# Magnolia Oil & Gas
2026 Sustainability Report

**Our environmental, social, and governance results for 2025.** Keeping you informed about our initiatives to develop oil and natural gas resources safely and responsibly for the benefit of our stakeholders.

## About Magnolia

**Magnolia is an independent oil and gas company with operations located in South Texas.** Our business model focuses on capital discipline, a strong balance sheet, significant free cash flow, and strong pretax margins while generating moderate organic production growth. We're well positioned to deliver sustained value for our investors while operating our business in a safe and environmentally responsible manner.

Market Capitalization
$4.1 Billion

Proved Reserves
210.2 MMboe

Reserve Replacement Ratio
151%

Full Year Production
99.8 Mboe/d

Trading Symbol
MGY

Employees
262

### Our Vision

Be an **investment of choice** with a broad shareholder base, an **employer of choice** with a winning culture, and an **operator of choice** with best-in-class assets.

### Our Values

**Safety:** Be Safe
**Integrity:** Act with Integrity
**Ownership:** Think Like an Owner
**Teamwork:** Work as a Team

### Our Business Strategy

**Generate** significant free cash flow after capital expenditures.
**Deliver** consistent organic production growth.
**Achieve** high, full-cycle operating margins.
**Maintain** a conservative leverage profile.
**Prudently reinvest** free cash flow to enhance per share value.

### Our Primary Objectives

**Be the most efficient operator** of best-in-class oil and gas assets and generate the highest returns on those assets while employing the least amount of drilling and completion capital on our wells.

**Strive to return a substantial portion of our free cash** flow to our shareholders in the form of share repurchases and a safe, sustainable, and growing dividend.

**Utilize some of the excess cash generated** by the business to pursue attractive bolt-on oil and gas property acquisitions.

**Note:** All data is for the year ended as of December 31, 2025.

## CEO Message

**To Magnolia Oil & Gas Stakeholders:**

Our business performed exceptionally well in 2025, driven by strong well results, greater efficiency, lower costs, and our continued capital discipline. Our team also delivered another year of solid performance on our key environmental, social, and governance commitments.

For example, 2025 was a year of significant investment in infrastructure to meet our environmental commitments. We built a new pipeline to transport natural gas from our previously acquired Brazos Bend producing properties, gas which had been routinely flared prior to our acquisition. We put this pipeline into service in early 2026, and we expect further reductions in gas flared as a result. Along with this pipeline, we invested an additional $1.7 million in projects to ensure properties we acquired during 2025 met our operational and environmental standards.

**Employee Survey Respondent:** "Executive Management genuinely values each employee, fosters collaboration, and recognizes hard work."

On the social and governance front, we enhanced our long-term incentive program so retiring employees can fully share in the value they helped create at Magnolia. We were again recognized as a top workplace in the Houston Chronicle Top Workplaces survey, based on employee feedback. Our operations also continued to deliver meaningful economic value in Texas, including $309 million in royalty, lease, and surface payments to residents and $113 million in tax payments to support local communities. In addition, we strengthened our Board by appointing three new independent directors with deep oil and gas and executive leadership experience.

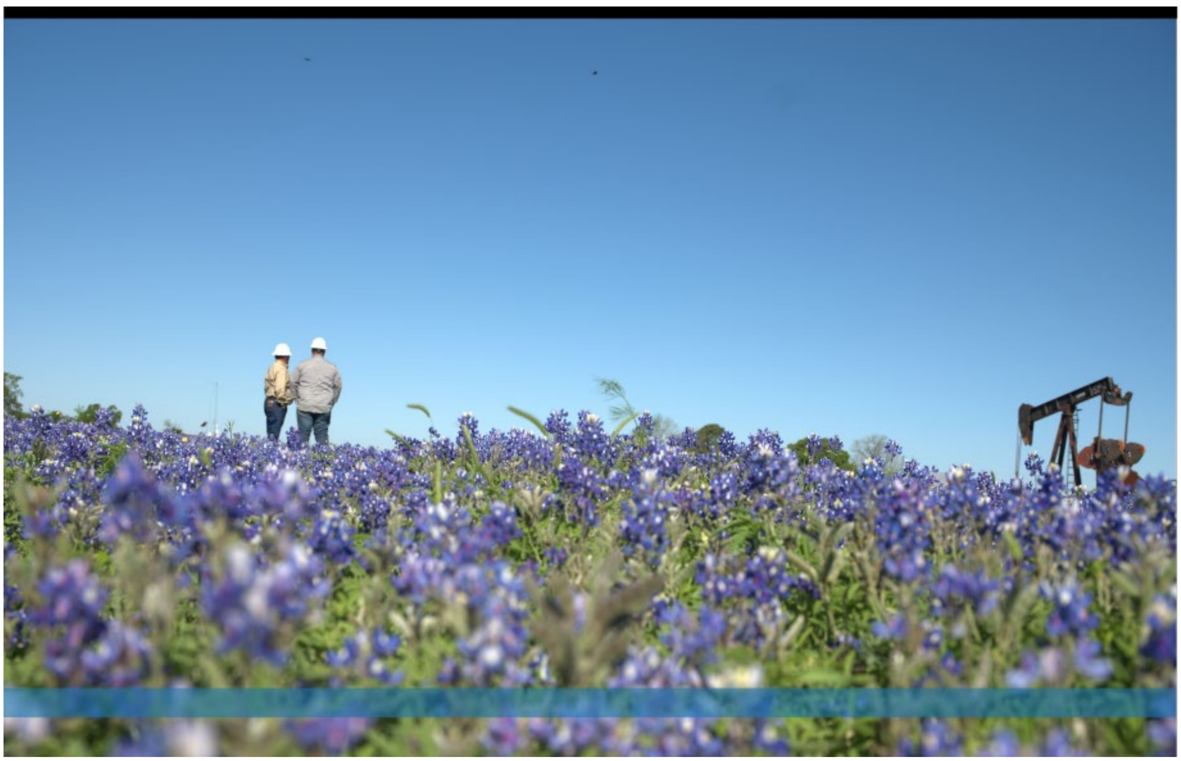
I'm proud of the ongoing dedication and focus of our teams at our field operations and our Houston headquarters. Their continued hard work and diligence helped us deliver gains in the areas of environmental stewardship, safety and workforce development, and corporate governance in 2025. I look forward to working with them to extend that track record into 2026 and beyond.

Thank you for your interest in Magnolia Oil & Gas Corporation as we continue to develop oil and natural gas resources safely and responsibly.

