

01-012023-09-300001692787us-gaap:OperatingSegmentsMemberapa:MidstreamLogisticsMember2023-12-310001692787us-gaap:OperatingSegmentsMemberapa:PipelineTransportationMember2023-12-310001692787us-gaap:OperatingSegmentsMember2024-09-300001692787us-gaap:OperatingSegmentsMember2023-12-310001692787us-gaap:CommonClassAMemberus-gaap:SubsequentEventMember2024-10-172024-10-170001692787us-gaap:SubsequentEventMemberapa:KineticLPMember2024-10-172024-10-17UNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549FORM 10-Q (Mark One) "QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended September 30, 2024 OR "TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from _____ to _____ Commission File Number: 001-38048 KINETIK HOLDINGS INC. (Exact name of registrant as specified in its charter)Delaware81-4675947(State or other jurisdiction of incorporation or organization)(I.R.S. Employer Identification No.) 2700 Post Oak Blvd, Suite 300 Houston, Texas, 77056 (Address of principal executive offices) (Zip Code)(713) 621-7330 (Registrant's telephone number, including area code)Securities registered pursuant to Section 12(b) of the Act:Title of each classTrading Symbol(s)Name of each exchange on which registeredClass A common stock, \$0.0001 par valueKNTKNew York Stock ExchangeIndicate 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 (â\$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 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 Smaller 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No Number of shares of registrant's Class A Common Stock, par value \$0.0001 per share issued and outstanding as of October 31, 202459,754,273A Number of shares of registrant's Class C Common Stock, par value \$0.0001 per share issued and outstanding as of October 31, 202497,783,034A Table of ContentsTABLE OF CONTENTSÂ Item PagePART I â€" FINANCIAL INFORMATION1.FINANCIAL STATEMENTS (UNAUDITED)1CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 20231CONDENSED CONSOLIDATED BALANCE SHEETS - AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 20232CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 20233CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND NONCONTROLLING INTERESTS - THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 71.DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES72.BUSINESS COMBINATIONS83.REVENUE RECOGNITION114.PROPERTY, PLANT AND EQUIPMENT125.INTANGIBLE ASSETS, NET136.EQUITY METHOD INVESTMENTS137.DEBT AND FINANCING COSTS158.ACCRUED EXPENSES179.EQUITY1710.FAIR VALUE MEASUREMENTS1811.DERIVATIVES AND HEDGING ACTIVITIES1812.SHARE-BASED COMPENSATION2013.INCOME TAXES2214.NET INCOME PER SHARE2315.COMMITMENTS AND CONTINGENCIES2316.SEGMENTS2417.SUBSEQUENT EVENTS282.MANAGEMENT's DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS293.QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK424.CONTROLS AND PROCEDURES43PART II â€" OTHER INFORMATION1.LEGAL PROCEEDINGS441.A.RISK FACTORS442.UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS 445.OTHER INFORMATION446.EXHIBITS45SIGNATURES47iTTable of ContentsGLOSSARY OF TERMSThe following are abbreviations and definitions of certain terms which may be used in this Quarterly Report on Form 10-Q and certain terms which are commonly used in the exploration, production and midstream sectors of the oil and natural gas industry:â€¢ASU. Accounting Standards Updatesâ€¢Bbl. One stock tank barrel of 42 United States (â€œU.S.â€) gallons liquid volume used herein in reference to crude oil, condensate or natural gas liquidsâ€¢Bcf. One billion cubic feetâ€¢Bcf/d. One Bcf per dayâ€¢Btu. One British thermal unit, which is the quantity of heat required to raise the temperature of a one-pound mass of water by one-degree Fahrenheitâ€¢CDOM. Chief Operating Decision Makerâ€¢Delaware Basin. Located on the western section of the Permian Basin. The Delaware Basin covers 6.4 million acreâ€¢Field. An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formationsâ€¢FASB. Financial Accounting Standards Boardâ€¢GAAP. United States Generally Accepted Accounting Principlesâ€¢MMBbl. One thousand barrels of crude oil, condensate or NGLsâ€¢MMBbl/d. One MBBbl per dayâ€¢MMcf. One thousand cubic feet of natural gasâ€¢MMcf/d. One Mcf per dayâ€¢MMBtu. One million Btuâ€¢MMcf. One million cubic feet of natural gasâ€¢MMcf/d. One MMcf per dayâ€¢MVC. Minimum volume commitmentsâ€¢NGL or NGLs. Natural gas liquids. Hydrocarbons found in natural gas, which may be extracted as liquefied petroleum gas and natural gasolineâ€¢Throughput. The volume of crude oil, natural gas, NGLs, water and refined petroleum products transported or passing through a pipeline, plant, terminal or other facility during a particular periodâ€¢SEC. United States Securities and Exchange Commissionâ€¢SOFR. Secured overnight financing rateiTTable of ContentsFORWARD-LOOKING STATEMENTS AND RISKThis Quarterly Report on Form 10-Q includes â€œforward-looking statementsâ€ 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 Quarterly Report on Form 10-Q, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected revenues, projected costs and plans, and objectives of management for future operations, are forward-looking statements. 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," "continue," "seek," "guidance," "c might," "outlook," "possibly," "potential," "prospect," "should," "would," or similar terminology. The absence of these words does not mean that a statement is not forward-looking. Although we believe that the expectations reflected in such forward-looking statements are reasonable under the circumstances, we can give no assurance that such expectations will prove to have been correct. Key factors that could cause actual results to differ materially from our expectations include, but are not limited to, assumptions about our ability to integrate operations or realize any anticipated benefits, savings or growth from the Durango Acquisition (as defined herein). See Note 2 "Business Combinations in the Notes to our Condensed Consolidated Financial Statements set forth in this Form 10-Q."