:** In the heavy oil business unit, production averaged 43,704 boe/d (95% oil and NGL) in 2024. Peavine continued to deliver top well results with production increasing 44% to 19,241 bbl/d (100% heavy oil) in 2024, compared to 2023. During 2024, Baytex brought onstream 31 net Clearwater wells at Peavine, 9 net wells at Peace River and 40 net wells across the broader Mannville group in Lloydminster. In 2025, Baytex expects to bring onstream 112 net heavy oil wells, including 33 net Clearwater wells at Peavine. Subsequent to year-end, Baytex acquired through an asset exchange, 44.5 net sections of land on the Peavine Métis settlement. The lands acquired are immediately adjacent to Baytex's existing 90-section acreage position.

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## CANADA HEAVY OIL: PEACE RIVER / PEAVINE / LLOYDMINSTER

### Innovative Multi-Lateral Drilling and Top-Tier Efficiencies

Clearwater at Peavine Delivers Exceptional Well Performance and Economics

#### Peace River (Bluesky)

**524 net sections**

Produced **11,100 boe/d** in Q4/2024 (85% oil)

Expect to bring **13 net MLHZ wells** onstream in 2025

#### Peavine (Clearwater)

Partnership with Peavine Métis Settlement covering  
**134.5 contiguous sections**

Produced **19,300 boe/d** in Q4/2024 (100% oil)

Expect to bring **33 net MLHZ wells** onstream in 2025

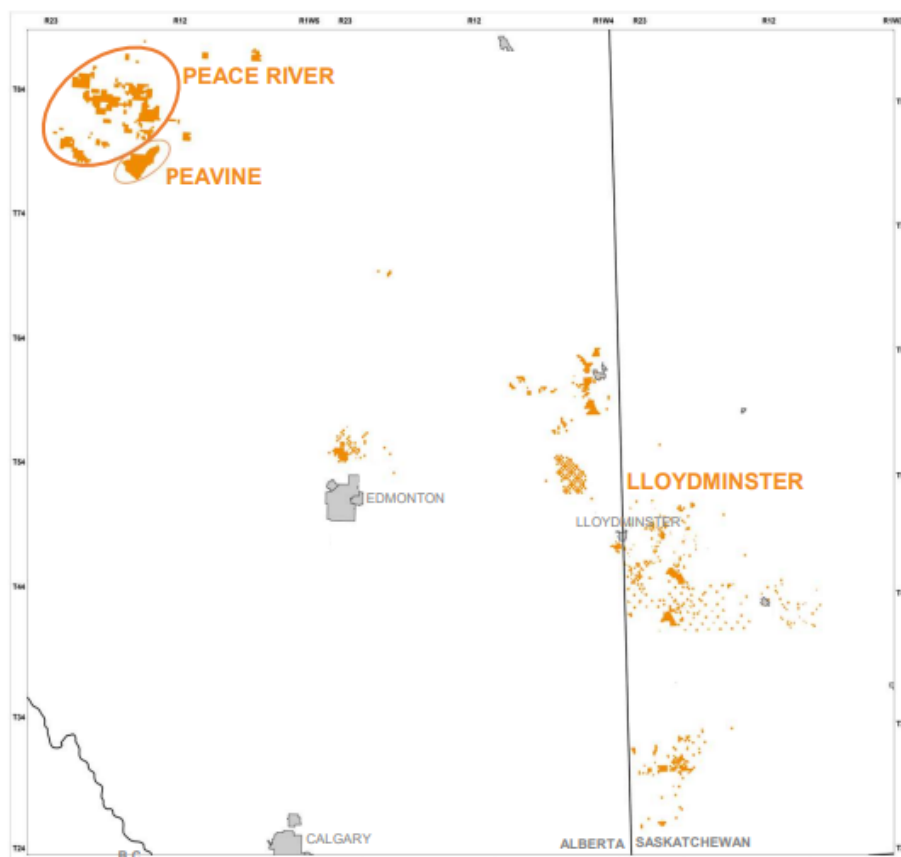
#### Lloydminster (Mannville)

**523 net sections**

Produced **13,100 boe/d** in Q4/2024 (98% oil)

Targeting multiple horizons within the Mannville group of formations

Expect to bring **~ 61 net wells** onstream in 2025



### Return of Capital Framework

The Board of Directors has declared a quarterly cash dividend of \$0.0225 per share to be paid on April 1, 2025 for shareholders of record on March 14, 2025.

