UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-38083

Magnolia Oil & Gas Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware	**81-5365682**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Nine Greenway Plaza, Suite 1300	
Houston, Texas	**77046**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (713) 842-9050

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001	MGY	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $4.1 billion based on the closing price on that day on the New York Stock Exchange.

As of February 9, 2026, there were 180,882,426 shares of Class A Common Stock, $0.0001 par value per share, and 5,523,479 shares of Class B Common Stock, $0.0001 par value per share, outstanding.

Documents Incorporated By Reference

Portions of the registrant's definitive proxy statement for the 2026 Annual Meeting of Stockholders, to be filed no later than 120 days after the end of the fiscal year to which this Annual Report on Form 10-K relates, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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GLOSSARY OF OIL AND NATURAL GAS TERMS

The following are abbreviations and definitions of certain terms used in this document, some of which are commonly used in the oil and gas industry:

"*Bbl*." One stock tank barrel, of 42 U.S. gallons liquid volume, used herein in reference to crude oil, condensate, natural gas liquids, or water.

"Bbls/d." Stock tank barrels per day.

"Bcf." Billion cubic feet of natural gas.

"boe." Barrels of oil equivalent. One boe is equal to one Bbl, six thousand cubic feet of natural gas, or 42 gallons of natural gas liquids. Based on approximate energy equivalency.

"boe/d." Barrels of oil equivalent per day.

"British Thermal Unit or Btu." The quantity of heat required to raise the temperature of a one-pound mass of water by one degree Fahrenheit.

"*Completion*." The installation of permanent equipment for production of oil or natural gas, or, in the case of a dry well, the reporting to the appropriate authority that the well has been abandoned.

"*DD&A*." Depletion, depreciation, and amortization.

"*Developed acreage*." The number of acres that are allocated or assignable to productive wells or wells capable of production.

"*Development well*." A well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

"*Dry well*." A well that is determined to be incapable of producing either oil or natural gas in sufficient quantities to justify completion as an oil and natural gas well.

"*Exploratory well*." A well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or natural gas in another reservoir.

"*Extension well*." An extension well is a well drilled to extend the limits of a known reservoir.

"*Field*." An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious, strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms structural feature and stratigraphic condition are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

"*Formation*." A layer of rock which has distinct characteristics that differs from nearby rock.

"*Gross acres or gross wells*." Gross acres or gross wells are the total acres or wells in which all or part of the working interest is owned.

"*Horizontal drilling*." A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at an angle within a specified interval.

"*MBbls*." One thousand barrels of crude oil, condensate or NGLs.

"Mboe/d." Thousand barrels of oil equivalent per day.

"*Mcf*." One thousand cubic feet of natural gas.

"Mcf/d." Thousand cubic feet of natural gas per day.

"MMboe." Million barrels of oil equivalent.

"*MMBtu*." One million British thermal units.

"*MMcf*." One million cubic feet of natural gas.

"*NGL*" or "*NGLs*." Natural gas liquids. Hydrocarbons found in natural gas which may be extracted as purity products such as ethane, propane, isobutane and normal butane, and natural gasoline.

"*Net acres or net wells*." The sum of fractional working interests owned in gross acres or gross wells.

"*NYMEX*." The New York Mercantile Exchange.

"*Productive well*." An exploratory, development, or extension well that is not a dry well. Productive wells include producing wells and wells mechanically capable of production.

"*Proved developed reserves*." Proved oil and natural gas reserves that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well.

"*Proved reserves*." Those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

"*Proved undeveloped reserves.*" Proved oil and natural gas reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as undeveloped reserves only if a plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

"*Reservoir*." A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

"*Standardized measure*." Discounted future net cash flows estimated by applying the 12-month unweighted arithmetic average of the first-day-of-the-month price for the preceding 12 months to the estimated future production of year-end proved reserves. Future cash inflows are reduced by estimated future production and development costs based on period-end costs to determine pre-tax cash inflows. Future income taxes, if applicable, are computed by applying the statutory tax rate to the excess of pre-tax cash inflows over Magnolia's tax basis in the oil and natural gas properties. Future net cash inflows after income taxes are discounted using a 10% annual discount rate.

"*Undeveloped acreage*." Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil, natural gas, and NGLs regardless of whether such acreage contains proved reserves.

"*Unit*." The joining of all or substantially all interests in a reservoir or field, rather than a single tract, to provide for development and operation without regard to separate property interests. Also, the area covered by a unitization agreement.

"*Working interest*." The right granted to the lessee of a property to explore for, to produce, and to own oil, natural gas, or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty, or carried basis.

"*WTI*." West Texas Intermediate light sweet crude oil.

GLOSSARY OF CERTAIN TERMS AND CONVENTIONS USED HEREIN

The following are definitions of certain other terms and conventions that are used in this Annual Report on Form 10-K:

"The Company" or "Magnolia." Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, including Magnolia Oil & Gas Holdings LLC, Magnolia LLC, Magnolia Intermediate, Magnolia Operating, and Magnolia Oil & Gas Finance Corp.).

"Magnolia Intermediate." Magnolia Oil & Gas Intermediate LLC.

"Magnolia LLC." Magnolia Oil & Gas Parent LLC.

"Magnolia LLC Units." Units representing limited liability company interests in Magnolia LLC.

"Magnolia Operating." Magnolia Oil & Gas Operating LLC.

"Highlander." Highlander Oil & Gas Holdings LLC.

"EnerVest." EnerVest, Ltd.

"Karnes County Assets." Certain right, title, and interest in certain oil and natural gas assets located primarily in the Karnes County portion of the Eagle Ford Shale formation in South Texas.

"Giddings Assets." Certain right, title, and interest in certain oil and natural gas assets located primarily in the Giddings area of the Austin Chalk formation.

"Business Combination." The acquisition, which closed on July 31, 2018, of the Karnes County Assets; the Giddings Assets; and a 35% membership interest in Ironwood Eagle Ford Midstream, LLC.

"Class A Common Stock." Magnolia's Class A Common Stock, par value $0.0001 per share.

"Class B Common Stock." Magnolia's Class B Common Stock, par value $0.0001 per share.

"Issuers." Magnolia Operating and Magnolia Oil & Gas Finance Corp., a wholly owned subsidiary of Magnolia Operating, as it relates to the 2026 Senior Notes and the 2032 Senior Notes.

"Magnolia LLC Unit Holders." EnerVest Energy Institutional Fund XIV-A, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-WIC, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-2A, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-3A, L.P., a Delaware limited partnership, and EnerVest Energy Institutional Fund XIV-C-AIV, L.P., a Delaware limited partnership.

"RBL Facility." Senior secured reserve-based revolving credit facility, as amended November 13, 2024.

"2026 Senior Notes." 6.0% Senior Notes due 2026.

"2032 Senior Notes." 6.875% Senior Notes due 2032.

"OPEC." The Organization of the Petroleum Exporting Countries.

FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included or incorporated by reference in this report, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected revenues, projected costs, and plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company's management. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "could," "expect," "intend," "project," "estimate," "anticipate," "plan," "believe," or "continue" or similar terminology. Although Magnolia believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to:

- legislative, regulatory, or policy changes, including those following the change in presidential administrations;
- the market prices of oil, natural gas, NGLs, and other products or services;
- the supply and demand for oil, natural gas, NGLs, and other products or services, including impacts of actions taken by OPEC and other state-controlled oil companies;
- production and reserve levels;
- the timing and extent of the Company's success in discovering, developing, producing and estimating reserves;
- geopolitical and business conditions in key regions of the world;
- drilling risks;
- economic and competitive conditions;
- the availability of capital resources;
- capital expenditures and other contractual obligations;
- weather conditions;
- inflation rates;
- the availability of goods and services;
- cybersecurity threats, including increased use of artificial intelligence technologies;
- the occurrence of property acquisitions or divestitures;
- the integration of acquisitions;
- the securities or capital markets and related risks such as general credit, liquidity, market, and interest-rate risks; and
- other factors disclosed in this Annual Report on Form 10-K, including under *Items 1 and 2—Business and Properties, Item 1A—Risk Factors, Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations,* and *Item 7A—Quantitative and Qualitative Disclosures About Market Risk*.

All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. Except as required by law, Magnolia assumes no duty to update or revise its forward-looking statements based on changes in internal estimates or expectations or otherwise.

PART I

Items 1 and 2. Business and Properties

Overview

Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, "the Company" or "Magnolia") is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid ("NGL") reserves. The Company's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company targets the Eagle Ford Shale and Austin Chalk formations. Magnolia focuses on generating value for shareholders through steady, moderate annual production growth resulting from its disciplined and efficient philosophy toward capital spending. The Company strives to generate high pre-tax margins and consistent free cash flow allowing for strong returns of capital to its shareholders through dividends and share repurchases.

Magnolia's principal asset is a controlling equity interest in Magnolia LLC. As the managing member of Magnolia LLC, the Company operates and controls all of the business and affairs of Magnolia LLC and, through Magnolia LLC and its subsidiaries, conducts business. Magnolia consolidates the financial results of Magnolia LLC and its subsidiaries and records non-controlling interests for the economic interest in Magnolia LLC held by the Magnolia LLC Unit Holders. As of December 31, 2025, Magnolia owned a 97.0% interest in Magnolia LLC and the noncontrolling interest was 3.0%.

Available Information

Magnolia, which is incorporated in Delaware, has its principal executive offices located at Nine Greenway Plaza, Suite 1300, Houston, Texas 77046. Magnolia's website is located at www.magnoliaoilgas.com.

Magnolia furnishes or files with the Securities and Exchange Commission (the "SEC") its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K. Magnolia makes these documents available free of charge at www.magnoliaoilgas.com under the "Investors" tab as soon as reasonably practicable after they are filed or furnished with the SEC. Information on Magnolia's website is not incorporated by reference into this Annual Report on Form 10-K or any of the Company's other filings with the SEC.

Magnolia's Class A Common Stock, par value $0.0001 per share, is listed and traded on the New York Stock Exchange ("NYSE") under the symbol "MGY."

Strategy

Magnolia's business model prioritizes prudent and disciplined capital allocation, free cash flow, and financial stability. The Company's ongoing plan is to spend well within cash flow on drilling and completing wells while maintaining low financial leverage. The Company is well positioned to reduce or increase operations given the significant flexibility within its capital program as the Company has no long-term service obligations.

The Company's long-term strategy is centered around the following value creation principles:

- generate moderate annual organic production growth,
- maintain an efficient capital program with short economic paybacks,
- maintain a conservative financial leverage profile,
- generate high full-cycle operating margins,
- generate significant free cash flow after capital expenditures, and
- effectively reinvest free cash flow to maximize shareholder returns.

For additional detail regarding the Company's 2025 results, strategy, and its capital resources and liquidity, please see *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Annual Report on Form 10-K.

Segment Information and Geographic Area

The Company operates in one reportable segment engaged in the acquisition, development, exploration, and production of oil and natural gas properties located in the United States. Magnolia's operations are conducted predominantly in one geographic area of the United States. Magnolia's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas where the Company targets the Eagle Ford Shale and the Austin Chalk formations. For additional segment information please see *Part*

II, Item 8, Note 1—*Organization and Basis of Presentation* in the notes to the consolidated financial statements included in this Annual Report on Form 10-K.

Properties

As of December 31, 2025, Magnolia's assets consisted of a total leasehold position of 818,230 gross (613,360 net) acres, including 79,350 gross (55,370 net) acres in the Karnes area and 738,880 gross (557,990 net) acres in the Giddings area. As of December 31, 2025, Magnolia had 2,867 gross (1,948 net) wells with total production of 99.8 Mboe/d for the year ended December 31, 2025. During 2025, Magnolia operated two rigs. Approximately 40%, 32%, and 28% of production from Magnolia's assets was attributable to oil, natural gas, and NGLs, respectively, for the year ended December 31, 2025.

The Giddings area is comprised of oil and natural gas assets primarily located in Brazos, Burleson, Fayette, Grimes, Lee, Milam, Robertson, and Washington Counties, Texas. The Austin Chalk formation produces along a northeast-to-southwest trend that is approximately parallel to the Texas Gulf Coast. There are several notable producing areas along the Austin Chalk trend, the largest of which is the Giddings area. The Giddings area has seen two major drilling cycles. The first cycle began in the late 1970s and into the early 1980s and consisted primarily of vertical well drilling. The second cycle ran through much of the 1990s and involved primarily horizontal well drilling. Recent improvements in drilling and completion technologies have unlocked new development opportunities in the Giddings area. Wells drilled across the Giddings area have demonstrated strong economic viability. Future development results may allow for further expansion of existing location inventory throughout the leasehold.

The Karnes area is comprised of oil and natural gas assets primarily located in Dewitt, Dimmit, Gonzales, Karnes, and Zavala Counties, Texas, in the core of the Eagle Ford Shale. The acreage comprising the Karnes area also includes the Austin Chalk formation overlying the Eagle Ford Shale. The Austin Chalk formation has shown itself to be an independent reservoir from the Eagle Ford Shale and represents a very attractive development target. The Karnes area includes a well-known, low-risk acreage position that has been developed with a focus on maximizing returns and improving operational efficiencies.

Reserve Data

Estimated Proved Reserves

The estimates of Magnolia's proved oil and natural gas reserves included in this Annual Report on Form 10-K are as of December 31, 2025. The Company's proved reserves volumes are based on evaluations prepared by the independent petroleum engineering firm of Miller and Lents, in accordance with Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers and definitions and guidelines established by the SEC. Miller and Lents was selected for its historical experience and expertise in evaluating hydrocarbon resources.

Proved oil and natural gas reserves are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. Oil and natural gas prices applied in estimating proved reserves are determined using an unweighted arithmetic average of the first-day-of-the-month price for each of the 12 months within the reporting period.

Proved reserves are sub-divided into two categories, proved developed and proved undeveloped. Proved developed reserves are volumes that can be expected to be recovered through existing wells with existing equipment and operating methods or where the cost of the required equipment is relatively minor compared to the cost of a new well. Proved undeveloped reserves are volumes that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Proved undeveloped reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as undeveloped reserves only if a plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. All of Magnolia's proved undeveloped reserves as of December 31, 2025 that are included in this Annual Report are planned to be developed within one year.

The technical and economic data used to estimate proved reserves include, but are not limited to, well logs, geologic maps, well-test data, production data, well data, historical price and cost information, and property ownership interests. This technical data, performance analysis, decline curve analysis, volumetric analysis, assessment of analogues, together with standard engineering and geoscience methods, are applied to estimate proved reserves.

The proved developed reserves per well are estimated by applying performance analysis and decline curve methods. For proved developed wells that lack adequate production history, reserves were estimated using performance-based type curves and offset location analogues. Proved undeveloped reserves are estimated by using a combination of geologic and engineering data for planned drilling locations. Performance data along with log and core data was used to delineate consistent, continuous reservoir and performance characteristics in core areas of development to identify areas of technical certainty that meet the criteria for proved reserves. Performance based type curves are applied to forecast proved undeveloped well performance.

Preparation of Oil and Natural Gas Reserve Information

Magnolia's Director of Reserves, Peter Corbeil, is the technical person primarily responsible for overseeing the internal reserves estimation process. Mr. Corbeil has more than 25 years of oil and gas industry experience in reservoir engineering, reserves assessment, field development, and technical management. His experience prior to joining Magnolia includes tenures in the corporate reserve groups at three large and diversified oil and gas companies. He holds a Bachelor of Engineering degree and a Master of Business Administration degree and is a member of the Society of Petroleum Engineers.

The Director of Reserves works closely with Magnolia's petroleum engineers and geoscience professionals to ensure the integrity, accuracy, and timeliness of the data furnished to Miller and Lents for the preparation of their reserve reports. Periodically, Magnolia's internal staff meets with the independent reserves engineers to review properties, methods, and assumptions used to prepare reserve estimates for Magnolia's assets.

The reserve reports were prepared by Miller and Lents' team of geologists and reservoir engineers who integrate geological, geophysical, engineering, and economic data to produce reserve estimates and economic forecasts. The process to prepare Magnolia's proved reserves as of December 31, 2025 was supervised by Jennifer A. Godbold, Senior Vice President and an officer of Miller and Lents. Ms. Godbold is a professionally qualified and licensed Professional Engineer in the State of Texas with more than 14 years of relevant experience in the estimation, assessment, and evaluation of oil and natural gas reserves.

Reserves estimation involves a degree of uncertainty and estimating volumes of economically recoverable oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation. As a result, the estimates of different engineers often vary. In addition, the results of drilling, testing, and production may justify revisions of such estimates. Accordingly, reserve estimates often differ from the quantities of oil, natural gas, and NGLs that are ultimately recovered. Estimates of economically recoverable oil, natural gas, NGLs, and of future net revenues are based on a number of variables and assumptions, all of which may vary from actual results, including geologic interpretation, prices, future production rates, and costs. Please refer to *Item 1A—Risk Factors* in this Annual Report on Form 10-K.

Proved Reserves

The following table presents Magnolia's estimated net proved oil and natural gas reserves as of December 31, 2025. This table shows reserves on a boe basis in which natural gas is converted to an equivalent barrel of oil based on a ratio of six Mcf to one Bbl. This ratio is not reflective of the current price ratio between the two products.

	December 31, 2025			
	Oil (MMBbls)	Natural Gas (Bcf)	NGLs (MMBbls)	Total (MMboe)
Proved reserves				
Total proved developed	64.6	317.3	49.1	166.6
Total proved undeveloped	15.2	86.8	13.9	43.6
Total proved reserves	79.8	404.1	63.0	210.2

Development of Proved Undeveloped Reserves

As of December 31, 2025, the proved undeveloped reserves volumes are expected to be converted to proved developed reserves within one year. The following table summarizes the changes in Magnolia's proved undeveloped reserves during the year ended December 31, 2025:

	Total (MMboe)
Proved undeveloped reserves at December 31, 2024	42.4
Conversions into proved developed reserves	(36.3)
Extensions	34.5
Purchases of reserves in place	1.0
Revisions of previous estimates	2.0
Proved undeveloped reserves at December 31, 2025	43.6

As of December 31, 2025, Magnolia's assets contained approximately 43.6 MMboe of proved undeveloped reserves, consisting of 15.2 MMBbls of oil, 86.8 Bcf of natural gas, and 13.9 MMBbls of NGLs. The Company's total estimated proved undeveloped reserves increased by 1.2 MMboe during the year ended December 31, 2025. Magnolia converted 36.3 MMboe of proved undeveloped reserves to proved developed reserves as a result of drilling activities completed during 2025. Extensions of 34.5 MMboe resulted from the planned drilling program. Bolt-on acquisitions resulted in a 1.0 MMboe increase. Revisions of 2.0 MMboe to proved undeveloped reserves were comprised of an upward adjustment of 3.4 MMboe for infill drilling in the Karnes area that was partially offset by downward adjustments of 0.9 MMboe based on reservoir assessment updates and 0.5 MMboe for optimizing development activity.

During the year ended December 31, 2025, Magnolia incurred costs of approximately $201.7 million to convert the reserves associated with 37 of its net proved undeveloped locations to 36.3 MMboe of proved developed reserves.

Drilling Statistics

The following table describes new development wells drilled within Magnolia's assets during the years ended December 31, 2025, 2024, and 2023. The information should not be considered indicative of future performance, nor should it be assumed that there is necessarily any correlation among the number of productive wells drilled, quantities of reserves found, or economic value. A dry well is a well that proves to be incapable of producing either oil or natural gas in sufficient quantities to justify completion as an oil and natural gas well. A productive well is an exploratory, development, or extension well that is not a dry well. Productive wells include producing wells and wells mechanically capable of production. Completion refers to the installation of permanent equipment for production of oil or natural gas, or, in the case of a dry well, the reporting to the appropriate authority that the well has been abandoned. As of December 31, 2025, 37 gross (19 net) development wells were in the process of being drilled, being completed, or awaiting completion operations. During 2025, Magnolia operated two rigs.

	Years Ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Net exploratory wells			
Productive	—	—	—
Dry	—	—	—
Total	—	—	—
Net development wells			
Productive	53	53	45
Dry	—	—	—
Total	53	53	45
Net total wells			
Productive	53	53	45
Dry	—	—	—
Total	53	53	45

Productive Oil and Natural Gas Wells

Productive wells consist of exploratory, development, or extension wells that are not dry wells. Productive wells include producing wells and wells mechanically capable of production. Gross wells are the total number of productive wells in which Magnolia owns a working interest, and net wells are the sum of the fractional working interests of gross wells. The following table sets forth information relating to the productive wells in which Magnolia owned a working interest as of December 31, 2025.

	Oil	Natural Gas	Total
Gross	2,225	642	2,867
Net	1,393	555	1,948

Production, Pricing, and Lease Operating Cost Data

The following table describes, for each of the last three fiscal years, oil, natural gas, and NGL production volumes, average lease operating costs per boe (including gathering, transportation, and processing costs, but excluding severance and other taxes), and average sales prices related to Magnolia's operations:

	Years Ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Production			
Crude oil (MMBbls)	14.5	14.0	12.6
Natural gas (Bcf)	68.9	58.7	55.1
Natural gas liquids (MMBbls)	10.4	9.0	8.3
Average lease operating costs per boe	$ 6.96	$ 6.72	$ 6.64
Average sales price			
Crude oil (per barrel)	$ 63.18	$ 74.66	$ 76.02
Natural gas (per Mcf)	2.76	1.54	1.85
Natural gas liquids (per barrel)	19.56	19.83	20.15

Gross and Net Undeveloped and Developed Acreage

The following table sets forth certain information regarding the total developed and undeveloped acreage in which Magnolia held an interest as of December 31, 2025:

	Acreage		
	Undeveloped	Developed	Total
Gross	117,357	700,873	818,230
Net	100,556	512,804	613,360

Undeveloped Acreage Expirations

As of December 31, 2025, Magnolia's total undeveloped acres across its assets that will expire from 2026 through 2029 were 33,837 gross (31,208 net), unless production is established within the spacing units covering the acreage prior to the expiration dates, drilling commitments are fulfilled, or unless such leasehold rights are extended or renewed. Magnolia anticipates that its current and future drilling plans along with the lease extensions should address most of the Company's leases subject to potential expiration in 2026 and beyond. There are no expirations after 2029.

Delivery Commitments

As of December 31, 2025, the Company was not subject to any delivery commitments.

Operations

Facilities

Production facilities related to Magnolia's assets, including central tank batteries, consist of storage tanks, two-phase and/or three-phase separation equipment, flowlines, metering equipment, emissions control equipment, leased compressors, and safety systems. Predominant artificial lift methods include gas lift, rod pump lift, electrical submersible pumps, and plunger lift.

The Karnes area includes access to a crude oil gathering system and access to natural gas gathering systems. Magnolia is subject to the terms of a crude oil gathering agreement with Plains Eagle Ford Energy, LLC (previously Ironwood Eagle Ford Midstream, LLC) that expires on June 30, 2027, which allows oil production to be delivered and sold to various crude oil refining markets on a competitive pricing basis. The majority of natural gas production related to the Karnes area is currently processed to collect NGLs. Produced natural gas and NGLs are sold to third-party natural gas processors.

The Giddings area includes access to natural gas gathering systems, which allows production to be delivered to third-party natural gas processors. The majority of natural gas production related to the Giddings area is currently processed to collect NGLs. Produced natural gas and NGLs are sold to third-party natural gas processors as well as various intrastate and interstate markets on a competitive pricing basis. The Giddings area also includes several saltwater disposal wells that handle a portion of water production from the area.

Marketing and Customers

For the year ended December 31, 2025, two customers, including their subsidiaries, accounted for 41% and 20% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2024, three customers, including their subsidiaries, accounted for 31%, 24%, and 12% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2023, three customers, including their subsidiaries, accounted for 25%, 22%, and 11% of the Company's combined oil, natural gas, and NGL revenue.

No other purchaser accounted for 10% or more of Magnolia's revenue on a combined basis in each respective period. Please see *Item 1A—Risk Factors* in this Annual Report on Form 10-K for more information.

The natural gas production from the Giddings area is gathered and processed under acreage dedications with three third-party midstream companies. The natural gas plant residue volumes and the NGL production extracted from the Giddings area are sold to gathering and processing counterparties. Magnolia sells the majority of the oil production from the Giddings area to three third parties at market prices, with such purchasers transporting the oil from the lease via trucks under contracts of 12 months or less. The remainder of the oil production from the Giddings area is sold to various third-party purchasers at market prices under contracts with terms of 12 months or less.

In addition, Magnolia sells the natural gas production from the Karnes area to various third parties pursuant to the terms of multiple natural gas processing and purchase contracts of varying terms. Such natural gas production is gathered and processed under agreements with terms ranging from month-to-month to the life of the applicable lease agreements. Magnolia transports the majority of its crude oil production from the Karnes area on a gathering agreement with Plains Eagle Ford Energy, LLC (previously Ironwood Eagle Ford Midstream, LLC) that expires on June 30, 2027, which provides an outlet for Magnolia to sell oil production via pipeline from the Karnes area to third-party purchasers at market prices. The majority of the remaining oil production is transported from the lease via trucks at market prices with terms of 12 months or less. The NGL production from the Karnes area is sold to midstream natural gas processors in the Eagle Ford area.

Competition

The oil and gas industry is a highly competitive environment and Magnolia competes with both major integrated and other independent oil and gas companies in all aspects of the Company's business to explore, develop, and operate its properties and market its production. Competitive conditions may be affected by future legislation and regulations as the United States develops new energy and climate-related policies. In addition, some of Magnolia's competitors may have a competitive advantage when responding to factors that affect demand for oil and natural gas production, such as changing prices, domestic and foreign political conditions, weather conditions, the proximity and capacity of natural gas pipelines and other transportation facilities, and overall economic conditions. Magnolia also faces indirect competition from alternative energy sources, including wind, solar, and electric power. Magnolia's ability to acquire additional prospects and to find and develop reserves in the future will depend on the Company's ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment.

Regulation

Environmental, Health and Safety Matters

Oil and natural gas operations are substantially affected by federal, state, and local laws and regulations. In particular, oil and natural gas production and related operations are, or have been, subject to price controls, taxes, and numerous other laws and regulations. All of the jurisdictions in which Magnolia's assets are located have statutory provisions regulating the development and production of oil and natural gas. These laws and regulations can impose permitting, recordkeeping, monitoring, and reporting requirements or other operational constraints on the Company's business, including operational controls for minimizing pollution, costs to remediate releases of regulated substances, including crude oil, into the environment, or costs to remediate sites to which the Company sent regulated substances for disposal. In some cases, these laws can impose strict liability for the entire cost of clean-up on any responsible party without regard to negligence or fault and impose liability on the Company for the conduct of others (such as prior owners or operators of Magnolia's assets) or conditions others have caused, or for the Company's acts that complied with all applicable requirements when they were performed. The Company could incur capital, operating, maintenance, and remediation expenditures as a result of environmental laws and regulations. New laws have been enacted, and regulations are being adopted by various regulatory agencies on a continuing basis, and the costs of compliance with these new laws and regulations can only be broadly estimated until their implementation becomes more defined.