â€¢the market prices of oil, natural gas, NGLs and other products or services;â€¢competition from other pipelines, terminals or other forms of transportation and competition from other service providers for gathering system capacity and availability;â€¢production rates, throughput volumes, reserve levels and development success of dedicated oil and gas fields;â€¢our future financial condition, results of operations, liquidity, compliance with debt covenants and competitive position;â€¢our future revenues, cash flows and expenses;â€¢our access to capital and our anticipated liquidity;â€¢our future business strategy and other plans and objectives for future operations;â€¢the amount, nature and timing of our future capital expenditures, including future development costs;â€¢the risks associated with potential acquisitions, divestitures, new joint ventures or other strategic opportunities;â€¢the recruitment and retention of our officers and personnel;â€¢the likelihood of success of and impact of litigation and other proceedings, including regulatory proceedings;â€¢our assessment of our counterparty risk and the ability of our counterparties to perform their future obligations;â€¢the impact of federal, state and local political, regulatory and environmental developments where we conduct our business operations;â€¢the occurrence of an extreme weather event, terrorist attack or other event that materially impacts project construction and our operations, including cyber or other operational electronic systems;â€¢our ability to successfully implement, execute and achieve our sustainability goals and initiatives;â€¢the realizability and valuation allowance assessment of our net deferred tax asset position;â€¢general economic and political conditions, including the armed conflicts in Ukraine, Israel and the Gaza Strip and elsewhere in the Middle East, the impact of continued inflation, central bank policy actions and other factors; and other factors disclosed in â€¢Part I, Item 1A. "Risk Factorsâ€ of the Companyâ€™s Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. Other factors or events that could cause the Companyâ€™s actual results to differ materially from the Companyâ€™s expectations may emerge from time to time, and it is not possible for the Company to predict all such factors or events. 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. All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, the Company disclaims any obligation to update or revise its forward-looking statements, whether based on changes in internal estimates or expectations, new information, future developments or otherwise.iiiTTable of ContentsPART I â€" FINANCIAL INFORMATION ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)KINETIK HOLDINGS INC.CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS(Unaudited)Three Months EndedSeptember 30, Nine Months EndedSeptember 30, 2024202320242023(In thousands, except per share data)Operating revenues:Service revenues103,100A \$104,349A \$301,710A \$310,325A Product revenue290,423A 221,280A 787,092A 586,534A Other revenue2,839A 4,672A 8,411A 6,685A Total operating revenues(1)396,362A 330,301A 1,097,213A 907,544A Operating costs and expenses:Costs of sales (exclusive of depreciation and amortization)(2) (3)144,586A 147,756A 444,786A 374,100A Operating expenses55,804A 42,925A 143,278A 118,804A Ad valorem taxes5,896A 5,607A 18,400A 14,954A General and administrative expenses29,619A 22,751A 94,846A 73,131A Depreciation and amortization expenses87,583A 69,935A 236,250A 208,271A Loss on disposal of assetsâ€"2,927A 4,090A 15,166A Total operating costs and expenses323,488A 291,901A 94,650A 804,426A Operating income72,874A 38,400A 155,563A 103,118A Other income (expense):Interest and other income1,872A 289A 2,272A 1,625A Loss on debt extinguishmentâ€"A â€"A Gain on sale of equity method investment29,953A â€"A 89,837A â€"A Interest expense(66,029)(45,009)(167,545)(130,443)Equity in earnings of unconsolidated affiliates53,244A 50,754A 169,668A 146,828A Total other income, net19,040A 6,034A 93,707A 18,010A Income before income taxes91,914A 44,434A 249,270A 121,128A Income tax expense8,260A 1,303A 21,261A 2,030A Net income including noncontrolling interest83,654A 43,131A 228,009A 119,098A Net income attributable to Common Unit limited partners57,891A 27,551A 153,504A 77,068A Net income attributable to Class A Common Stock Shareholders\$25,763A \$15,580A \$74,505A \$42,030A Net income attributable to Class A Common Shareholders, per shareBasic\$0.35A \$0.21A \$1.03A \$0.58A Diluted\$0.35A \$0.21A \$1.02A \$0.57A Weighted-average sharesBasic59,811A 53,340A 59,116A 50,464A Diluted60,424A 53,463A 59,852A 50,719A (1)Includes amounts associated with related parties of nil and \$20.0 million for the three months ended September 30, 2024 and 2023, respectively, and \$17.2 million and \$70.9 million for the nine months ended September 30, 2024 and 2023, respectively.(2)Includes amounts associated with related parties of \$12.8 million and \$15.5 million for the three months ended September 30, 2024 and 2023, respectively, and \$48.7 million and \$50.6 million for the nine months ended September 30, 2024 and 2023, respectively.(3)Cost of sales (exclusive of depreciation and amortization) is net of gas service revenues totaling \$60.2 million and \$38.6 million for the three months ended September 30, 2024 and 2023, respectively, and \$159.4 million and \$107.1 million for the nine months ended September 30, 2024 and 2023, respectively, for certain volumes where we act as principal. The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.iTTable of ContentsKINETIK HOLDINGS INC.CONDENSED CONSOLIDATED BALANCE SHEETS(Unaudited)September 30, December 31, 20242023(In thousands, except shares data)ASSETSCURRENT ASSETS:Cash and cash equivalents\$20,438A \$4,510A Accounts receivable, net of allowance for credit losses of \$1,000 in 2024 and 2023(1)65,615A 215,721A Accounts receivable pledged150,000A â€"A Derivative assets6,276A 7,812A Prepaid and other current assets43,549A 29,256A 285,878A 257,299A NONCURRENT ASSETS:Property, plant and equipment, net3,226,884A 2,743,227A Intangible assets, net878,141A 591,670A Derivative asset, non-current1,593A 165A Deferred tax assets203,671A 235,627A Operating lease right-of-use assets38,101A 37,569A Deferred charges and other