Respectfully,

**Chris Stavros**
President, Chief Executive Officer, and Chairman of the Board

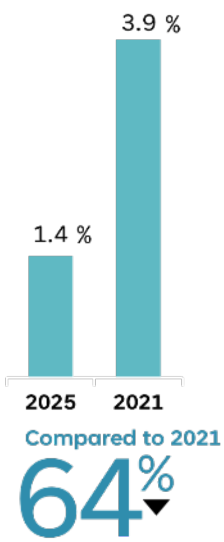
## SAFEGUARDING THE ENVIRONMENT



At Magnolia, we believe safeguarding the air, water, and land where we operate is not only the right thing to do, but important to our ability to sustain our business.

**Greenhouse Gas Intensity Rate**


**Gas Flared as a Percent of Total Production**




## Managing Greenhouse Gas Emissions

**Greenhouse Gas Intensity Rate.** From 2021 to 2025, we reduced our **greenhouse gas (GHG) intensity rate** (our GHG emissions as a percentage or our gross operated production), by 24 percent despite consistent increases in oil and gas production from our operations. Our gross GHG emissions and our GHG intensity rate for the last five years are provided in our SASB-based Quantitative Results table at the back of this report.

**Minimizing Flaring.** From 2021 to 2025, we reduced the gas we flare as a percentage of our total production by 64 percent. During 2025, we invested in new pipeline infrastructure to transport natural gas associated with our assets in the Brazos Bend area. We put this pipeline into service in early 2026 and expect it to result in further reductions to the gas we flare. You can review our gross GHG emissions from flared hydrocarbons for the last five years in our SASB-based Quantitative Results table at the back of this report.

**Vapor Recovery Measures.** We integrate vapor recovery towers and units into our tank battery designs to capture flash gas and minimize methane emissions from our storage tanks. By year end 2025, about 82 percent of our oil production was produced through facilities with vapor recovery units (VRUs) installed. In addition, we continued to expand our fleet of electrically driven VRUs in 2025 to further capture low pressure emissions, reduce fuel consumption, and improve runtime efficiency. Finally, we increased the vapor compression horsepower deployed in our field operations, growing capture capacity from 26 to 33 million cubic feet per day as we entered 2026.

**Pneumatic Controllers.** We use low- and intermittent-bleed pneumatic controllers across our operations to limit emissions from these devices. All facilities built by Magnolia since 2018 run on compressed air rather than natural gas-driven systems. Ninety-four percent of our 2025 production was produced through facilities that use instrument air, an increase of 12 percent over 2024.

**Managing Fugitive Emissions.** We survey our facilities for fugitive emissions more frequently than required by regulations. Our Leak Detection and Repair (LDAR) team uses optical gas imaging cameras to identify fugitive emissions on our sites. This team of Magnolia employees quickly address any emission sources they identify rather than relying on outside support. Eighty-three percent of our 2025 production was produced through facilities included in our LDAR program.

In 2025, we implemented **additional direct fugitive emissions measurement approaches** across our assets to identify and correct fugitive emissions in between LDAR surveys or at facilities not in an LDAR program. For example, periodic aerial methane detection screenings provided our Operations team with critical data to guide repairs when needed. We used this data to complete 13 emissions reduction projects, including enhanced destruction of vapors on marginal well pads and conversion of older facilities to compressed air pneumatics. As a result of these and other efforts, methane emissions detected during aerial surveys across our field operations decreased by 69 percent from the first quarter to the fourth quarter of 2025.

In addition, we deployed **continuous methane monitoring technology** in 2025 at select operated facilities to enhance operational visibility and support methane emission reduction efforts. The phased deployment provided real-time insight into facility operating conditions and intermittent methane emissions events, allowing Magnolia to identify and implement targeted maintenance and operational improvements. As deployment matured and corrective actions were implemented, average measured methane emissions per active monitored site declined approximately 68 percent from the second to the fourth quarter of 2025. Magnolia continues to evaluate direct measurement technologies as part of its broader methane management and operational excellence strategy.

**Investing in Field Electrification.** In 2025, we continued to make significant investments to electrify our operations, spending more than $1.2 million to secure service for our facilities and upgrade the electric grid in areas where we operate. We have also installed solar packages at some of our remote locations where more traditional approaches would have involved high installation costs. Electrification allows us to reduce combustion-related emissions from diesel- and natural gas-powered generators onsite. We plan to continue to invest in electrification and power stabilization across our field operations when practical and economically feasible.

**Industry Organizations.** Magnolia is a member of The Environmental Partnership, which is administered by the American Petroleum Institute. The Partnership is made up of U.S. oil and natural gas companies committed to continuously improving the industry's environmental performance. In addition, we participate on safety and environmental committees as part of the American Exploration & Production Council where we share best practices, participate in surveys, and analyze incidents for process improvements we can apply to our operations.

## Lessening Surface Impacts

**Critical Habitats.** Magnolia does not operate in any areas containing critical habitats, as designated by wildlife protection laws, or known to contain threatened, endangered, or migrating species.

**Multi-well Pad Drilling.** Pad drilling allows us to drill and complete multiple wellbores from a single location that includes all the equipment necessary to support those wells, significantly reducing the surface acreage required for our drilling and completion operations. Multi-well pad drilling is more efficient, shortens development time, and minimizes our surface footprint and the level of activity needed onsite such as equipment deliveries and construction. Our pads typically support four to nine wells across their full development lifecycle. Pad drilling techniques also make it possible to access additional oil and gas reserves by enabling longer lateral wells. In 2025, we successfully drilled several lateral wells up to 12,000 feet in length.

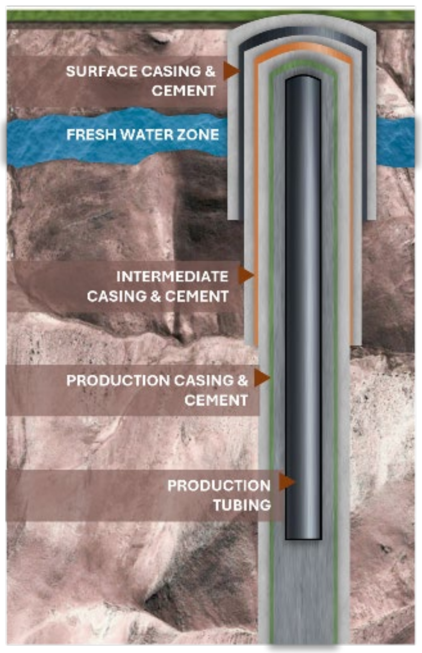
**Spills.** We track all spills, regardless of volume, to determine what caused the spill and implement corrective actions. We have response plans and processes in place to quickly control and remediate any releases, including a comprehensive Spill Prevention, Control, and Countermeasure (SPCC) plan. In addition, we spent $1.7 million on projects to ensure newly acquired properties in 2025 conform with our standards. Our spill metrics for the last five years are provided in our SASB-based Quantitative Results table at the back of this report.

