

## Risk Factors Comparison 2025-03-06 to 2024-03-08 Form: 10-K

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The following risk factors apply to our business and operations. These risk factors are not exhaustive, and investors are encouraged to perform their own investigation with respect to our business, financial condition and prospects. You should carefully consider the following risk factors in addition to the other information included in this Annual Report, including matters addressed in the section entitled “Cautionary Note Regarding Forward-Looking Statements” and the financial statements and notes to the financial statements included herein. We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business or financial condition. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included herein. As used in the risks described in this subsection, references to “we,” “us,” “our” and the “Company” are intended to refer to Granite Ridge and its consolidated subsidiaries, unless the context clearly indicates otherwise.

**Risks Related to Our Business and Operations** As a non-operator, our development of successful operations relies extensively on third parties, which could have a material adverse effect on our results of operation. We have only participated in wells operated by third parties. The success of our business operations depends on the timing of drilling activities and success of our third-party operators. If our operators are not successful in the development, exploitation, production, and exploration activities relating to our leasehold interests, or are unable or unwilling to perform, our financial condition and results of operation would be materially adversely affected. Our operators will make decisions in connection with their operations (subject to their contractual and legal obligations to other owners of working interests), which may not be in our best interests. We may have no ability to exercise influence over the operational decisions of our operators, including the setting of capital expenditure budgets and drilling locations and schedules. Dependence on third-party operators could prevent us from realizing target returns for those locations. The success and timing of development activities by our operators will depend on a number of factors that will largely be outside of our control, including oil and natural gas prices and other factors generally affecting the industry operating environment; the timing and amount of capital expenditures; their expertise and financial resources; approval of other participants in drilling wells; selection of technology; and the rate of production of reserves, if any. **In recent years, we have also made investments in operated partnerships, which comprise of investments in assets that are drilled, developed and operated by private operators. Our operated partnerships are structured such that we retain significant control over acquisition costs and strategy, development costs, timing and rig schedules, and well design. In these partnerships, while we have more influence over development decisions, we still rely on third-party operators for the execution of these decisions. The success of these partnerships is contingent upon the third-party operators’ ability to effectively implement our development plans. Any failure or delay by these operators in executing our development strategies could materially and adversely affect our financial condition and results of operations. These risks are heightened in a low commodity price environment, which may present significant challenges to our operators. The challenges and risks faced by our operators may be similar to or greater than our own, including with respect to their ability to service their debt, remain in compliance with their debt instruments and, if necessary, access additional capital. Commodity prices and / or other conditions have in the past and may in the future cause oil and gas operators to file for bankruptcy. The insolvency of an operator of any of the Properties, the failure of an operator of any of the Properties to adequately perform operations or an operator’s breach of applicable agreements (including failure to spud or place wells into production) could result in penalties, reduce our production and revenue and result in our liability to governmental authorities for compliance with environmental, safety, and other regulatory requirements, to the operator’s suppliers and vendors and to royalty owners under oil and gas leases jointly owned with the operator or another insolvent owner. Finally, an operator of the Properties may have the right, if another non-operator fails to pay its share of costs because of its insolvency or otherwise, to require us to pay its proportionate share of the defaulting party’s share of costs. The inability of one or more of our operating partners to meet their obligations to us may adversely affect our financial results. Our exposures to credit risk, in part, are through receivables resulting from the sale of our oil and natural gas production, which operating partners market on our behalf to energy marketing companies, refineries, and their affiliates. We are subject to credit risk due to the relative concentration of our oil and natural gas receivables with a limited number of operating partners. This may impact our overall credit risk since these entities may be similarly affected by changes in economic and other conditions. A low commodity price environment may strain our operating partners, which could heighten this risk. The inability or failure of our operating partners to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results. Our business depends on transportation and processing facilities and other assets that are owned by third parties. The marketability of our oil and natural gas depends in part on the availability, proximity and capacity of pipeline systems, processing facilities, oil trucking fleets and rail transportation assets owned by third parties. The lack of available capacity on these systems and facilities, whether as a result of proration, growth in demand outpacing growth in capacity, physical damage, adverse weather events or natural disasters, equipment malfunctions or failures, scheduled or unscheduled maintenance, legal or other reasons, could result in a substantial increase in costs, declines in realized commodity prices, the shut-in of producing wells, or the delay or discontinuance of development plans for the Properties. In many cases, operators are provided only with limited, if any, notice as to when these circumstances will arise and their duration. In addition, our wells may be drilled in locations that are serviced to a limited extent, if at all, by gathering and transportation pipelines, which may or may not have sufficient capacity to**

transport production from all of the wells in the area. As a result, we may rely on third- party oil trucking to transport a significant portion of our production to third- party transportation pipelines, rail loading facilities, and other market access points. In addition, the third parties on whom operators rely for transportation services are subject to complex federal, state, tribal, and local laws that could adversely affect the cost, manner, or feasibility of conducting business on the Properties. Further, concerns about the safety and security of oil and gas transportation by pipeline may result in public opposition to pipeline development and increased regulation of pipelines by the Pipeline and Hazardous Materials Safety Administration, and therefore less capacity to transport our products by pipeline. Any significant curtailment in gathering system or transportation, processing, or refining- facility capacity could reduce our operating partners' ability to market oil production and have an adverse effect on us. Operators' access to transportation options and the prices they receive can also be affected by federal and state regulation — including regulation of oil production, transportation, and pipeline safety — as well as by general economic conditions and changes in supply and demand. The loss of a key member of the Manager' s management team, upon whose knowledge, relationships with industry participants, leadership and technical expertise we rely, could diminish our ability to conduct our operations and harm our ability to execute our business plan. We rely on continued contributions of the members of the Manager' s management team by virtue of the MSA. Our success depends heavily upon the continued contributions of those members of the Manager' s management team whose knowledge, relationships with industry participants, leadership, and technical expertise would be difficult to replace. In particular, our ability to successfully acquire additional properties, to increase our reserves, to participate in drilling opportunities, and to identify and enter into commercial arrangements depends on developing and maintaining close working relationships with industry participants. In addition, our ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment is dependent on the Manager' s management team' s knowledge and expertise in the industry. To continue to develop our business, we rely on the Manager' s management team' s knowledge and expertise in the industry and will use the Manager' s management team' s relationships with industry participants to enter into strategic relationships. The members of the Manager' s management team may terminate their employment with the Manager at any time. If the Manager were to lose key members of its management team, neither the Manager nor we may be able to replace the knowledge or relationships that they possess, and our ability to execute our business plan could be materially harmed. As a result, our operations and financial condition could suffer. Oil and natural gas prices are volatile. Extended declines in such prices have adversely affected, and could in the future adversely affect, our business, financial position, results of operations and cash flow. The oil and natural gas markets are very volatile, and we cannot predict future oil and natural gas prices. Oil and natural gas prices have fluctuated significantly, including periods of rapid and material decline, in recent years. The prices we receive for the oil and natural gas production associated with our working interests heavily influence our production, revenue, cash flows, profitability, reserve bookings and access to capital. Although we seek to mitigate volatility and potential declines in commodity prices through derivative arrangements that hedge a portion of the expected production associated with our working interests, this merely seeks to mitigate (not eliminate) these risks, and such activities come with their own risks. The prices we receive for the production and the levels of the production associated with our working interests depend on numerous factors beyond our control. These factors include, but are not limited to, the following: • changes in global supply and demand for oil and natural gas; • the actions of OPEC and other major oil producing countries; • worldwide and regional economic, political and social conditions impacting the global supply and demand for oil and natural gas, which may be driven by various risks including war, terrorism, political unrest, or health epidemics; • the price and quantity of imports of foreign oil and natural gas; • political and economic conditions, including embargoes, in oil- producing countries or affecting other oil- producing activity, particularly those in the Middle East, Russia, South America and Africa; • the outbreak or escalation of military hostilities, including between Russia and Ukraine, Israel and Hamas, continued instability in the Middle East, and the potential destabilizing effect such conflicts may pose for the European continent or the global oil and natural gas markets; • the level of global oil and natural gas exploration, production activity and inventories; • changes in U. S. energy policy; • weather conditions and world health events; • technological advances affecting energy consumption; • domestic, local and foreign governmental taxes, tariffs and / or regulations; • proximity and capacity of processing, gathering, storage, oil and natural gas pipelines and other transportation facilities; • the price and availability of competitors' supplies of oil and natural gas in captive market areas; and • the price and availability of alternative fuels. These factors and the volatility of the energy markets make it extremely difficult to predict oil and natural gas prices. A substantial or extended decline in oil or natural gas prices, such as the significant and rapid decline that occurred in 2020, has resulted in and could result in future impairments of our proved oil and natural gas properties and may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. To the extent commodity prices received from production are insufficient to fund planned capital expenditures, we may be required to reduce spending or borrow or issue additional equity to cover any such shortfall. Lower oil and natural gas prices may limit our ability to comply with the covenants under any credit facilities (or other debt instruments) and / or limit our ability to access borrowing availability thereunder, which is dependent on many factors including the value of our proved reserves. Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our financial condition or results of operations. Our operating partners' drilling activities are subject to many risks, including the risk that they will not discover commercially productive reservoirs. Drilling for oil or natural gas can be uneconomical, not only from dry holes, but also from productive wells that do not produce sufficient revenues to be commercially viable. In addition, drilling and producing operations on our acreage may be curtailed, delayed, or canceled by the operators of the Properties as a result of other factors, including: • declines in oil or