assets79,169A 85,250A Investments in unconsolidated affiliates2,141,947A 2,540,989A Goodwill5,077A 5,077A 6,574,583A 6,239,574A Total assets\$6,860,461A \$6,496,873A LIABILITIES, NONCONTROLLING INTEREST, AND EQUITYCURRENT LIABILITIES:Accounts payable\$17,160A \$34,000A Accrued expenses191,789A 177,421A Derivative liabilities6,743A 1,734A Current portion of operating lease liabilities25,483A 29,203A Current debt obligations150,000A â€"A Other current liabilities7,505A 7,786A 398,680A 250,144A NONCURRENT LIABILITIES:Long term debt, net3,279,689A 3,562,809A Contract liabilities21,858A 25,761A Operating lease liabilities13,147A 9,349A Derivative liabilities1,081A 5,363A Other liabilities67,517A 3,219A Deferred tax liabilities16,014A 13,244A 3,399,306A 3,619,745A Total liabilities3,797,986A 3,869,889A COMMITMENTS AND CONTINGENCIES (Note 15)Redeemable noncontrolling interest â€"A Common Unit limited partners4,783,180A 3,157,807A EQUITY:Class A Common Stock: \$0.0001 par, 1,500,000,000 shares authorized, 59,751,435 and 57,096,538 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively6A Class C Common Stock: \$0.0001 par, 1,500,000,000 shares authorized, 97,783,034 and 94,089,038 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively9A Deferred consideration 1A â€"A Additional paid-in capitalâ€"A 192,678A Accumulated deficit(1,720,721)(723,516)Total equity(1,720,705)(530,823)Total liabilities, noncontrolling interest, and

issued accounting pronouncements not yet adoptedImprovements to Reportable Segment DisclosuresIn November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update require, among other items, that public entities disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss. Additionally, the amendments require annual disclosure of the title and position of the CODM and how that individual uses the reported measure(s) of segment profit or loss in assessing segment performance and how to allocate resources.These amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The disclosures required in the amendments apply retrospectively to all prior periods presented in the financial statements. We are evaluating the effect of the amendments on our consolidated financial statements and expect to disclose the required information for fiscal years beginning in the Annual Report on Form 10-K for the year ended December 31, 2024 and for interim periods beginning in the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025. The impact of the adoption will be limited to additional disclosure in the notes to the consolidated financial statements.Improvements to Income Tax DisclosuresIn December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this update require, among other items, that public entities disclose, on an annual and interim basis, (i) specific categories of income taxes in the rate reconciliation, and (ii) a disaggregation of income taxes paid by federal, state, and foreign taxes.These amendments are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments are required to be applied prospectively with retrospective application permitted. We are evaluating the effect of the amendments on our consolidated financial statements and expect to disclose the required information beginning in the Annual Report on Form 10-K for the year ended December 31, 2025.2.Â Â BUSINESS COMBINATIONSFor acquired businesses, we recognize the identifiable assets acquired and the liabilities assumed at their estimated fair values on the date of acquisition with any excess purchase price over the fair value of net assets acquired recorded to goodwill. Determining the fair value of these items requires managementâ€™s judgment and the utilization of an independent valuation specialist, if applicable, and involves the use of significant estimates and assumptions.8Table of ContentsDurango Permian LLC AcquisitionOn June 24, 2024 (the â€œClosing Dateâ€), the Company consummated the previously announced transaction contemplated by the Membership Interest Purchase Agreement (the â€œDurango MIPAâ€), dated May 9, 2024, by and between the Company, the Partnership, and Durango Midstream LLC, an affiliate of Morgan Stanley Equity Partners (the â€œDurango Sellerâ€), pursuant to which the Partnership purchased all of the membership interests of Durango Permian, LLC and its wholly owned subsidiaries (â€œDurangoâ€) from Durango Seller for an adjusted purchase price of approximately \$845.2 million (the â€œDurango Acquisitionâ€), consisting of (i) \$358.0 million of cash consideration paid at closing, (ii) approximately 3.8 million shares of Class C Common Stock, par value \$0.0001 per share of the Company (â€œClass C Common Stockâ€) (and an equivalent number of common units in the Partnership (â€œOpCo Unitsâ€)), valued at \$148.2 million, issued at closing and (iii) approximately 7.7 million shares of Class C Common Stock (and an equivalent number of OpCo Units), valued at \$275.0 million, to be issued on July 1, 2025. Durango Seller is also entitled to an earn out of up to \$75.0 million in cash contingent upon the Kings Landing gas processing complex in Eddy County, New Mexico (the â€œKings Landing Projectâ€), which is currently under construction, being placed into service (the â€œKings Landing Earnoutâ€). The Kings Landing Earnout is subject to reduction based on actual capital costs associated with the Kings Landing Project. The Durango Acquisition allows the Company to further expand its footprint into New Mexico and across the Northern Delaware Basin. The Durango Acquisition was accounted for as a business combination in accordance with ASC 805 Business Combination (â€œASC 805â€). Starting on the Closing Date, our Consolidated Financial Statements reflected Durango as a consolidated subsidiary. The accompanying Condensed Consolidated Financial Statements herein include (i) the combined net assets of the Company carried at historical costs and net assets of Durango carried at fair value as of the Closing Date and (ii) the combined results of operations of the Company with Durangoâ€™s results presented within the Condensed Consolidated Financial Statements from the Closing Date going forward. The preliminary purchase price allocation was based