**Wellsite Plugging and Abandonment.** Our wellsite plugging and abandonment processes are designed to fully seal off inactive wellbores in accordance with applicable regulations and the terms of our lease agreements. We have a program in place to actively monitor and assess the mechanical integrity of legacy inactive wells.

## Managing Drilling and Hydraulic Fracturing Operations

**Reducing Diesel Use and Emissions.** We use engine load management systems and engine standby controllers in our Drilling and Completion operations to optimize horsepower to fuel ratios, ultimately reducing our fuel consumption and carbon-dioxide equivalent emissions. Based on calculations from the developers of the systems, in 2025 we saved more than 260,000 gallons of diesel fuel and reduced our carbon-dioxide equivalent emissions by 2,775 metric tons (or about 5.9 million pounds).

**Managing Proppant and Chemicals.** During our hydraulic fracturing operations, we use different types of proppant (a type of fine sand), water, and chemicals. We source the proppant we use in our hydraulic fracturing operations from local suppliers, wherever possible. For example, we sourced all the proppant we used in our 2025 Giddings fracturing operations from two local sand mines. Since both mines are located about 25 miles from our core Giddings acreage, we can minimize trucking time and diesel fuel usage through local sourcing. We work with our service providers after every fracturing operation to post details about the chemicals we use on the FracFocus site, where the information is publicly available for viewing. We do not use diesel or fluids containing benzene, toluene, ethylbenzene, or xylenes (BTEX) in the hydraulic fracturing process. 99 percent of the fluid we pump in our hydraulic fracturing operations is water.




**Protecting Fresh Water and Managing Produced Water.** Magnolia does not operate in areas where we have identified water scarcity as an issue. Before we begin any new development, we identify any streams, creek beds, or wetlands near our operations and take any action required by regulation to protect those areas. We do not discharge any of our produced water to surface. Nearly all produced water is injected into intermediate-depth saltwater disposal wells. The volumes we inject into these wells are within permitted levels.

**Managing Well Integrity.** We adhere to recognized technical standards and all applicable regulations for well design and construction and use rigorous processes to isolate and protect groundwater. These processes include installing multiple layers of metal casing as a primary shield and injecting specialized cement to create a pressure tested seal between each layer of casing. In all, we routinely install seven alternating layers of steel and cement to create an impermeable barrier between wellbore and groundwater and ensure well integrity during fracturing operations and over the life of the well. Once the well is drilled and before fracturing begins, we pressure test the well per industry best practices to ensure well integrity. We use multiple tools and processes to verify cement has created a solid bond with the casing and the strength of seals in the well.

## SUPPORTING EMPLOYEES AND COMMUNITIES

At Magnolia, every employee receives a meaningful ownership stake in the company. As owners, we each use our varied experiences and expertise to create value for our business, support each other and strengthen local communities.

## Managing Our Health and Safety Commitment

Magnolia has programs, processes, and people in place to recognize and address safety hazards, meet compliance requirements, and ensure everyone is safe on all our worksites.

**HSER Group Structure and Responsibilities.** Magnolia's Health, Safety, Environment, and Regulatory (HSER) group is part of our larger Operations department and has primary responsibility for developing, implementing, and monitoring our various safety-related programs.

- **Executive and Board Level Guidance**. Our HSER group reports directly to our Vice President, Production Operations who, in turn, reports to our Chief Executive Officer. We report progress to our Board of Directors and its Nominating and Corporate Governance Committee, which oversees our performance in this area.
- **Committed Leadership.** Our HSER team is led by a seasoned industry leader who directs the work of professionals in process and field-based safety and regulatory compliance. Leaders in Magnolia's Operations department regularly set priorities and assign resources needed to meet our environmental commitments and assess our progress.
- **Experienced Team Members.** HSER representatives in our field locations partner with leaders in our Drilling & Completion and Production groups on safety performance and related matters. Members of our field teams have daily, hands-on responsibilities for proactively implementing and managing our safety and environmental programs and processes.
- **Expert Input.** The Magnolia Health, Safety, and Environment (HSE) Leadership Team, made up of representatives from our Production group and our HSER team, provides input to Operations leadership on ways to improve health, safety, and environmental practices and performance in our field operations.

**Formal Health and Safety Policies.** The practices we rely on to manage our safety commitment are detailed in specific process and procedure documents that are easily accessible to all employees. For example, our comprehensive HSE Field Operations Guide provides specific requirements and responsibilities for key safety-related topics, including, among other topics, driving, electrical work, incident reporting and investigation, and personal protective equipment.

**Tracking Progress.** Magnolia tracks key safety metrics, including employee recordables, lost time incidents, total recordable incident rate, and contractor recordables. In addition to these lagging indicators, we also track leading indicators such as safety observations and near-miss reports. We use internal and third-party applications to collect and monitor safety data and track our performance against our metrics through our regularly updated HSER Safety Scorecard and other measures. In the spirit of continuous improvement, we discuss our performance and highlight lessons learned from specific incidents during regular weekly and monthly safety meetings with field employees.

**Safety Training to Sustain Progress.** In 2025, our full-time field employees each received an average of about 60 hours of safety training designed to enhance their skills. Team members at our field locations are assigned computer-based training courses monthly covering safety and environmental subjects pertinent to their daily activities. Training and skills development continues at our monthly leader-led safety meetings, which are conducted in person at our two field locations. At these meetings, our team reviews relevant safety incidents and corrective actions, discusses specific safety topics in depth, and reviews safety performance metrics. Our field team also conduct on-location meetings focused on safety awareness for site-specific equipment such as compressors.

**Magnolia's Incident Management Process**

- We report all incidents.
- We investigate incidents & reported events.
- Leaders review new events weekly.
- We identify root causes, if applicable.
- We develop corrective actions, when applicable.
- Leadership reviews actions for effectiveness.
- We track actions to closure.

**Programs to Recognize Results.** Through our Good Catch Program, our field employees identify and submit potential safety or environmental issues before they arise. We review employee submissions each month and provide recognition and awards for the most impactful submission. We then recognize the most significant of these monthly submissions through our yearly Great Catch Awards, where award winners receive recognition and a monetary award. Similarly, our Magnolia Partner in Safety Program encourages and rewards contractor safety observations and actions. Contactor submissions are evaluated and, if approved, Magnolia recognizes the contractor with program-branded items. In 2025, we received 99 submissions from contractors. After evaluation, 15 of those submissions resulted in formal contractor recognition and were used to improve our operations.