Air and Climate Change

The threat of climate change continues to attract considerable attention globally. In the United States, no comprehensive climate change legislation regulating the emission of greenhouse gases ("GHGs") or directly imposing a price on carbon has been implemented at the federal level. However, federal regulators, state and local governments, and private parties have taken (or announced that they plan to take) actions that have or may have a significant influence on the Company's operations. In December 2023, the U.S. Environmental Protection Agency ("EPA") published new rules intended to reduce methane emissions from oil and gas sources. The final rule strengthens the existing emissions reduction requirements in Subpart OOOOa, expands reduction requirements for new, modified and reconstructed oil and natural gas sources in Subpart OOOOb, and imposes methane emissions limitations on existing oil and natural gas sources nationwide for the first time. In addition, the final rule establishes "Emissions Guidelines," creating a Subpart OOOOc that requires states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. The final rule also creates a new third-party monitoring program to flag large emissions events, referred to as "super emitters". Under Subparts OOOOb and OOOOc, the final rule establishes more stringent requirements for new, modified and reconstructed oil and natural gas sources constructed after December 6, 2022, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates. The final rule gave states, along with federal tribes that wish to regulate existing sources, until March 2026 to develop and submit their plans for reducing methane emissions from existing sources. However, a subsequent rule finalized on November 26, 2025, and published on December 3, 2025, extended this deadline to January 2027. The final emissions guidelines under Subpart OOOOc provide until 2029 for existing sources to comply. The final rule is subject to ongoing litigation but remains in effect. In addition, in August 2022, the Inflation Reduction Act of 2022 was signed into law. Among other things, the Inflation Reduction Act amends the Clean Air Act to include a Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems. In May 2024, the EPA finalized amendments to the Greenhouse Gas Reporting Program for petroleum and natural gas facilities. Among other things, the rule expands the emissions events that are subject to reporting requirements to include "other large release events." The emissions reported under the Greenhouse Gas Reporting Program will be the basis for any payments under the Methane Emissions Reduction Program. However, petitions for reconsideration to the EPA are pending and litigation in the D.C. Circuit challenging the revisions has commenced. In November 2024, the EPA finalized a regulation to implement the Inflation Reduction Act's Waste Emissions Charge. Although the final rule included an increasing fee schedule beginning in 2024, in March 2025, Congress disapproved the regulation under the Congressional Review Act, and the rule therefore has no legal effect. Subsequent statutory changes indicated that the earliest potential applicability of any Waste Emissions Charge would be in 2034. In September 2025, the EPA also proposed deferring data collection under Subpart W of the Greenhouse Gas Reporting Program until 2034. While these actions eliminate near-term compliance obligations, future regulatory developments remain uncertain and could still impose operational, compliance, or financial impacts on the Company.

As part of its commitment to environmental stewardship and enhancing shareholder value, Magnolia utilizes direct-measurement technologies across its assets to improve methane detection and data quality and to support compliance with evolving regulatory expectations.

In January 2025, President Trump issued an executive order directing the heads of all federal agencies to identify and begin the processes to suspend, revise, or rescind all agency actions that are unduly burdensome on the identification, development, or use of domestic energy resources. Consequently, future implementation and enforcement of these rules remains uncertain. In addition, President Trump issued an executive order directing the notice to the United Nations of the United States' immediate withdrawal from the Paris Agreement and all other agreements made under the United Nations Framework Convention on Climate Change. The withdrawal became effective in January 2026. At the same time, various state and local governments have publicly committed to furthering the goals of the Paris Agreement and many of these initiatives are expected to continue. The full impact of these actions remains unclear. Please see *Item 1A—Risk Factors* in this Annual Report on Form 10-K for further discussion of risks related to climate change and the regulation of methane emissions and GHGs.

Separately, the EPA issued a more stringent National Ambient Air Quality Standard ("NAAQS") for ozone and completed attainment/nonattainment designations. In January 2025, President Trump issued an executive order, which froze a January 2025 EPA final rule that would have set deadlines and requirements for state implementation plans required when areas are reclassified to worsened "nonattainment" for ozone. Magnolia is following permitting requirements after state implementation of the revised NAAQS in the areas in which Magnolia operates. Failure to comply with air quality regulations may result in administrative, civil, and/or criminal penalties for non-compliance.

Hydraulic Fracturing Activities

Hydraulic fracturing is an important and common practice that is used to stimulate production of oil and/or natural gas from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, proppants, and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. Hydraulic fracturing is regularly used by operators of Magnolia's assets. Hydraulic fracturing is typically regulated by state oil and natural gas commissions, but the EPA has asserted federal regulatory authority over certain aspects of the process, including air emissions, fracturing fluid constituents, and wastewater disposal, among others.

At the state level, several states have adopted, or are considering adopting, legal requirements that could impose more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing activities. For example, the Texas Railroad Commission adopted a "well integrity rule," which updated the requirements for drilling, putting pipe down, and cementing wells. The rule also imposes testing and reporting requirements, such as (i) the requirement to submit cementing reports after well completion or after cessation of drilling, whichever is later, and (ii) additional testing on wells less than 1,000 feet below usable groundwater. Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place, and manner of drilling activities in general or hydraulic fracturing activities in particular.

Compliance with existing laws has not had a material adverse effect on operations related to Magnolia's assets, but if new or more stringent federal, state, or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where Magnolia's assets are located, operators could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of development activities, and perhaps even be precluded from drilling wells.

Water

The federal Clean Water Act ("CWA"), and analogous state laws, impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and hazardous substances, into state waters and waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. Federal and state regulatory agencies can impose administrative, civil, and criminal penalties for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations. The CWA also prohibits the discharge of dredge and fill material in regulated waters, including wetlands, unless authorized by permit. In January 2023, the EPA published a final rule that revised the definition of waters of the United States ("WOTUS") consistent with the then-effective pre-2015 definition of WOTUS. Separately, in May 2023, the U.S. Supreme Court's decision in Sackett v. EPA narrowed federal jurisdiction over wetlands to "traditional navigable waters" and wetlands or other waters that have a "continuous surface connection" with or are otherwise indistinguishable from traditional navigable water. In September 2023, the EPA and the Corps published a direct-to-final rule that conforms the regulatory definition of WOTUS to the Supreme Court's May 2023 decision in Sackett. However, litigation opposing the September 2023 final rule remains ongoing, and the EPA and the Corps are using the pre-2015 definition of WOTUS in over half of the states while litigation continues. On November 20, 2025, the EPA and the Corps published a proposed rule to update the definition of WOTUS under the CWA to implement the Sackett decision. The proposed rule may limit the scope of waters regulated under the CWA. The public comment period for the rule closed on January 5, 2026. As a result, substantial uncertainty exists with respect to future implementation of the September 2023 rule and the scope of CWA jurisdiction more generally. To the extent the rule or any future rule or court decision expands the scope of the CWA's jurisdiction, Magnolia could face increased permitting costs and project delays.

In addition, Magnolia may be required under the CWA to obtain and maintain approvals or permits for the discharge of wastewater or storm water and is required to develop and implement spill prevention, control, and countermeasure plans, also referred to as "SPCC plans," in connection with on-site storage of certain quantities of oil.

Hazardous Substances and Waste Handling

The Comprehensive Environmental Response, Compensation, and Liability Act, also known as the "Superfund" law, and comparable state laws impose liability, without regard to fault or the legality of the original conduct, on certain classes of persons that are considered responsible for the release of a "hazardous substance" into the environment. These persons include the current and past owner or operator of the disposal site or the site where the release occurred and persons that disposed or arranged for the disposal or the transportation for disposal of the hazardous substances at the site where the release occurred.

The Resource Conservation and Recovery Act ("RCRA") and analogous state laws, impose detailed requirements for the generation, handling, storage, treatment, and disposal of nonhazardous and hazardous solid wastes. RCRA specifically excludes drilling fluids, produced waters, and other wastes associated with the development or production of crude oil, natural gas, or geothermal energy from regulation as hazardous wastes. However, these wastes may be regulated by the EPA or state agencies under RCRA's less stringent nonhazardous solid waste provisions, state laws or other federal laws. It is, however, possible that certain oil and natural gas drilling and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future. A loss of the RCRA exclusion for drilling fluids, produced waters, and related wastes could result in a potential loss of disposal options and an increase in the costs to manage and dispose of generated wastes.

Endangered Species Act

The Endangered Species Act (the "ESA") and (in some cases) comparable state laws were established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on

activities adversely affecting that species' habitat. The U.S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas that it believes are necessary for survival of a threatened or endangered species. A critical habitat or suitable habitat designation could result in further material restrictions to land use and may materially delay or prohibit land access for oil and natural gas development. The identification or designation of previously unprotected species as threatened or endangered in areas where underlying property operations are conducted could cause increased costs arising from species protection measures or could result in limitations on development activities that could have an adverse impact on the ability to develop and produce reserves within Magnolia's assets. If a portion of Magnolia's assets were to be designated as a critical or suitable habitat, it could adversely impact the value of its assets.

Occupational Health and Safety Act

Magnolia is subject to the requirements of the Occupational Health and Safety Act ("OSHA") and comparable state statutes whose purpose is to protect the health and safety of workers. Violations can result in civil or criminal penalties as well as required abatement. In addition, the OSHA hazard communication standard, the Emergency Planning and Community Right-to-Know Act, comparable state statutes, and any implementing regulations require that Magnolia maintain and/or disclose information about hazardous materials used or produced in its operations and that this information be provided to employees, state and local governmental authorities, and citizens.

Related Permits and Authorizations

Many environmental laws require permits or other authorizations from state and/or federal agencies before initiating certain drilling, construction, production, operation, or other oil and natural gas activities, and require maintaining these permits and compliance with their requirements for ongoing operations. These permits are generally subject to protest, appeal, or litigation, which could in certain cases delay or halt projects and cease production or operation of wells, pipelines, and other operations related to Magnolia's assets.

Human Capital Disclosures

Magnolia's Human Capital Philosophy

The experience and expertise of Magnolia's employees drives the Company's ability to create value for investors by growing the Company's asset platform, generating free cash flow, maintaining financial flexibility, and ensuring thoughtful capital allocation. Magnolia seeks to attract, develop, and retain highly qualified individuals who are committed to helping Magnolia enhance its position as an employer of choice with a winning culture. The Company's Nominating and Corporate Governance Committee oversees Magnolia's Environmental, Social, and Governance ("ESG") policies and practices, which may include but are not limited to those related to certain safety, social responsibility, philanthropy and other human capital issues.

Growing and Supporting the Magnolia Team

To achieve the Company's goals, Magnolia seeks team members who will embrace Company values and think and act like owners. On December 31, 2025, Magnolia had 262 employees with 117 of those employees located in the Company's field offices in Giddings and Gillett, Texas and 145 located at Magnolia's corporate headquarters in Houston, Texas.

In line with its focus on ownership and execution, the Company provided several trainings to employees focused on career development, confident communications in public settings, team collaboration, leadership fundamentals, and cybersecurity. The Company also continued its Think Like a Magnolia Owner CEO Award program in 2025 to recognize individuals and teams for delivering projects or initiatives that generated shareholder value, improved company performance, and/or resulted in increased efficiencies or cost reductions. Finally, Magnolia continues to offer a workplace flexibility program which gives eligible employees in the Houston office the option to telecommute for up to two days a week, as approved by their leader.

In late 2025, the Company was again recognized as a top workplace in the annual Houston Chronicle Top Workplaces survey. It was the Company's third year to participate in the survey, which measures workplace satisfaction in several areas based on employee survey feedback. Magnolia placed sixth among mid-sized companies who participated in the survey in the greater Houston area.

Valuing Inclusion

Magnolia is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their expertise, experiences, and ideas. A key human capital priority is to hire the most qualified individuals while supporting an inclusive workforce.

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

As of December 31, 2025, 24% of Magnolia's total employee population was female and 28% identified as members of a minority group, as defined by the U.S. Equal Employment Opportunity Commission. At the Company's headquarters location in Houston, Texas, 39% of Magnolia's employees were female and 37% identified as members of a minority group. At Magnolia's Giddings and Gillett, Texas locations, combined, 5% of Magnolia's employees were female and 18% identified as members of a minority group.

Ensuring the Health and Safety of the Magnolia Team

At Magnolia, safety is a core value, and the Company is committed to taking proactive measures to minimize health and safety risks to employees on all Company worksites. Magnolia tracks key safety metrics, including employee recordables, lost time incidents, total recordable incident rate, and contractor recordables. In addition to these common lagging indicators, the Company also tracks leading indicators such as safety observations and near-miss reports. The Company uses internal and third-party applications to collect and monitor safety data and track its performance against its metrics through the HSER Safety Scorecard and other measures.

The Magnolia Good Catch Program recognizes employees who identify and submit potential safety or environmental issues before they arise. The Company reviews employee submissions each month and provides recognition and monetary awards for the most impactful submission. The Company then recognizes the most significant of these monthly submissions through its yearly Great Catch Awards, where award winners receive recognition and a monetary award. Similarly, Magnolia's Partner in Safety Program encourages and rewards contractor safety observations and actions submitted by contractors in the Company's field work environment that perform labor for or provide services to Magnolia.

Employee training is important to achieving the Company's goals and maintaining safe operations. In 2025, its full-time field employees, on average, received approximately 60 hours of safety training designed to enhance their skills. Team members at the Company's field locations are assigned computer-based training courses monthly covering a variety of safety and environmental subjects that are pertinent to their daily activities, including electrical safety, respiratory protection, heat stress prevention, and personal protective equipment. Training and skills development continue at Magnolia's monthly leader-led safety meetings, which are conducted in person at its two field locations. At these meetings, teams review pertinent safety incidents and corrective actions, discuss specific safety topics in depth, and receive updates on safety performance metrics.

Finally, the Company maintains comprehensive emergency response and crisis communication plans at both the field and corporate level. These plans are based on the standardized Incident Command System. Magnolia conducts periodic simulated emergency situations and corporate-level drills to test these plans and continue to improve its team's capabilities to respond effectively in the event of an incident at a work location.

Strengthening Local Communities

Magnolia is committed to strengthening the local communities where it operates. Magnolia makes a $1,000 donation annually on each employee's behalf to the charitable organization of their choice, in addition to contributing through Magnolia's Field Giving Program which provides direct donations to non-profit organizations in local communities where Magnolia operates. Through these efforts, contributions went to a variety of organizations such as volunteer fire departments and school districts, food banks, historic preservation organizations, faith-based groups, and charities providing services to children and young adults, among other causes.

Item 1A. Risk Factors

The nature of Magnolia's business activities subjects the Company to certain hazards and risks. The following risks and uncertainties, together with other information set forth in this Annual Report on Form 10-K, should be carefully considered by current and future investors in the Company's securities. These risks and uncertainties are not the only ones Magnolia faces. Additional risks and uncertainties presently unknown to Magnolia, or currently deemed immaterial, also may impair the Company's business operations. The occurrence of one or more of these risks or uncertainties could materially and adversely affect the Company's business, its financial condition, and the results of Magnolia's operations, which in turn could negatively impact the value of the Company's securities.

Risks Related to Magnolia's Overall Business Operations

Oil, natural gas, and NGL prices are volatile. A sustained period of low oil, natural gas, and NGL prices could adversely affect Magnolia's business, financial condition, results of operations, and ability to meet its expenditure obligations and financial commitments.

The prices Magnolia receives for its oil, natural gas, and NGL production will heavily influence its revenue, profitability, access to capital, future rate of growth, and the carrying value of its properties. Oil, natural gas, and NGLs are commodities, and their prices may fluctuate widely in response to market uncertainty and to relatively minor changes in the supply of and demand for oil, natural gas, and NGLs. Historically, oil, natural gas, and NGL prices have been volatile. The prices Magnolia receives for its production and the levels of Magnolia's production depend on numerous factors beyond Magnolia's control, which include, without limitation, the following:

- U.S. federal, state, local, and non-U.S. governmental regulation and taxes;
- worldwide and regional economic conditions impacting the global supply and demand for oil, natural gas, and NGLs;
- the price and quantity of foreign imports of oil, natural gas, and NGLs;
- political and economic conditions in or affecting other producing regions or countries, including the Middle East, Africa, South America, and Russia;
- actions of OPEC, its members, and other state-controlled oil companies relating to oil price and production controls;
- the level of global exploration, development, and production;
- the impact on worldwide economic activity of an epidemic, pandemic, outbreak, or other public health event;
- the level of global inventories;
- prevailing prices on local price indexes in the areas in which Magnolia operates;
- the proximity, capacity, cost, and availability of gathering, transportation, and processing facilities;
- localized and global supply, demand fundamentals, and transportation availability;
- the cost of exploring for, developing, producing, and transporting reserves;
- weather conditions and natural disasters;
- inflation rates;
- technological advances affecting energy consumption;
- the price and availability of alternative fuels;
- expectations about future commodity prices; and
- other events that impact global market demand.

Lower commodity prices may reduce Magnolia's cash flow and borrowing ability and cause the Company to shut in wells or curtail production. If Magnolia is unable to obtain needed capital or financing on satisfactory terms, its ability to acquire and develop future reserves could be adversely affected. Also, using lower prices in estimating proved reserves may result in a reduction in proved reserves volumes due to economic limits. In addition, sustained periods with lower oil and natural gas prices may adversely affect drilling economics and Magnolia's ability to raise capital, which may require it to re-evaluate and postpone or eliminate its development program, and result in the reduction of some proved undeveloped reserves and related standardized measure. If Magnolia is required to curtail its drilling program, Magnolia may be unable to hold leases that are scheduled to expire, which may further reduce reserves. As a result, a substantial or extended decline in commodity prices may materially and adversely affect Magnolia's future business, financial condition, results of operations, liquidity, and ability to finance planned capital expenditures.

Part of Magnolia's business strategy involves using some of the latest available horizontal drilling and completion techniques, which involve risks and uncertainties in their application.

Magnolia's operations involve utilizing some of the latest drilling and completion ("D&C") techniques. The difficulties

Magnolia faces drilling horizontal wells include landing its wellbore in the desired drilling zone, staying in the desired drilling zone while drilling horizontally through the formation, running its casing the entire length of the wellbore, and being able to run tools and other equipment consistently through the horizontal wellbore.

The difficulties that Magnolia faces while completing its wells include the ability to fracture stimulate the planned number of stages, the ability to run tools the entire length of the wellbore during completion operations, and the ability to successfully clean out the wellbore after completion of the final fracture stimulation stage.

Use of new technologies may not prove successful and could result in significant cost overruns or delays or reductions in production, and, in extreme cases, the abandonment of a well. In addition, certain of the new techniques may cause irregularities or interruptions in production due to offset wells being shut in and the time required to drill and complete multiple wells before any such wells begin producing. Furthermore, the results of drilling in new or emerging areas of certain formations are more uncertain initially than drilling results in areas that are more developed and have a longer history of established production. Newer and emerging areas of certain formations have limited or no production history and, consequently, Magnolia may be more limited in assessing future drilling results in these areas. If its drilling results are less favorable than anticipated, the return on investment for a particular project may not be as attractive as anticipated, and Magnolia could incur material write-downs of unevaluated properties, and the value of undeveloped acreage could decline in the future.

For example, potential complications associated with the new D&C techniques that Magnolia utilizes may cause Magnolia to be unable to develop its assets in line with current expectations and projections. Further, Magnolia's recent well results may not be indicative of its future well results.

The marketability of Company production is dependent upon market demand, vehicles, transportation and storage facilities, and other facilities, most of which the Company does not control. If these vehicles or facilities are unavailable, or if the Company is unable to access such vehicles or facilities on commercially reasonable terms, operations could be interrupted, production could be curtailed or shut in, and revenues could be reduced.

The marketing of oil, natural gas, and NGL production depends in large part on the availability, proximity, and capacity of trucks, pipelines, and storage facilities, natural gas gathering systems, and other transportation, processing, and refining facilities, as well as the existence of adequate markets. If any events reduce demand for oil and natural gas, available storage and transportation capacity for the Company's production may be limited or unavailable in the future. If there is insufficient capacity, if the capacity is unavailable to the Company, or if the capacity is unavailable on commercially reasonable terms, the prices Magnolia receives for its production could be significantly depressed.

As a result of future storage and/or market shortages, the Company could be forced to temporarily shut in some or all of its production or delay or discontinue drilling plans and commercial production following a discovery of hydrocarbons while the Company constructs or purchases its own facilities or system or is able to locate necessary storage and transportation. If the Company is forced to shut in production, it may incur greater costs to bring the associated production back online. Potential cost increases associated with bringing wells back online may be significant enough that such wells may become non-economic at low commodity price levels, which may lead to decreases in proved reserve estimates and potential impairments and associated charges to earnings. If the Company is able to bring wells back online, there is no assurance that such wells will be as productive following recommencement as they were prior to being shut in.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect Magnolia's business, financial condition, or results of operations.

Magnolia's future financial condition and results of operations will depend on the success of its development, production, and acquisition activities, which are subject to numerous risks beyond its control, including the risk that drilling will not result in commercially viable oil and natural gas production.

Magnolia's decisions to develop or purchase prospects or properties will depend, in part, on the evaluation of data obtained through geophysical and geological analysis, production data, and engineering studies, which are often inconclusive or subject to varying interpretations. For a discussion of the uncertainty involved in these processes, see the risk factor *"Crude oil, natural gas, and NGL reserves are estimates, and actual recoveries may vary significantly."* In addition, the cost of drilling, completing, and operating wells is often uncertain.

Further, many factors may curtail, delay, or cancel scheduled drilling projects, including:

- delays imposed by, or resulting from, permitting activities, compliance with regulatory requirements, including limitations on wastewater disposal, emission of GHGs, and hydraulic fracturing;

- pressure or irregularities in geological formations;
- sustained periods of low oil and natural gas prices;
- shortages of or delays in obtaining equipment and qualified personnel;
- access to water for hydraulic fracturing activities and waste disposal or recycling services at a reasonable cost and in accordance with applicable environmental regulations;
- equipment failures, accidents, or other unexpected operational events;
- lack of available gathering facilities or delays in construction of gathering facilities;
- lack of available capacity on interconnecting transmission pipelines;
- adverse weather conditions;
- issues related to compliance with environmental regulations;
- environmental or safety hazards, such as oil and natural gas leaks, oil spills, pipeline and tank ruptures, and unauthorized discharges of brine, well stimulation and completion fluids, toxic gases, or other pollutants into the surface and subsurface environment;
- limited availability of financing on acceptable terms;
- title issues;
- other market limitations in Magnolia's industry;
- tariffs, trade agreements or other trade restrictions imposed by the U.S. or other governments;
- the impact on worldwide economic activity of an epidemic, pandemic, outbreak, or other public health event; and
- changes in the supply chain of the Company's vendors that may adversely impact the supply of key components.

Crude oil, natural gas, and NGL reserves are estimates, and actual recoveries may vary significantly.

The process of estimating oil and natural gas reserves is complex. It requires interpretations of available technical data and many assumptions, including assumptions relating to current and future economic conditions and commodity prices. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities and present value of reserves. In order to prepare the reserve estimates, Magnolia must project production rates and timing of development expenditures. The Company must also analyze available geological, geophysical, production, and engineering data. The extent, quality, and reliability of this data can vary. The process also requires economic assumptions about matters such as oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes other than income taxes, and availability of funds. Magnolia cannot assure you that its management team's assumptions with respect to projected production and/or the timing of development expenditures will not materially change in subsequent periods. Magnolia's management team and board of directors may determine to secure and deploy development capital at a faster or slower pace than currently assumed.

Actual future production, oil prices, natural gas prices, NGL prices, revenues, taxes other than income taxes, development expenditures, operating expenses, and quantities of recoverable oil and natural gas reserves may vary from Magnolia's estimates. For instance, initial production rates reported by Magnolia or other operators may not be indicative of future or long-term production rates, recovery efficiencies may be lower than expected, and production declines may be greater than anticipated and may be more rapid and irregular when compared to initial production rates. In addition, estimates of proved reserves may be adjusted to reflect additional production history, results of development activities, current commodity prices, and other existing factors. Any significant variance could materially affect the estimated quantities and present value of reserves. Moreover, there can be no assurance that reserves will ultimately be produced or that proved undeveloped reserves will be developed within the periods anticipated.

Actual future prices and costs may differ materially from those used in the present value estimate. If spot prices are below such calculated amounts, using more recent prices in estimating proved reserves may result in a reduction in proved reserve volumes due to economic limits.

The standardized measure of estimated reserves may not be an accurate estimate of the current fair value of estimated oil and natural gas reserves.

The standardized measure is a reporting convention that provides a common basis for comparing oil and gas companies subject to the rules and regulations of the SEC. The standardized measure requires historical 12-month pricing as required by the SEC as well as operating and development costs prevailing as of the date of computation. Consequently, it may not reflect the prices ordinarily received or that will be received for oil and natural gas production because of varying market conditions, and it also may not reflect the actual costs that will be required to produce or develop the oil and natural gas properties. Magnolia is subject to U.S. federal, state, and local income taxes. As a result, estimates included in this Annual Report on Form 10-K of future net cash flow may be materially different from the future net cash flows that are ultimately received. Therefore, the standardized measure of estimated reserves included in this Annual Report on Form 10-K should not be construed as accurate estimates of the current fair value of such proved reserves.

Properties Magnolia has acquired or will acquire may not produce as projected, and Magnolia may be unable to

determine reserve potential, identify liabilities associated with such properties, or obtain protection from sellers against such liabilities.

Acquiring oil and natural gas properties requires Magnolia to assess reservoir and infrastructure characteristics, including recoverable reserves, future oil and natural gas prices and their applicable differentials, development and operating costs, and potential liabilities, including environmental liabilities. In connection with these assessments, Magnolia performs a review of the subject properties that it believes to be generally consistent with industry practices. Such assessments are inexact and inherently uncertain. For these reasons, the properties Magnolia has acquired or will acquire may not produce as expected. In connection with the assessments, Magnolia performs a review of the subject properties, but such a review may not reveal all existing or potential problems. In the course of due diligence, Magnolia may not review every well, pipeline, or associated facility. Magnolia cannot necessarily observe structural and environmental problems, such as groundwater contamination, when a review is performed. Magnolia may be unable to obtain or successfully enforce contractual indemnities from the seller for liabilities created prior to Magnolia's purchase of the property. Magnolia may be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with its expectations. Additionally, the success of future acquisitions will depend on Magnolia's ability to effectively integrate the then-acquired business into its then-existing operations. The process of integrating acquired assets may involve unforeseen difficulties and may require a disproportionate amount of managerial and financial resources. Magnolia's failure to achieve consolidation savings, to successfully incorporate the additionally acquired assets into its then-existing operations, or to minimize any unforeseen operational difficulties, or the failure to acquire future assets at all, could have a material adverse effect on its financial condition and results of operations.

Magnolia is not the operator on all of its acreage or drilling locations, and, therefore, is not able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non-operated assets and could be liable for certain financial obligations of the operators or any of its contractors to the extent such operator or contractor is unable to satisfy such obligations.

Magnolia conducts many of its exploration and production operations through joint operating agreements with other parties under which the Company may not control decisions, either because the Company does not have a controlling interest or is not an operator under the subject agreement. There is risk that these parties may at any time have economic, business, or legal interests or goals that are inconsistent with Magnolia's, and therefore decisions may be made that are not what the Company believes are in its best interest. Moreover, parties to these agreements may be unable or unwilling to meet their economic or other obligations, and Magnolia may be required to fulfill those obligations alone. In either case, the value of Magnolia's investment may be adversely affected.

Magnolia's producing properties are predominantly located in South Texas, making Magnolia vulnerable to risks associated with operating in a limited geographic area.