on Durangoâ€™s latest financial statements available as of May 31, 2024, and included preliminary adjustments for working capital and fair value of underlying assets acquired and liabilities assumed. Both observable and non-observable market data, thus Level 2 and Level 3 inputs, are used in the assessment of the fair value of the assets acquired and liabilities assumed listed in the below table. The fair value of the processing plants, gathering system and related facilities and equipment is based on market and cost approaches and will be depreciated over an estimated useful life ranging from five to thirty years, which is consistent with the Companyâ€™s policy over similar facilities and equipment. The fair value of the intangible assets is based on the market approach for the right-of-way and discounted cash flow approach for customer contracts, which will be amortized over estimated useful lives ranging from seven to twelve years. The assumed liabilities are approximate to fair value at the Closing Date. Acquired net assets from this business combination were included in the Midstream Logistic segment. In addition, the Company recorded a contingent liability related to the Kings Landing Earnout based on project completion probability, see additional information in Note 15â€œCommitments and Contingencies in the Notes to our Condensed Consolidated Financial Statements set forth in this Form 10-Q. Since the Closing Date, the Company has made necessary adjustments to the purchase price allocation as information about facts and circumstances that existed at the Closing Date have become available. This included certain working capital adjustments as a result of obtaining Durangoâ€™s closing balance sheet as of June 30, 2024. During the three months ended September 30, 2024, the Company identified working capital adjustments of \$21.0 million resulting from the final closing balance sheet, and valuation adjustments related to the long-lived assets and intangible assets of \$10.6 million, resulting in a decrease in goodwill of \$10.4 million. The Company will continue to identify necessary adjustments to finalize the purchase price allocation during the 12-month period following the Closing Date as we obtain the remaining original cost data for our tangible asset valuation, as well as complete our evaluation of the potential liabilities assumed, including certain historical environmental exposures. 9Table of ContentsThe following table summarizes the estimated fair value of assets acquired and liabilities assumed in the Durango Acquisition as of June 24, 2024, in accordance with ASC 805:(In thousands)AmountCash and cash equivalents\$16,785Â Accounts receivable29,386Â Prepaid and other current assets10,000Â Property, plant, and equipment, net471,429Â Intangible assets, net379,000Â Deferred charges and other assets4Â Operating lease ROU assets3,617Â Total assets acquired910,221Â Accounts payable34,314Â Accrued expenses7,140Â Contract liabilities642Â Operating lease liabilities3,617Â Deferred tax liabilities19,340Â Total liabilities assumed65,053Â Contingent consideration(1)64,000Â Consideration transferred\$781,168Â (1)Pursuant to ASC 805, the Company evaluated the earn-out consideration classification in accordance with ASC 480, Distinguishing Liabilities from Equity (â€œASC 480â€). The Company determined the earn-out consideration to be classified as a liability based on the settlement provision. Therefore, the Company records the contingent consideration at fair value as of September 30, 2024. Additional discussion in Note 15â€œCommitments and Contingencies in the Notes to our Condensed Consolidated Financial Statements set forth in this Form 10-Q. The Company incurred acquisition-related costs of \$3.2 million for the nine months ended September 30, 2024, which were included in the â€œGeneral and administrative expensesâ€ of the Condensed Consolidated Statements of Operations. The Companyâ€™s Condensed Consolidated Statement of Operations included results of operations from Durango starting from the Closing Date through September 30, 2024, which included revenues of \$35.8 million and \$38.9 million, and net income including noncontrolling interest of \$1.4 million and \$1.6 million for the three and nine months ended September 30, 2024, respectively. Supplemental Pro Forma InformationThe unaudited supplemental pro forma financial data is for informational purposes only and is not indicative of future results. The results below for the three and nine months ended September 30, 2024 and 2023, respectively, combine the results of the Company and Durango, giving effect to the Durango Acquisition as if it had been completed on January 1, 2023. Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Revenues\$396,362Â \$410,988Â \$1,210,257Â \$1,138,419Â Net income including noncontrolling interest\$83,602Â \$46,575Â \$228,652Â \$123,738Â Given the assumed pro forma transaction date of January 1, 2023, we removed \$3.5 million of acquisition-related expenses for the nine months ended September 30, 2024 and recognized \$3.5 million of acquisition-related expenses for the nine months ended September 30, 2023. We also removed \$24.0 million of interest expense on Durangoâ€™s debt for the nine months ended September 30, 2024, and \$3.9 million and \$11.1 million for the three and nine months ended September 30, 2023, respectively, as if the business combination had occurred and the debt had been paid off on January 1, 2023.10Table of ContentsMidstream Infrastructure AssetsIn the first half of 2023, the Partnership closed on a purchase and sale agreement for certain midstream assets for \$65.0Â million together with a new 20-year midstream service agreement. Midstream assets acquired consisted of water gathering and disposal assets of \$61.9 million and intangible right-of-way assets of \$3.1 million. In addition, the Partnership entered into an incentive and acceleration agreement related to near term supplemental development activities on acreage dedicated for midstream services to affiliates of the Partnership. Consideration for the incentive and acceleration agreement of \$60.0Â million was capitalized as a contract asset in accordance