natural gas prices; • infrastructure limitations, such as gas gathering and processing constraints; • the high cost, shortages or delays of equipment, materials and services; • unexpected operational events, adverse weather conditions and natural disasters, facility or equipment malfunctions, and equipment failures or accidents; • title problems; • pipe or cement failures and casing collapses; • lost or damaged oilfield development and service tools; • compliance with environmental, health, safety and other governmental requirements; • increases in severance taxes; • regulations, restrictions, moratoria and bans on hydraulic fracturing; • unusual or unexpected geological formations, and pressure or irregularities in formations; • loss of drilling fluid circulation; • environmental hazards, such as oil, natural gas or well fluids spills or releases, pipeline or tank ruptures and discharges of toxic gas; • fires, blowouts, craterings and explosions; • uncontrollable flows of oil, natural gas or well fluids; and • pipeline capacity curtailments. In addition to causing curtailments, delays and cancellations of drilling and producing operations, many of these events can cause substantial losses, including personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution, environmental contamination, loss of wells, regulatory penalties and third party claims. We ordinarily maintain insurance against various losses and liabilities arising from our operations; however, insurance against all operational risks is not available to us. Additionally, we may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the perceived risks presented. Losses could therefore occur for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. The occurrence of an event that is not fully covered by insurance could have a material adverse impact on our business activities, financial condition and results of operations. Certain of our undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established or operations are commenced on units containing the acreage or the leases are extended. A portion of our acreage is not currently held by production or held by operations. Unless production in paying quantities is established or operations are commenced on units containing these leases during their terms, the leases will expire. If our leases expire and we are unable to renew the leases, we will lose our right to participate in the development of the related Properties. Drilling plans for these areas are generally in the discretion of third- party operators and are subject to change based on various factors that are beyond our control, such as: the availability and cost of capital, equipment, services and personnel; seasonal conditions; regulatory and third- party approvals; oil and natural gas prices; results of title work; gathering system and other transportation constraints; drilling costs and results; and production costs. As of December 31, 2024, we had leases that were not developed that represented 6, 160 net acres potentially expiring in 2025, 3, 208 net acres potentially expiring in 2026 and 1, 844 net acres potentially expiring in 2027 and beyond. We could experience periods of higher costs as activity levels fluctuate or if commodity prices rise. These increases could reduce our profitability, cash flow, and ability to complete development activities as planned. An increase in commodity prices or other factors could result in increased development activity and investment in our areas of operations, which may increase competition for and cost of equipment, labor and supplies. Shortages of, or increasing costs for, experienced drilling crews and equipment, labor or supplies could restrict our operating partners' ability to conduct desired or expected operations. In addition, capital and operating costs in the oil and natural gas industry have generally risen during periods of increasing commodity prices as producers seek to increase production in order to capitalize on higher commodity prices. In situations where cost inflation exceeds commodity price inflation, our profitability and cash flow, and our operators' ability to complete development activities as scheduled and on budget, may be negatively impacted. Any delay in the drilling of new wells or significant increase in drilling costs could reduce our revenues and cash flows. New technologies may cause the current exploration and drilling methods of our operating partners to become obsolete, and such operators may not be able to keep pace with technological developments in the oil and gas industry. The oil and natural gas industry is subject to rapid and significant advancements in technology, including the introduction of new products and services using new technologies. As competitors use or develop new technologies, we may be placed at a competitive disadvantage, and competitive pressures may force our operating partners to implement new technologies at a substantial cost. In addition, competitors may have greater financial, technical and personnel resources that allow them to enjoy technological advantages, and that may in the future, allow them to implement new technologies before we or our operating partners can. We cannot be certain that we or our operators will be able to implement technologies on a timely basis or at a cost that is acceptable to us. If our operators are unable to maintain technological advancements consistent with industry standards, our business, results of operations and financial condition may be materially adversely affected. Due to previous declines in oil and natural gas prices, we have in the past taken writedowns of the properties that constitute our oil and natural gas properties. We may be required to record further writedowns of our oil and natural gas properties in the future. In 2024 and 2023, we were required to write down the carrying value of certain properties that constitute our oil and natural gas properties, and further writedowns could be required by us in the future. Under the successful efforts method of accounting, capitalized costs related to proved oil and natural gas properties, including wells and related support equipment and facilities, are evaluated for impairment on an annual basis, or more frequently if indicators of impairment exist. If undiscounted cash flows are insufficient to recover the net capitalized costs, an impairment charge for the difference between the net capitalized cost of proved properties and their estimated fair values is recognized. A substantial or extended decline in oil or natural gas prices, could result in future impairments of our proved oil and natural gas properties. Our estimated reserves are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves. Determining the amount of oil and natural gas recoverable from various formations involves significant complexity and uncertainty. No one can measure underground accumulations of oil or natural gas in an exact way. Oil and natural gas reserve engineering requires subjective estimates of underground accumulations of oil