Substantially all of Magnolia's producing properties are geographically concentrated in South Texas. As a result, Magnolia may be disproportionately exposed to various factors, including, among others: (i) the impact of regional supply and demand factors, (ii) delays or interruptions of production from wells in such areas caused by governmental regulation, (iii) processing or transportation capacity constraints, (iv) market limitations, (v) availability of equipment and personnel, (vi) water shortages or other drought related conditions, or (vii) interruption of the processing or transportation of oil, natural gas, or NGLs. The concentration of Magnolia's assets in a limited geographic area also increases its exposure to changes in local laws and regulations, certain lease stipulations designed to protect wildlife and unexpected events that may occur in the region such as natural disasters, severe weather events, seismic events, industrial accidents, or labor difficulties.

The concentration of Magnolia's producing properties exposes Magnolia to disproportionate and adverse impacts from extreme regional weather events, which could affect the Company's suppliers or customers. For example, a significant hurricane or similar weather event could damage refining and other oil and natural gas-related facilities on the Gulf Coast, which (if significant enough) could limit the availability of gathering and transportation facilities across Texas and could then cause production in the Eagle Ford Shale and Giddings area (including potentially Magnolia's production) to be curtailed or shut in or (in the case of natural gas) flared. Any of the above-referenced events could have a material adverse effect on Magnolia. Likewise, a weather event like the severe winter storms in Texas in February 2021 could reduce the availability of electrical power, road accessibility, and transportation facilities, which could have an adverse impact on Magnolia's production volumes. Any one of these factors has the potential to cause producing wells to be shut-in, delay operations, decrease cash flows, increase operating and capital costs, and prevent development of lease inventory before expirations. Any of the risks described above could have a material adverse effect on Magnolia's business, financial condition, results of operations, and cash flow.

In addition, the effect of fluctuations on supply and demand may become more pronounced within specific geographic oil and natural gas producing areas such as the Karnes and Giddings areas, which may cause these conditions to occur with greater frequency or magnify the effects of these conditions. Due to the concentrated nature of Magnolia's portfolio of properties, a number of its

properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on its results of operations than they might have on other companies that have a more diversified portfolio of properties. Such delays or interruptions could have a material adverse effect on Magnolia's financial condition and results of operations.

Magnolia may incur losses as a result of title defects in the properties in which it invests.

The existence of a material title deficiency can render a lease worthless and adversely affect Magnolia's results of operations and financial condition. While Magnolia typically obtains title opinions prior to commencing drilling operations on a lease or in a unit, the failure of title may not be discovered until after a well is drilled, in which case Magnolia may lose the lease and the right to produce all or a portion of the minerals under the property. Additionally, if an examination of the title history of a property reveals that an oil or natural gas lease or other developed right has been purchased in error from a person who is not the owner of the mineral interest desired, Magnolia's interest would substantially decline in value. In such cases, the amount paid for such oil or natural gas lease or leases would be lost.

Certain of Magnolia's properties are subject to land use restrictions, which could limit the manner in which Magnolia conducts business.

Certain of Magnolia's properties are subject to land use restrictions, including city ordinances, which could limit the manner in which Magnolia conducts business. Such restrictions could affect, among other things, access to and the permissible uses of facilities as well as the manner in which Magnolia produces oil and natural gas and may restrict or prohibit drilling in general. The costs incurred to comply with such restrictions may be significant in nature, and Magnolia may experience delays or curtailment in the pursuit of development activities and perhaps even be precluded from the drilling of wells.

The development of proved undeveloped reserves may take longer and may require higher levels of capital expenditures than anticipated. Therefore, proved undeveloped reserves may not be ultimately developed or produced.

As of December 31, 2025, Magnolia's assets contained 43.6 MMboe of proved undeveloped reserves consisting of 15.2 MMBbls of oil, 86.8 Bcf of natural gas, and 13.9 MMBbls of NGLs. Development of these proved undeveloped reserves may take longer and require higher levels of capital expenditures than anticipated. Magnolia's ability to fund these expenditures is subject to several risks. Magnolia may be unable to obtain required capital or financing on satisfactory terms, which could lead to a decline in its ability to access or grow production and reserves. Delays in the development of reserves, increases in costs to drill and develop such reserves, or decreases in commodity prices will reduce the value of the proved undeveloped reserves and future net revenues estimated for such reserves, and may result in some projects becoming uneconomic. There is no certainty that Magnolia will be able to convert proved undeveloped reserves to developed reserves, or that undeveloped reserves will be economically viable or technically feasible to produce.

Certain factors could require Magnolia to write-down the carrying values of its properties, including commodity prices decreasing to a level such that future undiscounted cash flows from its properties are less than their carrying value.

Accounting rules require that Magnolia periodically review the carrying value of its properties for possible impairment. Based on prevailing commodity prices, specific market factors, circumstances at the time of prospective impairment reviews, the continuing evaluation of development plans, production data, economics, and other factors, Magnolia may be required to write-down the carrying value of its properties. A write-down constitutes a non-cash impairment charge to earnings. Long-term declines in commodity prices may adversely affect proved reserve values, which may result in a proved property impairment of Magnolia's properties, which could have a material adverse effect on results of operations for the periods in which such charges are taken. Magnolia could experience material write-downs as a result of lower commodity prices or other factors, including low production results or high lease operating expenses, capital expenditures, or transportation fees.

Unless Magnolia replaces its reserves with new reserves and develops those new reserves, its reserves and production will decline, which would adversely affect future cash flows and results of operations.

Producing oil and natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless Magnolia conducts successful ongoing exploration and development activities or continually acquires properties containing proved reserves, proved reserves will decline as those reserves are produced. Magnolia's future reserves and production, and therefore future cash flow and results of operations, are highly dependent on Magnolia's success in efficiently developing current reserves and economically finding or acquiring additional recoverable reserves. Magnolia may not be able to develop, find, or acquire sufficient additional reserves to replace future production. If Magnolia is unable to replace such production, the value of its reserves will decrease, and its business, financial condition, and results of operations would be materially and adversely affected.

Properties that Magnolia decides to drill may not yield oil or natural gas in commercially viable quantities.

Properties that Magnolia decides to drill that do not yield oil or natural gas in commercially viable quantities will adversely affect its results of operations and financial condition. There is no certain way to predict in advance of drilling and testing whether any particular prospect will yield oil or natural gas in sufficient quantities to recover drilling or completion costs, or to be economically viable. The use of seismic data and other technologies and the study of producing fields in the same area will not enable Magnolia to know conclusively prior to drilling whether oil or natural gas will be present or, if present, whether oil or natural gas will be present in commercial quantities. Magnolia cannot ensure that the analogies drawn from available data from other wells, more fully explored prospects, or producing fields will be applicable to its drilling prospects. Further, Magnolia's drilling operations may be curtailed, delayed, or canceled as a result of numerous factors, including unexpected drilling conditions, title issues, pressure or lost circulation in formations, equipment failures or accidents, adverse weather conditions, compliance with environmental and other governmental or contractual requirements, and increases in the cost of, and shortages or delays in the availability of, electricity, supplies, materials, drilling or workover rigs, equipment, and services.

Magnolia depends upon a small number of significant purchasers for the sale of most of its oil, natural gas, and NGL production. The loss of one or more of such purchasers could, among other factors, limit Magnolia's access to suitable markets for the oil, natural gas, and NGLs it produces.

Magnolia normally sells its production to a relatively small number of customers, as is customary in the oil and natural gas business. In 2025, there were two purchasers who accounted for an aggregate 61% of the total revenue attributable to Magnolia's assets. The loss of any significant purchaser could adversely affect Magnolia's revenues in the short-term. Magnolia expects to depend upon these or other significant purchasers for the sale of most of its oil and natural gas production. Magnolia cannot ensure that it will continue to have ready access to suitable markets for its future oil and natural gas production.

The unavailability or high cost of drilling rigs, equipment, supplies, personnel, and oilfield services could adversely affect Magnolia's ability to execute its development plans within its budget and on a timely basis.

The demand for drilling rigs, pipe, and other equipment and supplies, as well as for qualified and experienced field personnel to drill wells and conduct field operations, geologists, geophysicists, engineers, and other professionals in the oil and gas industry, can fluctuate significantly, often correlated with oil, natural gas, and NGL prices, causing periodic shortages of supplies and needed personnel. Magnolia's operations are concentrated in areas in which oilfield activity levels have increased rapidly, and as a result, demand for such drilling rigs, equipment, and personnel, as well as access to transportation, processing, and refining facilities in these areas, have increased, as have the costs for those items. To the extent that commodity prices continue to increase in the future, the demand for and prices of these goods and services are likely to increase, and Magnolia could encounter delays in securing, or an inability to secure, the personnel, equipment, power, services, resources, and facilities access necessary for it to resume or increase Magnolia's development activities, which could result in production volumes being below its forecasted volumes. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on cash flow and profitability. Furthermore, if Magnolia is unable to secure drilling rigs, it may not be able to drill all of its acreage before its leases expire.

Competition in the oil and gas industry is intense, making it more difficult for Magnolia to acquire properties, market oil or natural gas, and secure trained personnel.

Magnolia's ability to acquire additional prospects to complement or expand the Company's current business and to find and develop reserves in the future will depend on its ability to evaluate and select suitable properties for acquisitions and to consummate transactions in a highly competitive environment for acquiring properties, marketing oil and natural gas, and securing trained personnel. However, there is no guarantee that Magnolia will be able to identify attractive acquisition opportunities. In the event it is able to identify attractive acquisition opportunities, Magnolia may not be able to complete the acquisition or do so on commercially acceptable terms. Competition for capital available for investment in the oil and gas industry, specifically for acquisitions, may also increase the cost of, or cause Magnolia to refrain from, completing acquisitions. Many other oil and gas companies possess and employ greater financial, technical, and personnel resources than Magnolia. Those companies may be able to pay more for productive properties and exploratory prospects and to evaluate, bid for, and purchase a greater number of properties and prospects than Magnolia's financial or personnel resources permit. Magnolia may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel, and raising additional capital, which could have a material adverse effect on its business.

The loss of senior management or technical personnel could adversely affect operations.

Magnolia depends on the services of its senior management and technical personnel. Magnolia does not maintain, nor does Magnolia plan to obtain, any insurance against the loss of any of these individuals. The loss of the services of its senior management

could have a material adverse effect on Magnolia's business, financial condition, and results of operations.

Magnolia may not be able to keep pace with technological developments in its industry.

The oil and gas industry is characterized by rapid and significant technological advancement and the introduction of new products and services using new technologies, including through the use of artificial intelligence and other emerging technologies. As others use or develop new technologies, Magnolia may be placed at a competitive disadvantage or may be forced by competitive pressures to implement those new technologies at substantial cost. In addition, other oil and gas companies 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 Magnolia can. Magnolia may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies it expects to use were to become obsolete, Magnolia's business, financial condition, or results of operations could be materially and adversely affected.

Inflation may adversely affect Magnolia's business, results of operations, and financial condition.

Magnolia is in an industry that has experienced inflationary pressures on operating costs - namely fuel, steel (i.e., wellbore tubulars and facilities manufactured using steel), labor, and drilling and completion services. Although for many years, inflation in the United States had been relatively low, there was a significant increase in inflation beginning in the second half of 2021 due to a substantial increase in money supply, a stimulative fiscal policy, the Russia-Ukraine war, and worldwide supply chain disruptions. Inflationary pressures have moderated from recent highs but remain elevated relative to historical levels. According to the Bureau of Labor Statistics, inflation rose to a peak of 9.1% in June 2022, and has since decreased to 2.7% as of December 2025. While supply chain disruptions and inflation have not materially affected Magnolia's operating results to date, if Magnolia is unable to work with its suppliers to limit or prevent increases in its costs of operations, it could adversely affect its operating results. In addition, any projected future decreases in Magnolia's operating results due to inflation could adversely affect Magnolia's future business, financial condition, results of operations, liquidity, and ability to finance planned capital expenditures.

Magnolia's business could be adversely affected by security threats, including cybersecurity threats, and related disruptions.

Magnolia relies heavily on its information systems, and the availability and integrity of these systems is essential to conducting Magnolia's business and operations. Cybersecurity risks, including phishing-attacks, unauthorized access, malicious software, data exfiltration, data privacy breaches by employees or others with authorized access, ransomware, and other cybersecurity issues could compromise computer and telecommunications systems and result in disruptions to the Company's business operations or the access, disclosure, or loss of Company data and proprietary information. Additionally, as a producer of oil and natural gas, Magnolia faces various security threats that could render its information or systems unusable, and threats to the security of its facilities and infrastructure or the facilities and infrastructure of third parties, such as gathering and processing and other facilities, refineries and pipelines, or third party technology cloud providers. If any of these security breaches were to occur, they could lead to losses of, or damage to, sensitive information, facilities, infrastructure, and systems essential to Magnolia's business and operations, as well as data corruption, communication interruptions, or other disruptions to its operations, which, in turn, could have a material adverse effect on its business, financial position, results of operations, and cash flows.

The increased use of artificial intelligence ("AI") technologies, both by the Company and by third parties, may introduce additional cybersecurity and operational risks. AI-enabled applications and services may rely on large volumes of data, third-party models, and cloud-based infrastructure, which could increase exposure to data privacy, security, and intellectual property risks. In addition, threat actors may increasingly leverage AI-enabled techniques to enhance the scale, speed, and sophistication of cyberattacks, including social engineering, phishing, and automated exploitation. While Magnolia seeks to manage these risks through its cybersecurity and risk management programs, there can be no assurance that such measures will prevent all AI-related security incidents, which could have a material adverse effect on the Company's business, financial position, results of operations, or cash flows.

Magnolia's implementation of various procedures and controls to monitor and mitigate such security threats and to increase security for its information, systems, facilities, and infrastructure may result in increased costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring.

Risks Related to Environmental, Regulatory, and Political Conditions

Magnolia's operations are subject to environmental and occupational health and safety laws and regulations that may expose the Company to significant costs and liabilities.

Magnolia's operations are subject to stringent and complex federal, state, and local laws and regulations governing the discharge of materials into the environment, health and safety aspects of the Company's operations, or otherwise relating to

environmental protection. These laws and regulations may impose numerous obligations applicable to Magnolia's operations, including the acquisition of a permit or other approval before conducting regulated activities; the restriction of types, quantities, and concentration of materials that can be released into the environment; the limitation or prohibition of drilling activities on certain lands lying within wilderness, wetlands, and other protected areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution resulting from the Company's operations. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties.

Certain environmental laws impose strict joint and several liability for costs required to remediate and restore sites where hazardous substances, hydrocarbons, or solid wastes have been stored or released. Magnolia may be required to remediate contaminated properties currently or formerly operated by the Company or facilities of third parties that received waste generated by the Company.

Magnolia may incur substantial losses and be subject to substantial liability claims as a result of operations. Additionally, Magnolia may not be insured for, or insurance may be inadequate to protect Magnolia against, these risks.

Magnolia is not insured against all risks. Losses and liabilities arising from uninsured and underinsured events could materially and adversely affect its business, financial condition, or results of operations.

Magnolia's development activities are subject to all of the operating risks associated with drilling for and producing oil and natural gas, including the possibility of environmental hazards, such as uncontrollable releases of oil, natural gas, brine, well fluids, toxic gas, or other pollution into the environment, including groundwater, air, and shoreline contamination, or the presence of endangered or threatened species; abnormally pressured formations; mechanical difficulties, such as stuck oilfield drilling and service tools and casing collapse; fires, explosions, and ruptures of pipelines; personal injuries and death; natural disasters; and terrorist attacks targeting oil and natural gas related facilities and infrastructure.

Events that could adversely affect Magnolia's ability to conduct operations or result in substantial loss as a result of claims include serious injury or loss of life, damage to and destruction of property, natural resources, and equipment, pollution and other environmental damage, regulatory investigations and penalties, and repair and remediation costs.

Magnolia may elect not to obtain insurance for any or all of these risks if it believes that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on Magnolia's business, financial condition, and results of operations.

Magnolia's operations are subject to a series of risks arising from evolving standards regulating greenhouse gases and volatile organic compounds emissions.

The threat of climate change continues to attract considerable attention globally. In the United States, no comprehensive climate change legislation regulating the emission of GHGs or directly imposing a price on carbon has been implemented at the federal level. However, federal regulators, state and local governments, and private parties have taken (or announced that they plan to take) actions that have or may have a significant influence on the Company's operations, and legislation and regulations continue to evolve. In December 2023, the EPA announced a final rule later published on March 8, 2024, to strengthen the existing emissions reduction requirements in Subpart OOOOa, expand reduction requirements for new, modified and reconstructed oil and natural gas sources in Subpart OOOOb, and impose methane emissions limitations on existing oil and natural gas sources nationwide for the first time. The final rule established "Emissions Guidelines," creating a Subpart OOOOc that requires states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. The final rule also created a new third-party monitoring program to flag large emissions events, referred to as "super emitters". Notably, the EPA imposed a December 6, 2022 applicability date for Subparts OOOOb and OOOOc, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates. The final rule gives states, along with federal tribes that wish to regulate existing sources, until March 2026 to develop and submit their plans for reducing methane emissions from existing sources. The final emissions guidelines under Subpart OOOOc provided until 2029 for existing sources to comply. The final rule is subject to ongoing litigation but remains in effect. However, in March 2025, the EPA announced its intention to reconsider the March 8, 2024 rule, including Subparts OOOOb and OOOOc, with a final rule expected in or around July 2026. A subsequent rule finalized on November 26, 2025, and published on December 3, 2025, gives states, along with federal tribes that wish to regulate existing sources, until January 2027 to develop and submit their plans for reducing methane emissions from existing sources. Additionally, in August 2022, the Inflation Reduction Act of 2022 was signed into law. Among other things, the Inflation Reduction Act amended the Clean Air Act to include a Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems. This program required the EPA to impose a Waste Emissions Charge ("WEC") on certain oil and gas sources that are already required to report emissions under EPA's Greenhouse Gas Reporting Program. To implement the program, in May 2024, the EPA finalized revisions to the Greenhouse Gas Reporting Program for the oil and natural gas sector. However, in March 2025, President Trump signed

Congress' Joint Resolution of Disapproval of the WEC, and in May 2025, EPA issued a final rule to remove the WEC regulations from the Code of Federal Regulations. In July 2025, the One Big Beautiful Bill Act of 2025 delayed the effective date of the WEC until 2034. In addition, in September 2025, EPA proposed to permanently remove program obligations from the Greenhouse Gas Reporting Program for most source categories, and suspend program obligations for some sources subject to subpart W (which applies to emission sources in certain segments of the petroleum and natural gas industry) until 2034. Under the proposed rule, facilities in the natural gas distribution segment of subpart W would no longer report to EPA after reporting year 2024. The future implementation and enforcement of these proposed and final rules remains uncertain at this time.

Separately, a number of states have developed programs that are aimed at reducing GHG emissions by means of cap and trade programs, carbon taxes, or encouraging the use of renewable energy or alternative low-carbon fuels. Cap and trade programs typically require major sources of GHG emissions to acquire and surrender emission allowances in return for emitting those GHGs. In addition, efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. For example, pursuant to the terms of the Paris Agreement, the United States previously committed to reducing its GHG emissions by at least 50% below 2005 levels by 2030. In addition, at the 26th conference of parties in September 2021, the United States and the European Union jointly announced the Global Methane Pledge, a pact that aims to reduce global methane emissions at least 30% below 2020 levels by 2030, including "all feasible reductions" in the energy sector. However, in January 2025, President Trump issued an executive order directing the notice to the United Nations of the United States' immediate withdrawal from the Paris Agreement and all other agreements made under the United Nations Framework Convention on Climate Change. The withdrawal became effective in January 2026. In addition, the United States did not send an official delegation to the 30th conference of the parties. The full impact of these actions remains unclear at this time. In addition, the Supreme Court's decision in *Loper Bright Enterprises v. Raimondo* to end the concept of general deference to regulatory agency interpretations of laws introduces new complexity for federal agencies and administration of climate change policy and regulatory programs. Consequently, to the extent that governmental entities in the United States or other countries implement or impose climate change regulations on the oil and gas industry, it could have a material adverse effect on the Company's business, including by restricting Magnolia's ability to execute on its business strategy, requiring additional capital, compliance, operating and maintenance costs, increasing the cost of Magnolia's products and services, reducing demand for its products and services, reducing its access to financial markets, or creating greater potential for governmental investigations or litigation.

Furthermore, climate change-related developments may result in negative perceptions of the traditional oil and gas industry and, in turn, reputational risks associated with exploration and production activities. Negative public perception regarding the Company and/or its industry resulting from, among other things, concerns raised by advocacy groups about climate change, emissions, hydraulic fracturing, seismicity, or oil spills may lead to increased litigation risk and regulatory, legislative, and judicial scrutiny. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens and increased risk of litigation. Moreover, governmental authorities exercise considerable discretion in the timing and scope of permit issuance and the public may engage in the permitting process, including through intervention in the courts. Negative public perception could cause the permits the Company needs to conduct its operations to be withheld, delayed, or burdened by requirements that restrict the Company's ability to profitably conduct the Company's business. In addition, various officials and candidates at the federal, state, and local levels, have made climate-related pledges or proposed banning hydraulic fracturing altogether. More broadly, the enactment of climate change-related policies and initiatives across the market at the corporate level and/or investor community level may in the future result in increases in the Company's compliance costs and other operating costs and have other adverse effects (e.g., greater potential for governmental investigations or litigation, driving down demand for the Company's products, or stimulating demand for alternative forms of energy that do not rely on combustion of fossil fuels).

Increasing attention from governmental and regulatory bodies, investors, consumers, industry, and other stakeholders on combating climate change, together with changes in consumer and industrial/commercial behavior, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary climate-related disclosures, preferences and attitudes with respect to the generation and consumption of energy, the use of hydrocarbons, and the use of products manufactured with, or powered by, hydrocarbons, may result in the enactment of climate change-related regulations, policies and initiatives (at the government, regulator, corporate and/or investor community levels), including alternative energy requirements, new fuel consumption standards, energy conservation and emissions reductions measures and responsible energy development; technological advances with respect to the generation, transmission, storage and consumption of energy (including advances in wind, solar, and hydrogen power, as well as battery technology); enhanced disclosure obligations with respect to GHGs; increased availability of, and increased demand from consumers and industry for, energy sources other than oil and natural gas (including wind, solar, nuclear, and geothermal sources, as well as electric vehicles); and development of, and increased demand from consumers and industry for, lower-emission products and services (including electric vehicles and renewable residential and commercial power supplies), as well as more efficient products and services. These developments may in the future adversely affect the demand for products manufactured with, or powered by, petroleum products, as well as the demand for, and in turn the prices of, the products that Magnolia sells. Such developments may also adversely impact, among other things, the Company's stock price and access to capital markets, and the availability of necessary third-party services and facilities, which may increase the Company's operational costs and adversely affect the Company's ability to

successfully carry out the Company's business strategy. Climate change-related developments may also impact the market prices of or the Company's access to raw materials such as energy and water and therefore result in increased costs to the Company's business. Concern over climate change has also resulted in political risks in the United States, including climate-related pledges by certain candidates now in public office. Litigation risks are also increasing, as a number of cities and other local governments have sought to bring suit against the largest oil and gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but failed to adequately disclose such impacts to their investors or customers. Private individuals or public entities may seek to enforce environmental laws and regulations against the Company and could allege personal injury, property damages or other liabilities. While the Company's business is not a party to any such litigation, Magnolia could be named in actions making similar allegations. An unfavorable ruling in any such case could significantly impact the Company's operations and could have an adverse impact on the Company's financial condition.

Negative perceptions regarding the Company's industry and reputational risks, including perceptions regarding the sufficiency of the Company's ESG program (which may include policies, practices, and extralegal objectives related to climate change, environmental stewardship, social responsibility, and corporate governance), may also in the future adversely affect the Company's ability to successfully carry out the Company's business strategy by adversely affecting its access to capital. There have been efforts in recent years, for example, to influence the investment community, including investment advisors, insurance companies, and certain sovereign wealth, pension and endowment funds and other groups, by promoting divestment of fossil fuel equities and pressuring lenders to limit funding and insurance underwriters to limit coverages to companies engaged in the extraction of fossil fuel reserves. Certain financial institutions and members of the investment community have shifted and others may elect in the future to shift some or all of their investment into non-fossil fuel related sectors. There is also a risk that financial institutions may be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Certain investment banks and asset managers based both domestically and internationally have announced that they are adopting climate change guidelines for their banking and investing activities. Institutional lenders who provide financing to energy companies such as the Company have also become more attentive to sustainable lending practices, and some may elect not to provide traditional energy producers or companies that support such producers with funding. Ultimately, this could make it more difficult to secure funding for exploration and production activities or adversely impact the cost of capital for both the Company and its customers, and could thereby adversely affect the demand and price of the Company's securities. Lower equity returns in the sector versus other industry sectors may lead to lower oil and natural gas representation in certain key equity market indices. Limitation of investments in and financings for energy companies could also result in the restriction, delay, or cancellation of infrastructure projects and energy production activities. Additionally, shareholder activism has been recently increasing in the oil and gas industry, and shareholders may attempt to effect changes to Magnolia's business or governance, whether by shareholder proposals, public campaigns, proxy solicitations, or otherwise. Such actions could adversely impact the Company's business by distracting management and other personnel from their primary responsibilities, require the Company to incur increased costs, and/or result in reputational harm. Activist shareholders have introduced proposals that may seek to force companies to adopt aggressive emission reduction targets or to shift away from more carbon-intensive industries. As noted above, activists may also pursue other means of curtailing oil and natural gas operations, such as through litigation. Such developments, including environmental activism and initiatives aimed at limiting climate change and reducing air pollution, could result in downward pressure on the stock prices of oil and gas companies, including Magnolia's. This may also potentially result in a reduction of available capital funding for potential development projects, impacting the Company's future financial results.

In addition, in recent years, companies across all industries are facing scrutiny from certain investors, employees, customers, lenders and other stakeholders related to their sustainability practices, particularly with respect to climate change. At the same time, recent political developments could subject the Company to increased risk of criticism or litigation risks from certain "anti-ESG" parties. Such sentiment may focus on the Company's GHG reduction initiatives, which anti-ESG proponents may assert as unlawful, political, or polarizing in nature. If Magnolia does not adapt to or comply with investor or other stakeholder expectations and standards on sustainability matters as they continue to evolve, or if the Company is perceived to have not responded appropriately or quickly enough to growing concern for climate change issues, regardless of whether there is a regulatory or legal requirement to do so, the Company may suffer from reputational damage and its business, financial condition, and results of operations could be materially and adversely affected. Further, the Company's continuing efforts to research, establish, accomplish, and accurately report on the implementation of its sustainability strategy may also create additional operational risks and expenses and expose the Company to reputational, legal and other risks. While Magnolia creates and publishes voluntary disclosures regarding sustainability matters from time to time, some of the statements in those voluntary disclosures may be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many sustainability matters.