with ASC 606, of which \$4.7 million was included in â€œPrepaid and Other Current Assetsâ€ and \$55.3 million was included in â€œDeferred Charges and Other Assetsâ€ in the Condensed Consolidated Balance Sheet as of the date of acquisition. Acquired net assets from this business combination were included in the Midstream Logistics segment. GoodwillThe Company had goodwill of \$5.1 million recorded in the Midstream Logistic segment related to a past business combination as of September 30, 2024. Goodwill is tested at least annually, or more frequently as events occur or circumstances change that would more-likely-than-not reduce fair value of a reporting unit below its carrying value. Companyâ€™s management assessed whether there have been events or circumstances that trigger the fair value of the reporting unit to be lower than its net carrying value since consummation of the respective business combination and concluded that goodwill was not impaired as of September 30, 2024.3.Â Â REVENUE RECOGNITIONDisaggregation of RevenueThe following table presents a disaggregation of the Companyâ€™s revenue:Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Gathering and processing services\$103,100Â \$104,349Â \$301,710Â \$310,325Â Natural gas, NGLs and condensate sales290,423Â 221,280Â 787,092Â 586,534Â Other revenue2,839Â 4,672Â 8,411Â 10,685Â Â Â Total revenues\$396,362Â \$330,301Â \$1,097,213Â \$907,544Â There have been no significant changes to the Companyâ€™s contracts with customers during the three and nine months ended September 30, 2024 aside from the addition of certain gas gathering and processing agreements associated with the Durango acquisition. The Company did not recognize revenues from MVC deficiency payments for the three and nine months ended September 30, 2024 and recognized \$0.4 million and \$1.6 million of revenues from MVC deficiency payments for the three and nine months ended September 30, 2023, respectively. Remaining Performance ObligationsThe following table presents our estimated revenue from contracts with customers for remaining performance obligations that have not yet been recognized, representing our contractually committed revenues as of September 30, 2024:AmountFiscal Year(In thousands)Remaining of 2024\$7,049Â 202571,507Â 202675,387Â 202773,945Â 202872,873Â Thereafter230,750Â \$531,511Â 11Table of ContentsOur contractually committed revenue, for the purposes of the tabular presentation above, is limited to customer contracts that have fixed pricing and fixed volume terms and conditions, including contracts with payment obligations associated with MVCs. Contract LiabilitiesThe following table provides information about contract liabilities from contracts with customers as of September 30, 2024:Amount(In thousands)Balance at December 31, 2023\$32,238Â Reclassification of beginning contract liabilities to revenue as a result of performance obligations being satisfied(5,182)Cash received in advance and not recognized as revenue997Â Balance at September 30, 202428,053Â Less: Current portion6,195Â Non-current portion\$21,858Â Contract liabilities relate to payments received in advance of satisfying performance obligations under a contract, which result from contribution in aid of construction payments. Current and noncurrent contract liabilities are included in â€œOther Current Liabilitiesâ€ and â€œContract Liabilitiesâ€, respectively, in the Condensed Consolidated Balance Sheets. Contract Cost AssetsThe Company has capitalized certain costs incurred to obtain a contract or additional contract dedicated acreage or volumes that would not have been incurred if the contract or associated acreage and volumes had not been obtained. As of September 30, 2024 and December 31, 2023, the Company had contract acquisition cost assets of \$66.2 million and \$71.2Â million, respectively. Current and noncurrent contract cost assets are included in â€œPrepaid and Other Current Assetsâ€ and â€œDeferred Charges and Other Assetsâ€, respectively, in the Condensed Consolidated Balance Sheets. The Company amortizes these assets as cost of sales on a straight-line basis over the life of the associated long-term customer contracts. The Company recognized cost of sales associated with these assets of \$1.7 million for the three months ended September 30, 2024 and 2023, respectively, and \$5.0 million for the nine months ended September 30, 2024 and 2023, respectively.4.Â Â PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment, at carrying value, is as follows:September 30, December 31, 20242023(In thousands)Gathering, processing, and transmission systems and facilities\$3,715,716Â \$3,253,539Â Vehicles14,714Â 11,447Computers and equipment7,830Â 6,242Less: accumulated depreciation(759,280)(626,223)Total depreciable assets, net\$2,978,980Â 2,645,005Â Construction in progress217,637Â 74,369Land30,267Â 23,853Â Total property, plant, and equipment, net\$3,226,884Â \$2,743,227Â The cost of property classified as â€œConstruction in progressâ€ is excluded from capitalized costs being depreciated. These amounts represent property that is not yet available to be placed into productive service as of the respective reporting date. The Company recorded \$48.7 million and \$39.4 million of depreciation expense for the three months ended September 30, 2024 and 2023, respectively, and \$135.3 million and \$116.6 million for the nine months ended September 30, 2024 and 2023, respectively. There were no impairment triggering events for property, plant and equipment during the three and nine months ended September 30, 2024 and 2023. 12Table of Contents5.Â Â INTANGIBLE ASSETS, NETIntangible assets, net, are comprised of the following:September 30, December 31, 20242023(In thousands)Customer contracts\$1,460,287Â \$1,139,665Â Right of way assets199,129Â 141,711Â Less accumulated amortization(781,275)(689,706)Total amortizable intangible assets, net\$878,141Â \$591,670Â The fair value of acquired customer contracts was capitalized as a result of acquiring favorable customer contracts as of the closing dates of certain past acquisitions and is being amortized using a straight-line method over the remaining terms of the customer contracts.