***On closing of the Merger with Ranger Oil, the Company increased direct shareholder returns to 50% of the free cash flow generated by the combined company, allowing the Company to increase the value of the share buyback program and introduce a dividend.***

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## FIVE-YEAR OUTLOOK (2024 – 2028)

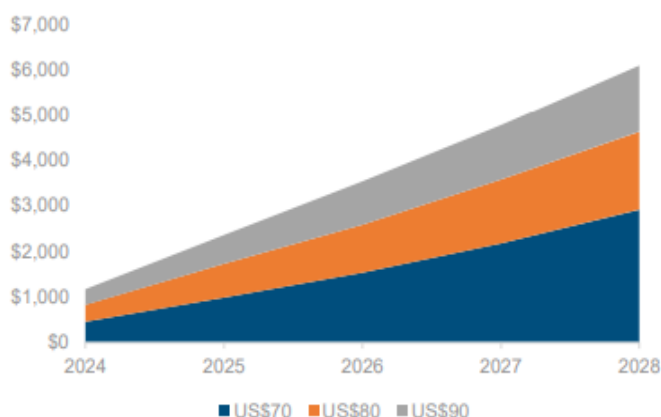
### Shareholder Returns<sup>(1)</sup>



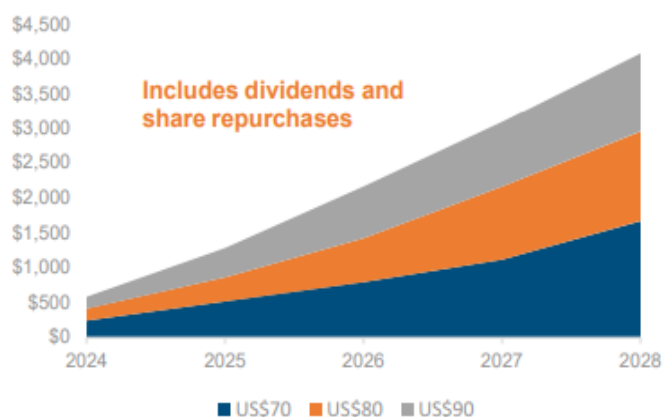
#### Compelling Returns Profile

Underpinned by disciplined reinvestment and capital allocation

Free Cash Flow<sup>(1)(2)</sup> over Five-Year Outlook (\$ millions)



Return of Capital<sup>(2)</sup> to Shareholders over Five-Year Outlook<sup>(1)</sup> (\$ millions)



### Balance Sheet and Liquidity Update

Baytex reduced net debt by 5% (\$117 million) in 2024. Strong free cash flow generation was significantly offset by the impact of a strengthening U.S. dollar, relative to the Canadian dollar, on U.S. dollar denominated debt. In U.S. dollars, Baytex reduced net debt by 13% (US\$241 million). On an annual basis, a \$0.05 CAD/USD change in the foreign exchange rate impacts net debt by approximately \$70 million.

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## MAINTAINING FINANCIAL STRENGTH

### Commitment to a Strong Balance Sheet



#### Significant credit capacity

#### Resilient through the commodity price cycles

#### Strong long-term notes maturity schedule

78% unutilized credit capacity

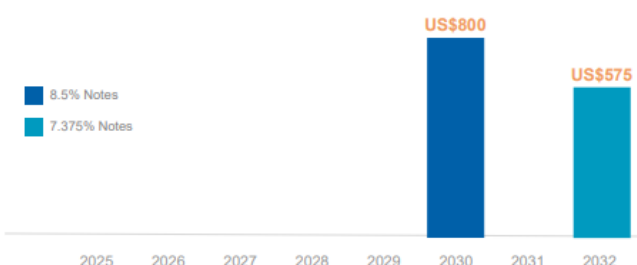
Total debt<sup>(2)</sup> target of \$1.5 billion  
(~ 0.7x total debt to EBITDA<sup>(2)</sup> at US\$70 WTI)