Magnolia's assets are located in areas that may be prone to severe weather events, including hurricanes, winter storms, floods, and major tropical storms. These events could adversely affect or delay demand for the Company's products or cause the

Company to incur significant costs in preparing for, or responding to, the effects thereof. Energy needs could increase or decrease as a result of weather conditions, depending on the duration and magnitude of any such weather events, and adversely impact Magnolia's operating costs or revenues. To the extent the frequency of extreme weather events may increase, this could impact operations in various ways, including damage to or disruption of operations at the Company's facilities, increased insurance premiums or increases to the cost of providing service, reduced availability of electrical power, road accessibility, and transportation facilities, as well as impacts on personnel, supply chain, distribution chain or customers. Any of these effects could have an adverse effect on the Company's assets and operations. The Company's ability to mitigate the physical impacts of adverse weather conditions depends in part upon its emergency preparedness and response along with its business continuity planning. See *"Magnolia's producing properties are predominantly located in South Texas, making Magnolia vulnerable to risks associated with operating in a limited geographic area."*

Federal, state, and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews of such activities could result in increased costs, additional operating restrictions or delays in the completion of oil and natural gas wells, and adversely affect Magnolia's production.

The hydraulic fracturing process involves the injection of water, proppants, and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. It is typically done at substantial depths in formations with low permeability. Magnolia routinely uses fracturing techniques in the U.S. to expand the available space for oil and natural gas to migrate toward the wellbore. Hydraulic fracturing is typically regulated by state oil and natural gas commissions, but certain federal agencies have asserted regulatory authority over certain aspects of the process, including air emissions, fracturing fluid constituents, and wastewater disposal, among others.

From time to time the U.S. Congress has considered proposals to regulate hydraulic fracturing under the U.S. Safe Drinking Water Act. While, to date, those proposals have not been enacted, such proposals may be considered again in the future. Several states have already enacted or are otherwise considering legislation to regulate hydraulic fracturing practices through more stringent permitting, fluid disclosure, and well construction requirements on hydraulic-fracturing operations or otherwise seek to ban fracturing activities altogether. However, no bans on hydraulic-fracturing activities are pending in Texas. Hydraulic fracturing of wells and subsurface water disposal via injection wells are also under public and governmental scrutiny due to potential environmental and physical impacts, including possible contamination of groundwater and drinking water and possible links to seismic events. In addition, some municipalities have significantly limited or prohibited drilling activities and/or hydraulic fracturing or are considering doing so. The adoption of any new federal, state, or local laws or the implementation of regulations regarding hydraulic fracturing in areas in which the Company operates could result in operational delays, increased compliance costs, or a decrease in Magnolia's production, which could have an adverse effect on the Company's business, financial condition, and results of operations.

Potential future legislation may generally affect the taxation of oil and natural gas exploration and development companies and may adversely affect Magnolia's future cash flows and results of operations.

From time to time, federal legislation has been proposed 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 available to oil and natural gas exploration and development companies. Such legislative changes have included, but have not been limited to, (i) the repeal of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, and (iii) an extension of the amortization period for certain geological and geophysical expenditures. Although these provisions were largely unchanged in recent federal tax legislation such as the One Big Beautiful Bill Act of 2025, Congress could consider, and could include, some or all of these proposals as part of future tax reform legislation. Moreover, other more general features of any additional tax reform legislation, including changes to cost recovery rules, may be developed that also would change the taxation of oil and gas companies. It is unclear whether these or similar changes will be enacted in future legislation and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals and other similar changes in U.S. federal income tax laws could adversely affect Magnolia's future cash flows and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of Magnolia's income or other tax returns could adversely affect its financial condition and results of operations.

Magnolia is subject to taxes by U.S. federal, state, and local tax authorities. Magnolia's future effective tax rates could be subject to volatility or adversely affected by a number of factors, including tax effects of stock based compensation, or changes in tax laws, regulations, or interpretations thereof.

In addition, Magnolia may be subject to audits of its income, sales, and other transaction taxes by U.S. federal, state, and local taxing authorities. Outcomes from these audits could have an adverse effect on the Company's financial condition and results of operations.

Risks Related to Financing and Liquidity

Magnolia may not be able to generate sufficient cash to service all of its indebtedness and may be forced to take other actions to satisfy debt obligations, which may not be successful.

Magnolia's ability to make scheduled payments on or to refinance its indebtedness obligations depends on Magnolia's financial condition and operating performance, which are subject to financial, business, and other factors, many of which are beyond Magnolia's control. Magnolia may not be able to maintain a level of cash flow from operating activities sufficient to permit Magnolia to service or repay its indebtedness. Failure to make required payments on its indebtedness will result in an event of default under the agreement governing the applicable indebtedness, entitling the requisite lenders of such indebtedness to accelerate the payment of obligations thereunder and to exercise other remedies, including in respect of collateral (if any) securing such indebtedness. As of December 31, 2025, the Company had $400.0 million of principal debt related to the 2032 Senior Notes outstanding and no outstanding borrowings related to the RBL Facility.

If Magnolia is unable to fund its debt service obligations, Magnolia may be forced to reduce or delay investments and capital expenditures, sell assets, seek additional capital, or restructure or refinance existing indebtedness, all of which will depend on the condition of the capital markets and Magnolia's financial condition at such time. Any refinancing of indebtedness may be at higher interest rates and may require Magnolia to comply with more onerous covenants, which could further restrict business operations. The terms of Magnolia's existing or future debt instruments may restrict it from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on outstanding indebtedness on a timely basis would likely harm Magnolia's ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, Magnolia could face substantial liquidity problems and might be required to dispose of material assets or operations to meet debt service and other obligations. The RBL Facility and the Indenture (as defined below) governing the 2032 Senior Notes limit Magnolia's ability to dispose of assets and use the proceeds from such dispositions. Magnolia may not be able to consummate those dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit Magnolia to meet scheduled debt service obligations.

Restrictions in Magnolia's existing and future debt agreements could limit Magnolia's growth and ability to engage in certain activities.

Magnolia's ability to meet its expenses and debt obligations and comply with the covenants and restrictions contained therein will depend on its future performance, which will be affected by financial, business, economic, industry, regulatory, and other factors, many of which are beyond Magnolia's control. If market or other economic conditions deteriorate, Magnolia's ability to comply with these covenants may be impaired. For example, Magnolia's RBL Facility requires Magnolia to maintain quarterly compliance with a leverage and current ratio and the satisfaction of certain conditions, including the absence of defaults and events of default thereunder, to borrow money. The RBL Facility also limits Magnolia Operating's ability to draw additional amounts under the RBL Facility if Magnolia Operating has a consolidated cash balance in excess of $70.0 million. Magnolia's debt agreements may restrict the payment of dividends and distributions by certain of its subsidiaries to it, which could affect its access to cash. In addition, Magnolia's ability to comply with the financial and other restrictive covenants in the agreements governing its indebtedness will be affected by the levels of cash flow from operations, future events, and other circumstances beyond Magnolia's control. Breach of these covenants or restrictions will result in a default under Magnolia's debt agreements, which if not cured or waived within the applicable grace period (if any), would permit the acceleration of all indebtedness outstanding thereunder by the requisite holders of such indebtedness. Upon acceleration, the indebtedness would become immediately due and payable, together with accrued and unpaid interest, and any commitments of a lender to make further loans to Magnolia may terminate. Even if new financing were then available, it may not be on terms that are acceptable to Magnolia. In addition to accelerating the indebtedness, the requisite group of affected lenders may exercise remedies upon the incurrence of an event of default, including through foreclosure, in respect of the collateral securing any such secured financing arrangements. Moreover, any subsequent replacement of Magnolia's financing arrangements may require it to comply with more restrictive covenants, which could further restrict business operations.

Any significant reduction in Magnolia's borrowing base under the RBL Facility as a result of the periodic borrowing base redeterminations or otherwise may negatively impact Magnolia's ability to fund its operations.

The RBL Facility limits the amounts Magnolia can borrow up to the lesser of the aggregate elected commitment amount and the borrowing base amount, which, in the case of the latter, the lenders determine, in good faith, in accordance with their respective usual and customary oil and natural gas lending criteria, based upon the loan value of the proved oil and natural gas reserves located within the geographic boundaries of the United States included in the most recent reserve report provided to the lenders. As of December 31, 2025, the Company had a borrowing base amount of $800.0 million, a borrowing capacity amount of $450.0 million, and no borrowings.

The RBL Facility requires periodic borrowing base redeterminations based on reserve reports. Additionally, the borrowing base is subject to unscheduled reductions due to certain issuances of new junior lien indebtedness, unsecured indebtedness or subordinated indebtedness, certain sales or acquisitions of borrowing base properties, or early monetizations or terminations of certain hedge or swap positions. An unscheduled redetermination may also be requested by either the requisite lenders or by Magnolia once between scheduled redeterminations. A reduced borrowing base could render Magnolia unable to access adequate funding under the RBL Facility. Additionally, if the aggregate amount outstanding under the RBL Facility exceeds the borrowing base at any time, Magnolia would be required to repay any indebtedness in excess of the borrowing base or to provide mortgages on additional borrowing base properties to eliminate such excess. As a result of a mandatory prepayment and/or reduced access to funds under the RBL Facility, Magnolia may be unable to implement its drilling and development plan, make acquisitions, or otherwise carry out business plans, which would have a material adverse effect on its financial condition and results of operations.

Magnolia's development projects and acquisitions require substantial capital expenditures. Magnolia may be unable to obtain required capital or financing on satisfactory terms, which could lead to a decline in its ability to access or grow production and reserves.

The oil and gas industry is capital-intensive. Magnolia makes, and expects to continue to make, substantial capital expenditures related to development and acquisition projects. Magnolia has funded, and expects to continue to fund, its capital budget with cash generated by operations and potentially through borrowings under the RBL Facility. However, Magnolia's financing needs may require it to alter or increase its capitalization substantially through the issuance of debt or equity securities or the sale of assets. The issuance of additional indebtedness would require that an additional portion of cash flow from operations be used for the payment of interest and principal on its indebtedness, thereby further reducing Magnolia's ability to use cash flow from operations to fund working capital, capital expenditures, and acquisitions. The issuance of additional equity securities would be dilutive to existing stockholders. The actual amount and timing of future capital expenditures may differ materially from estimates as a result of, among other things: commodity prices; actual drilling results; the availability of drilling rigs and other services and equipment; and legislative, regulatory, technological, competitive, and other economic or industry developments. A reduction in commodity prices from current levels may result in a decrease in actual capital expenditures, which would negatively impact Magnolia's ability to grow production.

Magnolia's cash flow from operations and access to capital is subject to a number of variables, including:

- the prices at which Magnolia's production is sold;
- proved reserves;
- the amount of hydrocarbons Magnolia is able to produce from its wells;
- Magnolia's ability to acquire, locate, and produce new reserves;
- the amount of Magnolia's operating expenses;
- Magnolia's ability to borrow under the RBL Facility;
- restrictions in the instruments governing Magnolia's debt, and Magnolia's ability to incur additional indebtedness; and
- Magnolia's ability to access the capital markets.

If Magnolia's revenues or the borrowing base under the RBL Facility decrease as a result of lower oil, natural gas, and NGL prices, operational difficulties, declines in reserves or for any other reason, Magnolia may have limited ability to obtain the capital necessary to sustain operations at current levels. If additional capital is needed, Magnolia may not be able to obtain debt or equity financing on terms acceptable to it, if at all. If cash flow generated by Magnolia's operations or available borrowings under the RBL Facility are insufficient to meet Magnolia's capital requirements, the failure to obtain additional financing could result in a curtailment of the development of Magnolia's properties, which in turn could lead to a decline in reserves and production and could materially and adversely affect Magnolia's business, financial condition, and results of operations. If Magnolia incurs additional indebtedness, the operational risks that Magnolia faces could intensify, and Magnolia may be unable to service its existing debt service obligations.

Risks Related to Magnolia's Class A Common Stock and Capital Structure

Magnolia is a holding company. Magnolia's principal asset is its controlling equity interest in Magnolia LLC, and Magnolia is accordingly dependent upon distributions from Magnolia LLC to pay taxes and cover its corporate and other overhead expenses.

Magnolia is a holding company and its principal asset is its controlling equity interest in Magnolia LLC. Magnolia has no independent means of generating revenue. To the extent Magnolia LLC has available cash, Magnolia intends to cause Magnolia LLC to make (i) generally pro rata distributions to its unitholders, including Magnolia, in an amount at least sufficient to allow Magnolia to pay its taxes and (ii) non-pro rata payments to Magnolia to reimburse it for its corporate and other overhead expenses. As of December 31, 2025, the Company had no borrowings during the year or outstanding at the end of the period related to the RBL Facility, and therefore there were no restrictions under the RBL Facility on the ability of Magnolia LLC and its subsidiaries to transfer

funds to Magnolia. To the extent that Magnolia needs funds and Magnolia LLC or its subsidiaries are restricted from making such distributions or payments under applicable law or regulation or under the terms of any financing arrangements, or are otherwise unable to provide such funds, Magnolia's liquidity and financial condition could be materially adversely affected.

Magnolia's second amended and restated certificate of incorporation and bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of Magnolia's Class A Common Stock.

Magnolia's second amended and restated certificate of incorporation authorizes its board of directors to issue preferred stock without stockholder approval. If Magnolia's board of directors elects to issue preferred stock, it could be more difficult for a third-party to acquire Magnolia. In addition, some provisions of Magnolia's second amended and restated certificate of incorporation and its bylaws could make it more difficult for a third-party to acquire control of Magnolia, even if the change of control would be beneficial to its stockholders, including limitations on the removal of directors, limitations on the ability of Magnolia's stockholders to call special meetings, providing that the board of directors is expressly authorized to adopt, or to alter or repeal, Magnolia's bylaws, and establishing advance notice and certain information requirements for nominations for election to its board of directors and for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, certain change of control events may have the effect of accelerating any payments due under Magnolia's RBL Facility, and could, in certain defined circumstances, require Magnolia to make an offer to repurchase its outstanding notes and/or result in the acceleration of payments required by the Indenture governing the 2032 Senior Notes, which could be substantial and accordingly serve as a disincentive to a potential acquirer of the Company.

Future sales of Magnolia's Class A Common Stock in the public market, or the perception that such sales may occur, could reduce Magnolia's stock price, and any additional capital raised by Magnolia through the sale of equity or convertible securities may dilute your ownership in the Company.

Magnolia may sell additional shares of Class A Common Stock or securities convertible into shares of its Class A Common Stock in subsequent offerings. Magnolia cannot predict the size of future issuances of its Class A Common Stock or securities convertible into Class A Common Stock or the effect, if any, that such future issuances will have on the market price of its Class A Common Stock. Sales of substantial amounts of Magnolia's Class A Common Stock (including shares issued in connection with an acquisition or in connection with Magnolia's existing or future equity compensation plans), or the perception that such sales could occur, may adversely affect prevailing market prices of its Class A Common Stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company has a robust, risk-based cybersecurity program, designed to protect the Company's operations and information assets. In addition to performing its annual assessment of the overall cybersecurity risk as part of the Company's Enterprise Risk Assessment evaluation, Magnolia constantly assesses its cybersecurity risks by evaluating the likelihood of occurrence and the potential impact on the business. The risk identification process considers those common in the oil and gas industry and those that pertain to the technologies within the Company's applications and infrastructure.

Magnolia has policies that govern many aspects of computer and data security, data backup, appropriate use, and incident management. In addition, there are several key risk mitigation processes and software tools in place to prevent, detect, and respond to cybersecurity attacks. Multi-factor authentication and privileged access are required to access the Company's network in order to protect internal data and ensure appropriate access. The Company utilizes security vulnerability scanning software and 24/7 monitoring in an effort to detect and prevent significant cybersecurity threats. Magnolia uses email and spam filtering and requires mandatory security awareness training for all employees, which is reinforced through periodic simulated phishing tests.

The Company uses a backup and recovery methodology that supports the replication of data across multiple secure data centers with the intent to prevent local and cloud backup data from accidental destruction and unavailability in the event of data loss or a major cyber event. Magnolia has a cybersecurity Incident Response Plan ("IRP") in place that was established to help protect the integrity, availability, and confidentiality of information, prevent loss of service, and adhere to industry best practices. The IRP is reviewed annually and specifies the process for identifying a cybersecurity incident, conducting the initial investigation, classifying incident severity, documenting and communicating information to the appropriate parties, responding to and remediating the incident,

and ongoing training. In the event of a cybersecurity incident, the IRP provides a process for the escalation of information about the incident to management, the Audit Committee, and the board of directors, as necessary. The Company also has contracted retainers with third party vendors in the event they are required to assist during a major cybersecurity incident.

Management of cybersecurity risks is an important subset of Magnolia's overall risk management process. The Company considers the complexity of and reliance on cyber-connected systems in its risk assessment and prioritization. Magnolia's information security management processes and controls are based upon industry leading frameworks, including the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). Through recurring internal audits, controls are regularly reviewed, tested, and enhanced to promote best practices.

Magnolia engages third party consultants to benchmark its internal cybersecurity posture against the NIST CSF, perform external penetration tests, and facilitate simulated cyberattacks and incident responses. Additionally, third party service providers perform continuous managed detection and response activities. Security due diligence is performed when considering purchasing third party software and utilizing third party hosted providers. This evaluation considers the security architecture, confidentiality and criticality of data, as well as methods and practices used by third party vendors to encrypt, transmit, store, back up, and recover data.

Governance

The Audit Committee of the board of directors has oversight of the Company's risk management, including cybersecurity. The Company's senior officers, including its Vice President, Information Technology, are responsible for cybersecurity risk management and regularly communicate with the Audit Committee and the board of directors regarding risks and threats, including the status of current cybersecurity risk prevention and threat detection efforts. Magnolia's Vice President, Information Technology, is the primary individual responsible for assessing and managing cybersecurity risks. He has extensive experience managing information technology departments of oil and gas organizations. This includes responsibilities for securing the solutions, data, and infrastructure for both corporate and field operations technology. The Company's technology environment is managed by an experienced team of professionals who follow an extensive set of policies and procedures related to data security.

The Company is not aware of any risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. Please see *Item 1A—Risk Factors—Magnolia's business could be adversely affected by security threats, including cybersecurity threats, and related disruptions* in this Annual Report on Form 10-K for further discussion regarding the Company's cybersecurity risks.

Item 3. Legal Proceedings

From time to time, the Company is party to certain legal actions and claims arising in the ordinary course of business. While the outcome of these events cannot be predicted with certainty, management does not currently expect these matters to have a materially adverse effect on the financial position or results of operations of the Company.

Item 4. Mine Safety Disclosures

Not applicable.

Information About Magnolia's Executive Officers and Directors

The following table sets forth, as of February 12, 2026, the names, ages, and positions held by Magnolia's executive officers and directors:

Name	Age	Position
Christopher G. Stavros	62	President, Chief Executive Officer and Chairman of the Board
Brian M. Corales	46	Senior Vice President and Chief Financial Officer
Timothy D. Yang	54	Executive Vice President, General Counsel, Corporate Secretary and Land
Dan F. Smith	79	Lead Independent Director
Arcilia C. Acosta	60	Director
Edward P. Djerejian	86	Director
David M. Khani	62	Director
James R. Larson	76	Director
R. Lewis Ropp	66	Director
Shandell M. Szabo	51	Director

Christopher G. Stavros has served as Magnolia's President and Chief Executive Officer and as a member of Magnolia's board of directors since September 2022 and became Chairman of the Board in July 2025. Before his appointment to the position of President and Chief Executive Officer, he served as Magnolia's Executive Vice President and Chief Financial Officer from the Company's inception in July 2018 until September 2022. Before joining the Company, Mr. Stavros was the Chief Financial Officer of Occidental Petroleum Corporation ("Occidental"), whose principal businesses consist of oil and gas, chemical and midstream, and marketing segments. Mr. Stavros served in this position from 2014 to 2017, having previously served in various investor relations and treasury roles at Occidental since 2005.

Brian M. Corales serves as Magnolia's Senior Vice President and Chief Financial Officer. Prior to this appointment in November 2022, Mr. Corales served as the Company's Vice President, Investor Relations since November 2018. Before joining the Company in 2018, Mr. Corales was a senior analyst at Johnson Rice & Co. and previously spent 15 years in positions at other investment banks, including as a director at Scotia Howard Weil from October 2009 to February 2018, where he covered exploration and production companies with a range of market caps located in various basins throughout the United States.

Timothy D. Yang serves Magnolia as Executive Vice President, General Counsel, Corporate Secretary and Land. Before joining the Company in 2018, Mr. Yang served as General Counsel and Corporate Secretary of Newfield Exploration Company, an independent exploration and production company, from July 2015 through September 2018, and as General Counsel, Chief Compliance Officer, and Secretary of Sabine Oil & Gas Corporation from February 2013 to July 2015.

Dan F. Smith has served as a member of Magnolia's board of directors since 2017. He was Chairman of the Board from September 2022 to July 2025 and became Lead Independent Director in July 2025. He is a retired Chief Executive Officer of Lyondell Chemical Company, which operated in the chemicals, polymers and fuels business segments, and its wholly owned subsidiaries Millennium Chemicals Inc. and Equistar Chemicals, LP., a position he held from December 1996 until his retirement in December 2007. Mr. Smith is currently a director and Chairman of the Board of Orion Engineered Carbons, S.A.

Arcilia C. Acosta has served as Chief Executive Officer of CARCON Industries and Construction, a full-service construction firm, since 2000. Ms. Acosta is also the founder and Chief Executive Officer of Southwestern Testing Laboratories (STL Engineers), a position she has held since 2003. Ms. Acosta is currently a member of the board of directors of Vistra Corporation.

Edward P. Djerejian served in the U.S. Foreign Service for eight presidents, from John F. Kennedy in 1962 to William J. Clinton in 1994. After his retirement from government service in 1994, he became the founding director of Rice University's Baker Institute for Public Policy, a premier nonpartisan public policy think tank, which he led for 28 years until June 2022.

David M. Khani served as Chief Financial Officer of EQT Corporation, a leading independent U.S. natural gas producer with an asset base in the core of the Appalachian Basin ("EQT Corp."), from January 2020 until July 2023. Prior to joining EQT Corp., Mr. Khani served as the Executive Vice President and Chief Financial Officer of CONSOL Energy ("CONSOL"), an energy company whose businesses during his tenure included natural gas, exploration and production, and coal mining from March 2013 to December 2019, and as Vice President, Finance at CONSOL from September 2011 to March 2013. Mr. Khani spent the first 18 years of his

career at various investment banking and capital market firms, including FBR & Co., Prudential Financial, Inc., and Lehman Brothers, Inc.

James R. Larson served as an independent director of CSI Compressco GP LLC and its predecessor CSI Compressco GP Inc., general partner of CSI Compressco L.P., a provider of compression services and equipment for oil and natural gas production, gathering, transportation, processing, and storage ("CSI Compressco"), from July 2011 until April 2024, when CSI Compressco was acquired by Kodiak Gas Services, Inc. During his tenure on the CSI Compressco board, Mr. Larson also served as Chairman of its Audit Committee since July 2011, and served as a member of its Conflicts Committee from April 2012 until January 2021 and as Chairman of its Conflicts Committee since August 2021. Mr. Larson retired in January 2006 from his position as senior vice president of Anadarko Petroleum Corporation ("Anadarko"), an independent exploration and production company, and he held various tax and financial positions within Anadarko since joining the company in 1981.

R. Lewis Ropp has served as an independent director of Entergy Corporation, an electricity service provider, since August 2025, where he currently serves on the Audit and Corporate Governance Committees. Mr. Ropp previously was a Senior Managing Director and Senior Equity Partner of Barrow Hanley Global Investors, a diversified investment management firm ("Barrow Hanley"), from October 2001 until June 2024, at which time he retired. From 2017 until 2020, Mr. Ropp served on the United Nations Principles for Responsible Investment (UNPRI) Oil & Gas Advisory Committee, leading the engagement conversation with industry CEOs on transition risks for oil and gas companies to a low-carbon environment. Mr. Ropp began his career in 1981 in the oil and gas industry, and was a process team leader at Shell Oil Company from 1990 to 1997.

Shandell M. Szabo has served as an independent director of Talos Energy, Inc., an energy company focused on offshore oil and gas exploration and production ("Talos"), since February 2023, where she currently serves on the Audit Committee and as the chairperson of the Safety, Sustainability and Corporate Responsibility Committee. Beginning in February 2020, Ms. Szabo served on the board of directors of EnVen Energy Corporation, which was a private operator of deepwater platforms in the Gulf of Mexico that was acquired by Talos in February 2023, and she served as Chair of the Risk Committee and a member of the Governance Committee until the acquisition. Prior to that, Ms. Szabo served nearly 20 years with Anadarko in various roles of steadily increasing responsibility throughout Anadarko's U.S. onshore portfolio and deepwater Gulf of Mexico, until its acquisition by Occidental in August 2019.

PART II

Item 5. Market for the Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information

Magnolia's Class A Common Stock is currently traded on the NYSE under the ticker symbol "MGY." As of February 9, 2026, there were 9 holders of record of Magnolia's Class A Common Stock, and 5 holders of record of the Company's Class B Common Stock, par value $0.0001 per share.

Dividend Policy

Future dividends are at the discretion of the Company's board of directors, and the board of directors may change the dividend amount from time to time based on the Company's outlook for commodity prices, liquidity, debt levels, capital resources, and other factors. The board of directors intends to continue the payment of dividends to the holders of the Company's common stock in the future; however, the Company can provide no assurance that dividends will be authorized or declared in the future or as to the amount or type of any future dividends. The board of directors' determination with respect to any such dividends, including the record date, the payment date, and the actual amount of the dividend, will depend upon the Company's profitability and financial condition, contractual restrictions, restrictions imposed by applicable law, and other factors that the board of directors deems relevant at the time of such determination.

Issuer Purchases of Equity Securities

The following table sets forth the Company's share repurchase activities for the year ended December 31, 2025:

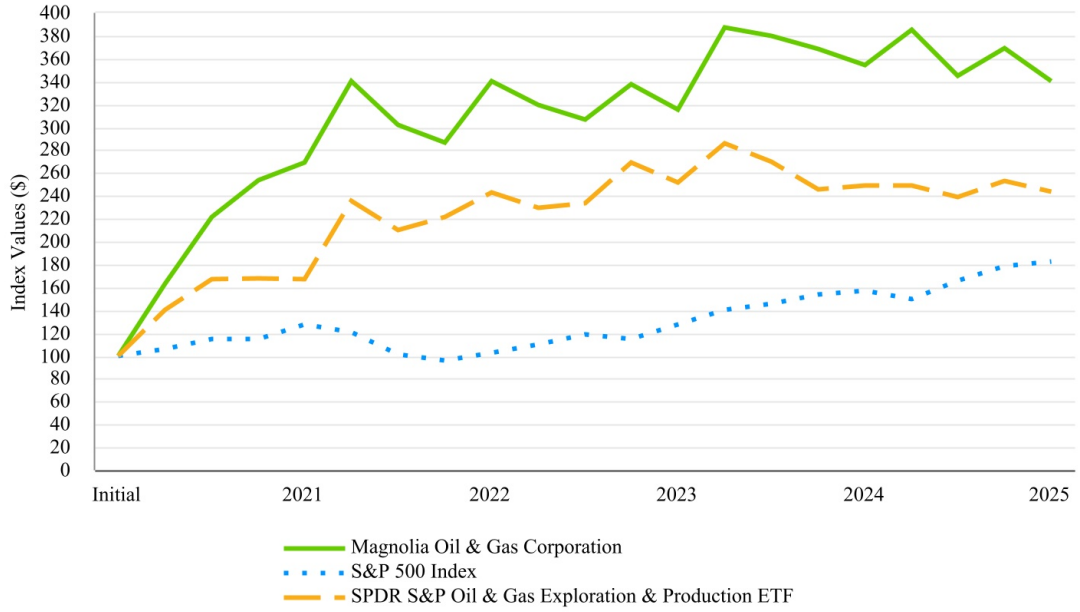
Period	Number of Shares of Class A Common Stock Purchased	Average Price Paid per Share	Total Number of Shares of Class A Common Stock Purchased as Part of Publicly Announced Program	Maximum Number of Shares of Class A Common Stock that May Yet be Purchased Under the Program [1]
January 1, 2025 - September 30, 2025	6,509,974	$ 23.36	6,509,974	5,233,131
October 1, 2025 - October 31, 2025	650,000	23.14	650,000	4,583,131
November 1, 2025 - November 30, 2025	810,000	22.46	810,000	3,773,131
December 1, 2025 - December 31, 2025	900,000	22.43	900,000	2,873,131
Total	8,869,974	$ 23.17	8,869,974	2,873,131

(1) As of December 31, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular time frame. On February 5, 2026, the Company's board of directors increased the share repurchase authorization by an additional 10.0 million shares of Class A Common Stock, which increased the total share repurchase authorization to 60.0 million.