and / or natural gas and assumptions concerning future oil and natural gas prices, production levels, and operating, exploration and development costs. Some of our reserve estimates are made without the benefit of a lengthy production history and are less reliable than estimates based on a lengthy production history. As a result, estimated quantities of proved reserves and projections of future production rates and the timing of development expenditures may prove to be inaccurate. We routinely make estimates of oil and natural gas reserves in connection with managing our business and preparing reports to our lenders and investors, including estimates prepared by our independent reserve engineering firm. Although the reserve information contained herein is reviewed by our independent reserve engineers, estimates of crude oil and natural gas reserves are inherently imprecise. The process also requires economic assumptions about matters such as oil and natural gas prices, development schedules, drilling and operating expenses, capital expenditures, taxes and availability of funds. Some of these assumptions are inherently subjective, and the accuracy of our estimated reserves relies in part on the ability of the Manager's reserve engineers to make accurate assumptions. Any significant variance from these assumptions by actual figures could greatly affect our estimated reserves, the economically recoverable quantities of oil and natural gas attributable to any particular group of properties, the classifications of reserves based on risk of recovery, and estimates of the future net cash flows. Numerous changes over time to the assumptions on which our estimated reserves are based result in the actual quantities of oil and natural gas our operating partners ultimately recover being different from our estimated reserves. Any significant variance could materially affect the estimated quantities and present value of reserves shown in this Annual Report, subsequent reports we file with the SEC or other Company materials. The present value of future net cash flows from our proved reserves is not necessarily the same as the current market value of our estimated proved reserves. We base the estimated discounted future net cash flows from our proved reserves using specified pricing and cost assumptions. However, actual future net cash flows from our oil and natural gas properties will be affected by factors such as the volume, pricing and duration of our oil and natural gas hedging contracts; actual prices we receive for oil and natural gas; our actual operating costs in producing oil and natural gas; the amount and timing of our capital expenditures; the amount and timing of actual production; and changes in governmental regulations or taxation. In addition, the 10 % discount factor we use when calculating discounted future net cash flows may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with our or the oil and natural gas industry in general. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves, which could adversely affect our business, results of operations and financial condition. Our future success depends on our ability to replace reserves that our operators produce. Because the rate of production from oil and natural gas properties generally declines as reserves are depleted, our future success depends upon our ability to economically find or acquire and produce additional oil and natural gas reserves. Except to the extent that we acquire additional properties containing proved reserves, conduct successful exploration and development activities or, through engineering studies, identify additional behind- pipe zones or secondary recovery reserves, our proved reserves will decline as our reserves are produced. Future oil and natural gas production, therefore, is highly dependent upon our level of success in acquiring or finding additional reserves that are economically recoverable. We cannot assure you that we will be able to find or acquire and develop additional reserves at an acceptable cost. We may acquire significant amounts of unproved property to further our development efforts. Development and exploratory drilling and production activities are subject to many risks, including the risk that no commercially productive reservoirs will be discovered. We seek to acquire both proved and producing properties as well as undeveloped acreage that we believe will enhance growth potential and increase our earnings over time. However, we cannot assure you that all of these properties will contain economically viable reserves or that we will not abandon our initial investments. Additionally, we cannot assure you that unproved reserves or undeveloped acreage that we acquire will be profitably developed, that new wells drilled on the Properties will be productive or that we will recover all or any portion of our investments in the Properties and our reserves. Extreme weather conditions could adversely affect operators' ability to conduct drilling activities in some of the areas where the Properties are located. Drilling and producing activities and other operations in some of our operating areas could be adversely affected by extreme weather conditions, such as floods, lightning, drought, ice and other storms, prolonged freeze events, and tornadoes, which may cause a loss of production from temporary cessation of activity, or lost or damaged facilities and equipment on the part of our operating partners. Such extreme weather conditions could also impact other areas of operations for our operating partners, including access to drilling and production facilities for routine operations, maintenance and repairs and the availability of, and access to, necessary third- party services, such as electrical power, water, gathering, processing, compression and transportation services. These constraints and the resulting shortages or high costs could delay or temporarily halt operations on the affected Properties and materially increase operation and capital costs, which could have a material adverse effect on our business, financial condition and results of operations. The development of our proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our undeveloped reserves may not be ultimately developed or produced. Approximately 28 % of our estimated net proved reserves volumes were classified as proved undeveloped as of December 31, 2024. Development of these reserves may take longer and require higher levels of capital expenditures than we currently anticipate. Delays in the development of our reserves or increases in costs to drill and develop such reserves will reduce the PV- 10 value of our estimated proved undeveloped reserves and future net revenues estimated for such reserves and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could cause us to have to reclassify our proved reserves as unproved reserves. Our acquisition strategy will subject us to certain risks associated with the inherent uncertainty in evaluating properties for which we have limited information. We intend to continue to expand our operations in part

through acquisitions. Our decision to acquire a property will depend in part on the evaluation of data obtained from production reports and engineering studies, geophysical and geological analyses and seismic and other information, the results of which are often inconclusive and subject to various interpretations. Also, our reviews of acquired properties are inherently incomplete because it generally is not economically feasible to perform an in- depth review of the individual properties involved in each acquisition. Even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit us to become sufficiently familiar with the properties to fully assess their deficiencies and potential. Inspections are often not performed on properties being acquired, and environmental matters, such as subsurface contamination, are not necessarily observable even when an inspection is undertaken. Any acquisition involves other potential risks, including, among other things: • the validity of our assumptions about reserves, future production, revenues and costs; • a decrease in our liquidity by using a significant portion of our cash from operations or borrowing capacity to finance acquisitions; • a significant increase in our interest expense or financial leverage if we incur additional debt to finance acquisitions; • the ultimate value of any contingent consideration agreed to be paid in an acquisition; • the assumption of unknown liabilities, losses or costs for which we are not indemnified or for which our indemnity is inadequate; • “ geological risk, ” which refers to the risk that hydrocarbons may not be present or, if present, may not be recoverable economically; • an inability to hire, train or retain qualified personnel to manage and operate our growing business and assets; and • an increase in our costs or a decrease in our revenues associated with any potential royalty owner or landowner claims or disputes, or other litigation encountered in connection with an acquisition. We may also acquire multiple assets in a single transaction. Portfolio acquisitions via joint- venture or other structures are more complex and expensive than single project acquisitions, and the risk that a multiple- project acquisition will not close may be greater than in a single- project acquisition. An acquisition of a portfolio of projects may result in our ownership of projects in geographically dispersed markets which place additional demands on our ability to manage such operations. A seller may require that a group of projects be purchased as a package, even though one or more of the projects in the portfolio does not meet our investment criteria. In such cases, we may attempt to make a joint bid with another buyer, and such other buyer may default on its obligations. Further, we may acquire properties subject to known or unknown liabilities and with limited or no recourse to the former owners or operators. As a result, if liability were asserted against us based upon such properties, we may have to pay substantial sums to dispute or remedy the matter, which could adversely affect our cash flow. Unknown liabilities with respect to assets acquired could include, for example: liabilities for clean- up of undiscovered or undisclosed environmental contamination; claims by developers, site owners, vendors or other persons relating to the asset or project site; liabilities incurred in the ordinary course of business; and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the asset or project sites. We may not be able to successfully integrate future acquisitions or realize all of the anticipated benefits from our future acquisitions, and our future results will suffer if we do not effectively manage our expanded operations. Our growth strategy will, in part, rely on acquisitions. We have to plan and manage acquisitions effectively to achieve revenue growth and maintain profitability in our evolving market. Our future success will depend, in part, upon our ability to manage our expanded business, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and basins and associated increased costs and complexity. We may also face increased scrutiny from governmental authorities as a result of increases in the size of our business. There can be no assurances that we will be successful or that we will realize the expected benefits currently anticipated from our acquisitions. In addition, the process of integrating our operations could cause an interruption of, or loss of momentum in, the activities of our business. Members of our and the Manager’ s management may be required to devote considerable amounts of time to this integration process, which decreases the time they have to manage our business. If management is not able to effectively manage the integration process, or if any business activities are interrupted as a result of the integration process, our business could suffer. Deficiencies of title to our leased interests could significantly affect our financial condition. Prior to drilling an oil or natural gas well, it is the normal practice in the oil and natural gas industry for the person or company acting as the operator of the well to obtain a preliminary title review of the spacing unit within which the proposed oil or natural gas well is to be drilled to ensure there are no obvious deficiencies in title to the well. Frequently, as a result of such examinations, certain curative work must be done to correct deficiencies in the marketability of the title, such as obtaining affidavits of heirship or causing an estate to be administered. Such curative work entails expense, and the operator may elect to proceed with a well despite defects to the title identified in the preliminary title opinion. Furthermore, title issues may arise at a later date that were not initially detected in any title review or examination. Any one or more of the foregoing could require us to reverse revenues previously recognized and potentially negatively affect our cash flows and results of operations. While we typically conduct title examination prior to our acquisition of oil and natural gas leases or undivided interests in oil and natural gas leases or other developed rights, any failure to obtain perfect title to our leaseholds may adversely affect our current production and reserves and our ability in the future to increase production and reserves. Our derivatives activities could adversely affect our cash flow, results of operations and financial condition. To achieve more predictable cash flows and reduce our exposure to adverse fluctuations in the price of oil and natural gas, we enter into derivative instrument contracts for a portion of our expected production, which may include swaps, collars, puts and other structures. In accordance with applicable accounting principles, we are required to record our derivatives at fair market value, and recognize all gains and losses on such instruments in earnings in the period in which they occur. Accordingly, our earnings may fluctuate significantly as a result of changes in the fair market value of our derivative instruments. In addition, while intended to mitigate the effects of volatile oil and natural gas prices, our derivatives transactions may limit our potential gains and increase our