#### Total Debt <sup>(1)(2)</sup>

C\$ millions

Credit facilities <sup>(3)</sup>	\$341
Long-term notes	
8.500% notes due April 1, 2030	\$1,153
7.375% notes due April 1, 2032	\$828
Total long-term notes	\$1,981
Total debt	\$2,322

#### Long-Term Notes Maturity Schedule (US\$ millions)



## 2024 Year End Reserves

### Reserves Summary

	Light and Medium Oil	Tight Oil	Heavy Oil	Bitumen	Total Oil	Natural Gas Liquids <sup>(3)</sup>	Conventional Natural Gas <sup>(4)</sup>	Shale Gas	Total <sup>(5)</sup>
Reserves Summary	(Mbbbls)	(Mbbbls)	(Mbbbls)	(Mbbbls)	(Mbbbls)	(Mbbbls)	(MMcf)	(MMcf)	(Mboe)
<b>Gross <sup>(1)</sup></b>									
Proved producing	9,131	73,924	34,250	—	117,305	37,317	48,570	146,964	187,211
Proved developed non-producing	352	1,517	2,024	—	3,893	1,489	1,596	4,302	6,364
Proved undeveloped	14,122	92,759	19,082	—	125,963	53,117	24,623	188,509	214,602
Total proved	23,604	168,200	55,357	—	247,161	91,923	74,789	339,775	408,177
Total probable	13,644	84,798	34,190	44,489	177,121	42,813	38,344	152,995	251,824
Proved plus probable	37,248	252,998	89,547	44,489	424,281	134,736	113,133	492,770	660,001
<b>Net <sup>(2)</sup></b>									
Proved producing	8,662	56,721	28,915	—	94,298	28,620	44,240	113,214	149,160
Proved developed non-producing	329	1,121	1,808	—	3,257	1,108	1,494	3,188	5,145
Proved undeveloped	13,362	72,117	16,720	—	102,200	41,121	21,496	147,217	171,440
Total proved	22,353	129,958	47,443	—	199,754	70,849	67,231	263,618	325,745
Total probable	12,670	65,263	28,224	34,897	141,054	33,290	33,877	120,376	200,052
Proved plus probable	35,023	195,221	75,667	34,897	340,808	104,139	101,107	383,994	525,797

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## 2025 Guidance Update

Baytex is a well-capitalized, North American oil-weighted producer with 60% of production in the Eagle Ford in Texas and the balance in western Canada.

In 2025, the government of the United States of America announced tariffs on goods imported from Canada, including a 10% tariff on Canadian energy imports, effective March 4, 2025. Baytex continues to monitor the impact of these tariffs and expects that geographic diversification will provide a measure of insulation.

The Company is focused on disciplined capital allocation to prioritize free cash flow generation while maintaining a strong balance sheet. In the current commodity price environment this means moderating growth profile and delivering stable crude oil production.

Baytex currently allocates approximately 50% of free cash flow to the balance sheet and approximately 50% to shareholder returns, which includes a combination of share buybacks and quarterly dividend payments.

In 2025, Baytex is targeting continued strong performance in the Eagle Ford, further progression of the Pembina Duvernay and capital efficient heavy oil development. **Baytex anticipates first quarter production of approximately 144,000 boe/d with volumes increasing over the balance of the year.** During the first quarter, extremely cold temperatures across North America resulted in modest production disruptions across operations.

**Full year 2025 guidance is unchanged with exploration and development expenditures of \$1.2 to \$1.3 billion and production of 148,000 to 152,000 boe/d.** Baytex expects to generate approximately \$400 million of free cash flow in 2025 at US\$70/bbl WTI. Based on the production profile and timing of capital expenditures, the majority of free cash flow is expected to be generated in the second half of the year.