Comparative Stock Performance

The performance graph below compares the cumulative total stockholder return (including the reinvestment of dividends) for the Company's Class A Common Stock to that of the Standard and Poor's ("S&P") 500 Index and the SPDR S&P Oil & Gas Exploration and Production ETF. "Cumulative total return" means the change in share price of the Company's Class A Common Stock during the measurement period divided by the share price at the beginning of the measurement period. The graph assumes an investment of $100 was made in the Company's Class A Common Stock and in each of the S&P 500 Index and the SPDR S&P Oil & Gas Exploration and Production ETF on December 31, 2020.

COMPARISON OF CUMULATIVE TOTAL RETURN AMONG MAGNOLIA OIL AND GAS, THE S&P 500 INDEX, AND THE SPDR S&P OIL & GAS EXPLORATION AND PRODUCTION ETF



Note: The stock price performance of Magnolia's Class A Common Stock is not necessarily indicative of future performance.

The above information under the caption "Comparative Stock Performance" shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Exchange Act except to the extent that Magnolia specifically requests that such information be treated as "soliciting material" or specifically incorporate such information by reference into such a filing.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's consolidated financial statements and the related notes thereto included in this Form 10-K.

This section of this Form 10-K generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Overview

Magnolia Oil & Gas Corporation (the "Company" or "Magnolia") is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid reserves that operates in one reportable segment located in the United States. The Company's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company primarily targets the Eagle Ford Shale and the Austin Chalk formations. Magnolia's objective is to generate stock market value over the long term through consistent organic production growth, high full cycle operating margins, an efficient capital program with short economic paybacks, significant free cash flow after capital expenditures, and effective reinvestment of free cash flow. The Company's allocation of capital prioritizes reinvesting in its business to achieve moderate and predictable annual volume growth, balanced with returning capital to its shareholders through dividends and share repurchases.

Magnolia's business model prioritizes prudent and disciplined capital allocation, free cash flow, and financial stability. The Company's ongoing plan is to spend within cash flow on drilling and completing wells while maintaining low financial leverage. During 2025, Magnolia operated two rigs. The Company's gradual and measured approach toward the development of the Giddings area has created operating efficiencies leading to higher production in 2025.

Market Conditions Update

Commodity prices continue to experience volatility driven by geopolitical and macroeconomic factors, including the ongoing Russia-Ukraine conflict, OPEC and OPEC+ production decisions, continued instability in the Middle East, and evolving developments involving Venezuela, including changes to sanctions, export levels, and global oil supply dynamics. These factors have contributed to uncertainty in global energy markets and price fluctuations.

During 2024 and 2025, despite this volatility, lower well costs and improved operating efficiencies enabled Magnolia to increase drilling, completion, and production activity, supporting high-margins while maintaining a disciplined capital program.

The macroeconomic and geopolitical environment remains uncertain and continues to evolve. Inflationary pressures have moderated from recent highs but remain elevated relative to historical levels. Interest rates also remain high, and global trade tensions have intensified, including the implementation of new and expanded tariffs. These factors continue to contribute to cost uncertainty and may impact operating results. Additionally, changes in international energy policy, including sanctions regimes and trade restrictions affecting major oil-producing countries such as Venezuela, could impact global supply, commodity prices, and operating costs. The Company continues to closely monitor developments in geopolitical conditions, international trade relations, tariff policies, and energy market dynamics, any of which could adversely affect operating results, financial condition, and future cash flows.

Business Overview

As of December 31, 2025, Magnolia's assets in South Texas included 79,350 gross (55,370 net) acres in the Karnes area and 738,880 gross (557,990 net) acres in the Giddings area. As of December 31, 2025, Magnolia held an interest in approximately 2,867 gross (1,948 net) wells, with total production of 99.8 thousand barrels of oil equivalent per day ("Mboe/d") for the year ended December 31, 2025.

Magnolia recognized net income attributable to Class A Common Stock of $325.3 million, or $1.73 per diluted common share, for the year ended December 31, 2025. Magnolia also recognized net income of $337.3 million, which includes noncontrolling interest of $12.0 million related to the Magnolia LLC Units (and corresponding shares of Class B Common Stock) held by certain affiliates of EnerVest for the year ended December 31, 2025.

During the year ended December 31, 2025, the Company declared cash dividends to holders of its Class A Common Stock totaling $113.1 million.

As of December 31, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular timeframe. The Company had repurchased 47.1 million shares under the program at a cost of $913.3 million and had 2.9 million shares of Class A Common Stock remaining under its share repurchase authorization as of December 31, 2025. On February 5, 2026, the Company's board of directors increased the share repurchase authorization by an additional 10.0 million shares of Class A Common Stock, which increased the total share repurchase authorization to 60.0 million.

As of December 31, 2025, Magnolia owned approximately 97.0% of the interest in Magnolia LLC and the noncontrolling interest was 3.0%.

Results of Operations

Factors Affecting the Comparability of the Historical Financial Results

Magnolia's historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, as a result of the Company's redemption of its 2026 Senior Notes that bore interest at 6.0% per annum and its issuance of the 2032 Senior Notes that bear interest at 6.875% per annum, both of which occurred in November 2024.

Year Ended December 31, 2025 Compared to the Year Ended December 31, 2024

Oil, Natural Gas and NGL Sales Revenues. The following table provides the components of Magnolia's revenues for the periods indicated, as well as each period's respective average prices and production volumes. This table shows production on a boe basis in which natural gas is converted to an equivalent barrel of oil based on a ratio of six Mcf to one barrel. This ratio may not be reflective of the current price ratio between the two products.

	Years Ended	
(In thousands, except per unit data)	**December 31, 2025**	**December 31, 2024**
Production:		
Oil (MBbls)	14,531	14,019
Natural gas (MMcf)	68,917	58,746
NGLs (MBbls)	10,407	9,024
Total (Mboe)	36,424	32,834
Average daily production:		
Oil (Bbls/d)	39,810	38,302
Natural gas (Mcf/d)	188,814	160,508
NGLs (Bbls/d)	28,513	24,655
Total (boe/d)	99,793	89,709
Production (% of total):		
Oil	40 %	43 %
Natural gas	32 %	30 %
NGLs	28 %	27 %
Revenues:		
Oil revenues	$ 918,027	$ 1,046,675
Natural gas revenues	190,252	90,277
Natural gas liquids revenues	203,566	178,934
Total revenues	$ 1,311,845	$ 1,315,886
Revenue (% of total):		
Oil	70 %	80 %
Natural gas	15 %	7 %
NGLs	15 %	13 %
Average Price:		
Oil (per barrel)	$ 63.18	$ 74.66
Natural gas (per Mcf)	2.76	1.54
NGLs (per barrel)	19.56	19.83

Oil revenues for the year ended December 31, 2025 were $128.6 million lower than the year ended December 31, 2024. A 15% decrease in average prices decreased 2025 revenues by $161.0 million compared to the same period in the prior year, partially offset by a 4% increase in oil production that increased revenues by $32.4 million.

Natural gas revenues for the year ended December 31, 2025 were $100.0 million higher than the year ended December 31, 2024. A 79% increase in average prices increased 2025 revenues by $71.9 million compared to the same period in the prior year, and a 17% increase in natural gas production increased revenues by $28.1 million.

NGL revenues for the year ended December 31, 2025 were $24.6 million higher than the year ended December 31, 2024. A 15% increase in NGL production increased revenues for the year ended December 31, 2025 by $27.1 million compared to the same period in the prior year, partially offset by a 1% decrease in average prices that decreased revenues by $2.4 million.

Operating Expenses and Other Expense. The following table summarizes the Company's operating expenses and other income (expense) for the periods indicated.

	Years Ended	
(In thousands, except per unit data)	**December 31, 2025**	**December 31, 2024**
Operating Expenses:		
Lease operating expenses	$ 186,559	$ 180,881
Gathering, transportation, and processing	67,096	39,832
Taxes other than income	76,452	71,862
Exploration expenses	962	1,374
Asset retirement obligations accretion	6,800	6,729
Depreciation, depletion and amortization	437,757	414,487
General and administrative expenses	97,038	88,733
Total operating costs and expenses	$ 872,664	$ 803,898
Other Expense:		
Interest expense, net	$ (21,617)	$ (14,371)
Loss on extinguishment of debt	—	(8,796)
Other income (expense), net	(153)	4,322
Total other expense, net	$ (21,770)	$ (18,845)
Average Operating Costs per boe:		
Lease operating expenses	$ 5.12	$ 5.51
Gathering, transportation, and processing	1.84	1.21
Taxes other than income	2.10	2.19
Exploration expenses	0.03	0.04
Asset retirement obligations accretion	0.19	0.20
Depreciation, depletion and amortization	12.02	12.62
General and administrative expenses	2.66	2.70

Lease operating expenses are the costs incurred in the operation of producing properties, including expenses for utilities, direct labor, water disposal, workover rigs, workover expenses, materials, and supplies. Lease operating expenses for the year ended December 31, 2025 were $5.7 million higher, and $0.39 per boe lower, than the year ended December 31, 2024, due to an increase in surface repair and maintenance, contract labor, and equipment rentals associated with higher well count, offset by broad cost reduction initiatives. The decrease in lease operating expenses per boe was due to higher production.

Gathering, transportation, and processing ("GTP") costs are costs incurred to deliver oil, natural gas, and NGLs to the market. These expenses can vary based on the volume of oil, natural gas, and NGLs produced as well as the cost of commodity processing. The GTP costs for the year ended December 31, 2025 were $27.3 million, or $0.63 per boe, higher than the year ended December 31, 2024, driven by higher production and natural gas prices and changes to certain gathering and processing contracts, which resulted in a higher portion of Magnolia's GTP costs being recognized as expense versus a reduction to Magnolia's natural gas revenues.

Taxes other than income include production, ad valorem, and franchise taxes. These taxes are based on rates primarily established by state and local taxing authorities. Production taxes are based on the market value of production. Ad valorem taxes are based on the fair market value of the mineral interests or business assets. Taxes other than income for the year ended December 31, 2025 were $4.6 million higher, and $0.09 per boe lower, than the year ended December 31, 2024, primarily due to an increase in ad valorem taxes as a result of higher market value of new wells brought online. The decrease in taxes other than income per boe was due to higher production.

Depreciation, depletion and amortization ("DD&A") during the year ended December 31, 2025 was $23.3 million higher, and $0.60 per boe lower, than the year ended December 31, 2024 due to higher production that increased overall DD&A. The decrease in DD&A per boe was due to reserve growth exceeding the increase in the underlying cost basis.

General and administrative expenses during the year ended December 31, 2025 were $8.3 million higher, and $0.04 per boe lower, than the year ended December 31, 2024 due to an increase in payroll-related expenses and equity compensation, including changes from the modification of stock based compensation awards in 2025, partially offset by certain one-time costs incurred in 2024.

Interest expense, net, during the year ended December 31, 2025 was $7.2 million higher than the year ended December 31, 2024, driven by lower interest income realized during 2025 as a result of lower interest rates and cash balances.

During the year ended December 31, 2024, the Company recognized a loss of $8.8 million on the extinguishment of the 2026 Senior Notes.

Other income (expense), net, during the year ended December 31, 2025 was $(0.2) million compared to $4.3 million during the year ended December 31, 2024. The decrease in other income (expense) for the year ended December 31, 2025 as compared to the same period in the prior year was primarily comprised of the loss on sale of other assets in 2025 and loss on asset retirement obligation settlements, partially offset by the revaluation of the contingent consideration.

Income tax expense. The following table summarizes the Company's income tax expense for the periods indicated.

	For the Years Ended	
(In thousands)	**December 31, 2025**	**December 31, 2024**
Current income tax expense	$ (16,698)	$ 25,541
Deferred income tax expense	96,830	70,272
Income tax expense	$ 80,132	$ 95,813

For the year ended December 31, 2025, income tax expense was $15.7 million lower than the year ended December 31, 2024, primarily a result of additional tax credits and a decrease in income before income taxes. The decrease in current tax expense and increase in deferred tax expense were primarily due to the acceleration of tax deductions from the passage of the One Big Beautiful Bill Act of 2025. See *Note 10—Income Taxes* in the notes to the consolidated financial statements included in this Annual Report on Form 10-K for further detail.

Liquidity and Capital Resources

Magnolia's primary source of liquidity and capital has been its cash flows from operations. The Company's primary uses of cash have been for development of the Company's oil and natural gas properties, returning capital to shareholders, bolt-on acquisitions of oil and natural gas properties, and general working capital needs.

The Company may also utilize borrowings under other various financing sources available to Magnolia, including the RBL Facility and the issuance of equity or debt securities through public offerings or private placements, to fund Magnolia's acquisitions and long-term liquidity needs. Magnolia's ability to complete future offerings of equity and debt securities and the timing of these offerings will depend upon various factors, including prevailing market conditions and the Company's financial condition.

Material cash commitments include $27.5 million in interest payments paid each year through 2032, along with contractual obligations discussed in *Note 9—Commitments and Contingencies* in the notes to the consolidated financial statements included in this Annual Report on Form 10-K. The Company anticipates its current cash balance, cash flows from operations, and its available sources of liquidity to be sufficient to meet the Company's cash requirements. In the event of a sustained market deterioration, Magnolia may need additional liquidity, which would require the Company to evaluate available alternatives and take appropriate actions.

As of December 31, 2025, the Company had $400.0 million of principal debt related to the 2032 Senior Notes outstanding and no outstanding borrowings related to the RBL Facility. As of December 31, 2025, the Company has $716.8 million of liquidity comprised of the $450.0 million of borrowing capacity under the RBL Facility, and $266.8 million of cash and cash equivalents.

Cash and Cash Equivalents

At December 31, 2025, Magnolia had $266.8 million of cash and cash equivalents. The Company's cash and cash equivalents are maintained with various financial institutions in the United States. Deposits with these institutions may exceed the amount of insurance provided on such deposits. However, the Company regularly monitors the financial stability of its financial institutions and believes that the Company is not exposed to any significant default risk.

Sources and Uses of Cash and Cash Equivalents

The following table presents the sources and uses of the Company's cash and cash equivalents for the periods presented:

	Years Ended	
(In thousands)	**December 31, 2025**	**December 31, 2024**
SOURCES OF CASH AND CASH EQUIVALENTS		
Net cash provided by operating activities	$ 878,639	$ 920,850
Proceeds from issuance of long-term debt	—	400,000
Net sources of cash and cash equivalents	878,639	1,320,850
USES OF CASH AND CASH EQUIVALENTS		
Redemption of long-term debt	$ —	$ (404,000)
Acquisitions	(66,588)	(165,424)
Additions to oil and natural gas properties	(469,477)	(486,729)
Changes in working capital associated with additions to oil and natural gas properties	(10,368)	(2,385)
Class A Common Stock repurchases	(205,471)	(183,375)
Class B Common Stock purchases and cancellations	—	(89,670)
Dividends paid	(113,096)	(97,620)
Distributions to noncontrolling interest owners	(3,500)	(9,133)
Cash paid for debt issuance costs	—	(12,713)
Other	(3,403)	(10,873)
Net uses of cash and cash equivalents	(871,903)	(1,461,922)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ 6,736	$ (141,072)

Sources of Cash and Cash Equivalents

Net Cash Provided by Operating Activities

Operating cash flows are the Company's primary source of liquidity and are impacted, in the short term and long term, by oil and natural gas prices. The factors that determine operating cash flows are largely the same as those that affect net earnings or net losses, with the exception of certain non-cash expenses such as DD&A, stock based compensation, amortization of deferred financing costs, revaluation of contingent consideration, impairment of oil and natural gas properties, asset retirement obligations accretion, and deferred taxes.

Net cash provided by operating activities totaled $878.6 million and $920.9 million for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, cash provided by operating activities decreased due to lower realized oil prices and receipts timing, partially offset by increased production, higher realized natural gas prices, and favorable payments timing.

Proceeds from Issuance of Long-term Debt

During the year ended December 31, 2024, the Company received $400.0 million from the issuance of the 2032 Senior Notes. For more detail, refer to *Note 7—Long-term Debt.*

Uses of Cash and Cash Equivalents

Redemption of Long-term Debt

During the year ended December 31, 2024, the Company paid $404.0 million to redeem the 2026 Senior Notes. For more detail, refer to *Note 7—Long-term Debt.*

Acquisitions

During the year ended December 31, 2025, the Company completed various leasehold, mineral rights, and property acquisitions totaling $66.6 million primarily in the Giddings area.

During the year ended December 31, 2024, the Company completed various leasehold, mineral rights, and property acquisitions totaling $165.4 million primarily in the Giddings area.

Additions to Oil and Natural Gas Properties

The following table sets forth the Company's capital expenditures for the years ended December 31, 2025 and 2024.

	Years Ended	
(In thousands)	**December 31, 2025**	**December 31, 2024**
Drilling and completion	$ 460,667	$ 477,000
Leasehold acquisition costs	8,810	9,729
Total capital expenditures	$ 469,477	$ 486,729

During 2025, Magnolia operated two rigs. The activity during the year ended December 31, 2025 was largely driven by the number of operated and non-operated drilling rigs. The number of operated drilling rigs is largely dependent on commodity prices and the Company's strategy of maintaining spending to accommodate the Company's business model. The Company's ongoing plan is to continue to spend within cash flow on drilling and completing wells while maintaining low financial leverage.

Capital Requirements

As of December 31, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. On February 5, 2026, the Company's board of directors increased the share repurchase authorization by an additional 10.0 million shares of Class A Common Stock, which increased the total share repurchase authorization to 60.0 million. The program does not require purchases to be made within a particular timeframe and whether the Company undertakes these additional repurchases is ultimately subject to numerous considerations, market conditions, and other factors. During the years ended December 31, 2025 and 2024, the Company repurchased 8.9 million and 7.5 million shares under this authorization, for a total cost of approximately $205.5 million and $182.8 million, respectively.

During the year ended December 31, 2024, Magnolia LLC repurchased and subsequently canceled 3.5 million Magnolia LLC Units with an equal number of shares of corresponding Class B Common Stock for $89.7 million of cash consideration. As of December 31, 2025, Magnolia owned approximately 97.0% of the interest in Magnolia LLC and the noncontrolling interest was 3.0%.

During the year ended December 31, 2025, the Company declared and paid cash dividends to holders of its Class A Common Stock totaling $113.1 million. Additionally, $3.3 million was distributed to the Magnolia LLC Unit Holders. During the year ended December 31, 2024, the Company declared and paid cash dividends to holders of its Class A Common Stock totaling $97.6 million. Additionally, $7.8 million was distributed to the Magnolia LLC Unit Holders. The amount and frequency of future dividends is subject to the discretion of the Company's board of directors and primarily depends on earnings, capital expenditures, debt covenants, and various other factors.

Critical Accounting Policies and Estimates

Magnolia prepares its financial statements and the accompanying notes in conformity with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions about future events that affect the reported amounts in the financial statements and the accompanying notes. Magnolia identifies certain accounting policies as critical based on, among other things, their impact on the portrayal of Magnolia's financial condition, results of operations, or liquidity and the degree of difficulty, subjectivity, and complexity in their deployment. Critical accounting policies cover accounting matters that are inherently uncertain because the future resolution of such matters is unknown. Management routinely discusses the development, selection, and disclosure of each of the critical accounting policies. The following is a discussion of Magnolia's most critical accounting policies and estimates.

Reserves Estimates

Proved oil and natural gas reserves are those quantities of oil, natural gas, and NGLs which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced, or the operator must be reasonably certain that it will commence within a reasonable time. Estimated proved developed oil and natural gas reserves can be expected to be recovered through existing wells with existing equipment and operating methods or where the cost of the required equipment is relatively minor compared to the cost of a new well.

Proved undeveloped reserves are proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those that are directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as undeveloped reserves only if a plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. All of Magnolia's proved undeveloped reserves as of December 31, 2025, that are included in this Annual Report on Form 10-K, are planned to be developed within one year.

Despite the inherent imprecision in these engineering estimates, Magnolia's reserves are used throughout the Company's financial statements. For example, since Magnolia uses the unit-of-production method to amortize its oil and natural gas properties, the quantity of reserves could significantly impact Magnolia's DD&A expense. A material adverse change in the estimated volumes of reserves could result in property impairments. Finally, these reserves are the basis for Magnolia's supplemental oil and natural gas disclosures.

Reserves are calculated using an unweighted arithmetic average of commodity prices in effect on the first day of each of the previous 12 months, held flat for the life of the production, except where prices are defined by contractual arrangements. These historical prices often do not approximate the average price that the Company expects to receive for its oil and natural gas production in the future. Operating costs, production and ad valorem taxes, and future development costs are based on current costs with no escalation. Actual costs may be materially higher or lower than the costs utilized in the estimate**.**

Magnolia has elected not to disclose probable and possible reserves in this filing.

Long-lived Asset Impairments

Long-lived assets used in operations are assessed for impairment whenever changes in facts and circumstances indicate a possible significant deterioration in future cash flows expected to be generated by an asset group. Individual assets are grouped for impairment purposes based on a judgmental assessment of the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If there is an indication that the carrying amount of an asset may not be recovered, the asset is assessed by management through an established process in which changes to significant assumptions such as prices, volumes, and future development plans are reviewed. If, upon review, the sum of the undiscounted pre-tax cash flows is less than the carrying value of the asset group, the carrying value is written down to estimated fair value. Because there usually is a lack of quoted market prices for long-lived assets, the fair value of impaired assets is assessed by management using the income approach.

Under the income approach, the fair value of each asset group is estimated based on the present value of expected future cash flows. The income approach is dependent on a number of factors including estimates of forecasted revenue and operating costs, proved reserves, the success of future exploration for and development of unproved reserves, discount rates, and other variables. Key assumptions used in developing a discounted cash flow model described above include estimated quantities of crude oil and natural gas reserves; estimates of market prices considering forward commodity price curves as of the measurement date; and estimates of

operating, administrative, and capital costs adjusted for inflation. The resulting future cash flows are discounted using a discount rate believed to be consistent with those applied by market participants.

Although the fair value estimate of each asset group is based on assumptions the Company believes to be reasonable, those assumptions are inherently unpredictable and uncertain, and actual results could differ from the estimate. Negative revisions of estimated reserves quantities, increases in future cost estimates, or sustained decreases in oil or natural gas prices could lead to a reduction in expected future cash flows and possibly an impairment of long-lived assets in future periods.

Income Taxes

The Company is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Magnolia LLC. The amount of income taxes recorded by the Company requires interpretations of complex rules related to the Company's partnership structure and regulations of various tax jurisdictions throughout the United States. Deferred tax assets and liabilities are recognized based on the tax effects of temporary differences between the carrying amounts on the consolidated financial statements and the tax basis of assets and liabilities, as measured using currently enacted tax rates. These differences will result in taxable income or deductions in future years when the reported amounts of the assets or liabilities are recovered or settled, respectively. Considerable judgment is required in predicting when these events may occur and whether recovery of an asset is more likely than not. Magnolia records deferred tax assets and associated valuation allowances, when appropriate, to reflect amounts more likely than not to be realized based upon Company analysis. Additionally, federal and state income tax returns are generally not filed before the consolidated financial statements are prepared. Therefore, Magnolia estimates the tax basis of its assets and liabilities at the end of each period, as well as the effects of tax rate changes, tax credits, and net operating and capital loss carryforwards and carrybacks, if any. Adjustments related to differences between the estimates used by the Company and the actual amounts reported are recorded in the periods in which the Company's income tax returns are filed. These adjustments and changes in estimates of asset recovery and liability settlement as well as significant enacted tax rate changes could have an impact on the Company's results of operations. Please refer to *Part II, Item 8, Note 2—Summary of Significant Accounting Policies* and *Note 10—Income Taxes* in the notes to the consolidated financial statements included in this Annual Report on Form 10-K for additional discussion.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

For variable rate debt, interest rate changes generally do not affect the fair market value of such debt, but do impact future earnings and cash flows, assuming other factors are held constant. The Company is subject to market risk exposure related to changes in interest rates on borrowings under the RBL Facility. Interest on borrowings under the RBL Facility is based on the SOFR rate or alternative base rate plus an applicable margin. At December 31, 2025, the Company had no borrowings outstanding under the RBL Facility.

Commodity Price Risk

Magnolia's primary market risk exposure is to the prices it receives for its oil, natural gas, and NGL production. The prices the Company ultimately realizes for its oil, natural gas, and NGLs are based on a number of variables, including prevailing index prices attributable to the Company's production and certain differentials to those index prices. Pricing for oil, natural gas, and NGLs has historically been volatile and unpredictable, and this volatility is expected to continue in the future. The prices the Company receives for production depend on factors outside of its control, including physical markets, supply and demand, financial markets, and national and international policies. A $1.00 per barrel increase (decrease) in the weighted average oil price for the year ended December 31, 2025 would have increased (decreased) the Company's revenues by approximately $14.5 million and a $0.10 per Mcf increase (decrease) in the weighted average natural gas price for the year ended December 31, 2025 would have increased (decreased) Magnolia's revenues by approximately $6.9 million.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Magnolia Oil & Gas Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Magnolia Oil & Gas Corporation and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 12, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the impact of estimated oil and natural gas reserves on depreciation, depletion, and amortization expense related to proved oil and natural gas properties

As discussed in Note 2 to the consolidated financial statements, the Company depreciates, depletes, and amortizes its proved oil and natural gas properties using the unit-of-production method. For the year ended December 31, 2025, the Company recorded depreciation, depletion and amortization expense of $438 million. The estimation of proved oil and natural gas reserves requires the expertise of reservoir engineering specialists, who take into consideration future production, future operating and capital costs, and historical oil and natural gas prices inclusive of price differentials. The Company engages independent reservoir engineering specialists to estimate proved oil and natural gas reserves, which are an input to the calculation of depreciation, depletion, and amortization.

We identified the assessment of the impact of estimated oil and natural gas reserves on depreciation, depletion, and amortization expense related to proved oil and natural gas properties as a critical audit matter. Complex auditor judgment was

required in evaluating the Company's estimate of proved oil and natural gas reserves. Specifically, auditor judgment was required to evaluate the assumptions used by the Company related to future production and future operating and capital costs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's depreciation, depletion, and amortization process, including controls over the estimation of proved oil and natural gas reserves. We evaluated (1) the professional qualifications of the independent reservoir engineering specialists engaged by the Company and the external engineering firm, (2) the knowledge, skills, and ability of the independent reservoir engineering specialists, and (3) the relationship of the independent reservoir engineering specialists and external engineering firm to the Company. We analyzed and assessed the determination of depreciation, depletion, and amortization expense for compliance with industry and regulatory standards. We assessed compliance of the methodology used by the Company's independent reservoir engineering specialists to estimate proved oil and natural gas reserves with industry and regulatory standards. We read and considered the report of the Company's independent reservoir engineering specialists in connection with our evaluation of the Company's reserve estimates. We compared future production to historical production rates. We evaluated the future operating and capital costs by comparing them to historical costs.