**Enhancing Driver Safety.** Our vehicle safety programs prioritize the safety of our employees and the communities where we operate. Our Fleet Monitoring Program applies to all drivers at Magnolia and equips company vehicles with GPS monitoring systems designed to enhance worker safety, improve driving performance, extend the life of our vehicles, and increase fleet and team efficiency. All Magnolia drivers are required to read and acknowledge Our Safe Driving Commitment, which provides a clear set of consistent requirements that we expect anyone driving a company vehicle to follow. In addition, in 2025 a member of our team was trained and certified as an instructor in the Smith Driver Training System, a widely recognized defensive driving program. This proactive investment in driver safety allowed us to deliver Smith Driver Training to all employees assigned company vehicles in the first half of 2026, reinforcing safe driving behaviors across our fleet.

**Incident Reporting and Investigation.** We use an incident management platform to report, classify, investigate, and track corrective actions associated with incidents, near-misses, and good catches across our operations. The system enables timely, mobile reporting from the field and supports a consistent, structured investigation process. Senior HSER and Operations leadership meet regularly to review incident trends, evaluate investigation quality, and provide input on root causes and corrective actions. This governance ensures accountability and promotes continuous improvement. Our approach is designed to strengthen organizational learning, helping us identify underlying drivers, prevent recurrence, and enhance the safety of our workforce and operations.

**Emergency Response.** We maintain comprehensive emergency response and crisis communication plans at both the field and corporate level. These plans are based on the standardized Incident Command System. We conduct regular simulated emergency situations and corporate-level drills to test these plans and continue to improve our team's capabilities to respond effectively in the event of an incident at one of our work locations.

**Business Continuity Planning.** Our Corporate Incident Response Plan (CIRP) summarizes the processes and procedures we'll follow and the actions we'll take to respond to incidents that affect ongoing business operations at our corporate headquarters in Houston. The CIRP works in conjunction with our Emergency Response Plan as well as various response plans maintained by our Information Technology group.

## Contractor Safety

**Partnering with Contractors to Deliver Safe Operations.** Magnolia relies on contract partners across all areas of our field operations and considers them critical partners in maintaining safe and reliable worksites. We seek to engage contractors who demonstrate a strong commitment to safety, aligned with our expectations and values.

We use ISNetworld, a third-party contractor management system, to evaluate prospective contractors' safety programs, training, and historical performance prior to engagement. Following onboarding, we continue to monitor contractor safety performance and program effectiveness, with a focus on continuous improvement and sustained alignment with partners who share our commitment to safety.

Beyond pre-qualification and performance tracking, Magnolia emphasizes clear expectations and shared accountability in the field. Contractors are expected to actively participate in our safety processes, including pre-job planning, hazard identification, and incident reporting. Contractor safety performance, including recordable incidents, is incorporated into our HSER scorecard to ensure visibility and accountability. All personnel on our locations – employees and contractors alike – are empowered and expected to exercise Stop Work Authority when unsafe conditions or behaviors are identified.

## A Winning Team of Owners

At Magnolia, our workforce is made up of individuals from a variety of backgrounds and career paths, all committed to ownership, execution, and delivering on our vision.

**Employee Survey Respondent:**
"There's a strong sense of purpose, opportunity for advancement, and a culture that empowers you to reach your full potential. It's a place where your contributions truly matter and where you feel proud to be part of the team."

**Supporting Workplace Flexibility.** We continue to offer eligible employees a workplace flexibility program designed to support our business operations while giving employees flexibility to work where they can be most productive. Under the program, eligible employees in the Houston office can telecommute for up to two days a week, as approved by their leader.

**Retirement Benefits.** In 2025, we introduced a retirement provision for our long-term incentive program. Under the program, upon an eligible retirement event, instead of forfeiting any outstanding, unvested awards of Magnolia stock employees hold, those awards will continue to vest and be paid to the team member on their original vesting schedule (typically three years) following retirement, assuming the employee meets certain age and years of service qualifications and provides six months' notice of their intent to retire. The program allows these employees to fully benefit from their career contributions to Magnolia's success and ensures we have processes and practices in place to transfer their knowledge before they leave the team.

**Skills Training.** In addition to safety training for our frontline field employees, we provide business education, cybersecurity, and other related training opportunities for our team. We track training in our Learning Management System. In 2025, we provided training for our field leadership team focused on cross-functional collaboration and basic leadership skills. We also provided training for our field employees to help them build confidence when speaking in public.

In Houston we launched an Own Your Development initiative to provide tools, frameworks, and training to help leaders and employees assess their capabilities, identify development opportunities, and communicate effectively about career development. As part of the initiative, we introduced a behavioral competency model, offered a series of instructor-led courses, and provided additional resources, including a standardized individual development plan. We plan to extend the initiative to our field team in 2026.

**Cybersecurity Training.** In 2025, we continued our CyberStrong cybersecurity awareness program, which is designed to make our team aware of the cyberthreats we face as a company, help them understand what they can do to counter those threats, and ensure Magnolia achieves and sustains a position of strength in this critical area. The campaign provides regular educational content, targeted training, and associated resources to the team. We require employees to complete cybersecurity training courses twice a year, with new employees taking a training course as part of our onboarding process.

**Top Workplace Designation.** In 2025, we were again recognized as a top workplace in the annual Houston Chronicle Top Workplaces survey. It was our third year to participate in the survey, which measures workplace satisfaction in several areas based on employee survey feedback. Magnolia placed sixth among mid-sized companies who participated in the survey in the greater Houston area for 2025. Ninety percent of our employees responded to the survey with strong participation across all Magnolia locations. Of those survey participants, more than 90 percent agreed that Magnolia operates with strong values, that the company is headed in the right direction, and that their job makes them feel they are part of something meaningful.

**Recognizing Ownership and Execution.** In line with our focus on ownership and execution, the Company recognized one individual and one two-member, cross-functional team with the Think Like a Magnolia Owner CEO Awards in 2025. This highest-level company award recognizes individuals or teams across our operations who delivered projects or initiatives that generated shareholder value, improved company performance, and/or resulted in increased efficiencies or cost reductions.

**Supporting Equal Employment Opportunities.** As an Equal Employment Opportunity employer, Magnolia makes employment decisions based on business need, job requirements, and individual qualifications, without regard to race, religion, color, national origin, gender, pregnancy, sexual orientation, gender identity, age, status as an individual with a disability, or any other status protected by applicable laws or regulations. Magnolia is committed to a work environment where all individuals are treated with respect and dignity and are free from all forms of harassment and discrimination.

100%

of our new hires in our field locations reside in the communities where we operate.

**Local Hiring.** During 2025, Magnolia added 23 new employees to our team. Consistent with our commitment to strengthen local communities, we strive to hire qualified local candidates. In 2025, 100 percent of the new hires in our field locations reside in the communities where we operate and most continue to live in those communities.