**Disciplined  
Reinvestment and  
Capital Allocation**

**Prioritizing free cash flow<sup>(1)</sup>**

Moderating growth profile and  
delivering **stable production**

**Strong drilling, completion and  
operating performance** across  
portfolio



**150,000 boe/d**  
2025 mid-point production

### 2025 Guidance

E&D Expenditures	\$1.2 - \$1.3 billion
Production	148,000 - 152,000 boe/d
Oil and NGLs	85%

Operating Area	Net Wells Onstream	E&D Expenditures (\$MM)
U.S. Light Oil <sup>(2)</sup>	54	\$730
Canada Light Oil <sup>(3)</sup>	99	\$270
Canada Heavy Oil <sup>(4)</sup>	112	\$250
Total	265	\$1,250

## Hedging Update

### CRUDE OIL HEDGE PORTFOLIO

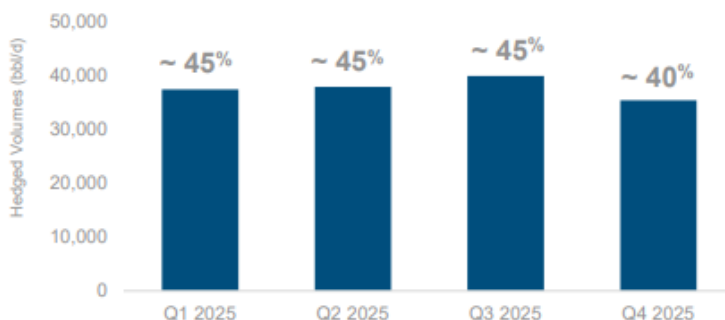
## Balanced Approach to Risk Management



**Target up to 45% of Net Crude Oil Volumes<sup>(1)</sup>**

**Disciplined hedge program** to help mitigate volatility in revenue due to changes in commodity prices

Utilize wide **2-way collars** to ensure modest returns at lower commodity prices while maintaining exposure to upside and minimizing costs



Collars (Weighted Average)				
	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Ceiling (US\$)	\$89.41	\$87.48	\$80.00	\$80.00
Floor (US\$)	\$60.00	\$60.00	\$60.00	\$60.00

*"Note that none of Baytex's natural gas and NGLs are hedged, so rising natural gas prices should give Baytex a nice revenue boost in 2025 and 2026. Baytex is getting good prices for their South Texas natural gas and NGLs. Natural gas prices are beginning to increase in Canada, but they are still quite a bit lower than U.S. natural gas prices.*

*Since the oil hedges have ceilings above the oil prices being used in my forecast, they have no impact on realized prices in 2025. I am using a differential of -\$2.00/bbl for the Company's light oil and an additional discount of -\$9.00/bbl for Canadian heavy oil.*