which range from one to seventeen years. Right-of-way assets relate primarily to underground pipeline easements which generally have a useful life of ten years and are amortized using the straight-line method. The right of way agreements are typically for an initial term of ten years with an option to renew for an additional ten years at agreed upon renewal rates based on certain indices or up to 130% of the original consideration paid. On September 30, 2024, the remaining weighted average amortization periods for customer contracts and right of way assets were approximately 9.03 years and 6.67 years, respectively. The overall remaining weighted average amortization period for the intangible assets as of September 30, 2024 was approximately 8.69 years. The Company recorded \$38.9 million and \$30.6 million of amortization expense for the three months ended September 30, 2024 and 2023, respectively, and \$100.9 million and \$91.6 million for the nine months ended September 30, 2024 and 2023, respectively. There was no impairment recognized on intangible assets for the three and nine months ended September 30, 2024 and 2023, respectively. The table below presents the ownership percentages and investment balances held by the Company for each entity as of September 30, December 31, Ownership(1)20242023(In thousands)PHP55.5%\$1,623,127A \$1,666,254A Breviloba33.0%433,193A 443,684A Epic Crude Holdings, LP (â€œEPICâ€)(1)27.5%85,627A â€“A Gulf Coast Express Pipeline LLC (â€œGCXâ€)(2)â€“A 431,051A \$2,141,947A \$2,540,989A (1)Investment balance is primarily comprised of the additional 12.5% interest that was acquired during July 2024.(2)The Company owned 16% of GCX as of December 31, 2023 and divested entire ownership in June 2024. During the quarter, the Company entered into an Equity Sale and Purchase Agreement with third parties to purchase a 12.5% equity interest in EPIC, increasing our total equity interest in EPIC to 27.5%. As the increase in ownership did not result in a controlling interest, and did not represent the funding of prior losses, the Company resumed accounting for its investment in EPIC using the equity method of accounting upon the closing of the acquisition of the additional interests during July 2024.13Table of ContentsOn June 4, 2024, the Company consummated the previously announced transaction contemplated by the Purchase and Sale Agreement dated as of May 9, 2024, to sell its 16% equity interest in GCX to GCX Pipeline, LLC (the "GCX Buyer") for an adjusted price of \$524.4 million (the "GCX Sale"), including a \$30.0 million earn out in cash upon the approval by the GCX Board of Directors of one or more capital projects that achieve certain capacity expansion criteria. The Company recognized a net gain of \$89.8 million for the nine months ended September 30, 2024 in relation to this transaction. The unamortized basis differences included in the EMI pipeline balances were \$365.7 million and \$349.3 million as of September 30, 2024 and December 31, 2023, respectively. These amounts represent differences in the Companyâ€™s contributions to date and the Companyâ€™s underlying equity in the separate net assets within the financial statements of the respective entities. Unamortized basis differences will be amortized or accreted into equity income of unconsolidated affiliates over the useful lives of the underlying pipeline assets. There was capitalized interest of \$24.1 million and \$24.7 million as of September 30, 2024 and December 31, 2023, respectively. Capitalized interest is amortized on a straight-line basis into equity income of unconsolidated affiliates. The following table presents the activity in the Companyâ€™s EMIs for the nine months ended September 30, 2024:Permian Highway Pipeline LLCBreviloba, LLCEPIC Crude Holdings, LPGulf Coast Express Pipeline LLCTotal(In thousands)Balance at December 31, 2023\$1,666,254A \$443,684A \$â€“A \$431,051A \$2,540,989A Contributions and acquisitions3,273A â€“A 85,417A â€“A 88,690A Distributions(1)(177,172)(33,677)â€“A (15,610)(226,459)Dispositionâ€“A â€“A â€“A (430,941)(430,941)Equity income, net(2)130,772A 23,186A 210A 15,500A 169,668A Balance at September 30, 2024\$1,623,127A \$433,193A \$85,627A \$â€“A \$2,141,947A (1)Distributions consisted of distributions from a return on investment of \$223.7 million, which was included in cash flows from operating activities and distributions from a return of investment of \$2.8 million, which was included in cash flows from investing activities.(2)For the nine months ended September 30, 2024, net of amortization and accretion of basis differences and capitalized interests, which represents undistributed earnings, the amortization was \$5.9A million from PHP, \$0.5A million from Breviloba, LLC, \$2.7A million from GCX and accretion of \$1.6A million from EPIC. Summarized Financial InformationThe following table represents selected data for the Companyâ€™s ongoing EMI pipelines (on a 100 percent basis) for the three and nine months ended September 30, 2024 and 2023.Three Months Ended September 30, 20242023Permian Highway Pipeline LLCBreviloba, LLCEPIC Crude Holdings, LPPermian Highway Pipeline LLCBreviloba, LLCEPIC Crude Holdings, LP(In thousands)Revenues\$127,719A \$53,929A \$97,514A \$99,923A \$51,002A \$93,138A Operating income\$83,785A 27,398A 25,052A 65,549A 25,170A 22,521A Net income (loss)\$83,783A 27,558A (5,159)66,630A 25,223A (11,330)Nine Months Ended September 30, 20242023Permian Highway Pipeline LLCBreviloba, LLCEPIC Crude Holdings, LPPermian Highway Pipeline LLCBreviloba, LLCEPIC Crude Holdings, LP(In thousands)Revenues\$380,359A \$156,326A \$284,050A \$291,859A \$143,544A \$259,250A Operating income\$245,467A 74,563A 70,631A 185,862A 69,666A 36,148A Net income (loss)\$245,016A 75,005A (29,889)190,662A 70,086A (62,312)14Table of Contents7.