potential losses if oil and natural gas prices were to rise substantially over the price established by the hedge. Our actual future production may be significantly higher or lower than our estimates at the time we enter into derivative contracts for such period. If the actual amount of production is higher than we estimate, we will have greater commodity price exposure than we intended. If the actual amount of production is lower than the notional amount that is subject to our derivative financial instruments, we may be forced to satisfy all or a portion of our derivative transactions without the benefit of the cash flow from our sale of the underlying physical commodity, resulting in a substantial diminution of our liquidity. As a result of these factors, our hedging activities may not be as effective as we intend in reducing the volatility of our cash flows, and in certain circumstances may actually increase the volatility of our cash flows. In addition, such transactions may expose us to the risk of loss in certain circumstances, including instances in which a counterparty to our derivative contracts is unable to satisfy our obligations under the contracts; our production is less than expected; or there is a widening of price differentials between delivery points for our production and the delivery point assumed in the derivative arrangement. Decommissioning costs are unknown and may be substantial. Unplanned costs could divert resources from other projects. We may become responsible for costs associated with plugging, abandoning and reclaiming wells, pipelines and other facilities that our operators use for production of oil and natural gas reserves. Abandonment and reclamation of these facilities and the costs associated therewith is often referred to as “decommissioning.” We accrue a liability for decommissioning costs associated with our operators’ wells but have not established any cash reserve account for these potential costs in respect of any of the Properties. If decommissioning is required before economic depletion of the Properties or if our estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time to cover such decommissioning costs, we may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could impair our ability to focus capital investment in other areas of our business. We are not insured against all of the operating risks to which our business is exposed. In accordance with industry practice, we maintain insurance against some, but not all, of the operating risks to which our business is exposed. We insure some, but not all, of the Properties from operational loss-related events. We have insurance policies that include coverage for general liability, operational control of well, oil pollution, workers’ compensation and employers’ liability and other coverage. Our insurance coverage includes deductibles that have to be met prior to recovery, as well as sub-limits or self-insurance. Additionally, our insurance is subject to exclusions and limitations, and there is no assurance that such coverage will adequately protect us against liability from all potential consequences, damages or losses. We may be liable for damages from an event relating to a project in which we own a non-operating working interest. Such events may also cause a significant interruption to our business, which might also severely impact our financial position. We may experience production interruptions for which we do not have production interruption insurance. We intend to reevaluate the purchase of insurance, policy limits and terms annually. Future insurance coverage for our industry could increase in cost and may include higher deductibles or retentions. In addition, some forms of insurance may become unavailable in the future or unavailable on terms that we believe are economically acceptable. No assurance can be given that we will be able to maintain insurance in the future at rates that we consider reasonable, and we may elect to maintain minimal or no insurance coverage. We may not be able to secure additional insurance or bonding that might be required by new governmental regulations. This may cause us to restrict our operations, which might severely impact our financial position. The occurrence of a significant event, not fully insured against, could have a material adverse effect on our financial condition and results of operations. We conduct business in a highly competitive industry. The oil and natural gas industry is highly competitive. The key areas in respect of which we face competition include: acquisition of assets offered for sale by other companies; access to capital (debt and equity) for financing and operational purposes; purchasing, leasing, hiring, chartering or other procuring of equipment by our operators that may be scarce; and employment of qualified and experienced skilled management and oil and natural gas professionals. Competition in our markets is intense and depends, among other things, on the number of competitors in the market, their financial resources, their degree of geological, geophysical, engineering and management expertise and capabilities, their pricing policies, their ability to develop properties on time and on budget, their ability to select, acquire and develop reserves and their ability to foster and maintain relationships with the relevant authorities. Our competitors also include entities with greater technical, physical and financial resources. Finally, companies and certain private equity firms not previously investing in oil and natural gas may choose to acquire reserves to establish a firm supply or simply as an investment. Any such companies will also increase market competition which may directly affect our business. If we are unsuccessful in competing against other companies, our business, results of operations, financial condition or prospects could be materially adversely affected. We and our operating partners depend on computer and telecommunications systems, and failures in those systems or cybersecurity threats, attacks and other disruptions could significantly disrupt our business operations. We and the Manager have entered into agreements with third parties for hardware, software, telecommunications and other information technology services in connection with our business. In addition, we and the Manager have developed or may develop proprietary software systems, management techniques and other information and operational technologies incorporating software licensed from third parties. It is possible that we, the Manager, or these third parties, could incur interruptions from cybersecurity attacks, computer viruses or malware, user error, or that third-party service providers could cause a breach of our systems or our data. We believe that we and the Manager have positive relations with their information and operational technology vendors; however, any interruptions to our or the Manager’s arrangements with third parties for their computing, communications, or operational infrastructure or any other interruptions to, or breaches of, their information or operational systems could lead to data corruption, communication interruption, corruption or loss of sensitive or confidential information, misdirected wire transfers, and an inability to

perform services for our customers; complete or settle transactions; maintain our books and records; prevent environmental damage; and maintain communications or operations; or otherwise significantly disrupt our business operations. Although we and the Manager utilize various procedures and controls designed to monitor these threats and mitigate exposure to such threats, there can be no assurance that these procedures and controls will be sufficient in preventing security threats from materializing. Furthermore, various third-party resources that we or the Manager rely on, directly or indirectly, in the operation of our business (such as pipelines and other infrastructure) could suffer interruptions or breaches from cyberattacks or similar events that are entirely outside the control of us or the Manager, and any such events could significantly disrupt our business operations and / or have a material adverse effect on our results of operations. As of the date of this Annual Report, we have not, to our knowledge, experienced any material losses relating to cyberattacks; however, there can be no assurance that we will not suffer material losses in the future. We are not able to anticipate, detect or prevent all cyberattacks, particularly because the methodologies used by attackers change frequently or may not be recognized until an attack is already underway or significantly thereafter, and because attackers are increasingly using technologies designed to circumvent cybersecurity measures and avoid detection. Cybersecurity attacks are also becoming more sophisticated and include, but are not limited to, ransomware, credential stuffing, spear phishing, social engineering, use of deepfakes (i. e., highly realistic synthetic media generated by artificial intelligence) and other attempts to gain unauthorized access to data for purposes of extortion or other malfeasance. Additionally, as cyberattacks become more sophisticated, we may incur significant cost to upgrade or enhance our security measures and procedures to protect against such cyberattacks. In addition, our operating partners face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable, threats to the security of their facilities and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines, and threats from terrorist acts. If any of these security breaches were to occur, they could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our financial position, results of operations or cash flows. The U. S. government has issued warnings that U. S. energy assets may be the future targets of terrorist organizations. These developments subject our operations to increased risks. Any future terrorist attack at our operating partners' facilities, or those of their purchasers or vendors, could have a material adverse effect on our financial condition and operations. We are subject to various laws related to data privacy and cybersecurity. These data laws are not uniform and as the privacy legal landscape develops, we may need to incur additional costs to upgrade or enhance our compliance measures. Any failure or perceived failure by us, the Manager, or our third-party service providers to comply with such data privacy and cybersecurity laws or any unauthorized access or improper disclosure of our data could have a material adverse effect on our financial condition and operations. A variety of stringent federal, tribal, state, and local laws and regulations govern the environmental aspects of the oil and gas business, and noncompliance with these laws and regulations could subject us to material administrative, civil or criminal penalties, injunctive relief, or other liabilities. A variety of stringent federal, tribal, state, and local laws and regulations govern the environmental aspects of the oil and gas business. Any noncompliance with these laws and regulations could subject us to material administrative, civil or criminal penalties, injunctive relief, or other liabilities. Additionally, compliance with these laws and regulations may, from time to time, result in increased costs of operations, delay in operations, or decreased production, and may affect acquisition costs. Examples of laws and regulations that govern the environmental aspects of the oil and gas business include the following: • the CAA, which restricts the emission of air pollutants from many sources, imposes various pre-construction, operating, permitting monitoring, control, recordkeeping, and reporting requirements and is relied upon by the EPA as an authority for adopting climate change regulatory initiatives, including relating to GHG emissions; • the CWA, which regulates discharges of pollutants and dredge and fill material to state and federal waters and establishes the extent to which waterways are subject to federal jurisdiction as protected waters of the United States; • the OPA, which requires oil spill prevention, control, and countermeasure planning and imposes liabilities for removal costs and damages arising from an oil spill into waters of the United States; • the SDWA, which protects the quality of the nation's public drinking water sources through adoption of drinking water standards and control over the subsurface injection of fluids into belowground formations; • the CERCLA, which imposes liability without regard to fault on certain categories of potentially responsible parties including generators, transporters and arrangers of hazardous substances at sites where hazardous substance releases have occurred or are threatening to occur, as well as on present and certain past owners and operators of sites where hazardous substance releases have occurred or are threatening to occur; • the RCRA, which imposes requirements for the generation, treatment, storage, transport, disposal and cleanup of non-hazardous and hazardous wastes; • the Endangered Species Act ("ESA"), which restricts activities that may affect federally identified endangered and threatened species or their habitats through the implementation of operating limitations or restrictions or a temporary, seasonal or permanent ban on operations in affected areas. Similar protections are afforded to migratory birds under the Migratory Bird Treaty Act ("MBTA") and bald and golden eagles under the Bald and Golden Eagle Protection Act ("BGEPA"); • the EPCRA, which requires certain facilities to report toxic chemical uses, inventories, and releases and to disseminate such information to local emergency planning committees and response departments; and • the OSHA and comparable state statutes, which impose regulations related to the protection of worker health and safety, including requiring employers to implement a hazard communication program and disseminate hazard information to employees. These U. S. laws and their implementing regulations, as well as state counterparts, generally restrict or otherwise regulate the management of hazardous substances and wastes, the level of pollutants emitted to ambient air, discharges to surface water, and disposals or other releases to surface and below-ground soils and groundwater, including through permitting requirements, monitoring and reporting