*The forecast below is in Canadian dollars."* – Dan Steffens

## Net Income and Cash Flow Forecast Model

Baytex Energy Corp. (BTE)		Ranger Oil Acquisition closed June 20, 2023		Closed sale of Kerrobert (~2,000 bpd of heavy oil) on 12/20/24		< \$42Cdn million to pay down debt									
Net Income and Cash Flow 2022 - 2026		(last updated 3/27/2025)													
(\$Thousands)				Canadian Dollars		Canadian Dollars									
		Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Forecast Qtr1 2025	Forecast Qtr2 2025	Forecast Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast 2026	
REVENUES:															
Oil, NGL and natural gas sales		\$2,889,045	\$3,382,621	\$984,192	\$1,124,590	\$1,074,623	\$1,025,550	\$4,208,955	\$951,847	\$960,828	\$1,044,510	\$1,093,837	\$4,051,022	\$4,488,943	< Forecast Revenues include effect of hedges
Less: Royalties		(562,964)	(669,792)	(209,171)	(240,440)	(223,800)	(206,675)	(880,086)	(218,925)	(220,990)	(240,237)	(251,582)	(931,735)	(1,032,457)	< 23% in 2025 due to increasing revenue in Texas
Commodity derivatives - cash settlements		(334,481)	36,212	5,488	(2,257)	331	(2,115)	1,447	0	0	0	0	0	0	
Commodity derivatives - Non-cash MTM		135,471	(11,517)	(32,350)	10,790	22,596	(382)	654	0	0	0	0	0	0	
Total Revenues		2,127,071	2,737,524	748,159	892,683	873,750	816,378	3,330,970	732,922	739,838	804,272	842,254	3,119,287	3,456,486	
EXPENSES:															
Operating expenses		422,666	570,839	173,435	167,705	167,119	145,690	653,949	157,140	164,403	170,672	171,787	664,001	685,972	2025 expenses per company guidance (3/4) >>>>
Transportation		48,561	89,306	29,835	33,314	36,883	33,110	133,142	33,048	34,575	35,894	36,128	139,646	144,266	< \$12.125 /boe
Blending and other		189,454	224,802	64,208	67,685	51,902	80,148	263,943	55,080	57,626	59,823	60,214	232,743	240,444	< \$2.55 / boe
G&A		50,270	69,789	22,412	21,006	17,895	20,433	81,746	20,500	19,000	19,000	24,000	82,500	92,000	< \$4.25 / boe
Transaction costs (Ranger Acquisition)			49,045	1,539	0	0	0	1,539	0	0	0	0	0	0	
Exploration and evaluation		30,239	8,896	18	649	82	30	779	500	500	500	500	2,000	2,000	
Share based compensation		29,056	37,699	9,523	5,565	2,305	479	17,872	6,000	1,000	1,000	1,000	9,000	12,000	< Q1 includes annual stock bonuses
DD&A		587,050	1,047,904	344,137	353,101	356,384	332,288	1,385,910	311,040	325,416	337,824	340,032	1,314,312	1,357,800	< \$24.00 / boe
Impairment (reversal)		(267,744)	833,662	0	0	0	0	0	0	0	0	0	0	0	
Financing expense		104,817	192,173	61,267	83,084	58,700	65,323	268,374	60,000	59,000	58,000	57,000	234,000	220,000	< Proceeds from asset sale in Dec 2024 paid down debt
Foreign exchange (gain) or loss		43,441	(10,848)	39,937	20,055	(24,552)	120,455	155,895	0	0	0	0	0	0	50% of free cash flow will pay down debt each quarter.
(Gain) loss on disposal of assets		(4,898)	141,295	(2,661)	6,311	1,091	(3,521)	1,220	0	0	0	0	0	0	
Other (income) expense		3,244	(456)	1,071	1,025	(9,107)	322	(6,689)	1,500	1,500	1,500	1,500	6,000	6,000	
TOTAL EXPENSES		1,236,156	3,254,106	744,721	759,500	658,702	794,757	2,957,680	644,808	663,020	684,212	692,161	2,684,202	2,760,482	
NET INCOME BEFORE TAXES		890,915	(516,582)	3,438	133,183	215,048	21,621	373,290	88,114	76,818	120,060	150,093	435,085	696,005	