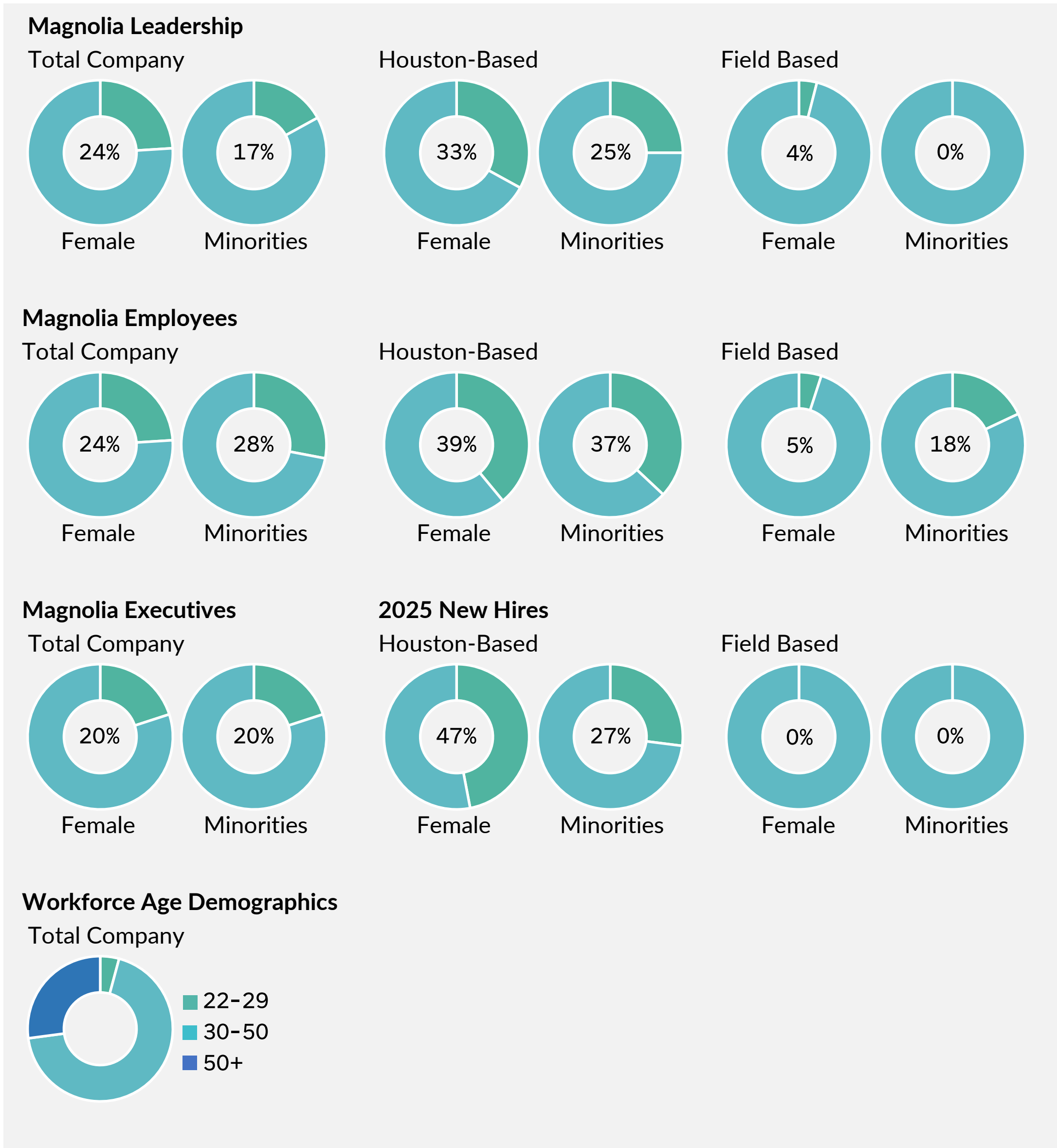
**Redundancies or Job Cuts.** We work hard to provide a challenging, supportive, and rewarding work environment. We have not had any large-scale redundancies or job cuts in our company history.

**Respect for Human Rights.** Our operations and assets are in the Eagle Ford Shale and Austin Chalk areas of South Texas, areas that are not generally associated with human rights risks. Regardless, as employees and as a company, we respect and support the protection and advancement of universally recognized human rights. Our Code of Business Conduct and Ethics, our corporate values, and our policies and practices support our commitment to be honest and principled in interactions with all our stakeholders and to observe and comply with all governmental laws, rules, and regulations of federal, state, and local governments, including prohibitions against activities linked to forced labor, modern slavery, or human trafficking. As outlined in the "Governing with Integrity" section of this report, we maintain a hotline that is available to all employees and the public to report any act or behavior believed to compromise our ethical business practices, including any human rights violations. The hotline is available on a confidential and anonymous basis by calling 844-490-4679 or by using the online reporting tool available through our website.

## Fostering Workforce Opportunities

Magnolia is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their expertise, experiences, and ideas. Data collected below is as of December 31, 2025.

We focus on hiring the most qualified individuals while promoting the growth and development of Magnolia's workforce. This commitment is key to how we do business and an important part of our culture, reputation, and success.



## Providing a Total Rewards Package

Our total rewards program ensures our employees have an ownership stake in the company, can build wealth and save for retirement, have the health coverage they need, and have the flexibility to take care of themselves and their families.

In 2025, all our employees received a minimum of

1,000

shares under our long-term incentive program.

### Financial

- **Salaries and Bonuses.** We pay market competitive base salaries and provide an annual cash incentive program designed to align our performance as a team with our investor proposition and business strategy.
- **Long-Term Incentive Program.** We grant stock-based awards to all employees of the company through our long-term incentive program. In 2025, all our employees received a minimum of 1,000 shares under the program, subject to specified vesting conditions.
- **401(k) Plan.** Magnolia matches employee contributions to our 401(k)-retirement plan dollar-for-dollar up to 5 percent of eligible compensation and makes additional non-elective contributions of 3 percent of eligible compensation.

### Benefits

- **Comprehensive Package.** Our competitive benefits package provides comprehensive health and wellness coverage, including medical, dental, vision, and life and disability insurance benefits.
- **Health Savings Accounts.** We offer Health Savings Accounts, depending on medical plan election, which help our team save pre-tax dollars to pay for qualified medical, dental, and vision expenses.
- **Identity Theft Coverage.** We provide free identity-theft benefit coverage to all employees and their eligible dependents.
- **Education Assistance.** Our Education Assistance Program provides eligible employees with financial assistance to support their pursuit of a business-related education or professional certification.

### Paid Time Off

- **Vacation Program.** Our generous vacation program recognizes our employees' years of industry experience.
- **Sick Leave.** Magnolia provides flexible paid sick leave for an employee's illness or to care for an ill spouse, child, parent, or legal dependent.