/s/ KPMG LLP

We have served as the Company's auditor since 2017.

Houston, Texas
February 12, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Magnolia Oil & Gas Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Magnolia Oil & Gas Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements), and our report dated February 12, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 12, 2026

Magnolia Oil & Gas Corporation
Consolidated Balance Sheets
(In thousands)

	December 31, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 266,785	$ 260,049
Trade receivables	116,530	123,762
Joint interest receivables	33,952	22,835
Income tax receivable	24,291	1,304
Other current assets	877	2,874
Total current assets	442,435	410,824
PROPERTY, PLANT AND EQUIPMENT		
Oil and natural gas properties	4,957,292	4,403,210
Other	20,618	18,716
Accumulated depreciation, depletion and amortization	(2,553,758)	(2,115,892)
Total property, plant and equipment, net	2,424,152	2,306,034
OTHER ASSETS		
Deferred financing costs, net	5,576	7,022
Deferred tax assets	2,662	77,637
Other long-term assets	28,267	19,318
Total other assets	36,505	103,977
TOTAL ASSETS	$ 2,903,092	$ 2,820,835
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 177,568	$ 181,073
Other current liabilities (Note 5)	110,462	109,188
Total current liabilities	288,030	290,261
LONG-TERM LIABILITIES		
Long-term debt, net	393,251	392,513
Asset retirement obligations, net of current	186,038	161,295
Other long-term liabilities	36,600	9,440
Total long-term liabilities	615,889	563,248
COMMITMENTS AND CONTINGENCIES (Note 9)		
EQUITY		
Class A Common Stock, $0.0001 par value, 1,300,000 shares authorized, 228,908 shares issued and 181,230 shares outstanding in 2025 and 228,164 shares issued and 189,356 shares outstanding in 2024	23	23
Class B Common Stock, $0.0001 par value, 225,000 shares authorized, 5,523 shares issued and outstanding in both 2025 and 2024	1	1
Additional paid-in capital	1,903,459	1,880,243
Treasury Stock, at cost, 47,678 shares and 38,808 shares in 2025 and 2024, respectively	(928,662)	(721,279)
Retained earnings	966,747	754,591
Accumulated other comprehensive loss	(1,610)	—
Noncontrolling interest	59,215	53,747
Total equity	1,999,173	1,967,326
TOTAL LIABILITIES AND EQUITY	$ 2,903,092	$ 2,820,835

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Operations
(In thousands, except per share data)

	Years Ended		
	December 31, 2025	**December 31, 2024**	**December 31, 2023**
REVENUES			
Oil revenues	$ 918,027	$ 1,046,675	$ 958,388
Natural gas revenues	190,252	90,277	102,054
Natural gas liquids revenues	203,566	178,934	166,537
Total revenues	1,311,845	1,315,886	1,226,979
OPERATING EXPENSES			
Lease operating expenses	186,559	180,881	155,491
Gathering, transportation, and processing	67,096	39,832	44,327
Taxes other than income	76,452	71,862	65,565
Exploration expenses	962	1,374	5,445
Asset retirement obligations accretion	6,800	6,729	4,039
Depreciation, depletion and amortization	437,757	414,487	324,790
Impairment of oil and natural gas properties	—	—	15,735
General and administrative expenses	97,038	88,733	77,102
Total operating expenses	872,664	803,898	692,494
OPERATING INCOME	439,181	511,988	534,485
OTHER INCOME (EXPENSE)			
Interest expense, net	(21,617)	(14,371)	(33)
Loss on extinguishment of debt	—	(8,796)	—
Other income (expense), net	(153)	4,322	15,360
Total other income (expense), net	(21,770)	(18,845)	15,327
INCOME BEFORE INCOME TAXES	417,411	493,143	549,812
Income tax expense	80,132	95,813	107,208
NET INCOME	337,279	397,330	442,604
LESS: Net income attributable to noncontrolling interest	12,027	31,303	54,303
NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK	$ 325,252	$ 366,027	$ 388,301
NET INCOME PER SHARE OF CLASS A COMMON STOCK			
Basic	$ 1.73	$ 1.94	$ 2.04
Diluted	$ 1.73	$ 1.94	$ 2.04
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basic	185,581	186,465	188,174
Diluted	185,593	186,492	188,355
COMPREHENSIVE INCOME:			
NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK	$ 325,252	$ 366,027	$ 388,301
Other comprehensive loss, net of tax:			
Postretirement benefits	(1,610)	—	—
COMPREHENSIVE INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK	$ 323,642	$ 366,027	$ 388,301

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Changes in Equity
(In thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Value	Shares	Value		Shares	Value				
Balance, December 31, 2022	213,727	$ 21	21,827	$ 2	$ 1,719,875	21,684	$ (329,512)	$ 185,669	$ 1,576,055	$ 164,136	$ 1,740,191
Stock based compensation expense, net of forfeitures	—	—	—	—	14,481	—	—	—	14,481	1,685	16,166
Common stock issued related to stock based compensation and other, net	770	—	—	—	(6,941)	—	—	—	(6,941)	(797)	(7,738)
Changes in ownership interest adjustment	—	—	—	—	14,431	—	—	—	14,431	(14,264)	167
Class A Common Stock repurchases	—	—	—	—	—	9,649	(207,037)	—	(207,037)	—	(207,037)
Dividends declared ($0.46 per share)	—	—	—	—	—	—	—	(87,808)	(87,808)	—	(87,808)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(14,065)	(14,065)
Adjustment to deferred taxes	—	—	—	—	2,084	—	—	—	2,084	—	2,084
Tax impact of equity transactions	—	—	—	—	—	—	(1,896)	—	(1,896)	—	(1,896)
Net income	—	—	—	—	—	—	—	388,301	388,301	54,303	442,604
Balance, December 31, 2023	214,497	$ 21	21,827	$ 2	$ 1,743,930	31,333	$ (538,445)	$ 486,162	$ 1,691,670	$ 190,998	$ 1,882,668
Stock based compensation expense, net of forfeitures	—	—	—	—	17,470	—	—	—	17,470	1,193	18,663
Common stock issued related to stock based compensation and other, net	863	1	—	—	(7,561)	—	—	—	(7,560)	(833)	(8,393)
Changes in ownership interest adjustment	—	—	—	—	70,111	—	—	—	70,111	(70,111)	—
Class A Common Stock repurchases	—	—	—	—	—	7,475	(182,834)	—	(182,834)	—	(182,834)
Class B Common Stock purchases and cancellations	—	—	(3,500)	—	—	—	—	—	—	(89,670)	(89,670)
Conversion of Class B Common Stock to Class A Common Stock	12,804	1	(12,804)	(1)	—	—	—	—	—	—	—
Dividends declared ($0.52 per share)	—	—	—	—	—	—	—	(97,598)	(97,598)	—	(97,598)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(9,133)	(9,133)
Adjustment to deferred taxes	—	—	—	—	(14,723)	—	—	—	(14,723)	—	(14,723)
Tax impact of equity transactions	—	—	—	—	71,016	—	—	—	71,016	—	71,016
Net income	—	—	—	—	—	—	—	366,027	366,027	31,303	397,330
Balance, December 31, 2024	228,164	$ 23	5,523	$ 1	$ 1,880,243	38,808	$ (721,279)	$ 754,591	$ 1,913,579	$ 53,747	$ 1,967,326

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Changes in Equity
(In thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Value	Shares	Value		Shares	Value					
Balance, December 31, 2024	228,164	$ 23	5,523	$ 1	$ 1,880,243	38,808	$ (721,279)	$ 754,591	$ —	$ 1,913,579	$ 53,747	$ 1,967,326
Stock based compensation expense, net of forfeitures	—	—	—	—	22,992	—	—	—	—	22,992	686	23,678
Common stock issued related to stock based compensation and other, net	744	—	—	—	(67)	—	—	—	—	(67)	(148)	(215)
Modification and cash-settlement of stock based compensation	—	—	—	—	(3,157)	—	—	—	—	(3,157)	—	(3,157)
Changes in ownership interest adjustment	—	—	—	—	3,535	—	—	—	—	3,535	(3,535)	—
Class A Common Stock repurchases	—	—	—	—	—	8,870	(205,498)	—	—	(205,498)	—	(205,498)
Dividends declared ($0.60 per share)	—	—	—	—	—	—	—	(113,096)	—	(113,096)		(113,096)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	—	(3,500)	(3,500)
Adjustment to deferred taxes	—	—	—	—	(87)	—	—	—	—	(87)	—	(87)
Tax impact of equity transactions	—	—	—	—	—	—	(1,885)	—	—	(1,885)	—	(1,885)
Net income	—	—	—	—	—	—	—	325,252	—	325,252	12,027	337,279
Other comprehensive loss	—	—	—	—	—	—	—		(1,610)	(1,610)	(62)	(1,672)
Balance, December 31, 2025	228,908	$ 23	5,523	$ 1	$ 1,903,459	47,678	$ (928,662)	$ 966,747	$ (1,610)	$ 1,939,958	$ 59,215	$ 1,999,173

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Cash Flows
(In thousands)

	Years Ended		
	December 31, 2025	December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
NET INCOME	$ 337,279	$ 397,330	$ 442,604
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	437,757	414,487	324,790
Impairment of oil and natural gas properties	—	—	15,735
Asset retirement obligations accretion	6,800	6,729	4,039
Amortization of deferred financing costs	2,169	4,459	4,256
Gain on sale of assets	—	—	(3,946)
Deferred income tax expense	96,830	70,272	75,356
Gain on revaluation of contingent consideration	(4,511)	(4,312)	(7,643)
Stock based compensation	27,256	18,663	16,166
Loss on extinguishment of debt	—	8,796	—
Other	2,864	2,922	274
Changes in operating assets and liabilities:			
Accounts receivable	(3,890)	32,882	(14,269)
Accounts payable	(5,290)	(18,389)	(9,211)
Accrued liabilities	10,667	(9,624)	3,391
Other assets and liabilities, net	(29,292)	(3,365)	4,247
Net cash provided by operating activities	878,639	920,850	855,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions	(66,588)	(165,424)	(355,499)
Additions to oil and natural gas properties	(469,477)	(486,729)	(424,890)
Changes in working capital associated with additions to oil and natural gas properties	(10,368)	(2,385)	(33,793)
Other investing	5,686	(584)	(718)
Net cash used in investing activities	(540,747)	(655,122)	(814,900)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	—	400,000	—
Redemption of long-term debt	—	(404,000)	—
Class A Common Stock repurchases	(205,471)	(183,375)	(205,320)
Class B Common Stock purchases and cancellations	—	(89,670)	—
Dividends paid	(113,096)	(97,620)	(88,077)
Distributions to noncontrolling interest owners	(3,500)	(9,133)	(14,065)
Cash paid for debt issuance costs	—	(12,713)	—
Other financing activities	(9,089)	(10,289)	(7,747)
Net cash used in financing activities	(331,156)	(406,800)	(315,209)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,736	(141,072)	(274,320)
Cash and cash equivalents – Beginning of period	260,049	401,121	675,441
Cash and cash equivalents – End of period	$ 266,785	$ 260,049	$ 401,121

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

1. Organization and Basis of Presentation

Organization and Nature of Operations

Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, the "Company" or "Magnolia") is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid ("NGL") reserves. The Company's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company targets the Eagle Ford Shale and Austin Chalk formations. Magnolia's objective is to generate stock market value over the long-term through steady organic production growth, high full cycle operating margins, an efficient capital program with short economic paybacks, significant free cash flow after capital expenditures, and effective reinvestment of free cash flow.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Certain reclassifications of prior period financial statements have been made to conform to current reporting practices.

The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of intercompany transactions and balances. The Company's interests in oil and natural gas exploration and production ventures and partnerships are proportionately consolidated. The Company reflects a noncontrolling interest representing the interest owned by the Magnolia LLC Unit Holders through their ownership of Magnolia LLC Units in the consolidated financial statements. The noncontrolling interest is presented as a component of equity. See *Note 11—Stockholders' Equity* for further discussion of noncontrolling interest.

Segment Information

The Company operates in one reportable segment engaged in the acquisition, development, exploration, and production of oil and natural gas properties ("Operating segment"). Magnolia's operations are conducted predominantly in one geographic area of the United States. The Operating segment sells oil, natural gas, and NGLs which are disaggregated on the Company's consolidated statements of operations. The Operating segment's major customers are disclosed in *Note 15—Major Customers*.

The Company's chief operating decision maker ("CODM") is the President and Chief Executive Officer. The significant accounting policies for the reportable segment are the same as those of the consolidated entity described in *Note 2—Summary of Significant Accounting Policies*. The profit or loss metric used to evaluate segment performance is net income reported on the Company's consolidated statements of operations. The measure of segment assets is reported on the Company's consolidated balance sheets as Total Assets.

The CODM uses the consolidated statements of operations to review net income generated from segment assets to make decisions about allocating resources and assess performance of the Company. Net income is used to monitor budget versus actual results and to benchmark against the Company's competitors. Significant segment expenses are the same as those in the consolidated statements of operations.

2. Summary of Significant Accounting Policies

Variable Interest Entities

Magnolia LLC is a variable interest entity ("VIE"). The Company determined that it is the primary beneficiary of Magnolia LLC as the Company is the managing member and has the power to direct the activities most significant to Magnolia LLC's economic performance as well as the obligation to absorb losses and receive benefits that are potentially significant. At December 31, 2025, the Company had an approximate 97.0% economic interest in Magnolia LLC and 100% of Magnolia LLC's assets, liabilities, and results of operations are consolidated in the Company's consolidated financial statements contained herein. At December 31, 2025, the Magnolia LLC Unit Holders had an approximate 3.0% economic interest in Magnolia LLC; however, the Magnolia LLC Unit Holders have disproportionately fewer voting rights, and are shown as noncontrolling interest holders of Magnolia LLC. See *Note 11—Stockholders' Equity* for further discussion of the noncontrolling interest.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and changes in these estimates are recorded when known. Significant estimates with regard to these financial statements include the fair value determination of acquired assets and liabilities, the assessment of asset retirement obligations, the estimate of proved oil and natural gas reserves and related present value estimates of future net cash flows, and the estimates of fair value for long-lived assets.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments that are readily convertible to cash. Cash and cash equivalents were approximately $266.8 million and $260.0 million at December 31, 2025 and 2024, respectively.

Accounts Receivable and Allowance for Expected Credit Losses

The Company's receivables consist mainly of trade receivables from commodity sales and joint interest billings due from owners on properties the Company operates. The majority of these receivables have payment terms of 30 days or less. For receivables due from joint interest owners, the Company generally has the ability to withhold future revenue disbursements to recover non-payment of joint interest billings. The Company's existing historical credit losses have been de minimis and are expected to remain so in the future assuming no substantial changes to the business or creditworthiness of Magnolia's business partners.

Oil and Natural Gas Properties

The Company follows the successful efforts method of accounting for its oil and natural gas properties. Under this method of accounting, exploration expenses such as exploratory geological and geophysical costs, delay rentals, and exploration overhead are expensed as incurred. All costs related to production, general corporate overhead, and similar activities are expensed as incurred.

Unproved properties are assessed for impairment at least annually and are transferred to proved oil and natural gas properties to the extent the costs are associated with proved reserves. Unproved properties are assessed for impairment based on the Company's current drilling plans. Costs of expired or abandoned leases are charged to exploration expense, while costs of productive leases are transferred to proved oil and natural gas properties. Costs of maintaining and retaining unproved properties, as well as impairment of unsuccessful leases, are included in "Exploration expenses" in the consolidated statements of operations.

Costs to develop proved reserves, including the costs of all development wells and related equipment used in the production of crude oil and natural gas, are capitalized. Depreciation, depletion and amortization of the cost of proved oil and natural gas properties is calculated using the unit-of-production method. The reserve base used to calculate depletion for leasehold acquisition costs and the cost to acquire proved properties is the sum of proved developed reserves and proved undeveloped reserves. The reserve base used to calculate the depreciation for capitalized well costs is the sum of proved developed reserves only. Estimated future abandonment costs, net of salvage values, are included in the depreciable cost.

Oil and natural gas properties are grouped for depreciation, depletion and amortization in accordance with the Accounting Standards Codification ("ASC") ASC 932 "Extractive Activities—Oil and Gas". The basis for grouping is a reasonable aggregation of properties with a common geological structural feature or stratigraphic condition, such as a reservoir or field.

When circumstances indicate that proved oil and natural gas properties may be impaired, the Company compares unamortized capitalized costs to the expected undiscounted pre-tax future cash flows for the associated assets grouped at the lowest level for which identifiable cash flows are independent of cash flows of other assets. If the expected undiscounted pre-tax future cash flows, based on the Company's estimate of future crude oil and natural gas prices, operating costs, anticipated production from proved reserves, and other relevant data, are lower than the unamortized capitalized cost, the capitalized cost is reduced to fair value. Fair value is generally estimated using the income approach described in ASC 820, "Fair Value Measurements" ("ASC 820"). If applicable, the Company may utilize prices and other relevant information generated by market transactions involving assets and liabilities that are identical or comparable to the item being measured as the basis for determining fair value. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs, and capital investment plans, considering all available information at the date of review. These assumptions are applied to develop future cash flow projections that are then discounted to estimated fair value, using a discount rate believed to be consistent with those applied by market participants.

Asset Retirement Obligations

Asset retirement obligations ("ARO") represent the present value of the estimated cash flows expected to be incurred to plug, abandon, and remediate producing properties, excluding salvage values, at the end of their productive lives in accordance with applicable laws. The significant unobservable inputs to this fair value measurement include estimates of plugging, abandonment, and remediation costs, well life, inflation, and credit-adjusted risk-free rate. The inputs are calculated based on historical data as well as current estimates. When the liability is initially recorded, the carrying amount of the related long-lived asset is increased. Over time, accretion of the liability is recognized each period, and the capitalized cost is amortized over the useful life of the related asset using the unit of production method and is included in "Depreciation, depletion and amortization" in the Company's consolidated statements of operations. If the ARO is settled for an amount other than the recorded amount, a gain or loss is recognized.

To estimate the fair value of an asset retirement obligation, the Company employs a present value technique, which reflects certain assumptions, including its credit-adjusted risk-free interest rate, inflation rate, the estimated settlement date of the liability, and the estimated cost to settle the liability. Changes in timing or to the original estimate of cash flows will result in changes to the carrying amount of the liability and related long lived asset.

Fair Value Measurements

Certain assets and liabilities are reported at fair value on a recurring basis on the Company's consolidated balance sheet. The Company also uses fair value measurements on a nonrecurring basis when a qualitative assessment of its assets indicates a potential impairment. For more discussion on recurring and nonrecurring fair value measurements, refer to *Note 4—Fair Value Measurements.*

The valuation techniques that may be used to measure fair value include a market approach, an income approach and a cost approach. A market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. An income approach uses valuation techniques to convert future amounts to a single present amount based on current market expectations, including present value techniques, option-pricing models and the excess earnings method. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of observability of inputs used to measure investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment, characteristics specific to the investment, market conditions, and other factors. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets will typically have a higher degree of input observability and a lesser degree of judgment applied in determining fair value.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level 2—Pricing inputs are other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. Level 2 pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3—Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

In some cases, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the investment is categorized in its entirety is determined based on the lowest level input that is significant to the investment. Assessing the significance of a particular input to the valuation of an investment in its entirety requires judgment and considers factors specific to the investment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

Income Taxes

The Company is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Magnolia LLC. Magnolia LLC is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Magnolia LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Magnolia LLC is passed through to and included in the taxable income or loss of its members, including the Company, on a pro rata basis.

Under ASC 740, "Income Taxes," deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to net operating losses, tax credits, and temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period of the enactment date. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company reports a liability or a reduction of deferred tax assets for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. When applicable, the Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. Refer to *Note 10—Income Taxes* for additional information.

Commitments and Contingencies

Accruals for loss contingencies arising from claims, assessments, litigation, environmental, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. Refer to *Note 9—Commitments and Contingencies* for additional information.

Revenue Recognition

Magnolia's revenues include the sale of crude oil, natural gas, and NGLs. Oil, natural gas, and NGL sales are recognized as revenue when production is sold to a customer in fulfillment of performance obligations under the terms of agreed contracts. Performance obligations are primarily comprised of delivery of oil, natural gas, or NGLs at a delivery point, as negotiated within each contract. Each barrel of oil, million Btu of natural gas, gallon of NGLs, or other unit of measure is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated.

The Company's oil production is primarily sold under market-sensitive contracts that are typically priced at a differential to the NYMEX price or at purchaser posted prices for the producing area. For oil contracts, the Company generally records sales based on the net amount received.

For natural gas contracts, the Company generally records wet gas sales (which consists of natural gas and NGLs based on end products after processing) at the wellhead or inlet of the natural gas processing plant (i.e., the point of control transfer) as revenues net of gathering, transportation, and processing expenses if the processor is the customer and there is no redelivery of commodities to the Company at the tailgate of the plant. Conversely, the Company generally records residual natural gas and NGL sales at the tailgate of the plant (i.e., the point of control transfer) on a gross basis along with the associated gathering, transportation, and processing expenses if the processor is a service provider and there is redelivery of one or several commodities to the Company at the tailgate of the plant. The facts and circumstances of an arrangement are considered and judgment is often required in making this determination.

Customers are invoiced once the Company's performance obligations have been satisfied. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 days. There are no judgments that significantly affect the amount or timing of revenue from contracts with customers. Additionally, the Company's product sales contracts do not give rise to material contract assets or contract liabilities.

The Company's receivables consist mainly of receivables from oil, natural gas, and NGL purchasers and from joint interest owners on properties the Company operates. Receivables from contracts with customers totaled $116.5 million and $123.8 million as of December 31, 2025 and 2024, respectively. Accounts receivable are stated at the historical carrying amount net of write-offs and allowance for doubtful accounts. The Company routinely assesses the collectability of all material trade and other receivables. The Company accrues a reserve on a receivable when, based on the judgment of management, it is probable that a receivable will not be collected and the amount of any reserve may be reasonably estimated. The Company had no allowance for doubtful accounts as of December 31, 2025 or 2024.

The Company has concluded that disaggregating revenue by product type appropriately depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors and has reflected this disaggregation of revenue on the Company's consolidated statements of operations for all periods presented.

Performance obligations are satisfied at a point in time once control of the product has been transferred to the customer. The Company considers a variety of facts and circumstances in assessing the point of control transfer, including but not limited to: whether the purchaser can direct the use of the hydrocarbons, the transfer of significant risks and rewards, the Company's right to payment, and transfer of legal title.

The Company does not disclose the value of unsatisfied performance obligations for contracts as all contracts have either an original expected length of one year or less, or the entire future consideration is variable and allocated entirely to a wholly unsatisfied performance obligation.

Net Income Per Share of Common Stock

The Company's basic earnings per share ("EPS") is computed based on the weighted average number of shares of Class A Common Stock outstanding for the period. Diluted EPS includes the effect of the Company's outstanding restricted stock units ("RSUs"), performance share units ("PSUs"), performance restricted stock units ("PRSUs"), and exchanges or repurchases of Class B Common Stock if the inclusion of these items is dilutive. The Company's unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are deemed participating securities and, therefore, are deducted from earnings in computing basic and diluted net income per share under the two-class method. Diluted net income per share attributable to common stockholders is calculated under both the two-class method and the treasury stock method and the more dilutive of the two calculations is presented. Refer to *Note 13—Earnings Per Share* for additional information and the calculation of EPS.

Stock Based Compensation

Magnolia maintains the "Magnolia Oil & Gas Corporation Long Term Incentive Plan" (as amended, the "Plan"), pursuant to which eligible employees and directors may be granted awards in the form of RSUs, PRSUs, and PSUs. RSUs granted are valued on the date of the grant using the quoted market price of Magnolia's Class A Common Stock. Liability-classified and equity-classified PSUs and PRSUs granted are valued based on the grant date fair value determined using Monte Carlo simulations, which use a probabilistic approach for estimating the fair value of the awards. Liability-classified PSUs are remeasured at fair value using Monte Carlo simulations until settlement. RSUs, PSUs, and PRSUs are expensed on a straight-line basis over the requisite service period. The requisite service period may be subject to acceleration upon employee retirement under certain conditions. The Company records expense associated with the fair value of stock based compensation under the fair value recognition provisions of ASC Topic 718, "Compensation-Stock Compensation" and that expense is included within "General and administrative expenses" and "Lease operating expenses" in the accompanying consolidated statements of operations. The Company accounts for forfeitures as they occur. These plans and related accounting policies are defined and described more fully in *Note 12—Stock Based Compensation.*

Leases

Magnolia recognizes right of use assets and lease liabilities for certain commitments with terms greater than one year primarily related to real estate, vehicles, and field equipment. The Company determines if an arrangement is a lease at inception. Operating leases are included in other long-term assets, other current liabilities, and other long-term liabilities in Magnolia's consolidated balance sheet as of December 31, 2025. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Magnolia's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expenses for lease payments are recognized on a straight-line basis over the lease term. The Company has also elected a policy to not recognize right of use assets and lease liabilities related to short-term leases. The Company has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For more information, refer to *Note 8—Leases.*

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025, with early adoption permitted. The Company adopted ASU 2023-09 for the year ended December 31, 2025, with retrospective application. The adoption did not have a material impact on the Company's consolidated financial statements.

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU 2024-03 "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" requiring disclosure of specified information about certain costs and expenses. ASU 2024-03 is effective for annual periods beginning January 1, 2027, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

3. Acquisitions

2025 Acquisitions

During the year ended December 31, 2025, the Company completed various bolt-on property acquisitions of certain oil and natural gas assets totaling $66.6 million in cash.

2024 Acquisitions

In April 2024, the Company completed the acquisition of certain oil and natural gas producing properties, including leasehold and mineral interests, in the Giddings area for $120.4 million in cash. Additionally, during the year ended December 31, 2024, the Company completed various bolt-on property acquisitions of certain oil and natural gas assets totaling $45.0 million in cash.

2023 Acquisitions

In November 2023, the Company acquired certain oil and gas producing properties including leasehold and mineral interests in the Giddings area for $264.1 million in cash, subject to customary purchase price adjustments. The acquisition included a maximum of $40.0 million in additional contingent cash consideration based on future commodity prices. For further detail regarding the contingent consideration, see *Note 9—Commitments and Contingencies*.

In July 2023, the Company completed the acquisition of certain oil and natural gas assets located in the Giddings area for $41.8 million in cash.

Additionally, during the year ended December 31, 2023, the Company completed various bolt-on property acquisitions of certain oil and natural gas assets totaling $49.6 million in cash.

4. Fair Value Measurements

Certain of the Company's assets and liabilities are carried at fair value and measured either on a recurring or nonrecurring basis. The Company's fair value measurements are based either on actual market data or assumptions that other market participants would use in pricing an asset or liability in an orderly transaction, using the valuation hierarchy prescribed by GAAP under ASC 820.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level 2 - Pricing inputs are other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. Level 2 pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

The Company has other financial instruments consisting primarily of receivables, payables, and other current assets and liabilities that approximate fair value due to the nature of the instruments and their relatively short maturities. Non-financial assets and liabilities initially measured at fair value include assets acquired and liabilities assumed in business combinations and asset retirement obligations.