requirements, limitations or prohibitions of operations on certain protected areas, requirements to install certain emissions monitoring or control equipment, spill planning and preparedness requirements, and the application of specific worker health and safety criteria (see Item 1." Business- Governmental Regulation and Environmental Matters" and Item 1." Business- Climate Change" for further discussion). Failure to comply with applicable environmental laws and regulations by us or third- party operators or contractors could trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements or other corrective measures, and the issuance of orders enjoining existing or future operations. In addition, we or our operating partners may be strictly liable under state or federal laws for environmental damages caused by the previous owners or operators of properties they purchase, without regard to fault. Environmental laws and regulations change frequently and tend to become more stringent over time, and the implementation of new, or the modification of existing, laws or regulations could adversely affect our business. For example, the regulation of methane from oil and gas facilities has been subject to uncertainty in recent years. Most recently, in December 2023, the EPA finalized more stringent methane rules for new, modified, and reconstructed facilities, known as OOOOb, as well as standards for existing sources for the first time ever, known as OOOOc. Under the final rules, states have two years to prepare and submit their plans to impose methane emission controls on existing sources. The presumptive standards established under the final rule are generally the same for both new and existing sources and include enhanced leak detection survey requirements using optical gas imaging and other advanced monitoring to encourage the deployment of innovative technologies to detect and reduce methane emissions, reduction of emissions by 95 % through capture and control systems, zero- emission requirements for certain devices, and the establishment of a " super emitter " response program that would allow third parties to make reports to EPA of large methane emission events, triggering certain investigation and repair requirements. Fines and penalties for violations of these rules can be substantial. The rules have been subject to legal challenge, and in February 2025, the D. C. Circuit granted the EPA' s motion to hold the cases in abeyance while the agency reviews the final rules. While the Trump Administration may take action to repeal or modify the final rules, we cannot predict the substance or timing of such changes, if any. However, the requirements of the EPA' s final methane rules have the potential to increase the operating costs of our operators and thus may adversely affect our financial results and cash flows. Moreover, failure to comply with these CAA requirements can result in the imposition of substantial fines and penalties as well as costly injunctive relief. These rules could further increase the cost of development and operation of the Properties. Additionally, some states in which the Properties are located, such as Colorado and New Mexico, have adopted stringent rules and regulations to reduce methane emissions and emissions of other hydrocarbons, VOCs, and nitrogen oxides associated with oil and gas facilities. For example, the Colorado Department of Public Health and Environment' s Air Quality Control Commission (" AQCC ") have adopted more stringent standards for leak detection and repair inspection frequency, pipeline and compressor station inspection and maintenance frequencies, the development of pre- production air monitoring plans at certain oil and gas facilities, enclosed combustion device testing, a methane intensity reduction requirement based on statewide volume of production and additional measures for reducing and eliminating emissions from pneumatic devices. AQCC is expected to undertake several additional rulemaking efforts to further reduce emissions over the next several years. Additionally, the Colorado Energy and Carbon Management Commission in October 2024 finalized rules that consider the cumulative impacts of air emissions from oil and gas projects in permitting decisions. State rules and regulations such as these could significantly increase the costs to develop and operate the Properties, result in a delay in operations or decreased production, and may affect acquisition costs. We anticipate that hydraulic fracturing will be engaged in by some or all opportunities in which we invest, which could be adversely affected by regulatory initiatives related to hydraulic fracturing. Hydraulic fracturing is an important and commonly used process that we anticipate will be engaged in by some or all opportunities in which it invests. Hydraulic fracturing is used to stimulate production of natural gas and / or oil from dense subsurface rock formations. The EPA has asserted authority over certain hydraulic- fracturing activities that use diesel fuel under the SDWA. In addition, legislation such as the Fracturing Responsibility and Awareness of Chemicals Act and similar proposals have been repeatedly introduced before Congress to provide for federal regulation of hydraulic fracturing, such as through disclosure requirements for chemical additives used in hydraulic fracturing fluids. Certain states (including states in which the Properties are located) have adopted, and other states are considering adopting, regulations that could impose more stringent permitting and well construction requirements on hydraulic- fracturing operations or seek to ban fracturing activities altogether. For example, Colorado Senate Bill 19- 181 amended state law to give municipalities and counties greater local control over siting and permitting of oil and gas facilities, and some municipalities within the state have implemented regulations within their jurisdictions. In the event federal, tribal, state, local, or municipal legal restrictions are adopted in our target areas, the investments may incur significant additional compliance costs, experience delays in exploration, development, or production activities, and perhaps even be precluded from the drilling of wells. A number of governmental bodies, including the EPA, a committee of the U. S. House of Representatives, the U. S. Department of Energy, and a number of other federal agencies have from time to time analyzed, or have been requested to review, a variety of environmental issues associated with hydraulic fracturing. As these studies proceed, and depending on their scope and results, they could spur initiatives to further regulate hydraulic fracturing under the SDWA or other regulatory programs. This, in turn, could lead to operational delays or increased operating costs in the production of oil and natural gas, including from the developing shale plays, or could make it more difficult to perform hydraulic fracturing, which could adversely affect the investments. Seismicity concerns associated with injection of produced water and certain other field fluids into disposal wells has led to increased regulation of saltwater injection and