### Wellness Benefits

- **Subsidized Gym Memberships.** We offer a Flex Fitness Subsidy employees can apply each month toward the cost of recurring fitness-facility memberships, classes, and training. For our Houston-based employees, we subsidize most of the monthly membership fee for a fitness facility located near our office. We also partner with our healthcare provider to provide access to discounted gym memberships at our field locations.
- **Mental Health Benefits.** We offer robust mental and emotional wellbeing benefits to our team. Our offerings eliminate barriers like waitlists and high costs and provide access to a broad network of mental healthcare providers to ensure these services are convenient, affordable, and easily accessible.

Live Well at Magnolia raises the visibility of the range of tools and resources we offer our team. These offerings are all designed to help our team live well across every aspect of their lives.

LiveWell MAGNOLIA

## Strengthening Local Communities

**2025 Economic Impact Highlights.** In addition to safeguarding workers and the environment, we strive to strengthen the communities where we operate and where our employees live. We do that through payments to land and royalty owners, fulfilling our tax obligations to local jurisdictions, working with area vendors and suppliers, when possible, and charitable investments.

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| Royalty, Lease, and Surface Payments<br>$309 Million | We make **royalty payments** to Texas landowners for their share in oil and natural gas production activities. We also make **lease and surface payments** to Texas landowners for the use of their land. |
| Tax Payments Across Our Operating Areas<br>$113 Million | Our **tax payments** strengthen local communities by helping fund improvements at local schools, build or repair infrastructure, and support services and programs that benefit residents. |
| Payments to Vendors and Service Providers<br>$682 Million | Consistent with our focus on quality, safety, and value, we strive to source and prioritize **local suppliers** to support our operations, whenever possible. |

**Responsible Product Transit.** As we continue our long-term investments in water pipeline systems, Magnolia transported 6.2 million barrels of water by pipeline in 2025, instead of trucking those volumes. This change, along with the implementation of new software to help us manage water hauling more efficiently, removed more than 48,000 truckloads of water from the roads in 2025, further reducing our impact on the communities where we operate.

**Meeting Local Needs.** Through our field giving program, our field operations teams make donations on Magnolia's behalf to support organizations in the communities where we have operations. In 2025, our field teams in Giddings and Gillett contributed more than $38,000 to local organizations. Donations in 2025 supported volunteer fire departments and school districts, food banks, and historic preservation organizations as well as scholarship funds associated with local rodeos, fairs, and other community events.

**Supporting Employee-Directed Contributions.** In support of Magnolia's commitment to strengthening the local communities where we operate, we make a $1,000 donation annually on each employee's behalf to the charitable organization of their choice. In 2025, we contributed $221,000 towards employee-directed donations to local and national non-profits. Employees directed contributions to health and human services organizations, faith-based groups, educational institutions, and charities providing services to children and young adults, among other causes.

## Engaging with Stakeholders

At Magnolia, our commitment to delivering value extends beyond the individuals and institutions that invest in us. We also believe in engaging with all stakeholders who have an interest in our business, understanding their priorities, and working constructively with them.

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| **Shareholders** | • Members of our executive management team regularly engage with shareholders, investors, and analysts who follow Magnolia.<br>• During 2025, we met with stockholders representing more than 60 percent of Magnolia's outstanding shares. |
| **Regulators** | • We maintain strong working relationships with the various regulators who monitor our operations, particularly the Texas Railroad Commission (TRRC), a regulatory agency with oversight over many aspects of our business.<br>• We do not make corporate contributions to individual candidates or political action committees (PACs) and do not sponsor a PAC.<br>• We participate in the Texas Oil & Gas Association for insights on legislative and regulatory matters that may affect our operations and the American Exploration & Production Council to help advocate for responsible upstream development with policymakers, industry partners, and the media. |
| **Land & Royalty Owners** | • Our Land team includes employees in communities where we operate who work with landowners and neighbors to address any concerns that arise. Through proactive face-to-face communication, these team members help us maintain strong long-term working relationships with owners.<br>• Our Houston-based in-house team of land administration professionals uses a call management system to address requests from land and royalty owners more efficiently. In 2025, we received more than 14,700 inquiries through this system. |
| **Suppliers** | • Our Supply Chain Management group identifies and evaluates suppliers based on total value to the organization, focusing on factors beyond price such as safety, service cost and quality, and reliability.<br>• Due to the scope and location of our operations, Magnolia is frequently the anchor customer for local suppliers. For example, we are the largest, if not the only, customer for many suppliers in our Giddings, Texas area.<br>• In 2025, we purchased more than $682 million in goods and services from nearly 1,000 vendors. |

## GOVERNING WITH INTEGRITY

In line with our core value of integrity, Magnolia is committed to strong corporate governance principles and practices. Our Board of Directors manages and directs our business with a focus on our long-term health and success as an organization.

## Corporate Governance Guidelines

Our Corporate Governance Guidelines promote robust governance practices related to director qualifications, responsibilities, and compensation; access to officers, employees, and advisors; and determinations regarding director independence, among other matters. Specifically, the Guidelines provide that:

- All our directors are elected on an annual basis;
- The Board and its committees conduct annual self-evaluations;
- The non-management directors meet regularly without members of management present in executive sessions;
- The Board may recover incentive compensation from executive officers where the compensation is based on financial results that are later materially restated or due to misconduct or fraudulent activity; and
- The Board periodically reviews management development and succession plans with the CEO.

## Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics requires our employees, leaders, and directors to make the right decisions in line with the highest ethical standards and comply with all applicable laws and regulations that govern our business. Our Code covers a range of topics and gives employees guidance on:

- Avoiding and reporting conflicts of interest;
- Full, fair, accurate, and timely disclosures of company information;
- Complying with the anti-corruption laws where we do business, including the U.S. Foreign Corrupt Practices Act; and
- Avoiding excessive gifts or entertainment.

The Code also explicitly prohibits directors, officers, and employees from:

- Engaging in insider trading or hedging of Magnolia's stock (as more fully described in our Amended Insider Trading and Regulation FD Policy);
- Giving anything of value to any government officials to the extent prohibited by applicable laws;
- Exercising improper influence on the conduct of audits; and
- Retaliating against anyone reporting a potential violation of the Code in good faith.

If an employee or member of the public observes an act or behavior that they believe compromises our commitment to ethical business practices, they can report it on a confidential and anonymous basis through our hotline by calling 844-490-4679 or by using our online reporting tool available in the Sustainability—Corporate Governance section of our website at www.magnoliaoilgas.com.