â€“A A DEBT AND FINANCING COSTSAccounts Receivable Securitization FacilityOn April 2, 2024, Kinetik Receivables LLC (â€œKinetik Receivablesâ€), a bankruptcy remote special purpose entity formed as a direct subsidiary of the Partnership, which is a subsidiary of the Company, entered into an accounts receivable securitization facility with an initial facility limit of \$150.0A million (â€œA/R Facilityâ€) with PNC Bank, as the administrative agent, and certain purchasers party thereto from time to time, which has a scheduled termination date of April 1, 2025. The aggregate fees and expenses paid directly to third parties in obtaining the A/R Facility totaled \$1.1 million and were capitalized as debt issuance costs and included in the Condensed Consolidated Balance Sheets as a current asset within â€œPrepaid and other current assetsâ€, amortized over the term of the A/R Facility to interest expense using the effective-interest method. There were unamortized debt issuance costs related to the A/R Facility of \$0.6 million as of September 30, 2024. Pursuant to the A/R Facility, the Company and certain of its subsidiaries continuously transfer receivables to Kinetik Receivables and Kinetik Receivables transfers receivables that meet certain qualifying conditions to third-party purchasers in exchange for cash. These receivables are held by Kinetik Receivables and are pledged to secure the collectability of the sold receivables and are accounted for as secured borrowings. The amount available for borrowing at any one time under the A/R Facility is limited to an amount calculated based on the outstanding balance of eligible receivables sold to the purchasers, subject to certain reserves, concentration limits, and other limitations. Under the A/R Facility, the Company is subject to pay a yield to the purchasers equal to SOFR plus a spread adjustment of 0.10% and a drawn fee of 0.90%. The Company also pays a fee of 0.40% on the undrawn committed amount of the A/R Facility. Yield and fees payable by the Company under the AR Facility are due monthly. As of September 30, 2024, eligible accounts receivable of \$150.0 million were pledged to the A/R Facility as collateral. The Partnership has continuing involvement with the receivables transferred by Kinetik Receivables to the third-party purchasers by providing collection services. The A/R Facility is linked to sustainability performance targets (â€œSPTsâ€) with respect to (a) female representation in corporate officer positions and (b) reduction in methane emissions intensity. A positive 0.02% and 0.05% fee and yield rate adjustments will be applied, respectively, if neither of the SPTs have been satisfied and a negative 0.02% and 0.05% fee and interest rate adjustments will be applied, respectively, if both of the SPTs have been satisfied. The net proceeds of the A/R Facility were used, together with cash on hand, to repay a portion of the outstanding borrowings under the existing term loan credit facility (â€œTerm Loan Credit Facilityâ€), lowering the remaining balance to \$1.0 billion. As a result, the maturity of the Term Loan Credit Facility extended to December 8, 2026. The Company recognized a loss on debt extinguishment of \$0.5 million for the partial payment made on the Term Loan Credit Facility. The following table summarizes the Companyâ€™s debt obligations as of September 30, 2024 and December 31, 2023. September 30, December 31, 20242023(In thousands)A/R Facility\$150,000A \$â€“A Total current debt obligations\$150,000A \$â€“A Unsecured term loan\$1,000,000A \$1,200,000A 5.875% senior unsecured notes due 2030 (â€œ2030 Notesâ€)1,000,000A 1,000,000A 6.625% senior unsecured notes due 2028 (â€œ2028 Notesâ€)800,000A 800,000A \$1.25 billion revolving line of credit\$507,000A 594,000A Total long-term debt\$3,307,000A 3,594,000A Debt issuance costs, net(1)(27,432)(31,510)Unamortized debt premiums and discounts, net\$121A 319A Total long-term debt, net\$3,279,689A \$3,562,809A (1)Excludes unamortized debt issuance costs related to the revolving line of credit. Unamortized debt issuance costs associated with the revolving line of credit were \$4.2 million and \$5.4A million as of September 30, 2024 and December 31, 2023, respectively. The unamortized debt issuance costs related to the revolving credit facilities were included in the â€œDeferred charges and other assetsâ€ of the Condensed Consolidated Balance Sheets.15Table of ContentsThe table below presents the components of the Companyâ€™s financing costs, net of capitalized interest:Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Capitalized interest(\$2,955)(\$6,731)(\$4,885)(\$13,775)Debt issuance costs\$1,916A 1,546A 5,497A 4,601A Interest expense\$67,068A 50,194A 166,933A 139,617A Total financing costs, net of capitalized interest\$66,029A \$45,009A \$167,545A \$130,443A As of September 30, 2024 and December 31, 2023, unamortized debt issuance costs associated with the 2030 Notes, the 2028 Notes and the Term Loan Credit Facility were \$27.4 million and \$31.5 million, respectively, and unamortized debt premiums and discount, net, associated with the 2028 Notes and the unsecured term loan were \$0.1 million and \$0.3 million, respectively. Compliance with our CovenantsEach of the revolving credit agreements with Bank of America, N.A. as administrative agent and the Term Loan Credit Facility, contain customary covenants and restrictive provisions which may, among other things, limit the Partnershipâ€™s ability to create liens, incur additional indebtedness and make restricted payments and the Partnershipâ€™s ability to liquidate, dissolve, consolidate with or merge into or with any other person. The 2030 Notes and the 2028 Notes also contain covenants and restrictive provisions, which may, among other things, limit the Partnershipâ€™s and its subsidiariesâ€™ ability to create liens to secure indebtedness. The A/R Facility contains covenants and restrictive provisions with respect to the Partnership and Kinetik Receivables that are customary for accounts receivable securitization facilities. As of September 30, 2024, the Partnership was in compliance with all customary and financial covenants.Letters of CreditOur \$1.25 billion senior unsecured revolving credit facility (the â€œRevolving Credit Facilityâ€) scheduled to mature on or before June 8, 2027 can be used for letters of credit. Our obligations with respect to related letters of credit totaled \$12.6 million as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, the Revolving Credit Facility has a borrowing base of \$730.4 million available. Fair Value of Financial InstrumentsThe fair value of the Company and its subsidiariesâ€™ consolidated debt as of September 30, 2024 and December 31, 2023 was \$3.48A billion and \$3.57 billion, respectively. On September 30, 2024, the senior unsecured notesâ€™ fair value was based on Level 1 inputs, the Term Loan Credit Facility and Revolving Credit Facilityâ€™s fair value was based on Level 3 inputs and the A/R Facilityâ€™s fair value approximates its carrying value due to its short term nature.16Table of Contents8.â€“A A ACCRUED EXPENSESThe following table provides detail of the Companyâ€™s current accrued expenses on September 30, 2024 and December 31, 2023:September 30, December 31, 20242023(In thousands)Accrued product purchases\$97,635A \$109,172A Accrued taxes\$20,270A 632A Accrued salaries, vacation, and related benefits\$5,349A 1,872A Accrued capital expenditures\$13,911A 18,534A Accrued interest\$4,070A 33,760A Accrued other expenses\$20,554A 13,451A Total accrued expenses\$191,789A \$177,421A Accrued product purchases mainly accrue the liabilities related to producer payments and any additional business-related miscellaneous fees we owe to third parties, such as transport or capacity fees as of September 30, 2024.9.