disposal wells in certain areas of states in which the Properties are located, which could increase the cost of, or limit the number of facilities available for, disposal of produced water from oil and gas exploration and production operations at the Properties. Flowback and produced water or certain other field fluids gathered from oil and natural gas exploration and production operations are often injected or disposed of in underground disposal wells. This disposal process has been linked to increased induced seismicity events in certain areas of the country. Certain states (including states in which the Properties are located) have begun to consider or adopt laws and regulations that may restrict or otherwise prohibit oilfield fluid disposal in certain areas or in underground disposal wells, and state agencies implementing these requirements may issue orders directing certain wells where seismic incidents have occurred to restrict or suspend disposal well operations or impose standards related to disposal well construction and monitoring. For example, the Colorado Oil and Gas Conservation Commission adopted regulations in November 2020 that impose various new requirements on the underground injection of fluid wastes to further seismic safety and protection of the environment. In addition, in 2014, the RRC published a final rule governing permitting or re-permitting of disposal wells that would require, among other things, the submission of information on seismic events occurring within a specified radius of the disposal well location, as well as logs, geologic cross sections and structure maps relating to the disposal area in question. If the permittee or an applicant of a disposal well permit fails to demonstrate that the injected fluids are confined to the disposal zone or if scientific data indicates such a disposal well is likely to be or determined to be contributing to seismic activity, then the RRC may deny, modify, suspend or terminate the permit application or existing operating permit for that well. Furthermore, in response to a number of earthquakes in recent years in the Midland Basin, in September 2021 the RRC announced that it will not issue any new SWD well permits in the SRA area, and will require existing SWD wells in that area to reduce their maximum daily injection rate to 10,000 barrels per day per well. In December 2021, the RRC went on to suspend all well activity in deep formations in the Gardendale SRA, effectively terminating 33 disposal well permits. And in October 2021 and January 2022, respectively, the RRC identified two additional SRAs: the Northern Culberson-Reeves SRA and the Stanton SRA. Operators in the Northern Culberson-Reeves and Stanton SRAs were required to develop and implement seismic response plans, which include expanded data collection efforts, contingency responses for future seismicity, and scheduled checkpoint updates with RRC staff. In December 2023, the RRC suspended the permits of 23 deep disposal wells in a seismic response area in the Northern Culberson-Reeves SRA. Such restrictions and requirements could limit oil and gas well exploration and production activities underlying the investments or increase the cost of those activities if wastewater disposal options become limited (see Item 1." Business-Governmental Regulation and Environmental Matters- Environmental Matters" for further discussion). Specific climate legislation and regulation regarding emissions of carbon dioxide, methane, and other greenhouse gases may develop or be enacted, which could adversely affect the oil and gas industry and demand for the oil and gas produced from the Properties. The energy industry is affected from time to time in varying degrees by political developments and a wide range of federal, tribal, state and local statutes, rules, orders and regulations that may, in turn, affect the operations and costs of the companies engaged in the energy industry. In response to findings that emissions of carbon dioxide, methane, and other GHGs present an endangerment to public health and the environment, the EPA has adopted regulations under existing provisions of the CAA that, among other things, require preconstruction and operating permits for GHG emissions from certain large stationary sources that already emit conventional pollutants above a certain threshold. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore and offshore oil and gas production sources in the United States on an annual basis, which may include operations on the Properties. Further, the IRA, which the U. S. Congress passed in August 2022, includes a charge for methane emissions from specific types of facilities that emit 25,000 metric tons of carbon dioxide equivalent or more per year, and although the IRA generally provides for a conditional exemption under certain circumstances, the charge applies to emissions that exceed an established emissions threshold for each type of covered facility. The charge starts at \$ 900 per metric ton of methane in 2025 (using 2024 data), and increases to \$ 1,500 after two years. In the absence of comprehensive federal climate legislation, a number of state and regional efforts have emerged that are aimed at tracking or reducing GHG emissions by means of cap and trade programs. These programs typically require major sources of GHG emissions to acquire and surrender emission allowances in return for emitting those GHGs. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact us, any future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, operators' equipment and operations could require them to incur costs to reduce emissions of GHGs associated with their operations. In addition, substantial limitations on GHG emissions could adversely affect demand for the oil and gas produced from the Properties. Restrictions on emissions of methane or carbon dioxide, such as restrictions on venting and flaring of natural gas, that may be imposed in various states, as well as state and local climate change initiatives, such as increased energy efficiency standards or mandates for renewable energy sources, could adversely affect the oil and gas industry, and, at this time, it is not possible to accurately estimate how potential future laws or regulations addressing GHG emissions would impact oil and gas assets. Finally, it should be noted that climate changes may have significant physical effects, such as increased frequency and severity of storms, freezes, floods, drought, hurricanes and other climatic events; if any of these effects were to occur, they could have an adverse effect on us. In addition, spurred by increasing concerns regarding climate change, the oil and natural gas industry faces demand for corporate transparency and a demonstrated commitment to sustainability goals. ESG programs and goals, which are often aspirational, and which may include voluntary targets related to environmental stewardship, social responsibility, and corporate governance, have become an increasing, and sometimes conflicting, focus of certain investors and stakeholders, and companies that are perceived to be ESG laggards or are without robust ESG programs may find access to capital and investors more challenging in the

future. Further, while reporting on most ESG information is, generally, currently voluntary, in March 2024, the SEC finalized rules establishing a framework for the reporting of climate risks, targets, and metrics. However, the future of the rule is uncertain at this time given that its implementation has been stayed pending the outcome of legal challenges as well as changed priorities under the new Presidential administration that could impact the fate of the final rules, though the timing and impact of any such changes are difficult to predict at this time. Fuel and energy conservation measures, technological advances and negative shift in market perception towards the oil and natural gas industry could reduce demand for oil and natural gas. Fuel and energy conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices, and the increased competitiveness of alternative energy sources could reduce demand for oil and natural gas. Additionally, the increased competitiveness of alternative energy sources (such as electric vehicles, wind, solar, geothermal, tidal, fuel cells and biofuels) could reduce demand for oil and natural gas and, therefore, our revenues. Additionally, certain segments of the investor community have recently expressed negative sentiment towards investing in the oil and natural gas industry. Recent equity returns in the sector versus other industry sectors have led to lower oil and natural gas representation in certain key equity market indices. Some investors, including certain pension funds, university endowments and family foundations, have stated policies to reduce or eliminate their investments in the oil and natural gas sector based on social and environmental considerations. Furthermore, certain other stakeholders have pressured commercial and investment banks to stop funding oil and gas exploration and production and related infrastructure projects. With the continued volatility in oil and natural gas prices, and the possibility that interest rates will continue to rise in the future, increasing the cost of borrowing, certain investors have emphasized capital efficiency and free cash flow from earnings as key drivers for energy companies, especially shale producers. This may also result in a reduction of available capital funding for potential development projects, further impacting our future financial results. The impact of the changing demand for oil and natural gas services and products, together with a change in investor sentiment, may have a material adverse effect on our business, financial condition, results of operations and cash flows. Increased attention to ESG matters may impact our business. Increased attention to climate change, fuel conservation measures, alternative fuel requirements, incentives to conserve energy or use alternative energy sources, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices may result in increased costs, reduced demand for our products, reduced profits, increased investigations and litigation, and negative impacts on our access to capital markets. Increased attention to climate change and any related negative public perception regarding us and / or our industry, for example, may result in demand shifts for our products, increased litigation risk for us, and increased, and sometimes conflicting, regulatory, legislative and judicial scrutiny, which may, in turn, lead to new state, local, tribal and federal safety and environmental laws, regulations, guidelines and enforcement interpretations. In addition, certain organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. While such ratings do not impact all investors' investment or voting decisions, unfavorable ESG ratings and recent activism directed at shifting funding away from companies with energy- related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our access to and costs of capital. Also, institutional lenders may, of their own accord, elect not to provide or place additional restrictions on funding for fossil fuel energy companies based on climate change related concerns, which could affect our access to capital for potential growth projects. We rely on the Manager for various certain key services under the MSA, which could result in conflicts of interest and other unforeseen risks. Under the MSA with the Manager, our success depends upon the Manager who will have overall supervision and control certain business affairs of us and our investment activities. Further, the employees of the Manager and its respective principals and managers (as applicable) will devote a portion of their time to the affairs of our business for the proper performance of their duties. However, other investment activities of the Manager are likely to require those individuals to devote substantial amounts of their time to matters unrelated to our business. Pursuant to the MSA, we will be offered the opportunity to participate in certain of these activities. The MSA provides for the Manager to offer us the opportunity to participate in certain investments made by funds affiliated with the Manager and for us to offer such funds the opportunity to participate in certain investments made by us. The Manager may make investments on behalf of its funds that are not a part of our Company or in which such funds may co- invest with us, any such transactions may involve conflicts of interest among us, the Manager, and their affiliates, some or all of which may not be thought of or taken into account in reviewing and approving such transactions. In certain events, the Manager may not be in a position unilaterally to control such investments or exercise certain rights associated with such investments. We may be subject to conflicts of interest involving the Manager and its affiliates, and the Manager may enter into relationships with developers, co- owners or other affiliates, some of which may give rise to conflicts of interest. To the extent not addressed by the MSA, we and the Manager have implemented policies as necessary or appropriate to deal with such potential conflicts. Investment analyses and decisions by the Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time of making an investment decision may be limited, and the Manager may not have access to complete information regarding the investment. Therefore, no assurance can be given that the Manager will have knowledge of all circumstances that may adversely affect an investment. In addition, the Manager expects to rely upon specialized expert input by various third- party consultants and service providers in connection with its evaluation of proposed investments. Additionally, if the MSA is terminated or not renewed upon the end of its term, it may be difficult for us to hire the necessary personnel