## Employee Handbook and Magnolia Policy Library

In addition to our Code of Business Conduct and Ethics, all Magnolia employees have access to a comprehensive Employee Handbook. The Handbook provides details on employment policies, expectations for employee conduct, workplace practices and procedures, wages and hours, employee benefits and other topics. The Handbook is available on the Magnolia Policy Library on myMagnolia, our corporate intranet site. The Policy Library also includes Accounting, Human Resources, and Information Technology policies, among others, including our Whistleblower Policy, which outlines reporting procedures for employee complaints related to accounting or compliance matters. On an annual basis, we ask every employee to certify they have read and understand our Code of Business Conduct and Ethics, our Handbook, and our company policies.

## Valuing Independent and Qualified Directors

We maintain a Board made up of individuals with different professional experiences and backgrounds. These individuals bring expertise in exploration and production, finance and accounting, public company leadership, government, academia, strategic planning, and operations to their roles on our Board.

FEMALE
25%
2 of 8 Board members are women

DIVERSITY
25%
1 Hispanic Board member and 1 Board member of Middle Eastern descent.

INDEPENDENCE
88%
7 of 8 Board members are independent.

REFRESHMENT
50%
4 Board members have 5 or fewer years of tenure.

We also maintain an ongoing process to properly evaluate qualification requirements to ensure our Board members are effective in their roles. For example, over the last year, we added three new directors with specific oil and gas industry and executive leadership experience as part of an effort to improve the overall quality of our Board.

## Board Leadership and Standing Committees

In July 2025, Magnolia's Board reviewed its leadership structure and determined it was in the best interest of the company and its shareholders to combine the roles of Chairman and Chief Executive Officer.

- Chris Stavros, our current Chairman of the Board, has been a senior executive officer of Magnolia since 2021, has served as our Chief Executive Officer since 2022, and possesses extensive knowledge and a deep understanding of our business and the challenges we face.
- Dan Smith, our current Lead Independent Director, has served as a director since 2017, including rotations on our standing committees of the Board, was our Independent Chairman from 2022 to 2025, and serves as a liaison between Chris Stavros and the independent directors to facilitate the Board's oversight role.

All members of our standing Board committees are independent directors.

- **Audit.** Oversees our accounting and financial reporting processes and our compliance with related legal and regulatory requirements as well as audits of our financial statements and the integrity of those statements. Has general oversight over risk management, including cybersecurity risk.
- **Compensation.** Oversees our compensation policies and practices, approves the compensation of our CEO and other named executive officers, and approves our incentive compensation and equity compensation policies and programs.

- **Nominating and Corporate Governance.** Reviews our overall corporate governance and recommends improvements to our Board. Provides insight and recommendations on individuals to fill Board vacancies and maintains our Corporate Governance Guidelines. Provides oversight of our ESG policies and practices.

We regularly review our governance documents, including the charters of our standing committees, which provide a clear framework for the duties and responsibilities of our committees and are available on our website at www.magnoliaoilgas.com.

## Committee Membership for 2025-26 Board Term

| | | Nominating and Governance | Compensation | Audit |
|---|---|---|---|---|
| Christopher G. Stavros | Director, President and CEO of Magnolia | | | |
| Dan F. Smith | Independent Chairman of the Board* | ● | ● | |
| Arcilia C. Acosta | Independent | ● | ○ | |
| Edward P. Djerejian | Independent | ○ | ● | |
| David M. Khani | Independent* | | ● | ● |
| James R. Larson | Independent* | ● | | ○ |
| R. Lewis Ropp | Independent | | | ● |
| Shandell M. Szabo | Independent | | | ● |

● Nominating and Governance ● Compensation ● Audit ○ Committee Chairperson *Audit Committee Financial Expert

More than
93%
of shareholders approved our say-on-pay proposal at our 2026 Annual Meeting of Stockholders.

## Executive Compensation Aligned with Performance

- The majority of our named executive officers' compensation is at risk and at least 50 percent of our named executive officers' long-term equity-based compensation each year (beginning in 2019) is subject to performance-based vesting conditions.
- Payouts under our annual bonus program and our performance-based long term equity awards are capped at a maximum earning opportunity.

## Compensation Practices That Mitigate Risk

- We maintain stock ownership guidelines for executives and non-employee directors, and we do not allow hedging of our common stock or, without prior consent, pledging of common stock by employees or directors.
- We do not have employment agreements, and we do not provide excise tax gross-ups or excessive perquisites or other benefits.
- We retain an independent compensation consultant and evaluate all elements of compensation based on market-competitive practices.

## ESG PERFORMANCE DATA

We report our results based on the Sustainability Accounting Standards Board (SASB) standards for Oil and Gas – Exploration & Production. The data in this section captures performance across our operations for the calendar year ended December 31, 2025.

## QUANTITATIVE RESULTS: SASB DISCLOSURES

### Activity

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Production | | | | | |
| Total (best for intensity) (Gross Operated MBoe/d) | 107 | 100 | 95 | 99 | 71 |
| Oil (Gross Operated Bbls/d) | 49,397 | 48,741 | 46,589 | 51,723 | 39,267 |
| Natural gas (Gross Operated Mcf/d) | 347,554 | 306,130 | 291,576 | 283,085 | 189,319 |
| Synthetic oil (Gross Operated Mbl/d and (MMcf/d) | 0 | 0 | 0 | 0 | 0 |
| Synthetic natural gas (Gross Operated Mbl/d & (MMcf/d) | 0 | 0 | 0 | 0 | 0 |
| Number of terrestrial sites | 1,330 | 1,290 | 1,221 | 1,179 | 1,153 |

**Note:** Activity metrics for prior years, dating back to 2021, have been recalculated to account for material acquisitions, revisions to calculation methodologies, and the identification of reporting errors. Collectively, these factors resulted in changes that exceeded our significance threshold. Adjustments were made to ensure reported figures accurately represent Magnolia's performance and maintain the integrity, consistency, and comparability of our sustainability reporting over time. Quantitative results for all periods do not include data for Highlander.