Recurring Fair Value Measurements

The below financial instruments, with the exception of long-term debt, are carried at fair value in the Company's consolidated balance sheets as of December 31, 2025 and 2024 as discussed further below:

	Fair value at December 31, 2025			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term debt (see *Note 7*)	$ 412,443	$ —	$ —	$ 412,443
Contingent Consideration (see *Note 9*)	—	—	—	—
Liability-classified stock based compensation (see *Note 12*)	—	5,610	—	5,610

	Fair value at December 31, 2024			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term debt (see *Note 7)*	$ 396,808	$ —	$ —	$ 396,808
Contingent Consideration (see *Note 9*)	—	7,269	—	7,269
Liability-classified stock based compensation (see *Note 12*)	—	—	—	—

Long-Term Debt

The fair value of the 2032 Senior Notes as of December 31, 2025 is based on unadjusted quoted prices in an active market. The carrying value of the 2032 Senior Notes, net of unamortized deferred financing costs, was $393.3 million and $392.5 million as of December 31, 2025 and December 31, 2024, respectively, and is included in "Long-term debt, net" on the Company's consolidated balance sheets.

Contingent Consideration

The fair value of the contingent consideration is estimated using observable market data (NYMEX WTI forward price curve) and Monte Carlo simulation models. The fair value of the contingent consideration is included in "Other current liabilities" on the Company's consolidated balance sheets.

Liability-Classified Stock Based Compensation

The fair value of the liability for future cash-settled stock based compensation is estimated using observable market data (the total shareholder return ("TSR") of the Class A Common Stock relative to the TSR achieved by a specific industry peer group) and Monte Carlo simulation models. The fair value of the liability for future cash-settled stock based compensation is included in "Other current liabilities" and "Other long-term liabilities" on the Company's consolidated balance sheets.

Nonrecurring Fair Value Measurements

Certain of the Company's assets and liabilities are measured at fair value on a nonrecurring basis. Specifically, stock based compensation is not measured at fair value on an ongoing basis but is subject to fair value calculations in certain circumstances. For further detail, see *Note 12—Stock Based Compensation*. There were no other material nonrecurring fair value measurements for the years ended December 31, 2025 and 2024.

5. Other Current Liabilities

The following table provides detail of the Company's other current liabilities for the periods presented:

(In thousands)	December 31, 2025	December 31, 2024
Accrued compensation and benefits	$ 24,144	$ 17,525
Accrued capital expenditures	21,378	31,745
Current operating lease liabilities	18,212	12,210
Other	46,728	47,708
Total other current liabilities	$ 110,462	$ 109,188

6. Asset Retirement Obligations

The following table summarizes the changes in the Company's asset retirement obligations for the periods presented:

	Years Ended	
(In thousands)	December 31, 2025	December 31, 2024
Asset retirement obligations, beginning of period	$ 163,913	$ 150,563
Revisions to estimates	5,965	(476)
Liabilities incurred and assumed	15,513	11,177
Liabilities settled	(5,236)	(4,080)
Accretion expense	6,800	6,729
Asset retirement obligations, end of period	$ 186,955	$ 163,913

Asset retirement obligations reflect the present value of the estimated future costs associated with the plugging and abandonment of oil and natural gas wells, removal of equipment and facilities from leased acreage, and land restoration in accordance with applicable local, state, and federal laws. Inherent in the fair value calculation of ARO are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, and timing of settlement. To the extent future revisions to these assumptions impact the value of the existing ARO liability, a corresponding offsetting adjustment is made to the oil and natural gas property balance.

7. Long-term Debt

The Company's long-term debt is comprised of the following:

(In thousands)	December 31, 2025	December 31, 2024
Revolving credit facility	$ —	$ —
Senior Notes due 2032	400,000	400,000
Total long-term debt	400,000	400,000
Less: Unamortized deferred financing cost	(6,749)	(7,487)
Long-term debt, net	$ 393,251	$ 392,513

Credit Facility

The original RBL Facility was entered into by and among Magnolia Operating, as borrower, Magnolia Intermediate, as its holding company, the banks, financial institutions, and other lending institutions from time to time party thereto, as lenders, the other parties from time to time party thereto and Citibank, N.A., as administrative agent, collateral agent, issuing bank, and swingline lender. On February 16, 2022, Magnolia Operating, as borrower, amended and restated the original RBL Facility in its entirety (the "2022 RBL Facility"). On November 13, 2024, Magnolia Operating, as borrower, amended and restated the 2022 RBL Facility in its entirety, providing for maximum commitments in an aggregate principal amount of $1.5 billion with a letter of credit facility with a $50.0 million sublimit, with an initial borrowing base of $800.0 million and borrowing capacity of $450.0 million. The RBL Facility is guaranteed by certain parent companies and subsidiaries of Magnolia LLC and is collateralized by certain of Magnolia Operating's oil and natural gas properties. The RBL Facility matures on November 13, 2029, subject to certain conditions.

Borrowings under the RBL Facility bear interest, at Magnolia Operating's option, at a rate per annum equal to either the term SOFR rate or the alternative base rate plus the applicable margin. Additionally, Magnolia Operating is required to pay a commitment fee quarterly in arrears in respect of unused commitments under the RBL Facility. The applicable margin and the commitment fee rate are calculated based upon the utilization levels of the RBL Facility as a percentage of unused lender commitments then in effect. The RBL Facility contains certain affirmative and negative covenants customary for financings of this type, including compliance with a leverage ratio of less than 3.50 to 1.00 and a current ratio of greater than 1.00 to 1.00. As of December 31, 2025, the Company was in compliance with all covenants under the RBL Facility.

During the year ended December 31, 2024, the Company incurred approximately $5.2 million of lender and transaction fees related to the modification, which were recorded as deferred financing costs and will be amortized prospectively over the remaining term of the RBL Facility.

Deferred financing costs in connection with the RBL Facility are amortized on a straight-line basis over a period of five years from November 2024 to November 2029 and included in "Interest expense, net" in the Company's consolidated statements of operations. The Company recognized interest expense related to the RBL Facility, including its previous amendments, of $3.2 million, $4.3 million, and $4.1 million during the years ended December 31, 2025, 2024, and 2023, respectively. The unamortized portion of the deferred financing costs is included in "Deferred financing costs, net" on the Company's consolidated balance sheets as of December 31, 2025 and 2024.

The Company did not have any outstanding borrowings under the RBL Facility as of December 31, 2025.

Senior Notes

On November 26, 2024, the Issuers issued and sold $400.0 million aggregate principal amount of 2032 Senior Notes in a private placement under Rule 144A and Regulation S under the Securities Act of 1933, as amended. The 2032 Senior Notes were issued under the Indenture, dated as of November 26, 2024 (the "Indenture"), by and among the Issuers, the Company, the guarantors named therein, and Regions Bank, as trustee. The 2032 Senior Notes are guaranteed on a senior unsecured basis by the Company, Magnolia LLC, Magnolia Oil & Gas Holdings LLC, and Magnolia Intermediate and may be guaranteed by certain future subsidiaries of the Company. The 2032 Senior Notes will mature on December 1, 2032 and bear interest at the rate of 6.875% per annum.

During the year ended December 31, 2024, the Company paid $7.6 million in fees to third parties which were recorded as deferred financing costs. Deferred financing costs are amortized using the effective interest method over the term of the 2032 Senior Notes and are included in "Interest expense, net" in the Company's consolidated statements of operations. The unamortized portion of the deferred financing costs is included as a reduction to the carrying value of the 2032 Senior Notes, which has been recorded as "Long-term debt, net" on the Company's consolidated balance sheets as of December 31, 2025 and 2024.

The Issuers used cash on hand and the proceeds from the issuance of the 2032 Senior Notes to redeem the 2026 Senior Notes. The Company recognized a loss on extinguishment of $8.8 million which is included within "Loss on extinguishment of debt" in the Company's consolidated statements of operations for the year ended December 31, 2024.

For the years ended December 31, 2025, 2024, and 2023, the Company recognized interest expense related to the 2032 Senior Notes and 2026 Senior Notes, collectively, of $28.2 million, $26.8 million, and $26.5 million, respectively.

At any time prior to December 1, 2027, the Issuers may, on any one or more occasions, redeem all or a part of the 2032 Senior Notes at a redemption price equal to 100% of the principal amount of the 2032 Senior Notes redeemed, plus a "make whole" premium on accrued and unpaid interest, if any, to, but excluding, the date of redemption. After December 1, 2027, the Issuers may redeem all or a part of the 2032 Senior Notes based on principal plus a set premium, as set forth in the Indenture, including any accrued and unpaid interest.

8. Leases

Magnolia's leases primarily consist of real estate, vehicles, and field equipment. The Company's leases have remaining lease terms of up to three years, some of which include options to renew or terminate the lease. The exercise of lease renewal options is at the Company's sole discretion. Magnolia's lease agreements do not contain any restrictive covenants or material residual value guarantees.

As most of Magnolia's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

(In thousands)	December 31, 2025	December 31, 2024
Operating Leases		
Operating lease assets	$ 25,954	$ 17,056
Operating lease liabilities - current	$ 18,212	$ 12,210
Operating lease liabilities - long-term	8,097	5,591
Total operating lease liabilities	$ 26,309	$ 17,801
Weighted average remaining lease term (in years)	1.6	1.5
Weighted average discount rate	6.6%	7.1%

For the years ended December 31, 2025 and 2024, the Company incurred $20.4 million and $12.5 million, respectively, of lease costs for operating leases included on the Company's consolidated balance sheet, and $55.7 million and $58.2 million, respectively, for short-term lease costs. For the years ended December 31, 2025 and 2024, the Company did not incur any material expenses for variable lease costs. Cash paid for lease liabilities included in operating cash flows for the years ended December 31, 2025 and 2024 are $20.8 million and $12.9 million, respectively.

Maturities of lease liabilities as of December 31, 2025 under the scope of ASC 842 are as follows:

(In thousands)	
Maturity of Lease Liabilities	**Operating Leases**
2026	$ 19,704
2027	7,584
2028	2,279
2029	198
2030	—
After 2030	—
Total lease payments	$ 29,765
Less: Interest	(3,456)
Present value of lease liabilities	$ 26,309

At December 31, 2025, the Company had additional minimum lease payments of $37.1 million, which are expected to commence beginning in 2026 with lease terms of two to twelve years.

9. Commitments and Contingencies

Legal Matters

From time to time, the Company is or may become involved in litigation in the ordinary course of business.

Certain of the Magnolia LLC Unit Holders and EnerVest Energy Institutional Fund XIV-C, L.P. (collectively the "Co-Defendants") and the Company have been named as defendants in a lawsuit where the plaintiffs claim to be entitled to a minority working interest in certain Karnes County Assets. The litigation is in the pre-trial stage. The exposure related to this litigation is currently not reasonably estimable. The Co-Defendants retain all such liability.

Matters that are probable of unfavorable outcome to Magnolia and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, Magnolia's estimates of the outcomes of such matters and its experience in contesting, litigating and settling similar matters. The Company does not believe the outcome of any such disputes or legal actions will have a material effect on its consolidated statements of operations, balance sheet, or cash flows after consideration of recorded accruals. Actual amounts could differ materially from management's estimates.

Environmental Matters

The Company, as an owner or lessee and operator of oil and natural gas properties, is subject to various federal, state, and local laws and regulations relating to discharge of materials into, and the protection of, the environment. These laws and regulations may, among other things, impose liability on a lessee under an oil and natural gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. In some instances, the Company may be directed to suspend or cease operations in an affected area. The Company maintains insurance coverage, which it believes is customary in the industry, although the Company is not fully insured against all environmental risks.

Commitments

At December 31, 2025, contractual obligations for long-term operating leases and purchase obligations are as follows:

(In thousands)	Total	2026	2027-2028	2029-2030	2031 & Beyond
Purchase obligations [1]	$ 1,487	$ 920	$ 538	$ 29	$ —
Operating lease obligations [2]	66,823	20,368	15,165	6,041	25,249
Total net minimum commitments	$ 68,310	$ 21,288	$ 15,703	$ 6,070	$ 25,249

(1) Amounts represent any agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms. These include minimum commitments associated with operations- and IT-related service commitments. The costs incurred under these obligations were $1.3 million, $2.2 million, and $1.7 million for the years ended December 31, 2025, 2024, and 2023, respectively.

(2) Amounts include long-term lease payments for office space, vehicles, and equipment related to exploration, development, and production activities.

Contingencies

In November 2023, the Company acquired certain oil and gas producing properties including leasehold and mineral interests in the Giddings area. The acquisition included a maximum of $40.0 million in additional contingent cash consideration based on future commodity prices. The contingent consideration was payable in three tranches based on average NYMEX WTI prices for (i) the period beginning July 1, 2023 through December 31, 2023, (ii) the year ending December 31, 2024, and (iii) the year ending December 31, 2025. The first tranche was settled for $2.7 million in January 2024 and the second tranche was settled for $2.8 million in January 2025. The final tranche for the year ended December 31, 2025 did not require a payment.

The Company recognized a gain of $4.5 million, $4.3 million, and $7.6 million on the revaluation of the contingent consideration for the years ended December 31, 2025, 2024, and 2023, respectively. Gains on revaluation are included in “Other income (expense), net” on the Company’s consolidated statements of operations. Refer to *Note 4—Fair Value Measurements* for additional information.

10. Income Taxes

The Company’s income tax provision consists of the following components:

	Years Ended		
(In thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Current:			
Federal	$ (15,537)	$ 23,738	$ 30,166
State	(1,161)	1,803	1,686
Total current	(16,698)	25,541	31,852
Deferred:			
Federal	94,278	67,531	73,672
State	2,552	2,741	1,684
Total deferred	96,830	70,272	75,356
Income tax expense	$ 80,132	$ 95,813	$ 107,208

The income taxes paid (net of refunds) by the Company are as follows:

	Years Ended		
(In thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Federal	$ 6,300	$ 19,908	$ 34,190
Texas	1,482	3,163	4,536
Other state	—	31	108
State total	1,482	3,194	4,644
Total cash paid for taxes (net of refunds)	$ 7,782	$ 23,102	$ 38,834

A reconciliation of the statutory federal income tax expense to the income tax expense from continuing operations is as follows:

	Years Ended					
	December 31, 2025		December 31, 2024		December 31, 2023	
(In thousands)	$	%	$	%	$	%
Income tax expense at the federal statutory rate	$ 87,656	21.0 %	$ 103,557	21.0 %	$ 115,464	21.0 %
State income tax expense, net of federal income tax benefits	258	— %	4,547	0.9 %	3,369	0.6 %
Noncontrolling interest in partnerships	(2,630)	(0.6)%	(7,002)	(1.4)%	(11,450)	(2.1)%
Change in valuation allowances	—	— %	—	— %	5,627	1.0 %
Research and development tax credits	(6,166)	(1.5)%	(4,559)	(0.9)%	(3,550)	(0.6)%
Marginal well tax credits	(2,554)	(0.6)%	(2,427)	(0.5)%	—	— %
Other, net	3,568	0.9 %	1,697	0.3 %	(2,252)	(0.4)%
Income tax expense	$ 80,132	19.2 %	$ 95,813	19.4 %	$ 107,208	19.5 %

The Company is subject to U.S. federal income tax, Texas state margin tax, and Louisiana corporate income tax. The primary differences between the annual effective tax rates and the statutory rate of 21.0% are income attributable to noncontrolling interest, state taxes, tax credits generated, and changes in valuation allowances.

As of December 31, 2025, the Company has no material uncertain tax positions and does not expect any significant uncertain tax positions to arise in the next 12 months. For the year ended December 31, 2025, no significant amounts were incurred for interest and penalties. Currently, the Company is not aware of any issues under review that could result in significant payments, accruals, or a material deviation from its position. As of December 31, 2025, the earliest tax years subject to possible examination by the tax authorities are 2022 for U.S. federal and 2021 for Texas state.

The tax effects of temporary differences that give rise to significant positions of the deferred income tax assets and liabilities are presented below:

(In thousands)	December 31, 2025	December 31, 2024
Deferred tax assets:		
Investment in partnership	$ —	$ 71,587
Net operating loss carryforward	4,062	—
Tax credit carryforward	6,562	—
Capital loss carryforward	5,822	5,822
Oil and natural gas properties	2,662	6,077
Capitalized transaction costs	1,737	1,969
Total deferred tax assets	20,845	85,455
Valuation allowances	(5,822)	(7,818)
Total deferred tax assets, net of valuation allowances	$ 15,023	$ 77,637
Deferred tax liabilities:		
Investment in partnership	(33,034)	—
Total deferred tax liabilities	(33,034)	—
Net deferred tax assets (liabilities)	$ (18,011)	$ 77,637

Net deferred tax assets and liabilities are included in the consolidated balance sheets as of December 31, 2025 and 2024 as follows:

(In thousands)	December 31, 2025	December 31, 2024
Assets:		
Deferred tax assets	$ 2,662	$ 77,637
Liabilities:		
Other long-term liabilities		
Deferred tax liabilities	(20,673)	—
Net deferred tax assets (liabilities)	$ (18,011)	$ 77,637

As of December 31, 2025, the Company had a $19.3 million gross U.S. federal net operating loss, which has an indefinite carryforward, and $27.7 million gross capital loss carryforwards primarily attributable to the sale of the Company's interest in Highlander which will expire between 2027 and 2028, unless offset by future capital gains. The Company also has tax credit carryforwards of $6.6 million which will expire between 2044 and 2045.

The Company periodically assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets. Valuation allowances for deferred tax assets are recognized when it is more likely than not that some or all of the benefit from the deferred tax assets will not be realized. Management assessed whether it is more likely than not that the Company will generate sufficient taxable income to realize its deferred income tax assets. In making this determination, the Company considered all available positive and negative evidence and made certain assumptions. The Company considered, among other things, the overall business environment, its historical earnings and losses, current industry trends, and its outlook for future years. As of December 31, 2025, the Company recorded a valuation allowance of $5.8 million to offset the capital loss carryforward.

On July 4, 2025, the U.S. enacted legislation referred to as the One Big Beautiful Bill Act of 2025, which contains certain significant changes to U.S. corporate income tax laws and is generally effective for tax years beginning after December 31, 2024. These changes include, among others, the immediate deduction of domestic research and development ("R&D") expenses, the option to retroactively deduct previously capitalized R&D expenses, and 100% bonus depreciation for property acquired after January 19, 2025. The impacts are reflected in the Company's income tax provision for the year ended December 31, 2025, which resulted in a decrease in current tax expense offset by an increase in deferred tax expense.

11. Stockholders' Equity

Class A Common Stock

At December 31, 2025, there were 228.9 million shares of Class A Common Stock issued and 181.2 million shares of Class A Common Stock outstanding. The holders of Class A Common Stock and Class B Common Stock vote together as a single class on all matters and are entitled one vote for each share held. There is no cumulative voting with respect to the election of directors, which results in the holders of more than 50% of the Company's outstanding common shares being able to elect all of the directors. In the event of a liquidation, dissolution, or winding up of the Company, the holders of the Class A Common Stock are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of stock, if any, having preference over the common stock. The holders of the Class A Common Stock have no preemptive or other subscription rights, and there are no sinking fund provisions applicable to such shares.

Class B Common Stock

As of December 31, 2025, there were 5.5 million shares of Class B Common Stock issued and outstanding. Holders of Class B Common Stock vote together as a single class with holders of Class A Common Stock on all matters properly submitted to a vote of the stockholders. The holders of Class B Common Stock generally have the right to exchange all or a portion of their shares of Class B Common Stock, together with an equal number of Magnolia LLC Units, for the same number of shares of Class A Common Stock or, at Magnolia LLC's option, an equivalent amount of cash. Upon the future redemption or exchange of Magnolia LLC Units held by any holder of Class B Common Stock, a corresponding number of shares of Class B Common Stock held by such holder of Class B Common Stock will be canceled. In the event of a liquidation, dissolution, or winding up of Magnolia LLC, the holders of the Class B Common Stock, through their ownership of Magnolia LLC Units, are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of units of Magnolia LLC, if any, having preference over the common units. The holders of the Class B Common Stock have no preemptive or other subscription rights, and there are no sinking fund provisions applicable to such shares.

Share Repurchases

As of December 31, 2025, the Company's board of directors had authorized a share repurchase program of up to 50.0 million shares of Class A Common Stock. In addition, the Company may repurchase shares pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Act of 1934, which would permit the Company to repurchase shares at times that may otherwise be prohibited under the Company's Amended Insider Trading and Regulation FD Policy. The share repurchase program does not require purchases to be made within a particular time frame. As of December 31, 2025, the Company had repurchased 47.1 million shares under the program at a cost of $913.3 million and had 2.9 million shares of Class A Common Stock remaining under its share repurchase authorization. On February 5, 2026, the Company's board of directors increased the share repurchase authorization by an additional 10.0 million shares of Class A Common Stock, which increased the total share repurchase authorization to 60.0 million.

During the year ended December 31, 2024, Magnolia LLC repurchased and subsequently canceled 3.5 million Magnolia LLC Units with an equal number of shares of corresponding Class B Common Stock for $89.7 million of cash consideration (the "Class B Common Stock Repurchases"). Magnolia funded the Class B Common Stock Repurchases with cash on hand. During the same period, the Magnolia LLC Unit Holders redeemed 12.8 million Magnolia LLC Units (and a corresponding number of shares of Class B Common Stock) for an equivalent number of shares of Class A Common Stock and subsequently sold these shares to the public. Magnolia did not receive any proceeds from the sale of shares of Class A Common Stock by the Magnolia LLC Unit Holders.

Dividends and Distributions

Dividends in excess of retained earnings are recorded as a reduction of additional paid-in capital. The distributions to the Magnolia LLC Unit Holders were recorded as a reduction of noncontrolling interest on the Company's consolidated balance sheets as of December 31, 2025 and December 31, 2024.

The following table sets forth information with respect to cash dividends and distributions declared by the Company's board of directors during the years ended December 31, 2025 and December 31, 2024, on its own behalf and in its capacity as the managing member of Magnolia LLC, on issued and outstanding shares of Class A Common Stock and Magnolia LLC Units:

Record Date	Payment Date	Dividend/ Distribution Amount per share [1]	Distributions by Magnolia LLC [2]	Dividends Declared by the Company	Distributions to Magnolia LLC Unit Holders
(In thousands, except per share amounts)					
November 10, 2025	December 1, 2025	$ 0.150	$ 28,583	$ 27,754	$ 829
August 11, 2025	September 2, 2025	0.150	28,910	28,081	829
May 12, 2025	June 2, 2025	0.150	29,179	28,350	829
February 14, 2025	March 3, 2025	0.150	29,740	28,911	829
November 8, 2024	December 2, 2024	0.130	25,814	25,096	718
August 9, 2024	September 3, 2024	0.130	26,119	24,694	1,425
May 13, 2024	June 3, 2024	0.130	26,657	23,820	2,837
February 16, 2024	March 1, 2024	0.130	26,824	23,987	2,837

(1) Per share of Class A Common Stock and per Magnolia LLC Unit.

(2) Reflects total cash dividend and distribution payments made, or to be made, to holders of Class A Common Stock and Magnolia LLC Unit Holders (other than the Company) as of the applicable record date.

Noncontrolling Interest

Noncontrolling interest in Magnolia's consolidated subsidiaries includes amounts attributable to Magnolia LLC Units that were issued to the Magnolia LLC Unit Holders in connection with the Business Combination. The noncontrolling interest percentage is affected by various equity transactions such as issuances and repurchases of Class A Common Stock, the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) for Class A Common Stock, or the cancellation of Class B Common Stock (and corresponding Magnolia LLC Units). As of December 31, 2025, Magnolia owned approximately 97.0% of the interest in Magnolia LLC and the noncontrolling interest was 3.0%.

12. Stock Based Compensation

The Company's board of directors adopted the "Magnolia Oil & Gas Corporation Long Term Incentive Plan" (as amended, the "Plan"), effective as of July 17, 2018. A total of 16.8 million shares of Class A Common Stock have been authorized for issuance under the Plan as of December 31, 2025. The Company grants stock based compensation awards in the form of restricted stock units ("RSU"), performance restricted stock units ("PRSU"), and performance share units ("PSU") to eligible employees and directors to enhance the Company and its affiliates' ability to attract, retain, and motivate persons who make important contributions to the Company and its affiliates by providing these individuals with equity ownership opportunities. Shares issued as a result of awards granted under the Plan are generally new shares of Class A Common Stock. The Company's awards provide for accelerated vesting upon retirement under specific conditions.

Stock based compensation expense is recognized net of forfeitures within "General and administrative expenses" and "Lease operating expenses" on the consolidated statements of operations and was $27.3 million, $18.7 million, and $16.2 million for the years ended December 31, 2025, 2024, and 2023, respectively. The Company has elected to account for forfeitures of awards granted under the Plan as they occur in determining compensation expense. The total income tax benefit recognized for stock that vested during the years ended December 31, 2025, 2024, and 2023 was $3.8 million, $6.0 million, and $5.3 million, respectively.

On February 12, 2025, certain PSUs were modified to be 50% settled in cash. In accordance with ASC 718, the Company reclassified 50% of the impacted PSUs from equity-classified awards to liability-classified awards, resulting in a reclassification of $2.0 million from equity to liability. The modification resulted in additional compensation expense of $0.4 million recognized within "General and administrative expenses" on the consolidated statements of operations. The modification affected three grantees.

Equity-Classified Stock Based Compensation

The following table presents a summary of Magnolia's unvested equity-classified RSU, PRSU, and PSU activity for the year ended December 31, 2025.

	Restricted Stock Units		Performance Restricted Stock Units		Performance Share Units	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Unvested at December 31, 2024	1,408,980	$ 21.44	245,527	$ 19.25	528,281	$ 22.45
Granted	809,145	22.84	—	—	179,802	19.87
Modified	—	—	—	—	(193,871)	22.36
Vested[1]	(571,103)	21.79	(241,600)	19.21	—	—
Forfeited	(46,174)	22.51	(362)	19.19	—	—
Unvested at December 31, 2025	1,600,848	$ 21.99	3,565	$ 21.98	514,212	$ 21.58

(1) 47,628 PRSUs were settled in cash for $1.1 million during the year ended December 31, 2025.

The weighted average grant date fair values of the RSUs granted during the years ended December 31, 2024 and 2023 were $20.95 and $22.78 per share, respectively. The weighted average grant date fair values of the PRSUs granted during the year ended December 31, 2023 was $22.28 per share. The weighted average grant date fair values of the PSUs granted during the years ended December 31, 2024 and 2023 were $21.12 and $24.69 per share, respectively.

Restricted Stock Units

The Company grants service-based RSU awards to employees, which generally vest and settle ratably over a three-year or four-year service period, and to non-employee directors, which vest in full after one year. Non-employee directors may elect to defer the RSU settlement date. RSUs represent the right to receive shares of Class A Common Stock at the end of the vesting period equal to the number of RSUs that vest. RSUs are subject to restrictions on transfer and are generally subject to a risk of forfeiture if the award recipient ceases to be an employee or director of the Company prior to vesting of the award. Compensation expense for the service-based RSU awards is based upon the grant date market value of the award and such costs are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if the award was, in-substance, multiple awards. The aggregate fair values of RSUs that vested during the years ended December 31, 2025, 2024, and 2023 were $12.7 million, $12.2 million, and $11.2 million, respectively. Unrecognized compensation expense related to unvested RSUs as of December 31, 2025 was $18.6 million, which the Company expects to recognize over a weighted average period of 1.7 years.