in a timely manner to handle the matters and services being provided by the Manager, which could have a material adverse effect on our business and results of operations. We rely to a large degree on the Manager to maintain an effective system of internal control over financial reporting and we may not be able to accurately report our financial results or prevent fraud. Under the terms of the MSA, we must rely to a large extent on the internal controls and financial reporting controls of the Manager, and the Manager's failure to maintain effective controls or comply with applicable standards may adversely affect us. On March 3, 2023, the Audit Committee of our Board of Directors concluded that our previously issued unaudited condensed combined financial statements as of and for the three and nine month periods ended September 30, 2022, included in the Company's Quarterly Report on Form 10-Q filed on November 14, 2022 were materially misstated. In addition, the Company did not have effective controls over Information Technology General Controls pertaining to user access management. In connection with the material misstatement and lack of effective user access controls, our Company's management identified material weaknesses in our disclosure controls and internal control over financial reporting. In addition, any failure of the Manager to remediate any identified material weakness, or any future failure of the Manager to maintain adequate internal controls over financial reporting or to implement required, new or improved controls, or difficulties encountered in their implementation, could cause additional material weaknesses or significant deficiencies in our financial reporting and could result in errors or misstatements in our consolidated financial statements that could be material. Any third-party failure to achieve and maintain effective internal controls could have a material adverse effect on our business, our ability to access capital markets and investors' perception of us. Additionally, if we or our independent registered public accounting firm were to conclude that third-party internal controls over financial reporting were not effective, any material weaknesses in such internal controls could require significant expense and management time to remediate. The borrowing base under our Credit Agreement may be reduced in light of commodity price declines, which could limit us in the future. At the closing of the Business Combination, we entered into a Credit Agreement, secured by a first priority mortgage and security interest in substantially all of our assets and our restricted subsidiaries. Availability under the Credit Agreement is limited to the aggregate commitments of the lenders, which is the least of the aggregate maximum credit amounts of the lenders, the borrowing base and the elected commitment amount chosen by us and, in the case of an elected commitment increase, consented to by the increasing lender (s). Our borrowing base under the Credit Agreement will depend on, among other things, the value of the proved reserves attributed to, and projected revenues from, the oil and natural gas properties securing our Credit Agreement, many of which factors are beyond our control. Accordingly, lower commodity volumes and prices may reduce the available amount of our borrowing base under the Credit Agreement. Our borrowing base is determined at the discretion of the lenders party to the Credit Agreement and is subject to semi-annual redeterminations, as well as any special redeterminations described in the Credit Agreement. We may reset the elected commitment amount under the Credit Agreement in conjunction with each borrowing base redetermination. Upon a redetermination of the borrowing base, if borrowings in excess of the revised borrowing capacity are outstanding, we would be required to repay the excess or otherwise remedy the deficiency in accordance with the terms of the Credit Agreement. We may not have sufficient funds to make such repayments, and may not have access to the equity or debt capital markets, at the time such repayment obligations are due. If we do not have sufficient funds and are otherwise unable to raise sufficient funds, negotiate renewals of our borrowings or arrange new financing, we may have to sell significant assets. Any such sale could have a material adverse effect on our business and financial results. Please see the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Condition — Liquidity and Capital Resources — Granite Ridge Credit Agreement" for more information. Risks Relating to Ownership of Our Common Stock Sales of our common stock by our securityholders (or the perception that such shares may be sold) or issuances by us may cause the market price of our securities to drop significantly, even if our business is doing well. The sale of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that it deems appropriate. In addition, the shares of our common stock reserved for future issuance under the Granite Ridge 2022 Omnibus Incentive Plan (the "Incentive Plan") will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting requirements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144. The maximum number of shares of our common stock reserved for issuance to directors, officers, employees and consultants or advisors employed by or providing service to the Company under our equity incentive plans is 6.5 million, which represented approximately 4.9% of the shares of our common stock outstanding following the consummation of the Business Combination. As of December 31, 2024, the Company had 5.0 million shares of common stock remaining available for future awards under the Incentive Plan. We have filed a registration statement on Form S-8 under the Securities Act of 1933, as amended (the "Securities Act") to register shares of our common stock or securities convertible into or exchangeable for shares of our common stock issued pursuant to the Incentive Plan. Accordingly, shares registered under such registration statements are available for sale in the open market. In the future, we may also issue securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our stockholders and may have an adverse effect on the price of shares of our common stock. We qualify as an "emerging growth company" within the meaning of the Securities Act and avail ourselves of certain exemptions from disclosure requirements available to emerging growth companies, which could make our securities less attractive to investors and

may make it more difficult to compare our performance to the performance of other public companies. We qualify as an “emerging growth company” as defined in Section 2 (a) (19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As such, we are eligible for and take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as we continue to be an emerging growth company, including, but not limited to, (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (iii) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We will remain an emerging growth company until the earliest of the last day of the fiscal year (a) following September 18, 2025, (b) in which we have total annual gross revenue of at least \$ 1. 235 billion or (c) in which we are deemed to be a large accelerated filer, which means (1) the market value of our common stock that is held by non- affiliates exceeds \$ 700 million as of the last business day of our most recently completed second fiscal quarter (2) has been subject to compliance with periodic reporting requirements for a period of at least 12 months, and (3) the date on which we have issued more than \$ 1. 0 billion in non- convertible debt securities during the prior three year period. We cannot predict whether investors will find our securities less attractive because it will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile. Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. We take advantage of the benefits of such extended transition period, which means that when a standard is issued or revised and we have different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. Future issuances of debt securities and / or equity securities may adversely affect us, including the market price of our common stock, and may be dilutive to our existing stockholders. In the future, we may incur debt and / or issue equity ranking senior to our common stock. Those securities will generally have priority upon liquidation. Such securities also may be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock. Because our decision to issue debt and / or equity in the future will depend, in part, on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. As a result, future capital raising efforts may reduce the market price of our common stock and be dilutive to our existing stockholders. Anti- takeover provisions in our organizational documents could delay or prevent a change of control. Certain provisions of our amended and restated certificate of incorporation and our amended and restated bylaws may have an anti- takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in their best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions, among other things: • establish a staggered board of directors divided into three classes serving staggered three- year terms, such that not all members of our Board will be elected at one time; • authorize our Board to issue new series of preferred stock without stockholder approval and create, subject to applicable law, a series of preferred stock with preferential rights to dividends or our assets upon liquidation, or with superior voting rights to existing common stock; • eliminate the ability of stockholders to call special meetings of stockholders; • eliminate the ability of stockholders to fill vacancies on our Board; • establish advance notice requirements for nominations for election to our Board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings; • permit our Board to establish the number of directors; • provide that our Board is expressly authorized to make, alter or repeal our amended and restated bylaws; • provide that stockholders can remove directors only for cause; and • limit the jurisdictions in which certain stockholder litigation may be brought. These anti- takeover provisions could make it more difficult for a third- party to acquire us, even if the third party’ s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. Our amended and restated certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities. Our amended and restated certificate of incorporation provides that we, to the fullest extent provided by law, renounce any expectancy that our directors or officers will offer to us any corporate opportunity to which it becomes aware, except to the extent such corporate opportunity was offered to such person solely in his or her capacity as a director or officer of ours. Officers and directors, including those nominated by the funds managed by Grey Rock or its affiliates, may become aware, from time to time, of certain business opportunities (such as acquisition opportunities) and may direct such opportunities to affiliates (subject to the MSA that sets forth an allocation of certain acquisition opportunities between us and funds associated with the Manager) or other businesses in which they have