### Greenhouse Gas Emissions

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Gross scope 1 GHG emissions | | | | | |
| Total emissions ($tCO_2e$) | 642, 813 | 622,491 | 626,933 | 673,365 | 555,582 |
| Intensity rate ($tCO_2e$/production (Mboe) | 16.41 | 17.05 | 18.05 | 18.65 | 21.49 |
| Methane emissions as a percentage of GHG emissions (Percent on a $CO_2e$ basis) | 20.98 | 23.18 | 27.25 | 29.66 | 35.18 |
| Percentage covered under emissions-limiting regulations | 0 | 0 | 0 | 0 | 0 |
| From flared hydrocarbons ($tCO_2e$) | 81,421 | 96,473 | 68,522 | 123,186 | 125,914 |
| From other combustion ($tCO_2e$) | 442,631 | 400,087 | 403,199 | 360,265 | 246,171 |
| From process emissions ($tCO_2e$) | 1,184 | 513 | 663 | 315 | 0 |
| From other vented emissions ($tCO_2e$) | 73,379 | 81,519 | 99,147 | 136,873 | 133,996 |
| From other fugitive emissions ($tCO_2e$) | 44,198 | 43,899 | 55,402 | 52,726 | 49,502 |
| Gas flared as a percentage of production | 1.4 | 1.9 | 1.4 | 2.6 | 3.9 |
| Scope 2 (indirect) emissions ($tCO_2e$) | | | | | |
| Total Scope 2 emissions | 17,331 | 19,001 | 18,638 | 8,269 | — |
| Houston location | 236 | 205 | 200 | — | — |
| Giddings area | 15,376 | 16,363 | 16,288 | — | — |
| Karnes area | 1,719 | 2,432 | 2,150 | — | — |

**Note:** Greenhouse Gas Emissions metrics for prior years, dating back to 2021, have been recalculated to account for material acquisitions, revisions to calculation methodologies, and the identification of reporting errors. Collectively, these factors resulted in changes that exceeded our significance threshold. Adjustments were made to ensure reported figures accurately represent Magnolia's performance and maintain the integrity, consistency, and comparability of our sustainability reporting over time. Quantitative results for all periods do not include data for Highlander.

### Water Management

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Freshwater | | | | | |
| Total withdrawn [Thousand cubic meters ($m^3$)] | 3,628 | 3,417 | 3,082 | 2,689 | 1,955 |
| Percentage withdrawn in regions with high or extremely high baseline water stress | 0 | 0 | 0 | 0 | 0 |
| Total consumed [Thousand cubic meters ($m^3$)] | 3,628 | 3,417 | 3,082 | 2,689 | 1,955 |
| Percentage consumed in regions with high or extremely high baseline water stress | 0 | 0 | 0 | 0 | 0 |
| Produced Water and Flowback | | | | | |
| Volume generated [Thousand cubic meters ($m^3$)] | 2,533 | 3,014 | 2,089 | 1,289 | 980 |
| Percentage discharged | 0 | 0 | 0 | 0 | 0 |
| Percentage injected | 100 | 100 | 100 | 100 | 100 |
| Percentage recycled | 0 | 0 | 0 | 4.44 | 0.46 |
| Hydrocarbon content [Metric tons (t)] | 0 | 0 | 0 | 0 | 0 |
| Percentage of hydraulically fractured wells for which we publicly disclosed all fracturing fluid chemicals used | 100 | 100 | 100 | 100 | 100 |

### Biodiversity Impacts

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Number of hydrocarbon spills | 24 | 50 | 27 | 37 | 44 |
| Aggregate volume of hydrocarbon spills (Barrels) | | | | | |
| Total | 727 | 486 | 152 | 504 | 995* |
| In the Arctic | 0 | 0 | 0 | 0 | 0 |
| Impacting shorelines with ESI rankings 8-10 | 0 | 0 | 0 | 0 | 0 |
| Percentage of proved reserves in or near sites with protected conservation status or endangered species habitat | 0 | 0 | 0 | 0 | 0 |
| Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat | 0 | 0 | 0 | 0 | 0 |

* 400 of the 995 barrels spilled in 2021 were attributable to the impact of Winter Storm Uri in Texas.

**Note:** Number of hydrocarbon spills and Total Aggregate volumes include spills greater than 1 barrel.

### Workforce Health and Safety

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total recordable incident rate (TRIR) (Number of work-related injuries and illnesses per 200,000 workhours) | 0.38 | 0.38 | 0.86 | 0.49 | 0.57 |
| Fatality rate (Rate per 200,000 workhours) | 0 | 0 | 0.43 | 0 | 0 |
| Near miss frequency rate (Rate per 200,000 workhours) | 20.38 | 19.93 | 9.93 | 10.23 | — |
| Average hours of health, safety, and emergency response training for full-time field employees | 60 | 60 | 60 | 37 | 37 |

**Note:** Workforce Health and Safety Metrics for all periods include employees only.

### Business Ethics and Transparency

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index | 0 | 0 | 0 | 0 | 0 |

### Security, Human Rights & Rights of Indigenous Peoples

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Percentage of (1) proved and (2) probable reserves in or near areas of conflict | 0 | 0 | 0 | 0 | 0 |
| Percentage of (1) proved and (2) probable reserves in or near indigenous land | 0 | 0 | 0 | 0 | 0 |

### Workforce

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total permanent, full-time employees | 262 | 252 | 247 | 213 | 192 |
| Percent of women in workforce | 24 | 23 | 24 | 25 | 26 |
| Percent of minorities in workforce | 28 | 29 | 30 | 30 | 31 |
| Percent of workforce represented by Union | 0 | 0 | 0 | 0 | 0 |

### Critical Incident Risk Management

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Process Safety Event (PSE) rates for Loss of Primary Containment of greater consequence (Tier 1) (Rate per 200,000 workhours) | 1.89 | — | — | — | — |

### Additional Metrics

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Total energy consumption (Gigajoules) | 6,861,096 | 6,216,527 | 6,197,493 | — | — |
| Total electricity consumption (kWh) | 51,583,983 | 54,041,257 | 32,711,944 | — | — |
| Fleet fuel consumption (Gallons) | 246,588 | 253,761 | 203,688 | — | — |

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of present or historical fact included in this report, regarding Magnolia's strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward looking statements. When used in this report, the words could, should, will, may, believe, anticipate, intend, estimate, expect, project, the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations and assumptions about future events. Except as otherwise required by applicable law, Magnolia disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this report. Magnolia cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Magnolia, incident to the development, production, gathering and sale of oil, natural gas and natural gas liquids. In addition, Magnolia cautions you that the forward looking statements contained in this report are subject to the following factors: (i) the market prices of oil, natural gas, NGLs, and other products or services; (ii) the supply and demand for oil, natural gas, NGLs, and other products or services, including impacts of actions taken by OPEC and other state-controlled oil companies; (iii) the outcome of any legal proceedings that may be instituted against Magnolia; (iv) Magnolia's ability to realize the anticipated benefits of its acquisitions, which may be affected by, among other things, competition and the ability of Magnolia to grow and manage growth profitably; (v) legislative, regulatory, or policy changes, including those following the change in presidential administrations; (vi) geopolitical and business conditions in key regions of the world; (vii) cybersecurity threats, including increased use of artificial intelligence technologies; and (viii) the possibility that Magnolia may be adversely affected by other economic, business, and/or competitive factors, including inflation. Should one or more of the risks or uncertainties described in this report occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Additional information concerning these and other factors that may impact the operations and projections discussed herein can be found in Magnolia's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2025. Magnolia's SEC filings are available publicly on the SEC's website at www.sec.gov.

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