Performance Restricted Stock Units and Performance Share Units

The Company previously granted PRSUs to certain employees. Each PRSU represents the contingent right to receive one share of Class A Common Stock once the PRSU is both vested and earned. PRSUs generally vest either ratably over a three-year service period or at the end of a three-year service period, in each case, subject to the recipient's continued employment or service through each applicable vesting date. Each PRSU is earned based on whether Magnolia's stock price achieves a target average stock price for any 20 consecutive trading days during the five-year performance period ("Performance Condition"). If PRSUs are not earned by the end of the five-year performance period, the PRSUs will be forfeited and no shares of Class A Common Stock will be issued, even if the vesting conditions have been met. Compensation expense for the PRSU awards is based upon the grant date fair market value of the award, calculated using a Monte Carlo simulation, as presented below, and such costs are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if the award was, in-substance, multiple awards, as applicable. The aggregate fair value of PRSUs that vested during the years ended December 31, 2025, 2024, and 2023 were $5.5 million, $15.7 million, and $7.1 million, respectively. Unrecognized compensation expense related to unvested PRSUs as of December 31, 2025 was insignificant.

The Company grants equity-classified PSUs to certain employees. Each equity-classified PSU, to the extent earned, represents the contingent right to receive one share of Class A Common Stock and the awardee may earn between zero and 150% of the target number of equity-classified PSUs granted based on the total shareholder return ("TSR") of the Class A Common Stock relative to the TSR achieved by a specific industry peer group over a three-year performance period. In addition to satisfaction of the TSR conditions, vesting of the equity-classified PSUs is subject to the awardee's continued employment through the date of settlement of the equity-classified PSUs (unless an employee elects to retire under certain qualifying conditions), which will occur within 60 days following the end of the performance period. No equity-classified PSUs vested during the year ended December 31, 2025. The aggregate fair value of equity-classified PSUs that vested during the years ended December 31, 2024 and 2023 were $0.7 million and $6.7 million, respectively. Unrecognized compensation expense related to unvested equity-classified PSUs as of December 31, 2025 was $3.3 million, which the Company expects to recognize over a weighted average period of 1.5 years.

The following table summarizes the Monte Carlo simulation assumptions used to calculate the grant date fair value of the equity-classified PSUs.

	Years Ended		
Equity-classified PRSU and PSU Grant Date Fair Value Assumptions	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Expected term (in years)	2.88	2.88	2.88
Expected volatility	38.62%	45.09%	60.80%
Risk-free interest rate	4.28%	4.35%	4.15%
Dividend yield	2.37%	2.48%	1.93%

Liability-Classified Stock Based Compensation

The following table presents a summary of Magnolia's unvested liability-classified PSU activity for the year ended December 31, 2025.

	Performance Stock Units
Unvested at December 31, 2024	—
Granted	86,588
Modified	193,871
Vested	—
Forfeited	—
Unvested at December 31, 2025	280,459

Performance Stock Units

The Company grants liability-classified PSUs to certain employees. Each liability-classified PSU, to the extent earned, represents the contingent right to receive cash in lieu of each share of Class A Common Stock, and the awardee may earn between zero and 150% of the target number of liability-classified PSUs granted based on the TSR of the Class A Common Stock relative to the TSR achieved by a specific industry peer group over a three-year performance period. In addition to satisfaction of the TSR conditions, vesting of the liability-classified PSUs is subject to the awardee's continued employment through the date of settlement of

the liability-classified PSUs (unless an employee elects to retire under certain qualifying conditions), which will occur within 60 days following the end of the performance period. No liability-classified PSUs vested during the years ended December 31, 2025, 2024, and 2023. Unrecognized compensation expense related to unvested liability-classified PSUs as of December 31, 2025 was $1.8 million, which the Company expects to recognize over a weighted average period of 1.1 years.

The following table summarizes the Monte Carlo simulation assumptions used to remeasure the fair value of the liability-classified PSUs as of December 31, 2025.

Liability-classified PSU Remeasurement Fair Value Assumptions	**December 31, 2025**
Expected term (in years)	1.00 - 2.00
Expected volatility	33.25% - 37.60%
Risk-free interest rate	3.41% - 3.42%
Dividend yield	2.63%

13. Earnings Per Share

The Company's unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are deemed participating securities, and therefore dividends and net income allocated to such awards have been deducted from earnings in computing basic and diluted net income per share under the two-class method. Diluted net income per share attributable to Class A Common Stock is calculated under both the two-class method and the treasury stock method and the more dilutive of the two calculations is presented.

The components of basic and diluted net income per share attributable to Class A Common Stock are as follows:

	Years Ended		
(In thousands, except per share data)	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Basic:			
Net income attributable to Class A Common Stock	$ 325,252	$ 366,027	$ 388,301
Less: Dividends and net income allocated to participating securities	4,457	4,497	4,345
Net income, net of participating securities	$ 320,795	$ 361,530	$ 383,956
Weighted average number of common shares outstanding during the period - basic	185,581	186,465	188,174
Net income per share of Class A Common Stock - basic	$ 1.73	$ 1.94	$ 2.04
Diluted:			
Net income attributable to Class A Common Stock	$ 325,252	$ 366,027	$ 388,301
Less: Dividends and net income allocated to participating securities	4,457	4,497	4,342
Net income, net of participating securities	$ 320,795	$ 361,530	$ 383,959
Weighted average number of common shares outstanding during the period - basic	185,581	186,465	188,174
Add: Dilutive effect stock based compensation and other	12	27	181
Weighted average number of common shares outstanding during the period - diluted	185,593	186,492	188,355
Net income per share of Class A Common Stock - diluted	$ 1.73	$ 1.94	$ 2.04

The Company excluded 5.5 million, 13.5 million, and 21.8 million of weighted average shares of Class A Common Stock issuable upon the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) for the years ended December 31, 2025, 2024, and 2023, respectively, as the effect was anti-dilutive.

14. Related Party Transactions

For the year ended December 31, 2025, there were no material related party transactions with an entity that held more than 10% of the Company's common stock or qualified as a principal owner of the Company, as defined in ASC 850, "Related Party Disclosures."

15. Major Customers

For the year ended December 31, 2025, two customers, including their subsidiaries, accounted for 41% and 20% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2024, three customers, including their subsidiaries, accounted for 31%, 24%, and 12% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2023, three customers, including their subsidiaries, accounted for 25%, 22%, and 11% of the Company's combined oil, natural gas, and NGL revenue. The Company is exposed to credit risk in the event of nonpayment by counterparties. The creditworthiness of customers and other counterparties is subject to continuing review, including the use of master netting agreements, where appropriate.

16. Supplemental Cash Flow Information

Supplemental cash flow disclosures are presented below:

	Years Ended		
(In thousands)	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Supplemental cash items:			
Cash paid for income taxes	$ 7,782	$ 23,102	$ 38,834
Cash paid for interest	29,669	33,967	26,350
Supplemental non-cash investing and financing activity:			
Accrued capital expenditures	21,378	31,745	34,131
Contingent consideration associated with acquisitions	—	—	21,913
Net liabilities assumed in connection with acquisitions	1,789	8,421	—
Supplemental non-cash lease operating activity:			
Right-of-use assets obtained in exchange for operating lease obligations	27,776	13,336	15,053

17. Subsequent Events

On January 29, 2026, the Company's board of directors declared a quarterly cash dividend of $0.165 per share of Class A Common Stock, and Magnolia LLC declared a cash distribution of $0.165 per Magnolia LLC Unit to each holder of Magnolia LLC Units, each payable on March 2, 2026 to shareholders or members of record, as applicable, as of February 10, 2026.

On February 5, 2026, the Company's board of directors increased the share repurchase authorization by an additional 10.0 million shares of Class A Common Stock, which increased the total share repurchase authorization to 60.0 million.

In February 2026, the Magnolia LLC Unit Holders redeemed 4.8 million Magnolia LLC Units (and a corresponding number of shares of Class B Common Stock) for an equivalent number of shares of Class A Common Stock and subsequently sold these shares to the public. In addition, Magnolia LLC repurchased and subsequently cancelled the remaining 0.7 million Magnolia LLC Units (and a corresponding number of shares of Class B Common Stock) owned by Magnolia LLC Unit Holders.

Supplemental Information About Oil & Natural Gas Producing Activities (Unaudited)

The Company operates in one reportable segment engaged in the acquisition, development, exploration, and production of oil and natural gas properties located in the United States.

Capitalized Costs

The aggregate amounts of costs capitalized for oil and natural gas exploration and development activities and the related amounts of accumulated depreciation, depletion and amortization are shown below:

(In thousands)	December 31, 2025	December 31, 2024
Proved properties	$ 4,769,982	$ 4,149,458
Unproved properties	187,310	253,752
Total proved and unproved properties	4,957,292	4,403,210
Accumulated depreciation, depletion and amortization	(2,548,183)	(2,110,990)
Net capitalized costs	$ 2,409,109	$ 2,292,220

Costs Incurred For Oil and Natural Gas Producing Activities

The following table sets forth the costs incurred in the Company's oil and natural gas production, exploration, and development activities:

	Years Ended		
(In thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Acquisition costs:			
Proved properties	$ 47,122	$ 68,761	$ 326,150
Unproved properties	28,880	101,791	68,177
Exploration and development costs	480,757	490,564	471,238
Total	$ 556,759	$ 661,116	$ 865,565

Oil and Natural Gas Reserve Quantities

The Company's proved reserves volumes as of December 31, 2025 are based on evaluations prepared by the independent petroleum engineering firm of Miller and Lents, in accordance with Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers and definitions and guidelines established by the SEC. Miller and Lents employed all methods, procedures and assumptions considered necessary in utilizing the data provided to prepare the December 31, 2025 reserve report, which was completed on January 12, 2026. There are numerous uncertainties inherent in estimating quantities of proved oil and natural gas reserves. Oil and natural gas reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be precisely measured and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, testing, and production subsequent to the date of the estimate may justify revision of such estimate. Accordingly, reserve estimates are often different from the quantities of oil and natural gas that are ultimately recovered.

The following table summarizes the average price during the 12-month period, determined as the unweighted arithmetic average of the first-day-of-the-month price for the years ended December 31, 2025, 2024, and 2023. The following prices, as adjusted for transportation, quality, and basis differentials, were used in the calculation of the Standardized Measure of discounted future net cash flows:

	Years Ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Oil (per Bbl)	$ 64.59	$ 74.87	$ 77.97
Natural gas (per Mcf)	2.67	1.42	1.59
NGLs (per Bbl)	20.25	20.72	20.75

The table below presents a summary of changes in the Company's proved reserves. Magnolia's proved undeveloped reserves are planned to be developed within one year.

	Crude Oil (MMBbls)	Natural Gas (Bcf)	Natural Gas Liquids (MMBbls)	Total (MMboe)
Total proved reserves:				
Balance December 31, 2022	62.9	313.1	41.9	157.0
Extensions	12.5	87.0	12.9	39.9
Revisions of previous estimates	(1.7)	(38.6)	(1.3)	(9.4)
Purchases of reserves in place	11.1	11.6	2.2	15.3
Sales of reserves in place	—	(17.4)	—	(2.9)
Production	(12.6)	(55.1)	(8.3)	(30.1)
Balance December 31, 2023	72.2	300.6	47.4	169.8
Extensions	14.9	69.8	13.6	40.1
Revisions of previous estimates	2.3	11.2	3.7	7.9
Purchases of reserves in place	1.8	13.9	2.6	6.7
Production	(14.0)	(58.7)	(9.0)	(32.8)
Balance December 31, 2024	77.2	336.8	58.3	191.7
Extensions	16.8	84.3	14.1	44.9
Revisions of previous estimates	(0.9)	46.0	0.1	6.9
Purchases of reserves in place	1.2	5.9	0.9	3.1
Production	(14.5)	(68.9)	(10.4)	(36.4)
Balance December 31, 2025	79.8	404.1	63.0	210.2
Proved developed reserves:				
Balance, December 31, 2022	53.5	244.6	31.3	125.6
Balance, December 31, 2023	61.2	227.2	36.1	135.2
Balance, December 31, 2024	63.0	258.4	43.2	149.3
Balance, December 31, 2025	64.6	317.3	49.1	166.6
Proved undeveloped reserves:				
Balance, December 31, 2022	9.4	68.5	10.6	31.4
Balance, December 31, 2023	11.0	73.4	11.3	34.6
Balance, December 31, 2024	14.2	78.4	15.1	42.4
Balance, December 31, 2025	15.2	86.8	13.9	43.6

For the year ended December 31, 2025, extensions contributed approximately 44.9 MMboe to proved reserves. This was primarily related to developing new well locations at the Company's Giddings and Karnes operations that extended the proved areas. This was comprised of 34.5 MMboe from adding new proved undeveloped reserves and 10.4 MMboe resulting from adding new proved developed reserves attributed to drilling wells in areas that did not meet the requirements for proved reserves prior to

evaluating the drilling results. Additionally, the Company had revisions of 6.9 MMboe. This included 8.3 MMboe of upward revisions, which were comprised of 4.5 MMboe related to infill drilling in the Karnes area, 2.0 MMboe for improved well performance in the Giddings area, and 1.8 MMboe related to higher year-end SEC-based gas prices. These were partially offset by 1.4 MMboe of downward adjustments, which were comprised of 0.9 MMboe for reservoir assessment updates on undeveloped wells and 0.5 MMboe for optimizing development activity. Bolt-on acquisitions added approximately 3.1 MMboe.

For the year ended December 31, 2024, extensions contributed approximately 40.1 MMboe to proved reserves. This was primarily related to developing new well locations at the Company's Giddings and Karnes operations that extended the proved areas. This was comprised of 30.6 MMboe from adding new proved undeveloped reserves and 9.5 MMboe resulting from adding new proved developed reserves attributed to drilling wells in areas that did not meet the requirements for proved reserves prior to evaluating the drilling results. Additionally, the Company had upward revisions of 7.9 MMboe. These were comprised of increases of 6.8 MMboe for improved performance in the Giddings area, 2.0 MMboe related to infill drilling in the Karnes area, and 1.0 MMboe for lower costs, which were partially offset by decreases of 1.5 MMboe due to lower year-end 2024 SEC-based prices and 0.4 MMboe for optimizing Giddings area development activity. Bolt-on acquisitions added approximately 6.7 MMboe.

For the year ended December 31, 2023, extensions contributed approximately 39.9 MMboe to proved reserves. This was primarily related to developing new well locations at the Company's Karnes and Giddings operations that extended the proved areas. This was comprised of 24.6 MMboe from adding new proved undeveloped reserves and 15.3 MMboe resulting from adding new proved developed reserves attributed to drilling wells in areas that did not meet the requirements for proved reserves prior to evaluating the drilling results. Additionally, the Company had downward revisions of 9.4 MMboe. Downward revisions were comprised of a decrease of 15.3 MMboe due to lower year-end 2023 SEC-based prices and 4.6 MMboe for optimizing development activity primarily in the Giddings area. This was partially offset by upward revisions of approximately 5.4 MMboe for improved performance in the Giddings area, 3.8 MMboe related to infill drilling in the Karnes area, and 1.3 MMboe related to cost updates. In addition, bolt-on acquisitions added approximately 15.3 MMboe. A decrease of 2.9 MMboe is related to the sale of the Company's interest in Highlander.

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows does not purport to be, nor should it be interpreted to present, the fair value of the oil and natural gas reserves. An estimate of fair value would take into account, among other things, the recovery of reserves not presently classified as proved, the value of unproved properties, and consideration of expected future economic and operating conditions. Estimated future production of proved reserves, estimated future production costs of proved reserves, and estimated future development costs of proved reserves, which include estimated future abandonment costs, are based on current costs and economic conditions. The estimated future net cash flows are then discounted at a rate of 10%.

It is not intended that the Financial Accounting Standards Board's standardized measure of discounted future net cash flows represent the fair market value of the proved reserves. The Company cautions that the disclosures shown are based on estimates of proved reserve quantities and future production schedules which are inherently imprecise and subject to revision, and the 10% discount rate is arbitrary. Proved undeveloped reserves volumes are expected to be converted to proved developed reserves within one year, which may not be comparable to other oil and gas companies. In addition, costs and prices as of the measurement date are used in the determinations and no value may be assigned to probable or possible reserves.

The following table presents the Company's standardized measure of discounted future net cash flows:

	Years Ended		
(In thousands)	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Future cash inflows	$ 7,408,319	$ 7,365,663	$ 7,010,267
Future production costs	(2,632,470)	(2,447,228)	(2,408,679)
Future development costs	(372,764)	(343,503)	(386,194)
Future income tax expenses	(688,729)	(714,911)	(599,386)
Future net cash flows	3,714,356	3,860,021	3,616,008
10% discount to reflect timing of cash flows	(1,195,826)	(1,278,214)	(1,196,202)
Standardized measure of discounted future net cash flows	$ 2,518,530	$ 2,581,807	$ 2,419,806

The following table summarizes the principal sources of change in the standardized measure of discounted future net cash flows:

	Years Ended		
(In thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Standardized measure of discounted future net cash flows, beginning of period	$ 2,581,807	$ 2,419,806	$ 3,348,364
Sales of oil, natural gas, and NGLs produced during the period, net of production costs	(981,738)	(1,023,311)	(961,596)
Purchases of reserves in place	37,491	94,695	333,713
Sales of reserves in place	—	—	(67,169)
Extensions	692,547	704,753	599,215
Changes in estimated future development costs	(7,667)	9,764	7,735
Net change in prices and production costs	(614,037)	(324,998)	(1,680,852)
Previously estimated development costs incurred during the period	221,064	260,361	158,399
Revisions in quantity estimates	129,520	127,331	101,991
Accretion of discount	307,682	283,730	403,589
Net change in income taxes	19,090	(77,525)	270,038
Net change in timing of production and other	132,771	107,201	(93,621)
Standardized measure of discounted future net cash flows, end of period	$ 2,518,530	$ 2,581,807	$ 2,419,806

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, Magnolia has evaluated, under the supervision and with the participation of the Company's management, including Magnolia's principal executive officer and principal financial officer, the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the fiscal year covered by this Annual Report on Form 10-K. Based on such evaluation, Magnolia's principal executive officer and principal financial officer have concluded that as of such date, its disclosure controls and procedures were effective. The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by it in reports that it files under the Exchange Act is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for designing, implementing, and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, using the criteria in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management believes that the Company's internal control over financial reporting was effective as of December 31, 2025.

This Annual Report on Form 10-K includes an attestation report of KPMG LLP, the Company's independent registered public accounting firm, on the Company's internal control over financial reporting as of December 31, 2025, which is included in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in the system of internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Trading Arrangements

During the three months ended December 31, 2025 no director or officer of Magnolia adopted, modified, or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) and (c) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Code of Ethics

The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of the Code of Business Conduct and Ethics applicable to the principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions by posting such information in the "Corporate Governance" subsection of the Company's website at www.magnoliaoilgas.com.

Insider Trading Policy

Magnolia maintains the Amended Insider Trading and Regulation FD Policy, which the Company believes is reasonably designed to promote compliance with federal and state securities laws, rules and regulations, and NYSE listing standards. A copy of the Amended Insider Trading and Regulation FD Policy is attached to this Annual Report on Form 10-K as Exhibit 19.1 and incorporated herein by reference.

Item 11. Executive Compensation

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The Company's independent registered public accounting firm is KPMG LLP, Houston, TX, Auditor Firm ID: 185.

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statements Schedules

(a)(1) The following financial statements are included in Part II, Item 8 of this Annual Report on Form 10-K:

	Page
Consolidated Balance Sheets as of December 31, 2025 and 2024.	47
Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023.	48
Consolidated Statements of Changes in Equity for the years ended December 31, 2025, 2024 and 2023.	49
Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023.	51
Notes to Consolidated Financial Statements.	52

(2) Financial Statement Schedules

Financial statement schedules have been omitted because they either are not required, not applicable, or the information required to be presented is included in the Company's financial statements and related notes.

(3) Exhibits

Exhibit Number	Description
3.1*	Second Amended and Restated Certificate of Incorporation of the Company, dated as of July 31, 2018 (incorporated herein by reference to Exhibit 3.1 filed with the Current Report on Form 8-K filed on August 6, 2018 (File No. 001-38083)).
3.2*	Bylaws of the Company (incorporated herein by reference to Exhibit 3.3 filed with the Registration Statement on Form S-1 filed on April 17, 2017 (File No. 333-217338)).
4.1*	Specimen Class A Common Stock Certificate (incorporated herein by reference to Exhibit 4.2 filed with the Registration Statement on Form S-1 filed on April 17, 2017 (File No. 333-217338)).
4.2*	Indenture, dated as of November 26, 2024, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Finance Corp., the guarantors named therein and Regions Bank, as trustee (incorporated herein by reference to Exhibit 4.1 filed with the Current Report on Form 8-K, filed on November 26, 2024 (File No. 001-38083)).
4.3*	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934, as amended (incorporated herein by reference to Exhibit 4.6 filed with the Annual Report on Form 10-K, filed on February 26, 2020 (File No. 001-38083)).
10.1*	Credit Agreement, dated as of July 31, 2018, by and among Magnolia Oil & Gas Intermediate LLC (f/k/a TPG Pace Energy Intermediate LLC), Magnolia Oil & Gas Operating LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent, as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.1 filed with the Current Report on Form 8-K/A, filed on August 6, 2018 (File No. 001-38083)).
10.2*	Borrowing Base Redetermination Agreement and Amendment No. 1 to Credit Agreement, dated as of November 30, 2018, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.2 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).
10.3*	Borrowing Base Redetermination Agreement and Amendment No. 2 to Credit Agreement, dated as of October 15, 2020, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on November 6, 2020 (File No. 001-38083)).
10.4*	Amended and Restated Credit Agreement, dated as of February 16, 2022, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.4 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).

Exhibit Number	Description
10.5*	Second Amended and Restated Credit Agreement, dated as of November 13, 2024, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other bank from time to time party thereto (incorporated herein by reference to Exhibit 10.1 filed with the Current Report on Form 8-K, filed on November 13, 2024 (File No. 001-38083)).
10.6*	Amended and Restated Limited Liability Company Agreement of Magnolia Oil & Gas Parent LLC, dated as of July 31, 2018 (incorporated herein by reference to Exhibit 10.2 filed with the Current Report on Form 8-K/A, filed on August 6, 2018 (File No. 001-38083)).
10.7*††	Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.6 filed with the Current Report on Form 8-K/A, filed on August 6, 2018 (File No. 001-38083)).
10.8*††	First Amendment to Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.25 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).
10.9*††	Second Amendment to Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.4 filed with the Quarterly Report on Form 10-Q, filed on August 3, 2021 (File No. 001-38083)).
10.10††	Form of 2021 Non-Employee Director Restricted Stock Unit Grant Notice and attached Form of Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on August 3, 2021 (File No. 001-38083)).
10.11*††	Form of 2022 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.28 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).
10.12*††	Form of 2022 Performance Restricted Stock Unit (Ratable Vesting) Grant Notice and attached Performance Restricted Stock Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.29 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).
10.13*††	Form of 2023 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.24 filed with the Annual Report on Form 10-K, filed on February 16, 2023 (File No. 001-38083)).
10.14*††	Form of 2023 Performance Share Unit Grant Notice and attached Performance Share Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.25 filed with the Annual Report on Form 10-K, filed on February 16, 2023 (File No. 001-38083)).
10.15*††	Form of 2023 Non-Employee Director Restricted Stock Unit Grant Notice and attached Form of Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on August 2, 2023 (File No. 001-38083)).
10.16*††	Magnolia Oil & Gas Corporation Executive Severance and Change in Control Plan (incorporated herein by reference to Exhibit 10.2 filed with the Quarterly Report on Form 10-Q, filed on August 2, 2023 (File No. 001-38083)).
10.17*††	Form of Indemnity Agreement (incorporated herein by reference to Exhibit 10.22 filed with the Annual Report on Form 10-K, filed on February 15, 2024 (File No. 001-38083)).
10.18*††	Form of 2024 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.23 filed with the Annual Report on Form 10-K, filed on February 15, 2024 (File No. 001-38083)).
10.19*††	Form of 2024 Performance Share Unit Grant Notice and attached Performance Share Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.24 filed with the Annual Report on Form 10-K, filed on February 15, 2024 (File No. 001-38083)).
10.20*††	Form of 2025 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.21 filed with the Annual Report on Form 10-K, filed on February 19, 2025 (File No. 001-38083)).
10.21*††	Form of 2025 Performance Share Unit Grant Notice and attached Performance Share Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.22 filed with the Annual Report on Form 10-K, filed on February 19, 2025 (File No. 001-38083)).
10.22*††	Form of Amendment to RSU, PSU, and PRSU Award Agreements under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.23 filed with the Annual Report on Form 10-K, filed on February 19, 2025 (File No. 001-38083)).

Exhibit Number	Description
10.23**††	Form of 2026 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan.
10.24**††	Form of 2026 Performance Share Unit Grant Notice and attached Performance Share Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan and Amendment to Certain Outstanding Performance Share Units.
19.1*	Magnolia Oil & Gas Corporation Amended Insider Trading and Regulation FD Policy (incorporated herein by reference to Exhibit 19.1 filed with the Annual Report on Form 10-K, filed on February 19, 2025 (File No. 001-38083)).
21.1**	Subsidiaries of Magnolia Oil & Gas Corporation.
23.1**	Consent of KPMG LLP.
23.2**	Consent of Miller and Lents, Ltd.
24.1**	Power of Attorney.
31.1**	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1***	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1*	Magnolia Oil & Gas Corporation Clawback Policy (incorporated herein by reference to Exhibit 97.1 filed with the Annual Report on Form 10-K, filed on February 15, 2024 (File No. 001-38083)).
99.1**	Summary Report of Miller and Lents, Ltd., dated as of January 12, 2026, for proved reserves as of December 31, 2025.
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Incorporated herein by reference as indicated.
** Filed herewith.
*** Furnished herewith.
† Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplemental to the SEC upon request.
†† Management contract or compensatory plan or agreement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAGNOLIA OIL & GAS CORPORATION

Date: February 12, 2026

By: /s/ Christopher Stavros
Christopher Stavros
Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Name	Title	Date
/s/ Christopher Stavros Christopher Stavros	President, Chief Executive Officer and Chairman (Principal Executive Officer)	February 12, 2026
/s/ Brian Corales Brian Corales	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 12, 2026
/s/ Dan F. Smith* Dan F. Smith	Lead Independent Director	February 12, 2026
/s/ Arcilia C. Acosta* Arcilia C. Acosta	Director	February 12, 2026
/s/ Edward P. Djerejian* Edward P. Djerejian	Director	February 12, 2026
/s/ David M. Khani* David M. Khani	Director	February 12, 2026
/s/ James R. Larson* James R. Larson	Director	February 12, 2026
/s/ R. Lewis Ropp* R. Lewis Ropp	Director	February 12, 2026
/s/ Shandell M. Szabo* Shandell M. Szabo	Director	February 12, 2026
By* /s/ Marina Kitikar Marina Kitikar as Attorney-in-fact		