invested or are otherwise associated, in which case we may not become aware of or otherwise have the ability to pursue such opportunity. Further, such businesses may choose to compete with us for these opportunities, possibly causing these opportunities to not be available to us or causing them to be more expensive for us to pursue. In addition, Grey Rock and its affiliates, may dispose of properties or other assets in the future, without any obligation to offer us the opportunity to purchase any of those assets. As a result, our renouncing of our interest and expectancy in any business opportunity that may be from time to time presented our officers and directors, could adversely impact our business or prospects if attractive business opportunities are procured by such parties for their own benefit rather than for us. We cannot assure you that any conflicts that may arise between us and any of such parties, on the other hand, will be resolved in our favor. As a result, competition from Grey Rock and its affiliates or businesses associated with our other officers and directors could adversely impact our results of operations. Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders. Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, that the Court of Chancery shall, to the fullest extent permitted by law, be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring any derivative action on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of ours, any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over any indispensable parties (or such parties consent to the personal jurisdiction of the Court of Chancery within ten days following the Court of Chancery's determination as to such personal jurisdiction) and subject matter jurisdiction over the claim. The foregoing forum selection provision shall not apply to claims arising under the Exchange Act, the Securities Act, or any other claim for which the federal courts have exclusive jurisdiction. In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act; however, there is uncertainty as to whether a court would enforce such provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and operating results. For example, under the Securities Act, state and federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in our common stock shall be deemed to have notice of and consented to this exclusive forum provision, but will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. We are a "controlled company" under the corporate governance rules of the NYSE and, as a result, qualify for exemptions from certain corporate governance requirements. We rely on certain of these exemptions, which means you will not have the same protections afforded to stockholders of companies that are subject to such requirements. Grey Rock Energy Partners GP III, L. P. ("Grey Rock Fund III"), pursuant to a Voting Agreement, dated as of August 25, 2023, by and among Grey Rock Fund III, Grey Rock Energy Partners GP II, L. P., and the other stockholders party thereto, controls a majority of our voting common stock. As a result, following the Business Combination, we are a "controlled company" within the meaning of the corporate governance standards of the rules of the NYSE. Under these rules, a listed company of which more than 50 % of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including: • the requirement that a majority of our Board of Directors consist of independent directors; • the requirement that our director nominations be made, or recommended to the full Board of Directors, by our independent directors or by a nominations committee that is comprised entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process; and • the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. As long as we remain a "controlled company," we may elect to take advantage of any of these exemptions. Our Board of Directors does not have a majority of independent directors, our compensation committee does not consist entirely of independent directors and does not have a nominating committee. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the rules of the NYSE. Changes in applicable tax laws or interpretations thereof or the imposition of new or increased taxes or fees may increase our future tax liabilities and adversely affect our operating results and cash flows. We are subject to various complex and evolving U. S. federal, state and local tax laws. U. S. federal, state and local tax laws, policies, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us (in each case, possibly with retroactive effect). For example, the IRA resulted in fundamental changes to the U. S. Internal Revenue Code, as amended, including, among many other things, a 15 % corporate alternative minimum tax on certain large corporations, a nondeductible 1 % excise tax on the value of certain stock that a company repurchases, and various tax incentives for energy and climate initiatives. In addition, from time to

time, U. S. federal and state level legislation has been proposed that that would, if enacted into law, make significant changes to tax laws, including to certain key U. S. federal and state income tax provisions currently applicable to natural gas and oil exploration and development companies. Such proposed legislative changes include, but are not limited to, (i) the elimination of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) an extension of the amortization period for certain geological and geophysical expenditures, (iv) the elimination of certain other tax deductions and relief previously available to oil and natural gas companies and (v) an increase in the U. S. federal income tax rate applicable to corporations. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. Further, states in which we operate or own assets may impose new or increased taxes or fees on natural gas and oil extraction. The passage of any legislation as a result of these proposals and other changes in tax laws or the imposition of new or increased taxes or fees could increase our future tax liabilities and adversely affect our operating results and cash flows. In addition, our effective tax rate and tax liability are based on the application of current income tax laws, regulations and treaties. These laws, regulations and treaties are complex and often open to interpretation. In the future, the tax authorities could challenge our interpretation of laws, regulations and treaties, resulting in additional tax liability or adjustment to our income tax provision that could increase our effective tax rate which could adversely affect our operating results and cash flows. Changes to tax laws may also adversely affect our ability to attract and retain key personnel. The payment of dividends is at the discretion of our Board of Directors, and we cannot assure you that we will continue making dividend payments in the future. We paid dividends of \$ 57. 5 million, or \$ 0. 44 per share, and \$ 58. 6 million, or \$ 0. 44 per share during the years ended December 31, 2024 and 2023, respectively. However, our Board of Directors is not obligated to make any future dividend payments. Instead, the declaration and payment of dividends are at the discretion of our Board of Directors and depend on a number of factors, including applicable law, economic conditions, financial condition, results of operations, projections, liquidity, earnings, legal requirements, restrictions in the Credit Agreement, and other factors our Board of Directors deems relevant. There can be no assurance that dividends will be declared in the future, or if declared, that the amount will be consistent with historical levels.

**General Risks** The market price of shares of our common stock may be volatile. Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. The trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Price volatility may be greater if the public float and trading volume of our common stock is low. Any of the factors listed below could have a material adverse effect on your investment. Our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include: • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us; • changes in the market's expectations about our operating results; • lack of adjacent competitors; • our operating results failing to meet the expectation of securities analysts or investors in a particular period; • changes in financial estimates and recommendations by securities analysts concerning us or the industries in which we operate in general; • operating and stock price performance of other companies that investors deem comparable to us; • announcements by us or our competitors of significant contracts, acquisitions, joint ventures, other strategic relationships or capital commitments; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation involving us; • changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of shares of our common stock available for public sale; • any significant change in our Board of Directors or management; • speculation by the press or investment community; • sales of substantial amounts of our common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; • general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism; and • changes in accounting standards, policies, guidelines, interpretations or principles.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and the NYSE have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The ongoing military conflicts between Ukraine and Russia, Israel and Hamas, and continued instability in the Middle East has caused unstable market and economic conditions and is expected to have additional global consequences, such as heightened risks of cyberattacks. Our business, financial condition, and results of operations may be materially adversely affected by the negative global and economic impact resulting from these conflicts or any other geopolitical tensions. Worldwide economic, political and military events, including war, terrorist activity, and events in the Middle East, have contributed, and are likely to continue to contribute, to oil and natural gas price volatility. For example, the ongoing armed conflicts between Russia and Ukraine and Israel and Hamas and the continuation of, and the escalation in the severity of, these conflicts has led to extreme regional instability, caused dramatic fluctuations in global financial markets and has increased the level of global economic uncertainty, including uncertainty about world-wide oil supply and demand, which in turn has caused increased volatility in commodity prices. Further, the Houthi movement, which controls parts of Yemen, has targeted and launched numerous attacks on Israeli, American and international commercial marine vessels in the Red Sea as the ships approach the Suez Canal, resulting in many shipping companies re- routing to avoid the region altogether and worsening existing supply chain issues, including delays in supplier deliveries, extended lead times and increased cost of freight, impacts to the shipping of oil and gas, insurance and materials. The potential for conflict with Iran, a major oil producer, the Houthi movement in Yemen or the Hezbollah movement in Lebanon has increased as a result of continued, increasing hostilities in the Middle East. In addition, the

United States and other countries have imposed sanctions on Russia which increases the risk that Russia, as a retaliatory action, may launch cyberattacks against the United States, its government, infrastructure and businesses. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Prolonged unfavorable economic conditions or uncertainty as a result of the military conflict in the Middle East may adversely affect our business, financial condition, and results of operations. Any of the foregoing may also magnify the impact of other risks described in this Annual Report. World health events may materially adversely affect our business. World health events may cause disruptions to our business and operational plans, which may include (i) shortages of employees or partners, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which we rely, (iv) recommendations of, or restrictions imposed by, government and health authorities, including quarantines, and (v) restrictions that we and our partners impose, including facility shutdowns, to ensure the safety of employees and others. While it is not possible to predict their extent or duration, these disruptions may have a material adverse effect on our business, financial condition and results of operations. Further, the effects of a world health event could negatively impact global demand for crude oil and natural gas, which may contribute to volatility that could impact the price we and our partners receive for oil and natural gas and materially and adversely affect the demand for and marketability of production, as well as lead to temporary curtailment or shut-ins of production due to lack of downstream demand or storage capacity. Additionally, to the extent a pandemic, epidemic or outbreak of an infectious disease adversely affects our business and financial results, it may also have the effect of heightening many of the other risks set forth in this Item 1A. "Risk Factors." Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and financial condition and results of operations. Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. Most recently, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. Borrowers under credit agreements, letters of credit and certain other financial instruments with any financial institution that is placed into receivership by the FDIC may be unable to access undrawn amounts thereunder. Access to funding sources and other credit arrangements could be significantly impaired by factors that affect the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. In addition, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our financial or other obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors, could have material adverse impacts on our liquidity and our business, financial condition or results of operations. Our operations and financial performance may be negatively affected directly or indirectly by changes in trade policies and tariffs. In recent years, the United States increased tariffs for certain goods, which triggered other nations to also increase tariffs on certain of their goods. In recent weeks, the Trump administration has made many announcements regarding tariffs and the extent and duration of such tariffs remain uncertain. If maintained, the newly announced tariffs and the potential escalation of trade disputes could pose a risk to our business and also directly impact our operating expenses. For example, recently announced 25 % tariffs on imported steel are likely to lead to increased material costs.