INCOME TAXES															
Current		3,594	14,403	1,680	6,475	(3,748)	17,359	21,766	4,406	3,841	6,003	7,505	21,754	34,800	< 5%
Deferred		31,716	(297,629)	15,801	22,810	33,570	42,746	114,927	15,861	13,827	21,611	27,017	78,315	125,281	< 18%
NET INCOME		\$855,605	(\$233,356)	(\$14,043)	\$103,898	\$185,226	(\$38,484)	\$236,597	\$67,848	\$59,149	\$92,446	\$115,572	\$335,015	\$535,923	
Common Stock outstanding (thousands)		557,986	821,681	773,590	773,590	773,590	773,590	773,590	760,000	760,000	760,000	760,000	760,000	750,000	< 2024 is stock outstanding on 12-31-2024
Earnings per share		\$1.53	(\$0.28)	(\$0.02)	\$0.13	\$0.24	(\$0.05)	\$0.31	\$0.09	\$0.08	\$0.12	\$0.15	\$0.44	\$0.71	Stock Buybacks should continue to reduce O/S stock in 2025
NOTE: Current First Call Estimated EPS									\$0.12	\$0.13	\$0.12	\$0.11	\$0.48	\$0.22	< TipRanks' EPS forecasts
Cashflow per share (before CapEx)		\$1,146,800	\$1,516,626	\$415,796	\$525,724	\$529,229	\$455,437	\$1,926,186	\$394,249	\$389,893	\$423,381	\$444,120	\$1,651,643	\$1,873,004	< 2025 Capex Guidance is \$1.25 Cdn billion (3/4)
		\$2.06	\$1.85	\$0.54	\$0.68	\$0.68	\$0.59	\$2.49	\$0.52	\$0.51	\$0.56	\$0.58	\$2.17	\$2.50	< Valuation of 3 X 2024 to 2026 CFPS = \$ 7.00 < Cdn
									\$0.52	\$0.55	\$0.59	\$0.60	\$2.28	\$2.25	< TipRanks' Cdn EPG PT in US dollars \$ 4.90 < \$US @ 70%
PRODUCTION															
Light Oil & Condensate (bbls/d)		33,106	53,389	66,036	67,031	69,843	64,661	66,893	61,200	63,325	65,025	65,450	63,750	65,875	Q4 2024 2025 First Call Price Target \$ 5.15 < \$Cdn
Heavy Oil (bbls/d)		28,972	35,460	40,560	43,703	42,759	42,227	42,312	39,600	40,975	42,075	42,350	41,250	42,625	< 42.3% < 42.5% TipRanks 5 analysts) \$ 5.00 < \$Cdn
NGLs (bbls/d)		7,757	14,304	19,299	20,167	19,837	21,208	20,128	20,160	20,860	21,420	21,560	21,000	21,700	< 27.6% < 27.5% RBC Cap 3/5/25 \$ 5.00 < \$Cdn
Natural Gas (Mcf/d)		83,108	114,010	148,353	139,760	132,175	148,792	142,270	138,240	143,040	146,880	147,840	144,000	148,800	< 13.9% < 14.0% Canaccord G 3/5/25 \$ 5.50 < \$Cdn
boepd		83,504	122,155	150,621	154,194	154,468	152,895	153,044	144,000	149,000	153,000	154,000	150,000	155,000	< 16.2% < 16.0% TD Securities 3/5/25 \$ 5.00 < \$Cdn
PRODUCT PRICES		4.2%	46.3%	Commodity Prices in \$Cdn net of hedges				25.3%	Commodity Prices in \$Cdn net of hedges				-2.0%	3.3%	< 2025 Guidance is ~148 to 152 Mboepd
Light Oil & Condensate		107.73	110.25	100.96	107.61	100.78	98.75	102.02	98.00	94.43	98.00	101.57	98.00	105.00	< YOY production growth
Heavy Oil		90.74	76.37	82.61	99.31	89.29	88.85	90.02	89.00	86.00	89.00	92.50	89.13	96.00	< See impact of hedge less \$2/bbl differential
NGLs		43.58	29.43	26.15	24.48	27.45	29.00	26.77	30.00	30.00	32.00	34.00	31.50	32.00	< All of the oil hedges are collars with high ceilings
Natural Gas		5.70	3.08	2.38	2.05	2.14	2.50	2.27	3.25	3.00	3.75	4.00	3.50	4.00	
Gross Revenue check (prod * ave price)		2,554,557	3,418,712	989,680	1,122,333	1,074,954	1,023,435	4,207,155	951,847	960,828	1,044,510	1,093,837	4,058,723	4,488,943	< Revenues are net of cash settlements on hedges
									927,010	932,800	919,100	911,700	3,690,610	3,240,000	< TipRanks' Revenue Estimates in \$Cdn

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