â€“A A EQUITYRedeemable Noncontrolling Interest â€“A Common Unit Limited PartnersThe redemption option of the Common Unit is not legally detachable or separately exercisable from the instrument and is non-transferable; the Common Unit is redeemable at the option of the holder. Therefore, the Common Unit is accounted for as redeemable noncontrolling interest and classified as temporary equity on the Companyâ€™s Condensed Consolidated Balance Sheets. During the nine months ended September 30, 2024, 146,250 Common Units were redeemed on a one-for-one basis for shares of Class A Common Stock, par value \$0.0001 per share of the Company (â€œClass A Common Stockâ€) and a corresponding number of shares of Class C Common Stock were cancelled. In addition, as part of the Durango Acquisition purchase price consideration, approximately 3.8 million shares of Class C Common Stock and an equivalent number of Common Units were issued at closing. There were 9.7 million Common Units and an equal number of Class C Common Stock issued and outstanding as of September 30, 2024 and 7.7 million shares of Class C Common Stock and equivalent number of Common Units of deferred consideration for the Durango Acquisition that will be issued on July 1, 2025. The Common Units fair value was approximately \$4.78 billion, including deferred consideration valued as of September 30, 2024. Common StockAs of September 30, 2024, there were 59.8 million and 97.8 million shares, respectively, of Class A Common Stock and Class C Common Stock issued and outstanding (collectively, â€œCommon Stockâ€). In addition, 7.7 million shares of Class C Common Stock will be issued as deferred consideration for the Durango Acquisition on July 1, 2025.Share Repurchase ProgramDuring the quarter ended September 30, 2024, the Company did not repurchase any of its Class A Common Stock under the Repurchase Program. DividendOn August 7, 2024, the Company made cash dividend payments of \$118.2 million to holders of Class A Common Stock and Common Units and \$0.4 million was reinvested in shares of Class A Common Stock. The significant decrease in the amount reinvested in shares of Class A Common Stock compared with prior quarters was due to the automatic termination of the Dividend and Distribution Reinvestment Agreement on March 8, 2024.17Table of Contents10.â€“A A FAIR VALUE MEASUREMENTSThe following tables present financial assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023:September 30, 20242023Level 1Level 2Level 3Total(In thousands)Commodity swapsâ€“A \$3,936A \$â€“A \$3,936A Interest rate derivativesâ€“A 3,888A â€“A 3,888A Contingent liabilityâ€“A â€“A 65,400A 65,400A Total liabilitiesâ€“A \$7,824A \$65,400A \$73,224A December 31, 2023Level 1Level 2Level 3Total(In thousands)Commodity swap\$3,663A \$â€“A \$3,663A Interest rate derivativesâ€“A 4,314A â€“A 4,314A Total assetsâ€“A \$7,977A \$â€“A \$7,977A Commodity swapsâ€“A \$1,749A \$â€“A 1,749A Interest rate derivativesâ€“A 5,249A â€“A 5,249A Total liabilitiesâ€“A \$7,007A \$â€“A \$7,007A Our derivative contracts consist of

interest rate swaps and commodity swaps. The valuation of these derivative contracts involved both observable publicly quoted prices and certain credit valuation inputs that may not be readily observable in the marketplace. As such derivative contracts are classified as Level 2 in the hierarchy. Refer to Note 11â€"Derivatives and Hedging Activities in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further discussion related to commodity swaps and interest rate derivatives. The Company recorded a contingent liability related to the Kings Landing Earnout using Level 3 inputs, including projected spending and completion probability of the project. Refer to Note 15â€"Commitments and Contingencies in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further discussion related to Kings Landing Earnout contingent liability. Long-term debtâ€™s carrying value can vary from fair value. See Note 7â€"Debt and Financing Costs in the Notes to Condensed Financial Statements for further information. The carrying amounts reported on the Condensed Consolidated Balance Sheets for the Companyâ€™s remaining financial assets and liabilities approximate fair value due to their short-term nature. There were no transfers between Level 1, Level 2 or Level 3 of the fair value hierarchy during the nine months ended September 30, 2024 and 2023.11.Â A Â A DERIVATIVES AND HEDGING ACTIVITIESThe Company is exposed to certain risks arising from both its business operations and economic conditions, and it enters into certain derivative contracts to manage exposure to these risks. To minimize counterparty credit risk in derivative instruments, the Company enters into transactions with high credit-rating counterparties. The Company did not elect to apply hedge accounting to these derivative contracts and recorded the fair value of the derivatives on the Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023.18Table of ContentsInterest Rate RiskThe Company manages market risks, including interest rate, liquidity and credit risk primarily by managing the amount, sources and duration of its debt funding and by using derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from activities that result in the payment of future known and uncertain cash amounts, the value of which is determined by interest rates. The Companyâ€™s objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract. As of SeptemberÂ 30, 2024, the Company had two interest rate swap contracts with total notional amounts of \$1.70Â billion maturing on MayÂ 31, 2025 that pay a fixed rate ranging from 4.38% to 4.48% and one interest rate swap contract with a notional amount of \$0.08 billion maturing on DecemberÂ 31, 2025 that pays a fixed rate of 3.02%. The fair value or settlement value of the consolidated interest rate swaps outstanding are presented on a gross basis on the Condensed Consolidated Balance Sheets. The following table presents the fair value of derivative assets and liabilities related to the interest rate swap contracts:September 30, December 31, 20242023(In thousands)Derivatives assets - current\$76Â \$4,314Â Derivative assets - noncurrent8Â \$4,314Â Total derivative assets\$84Â \$4,314Â Derivative liabilities - current\$3,888Â \$â€"Â Derivatives liabilities - noncurrent5,348Â \$5,348Â Total derivative liabilities\$3,888Â \$5,348Â The Company recorded cash settlements and changes in fair value of the interest rate swap contracts in â€œInterest expenseâ€ of the Condensed Consolidated Statements of Operations. The following table presents interest rate swap derivatives activities for the three and nine months ended SeptemberÂ 30, 2024 and 2023:Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Realized gain on interest rate swaps\$3,994Â \$4,665Â \$11,899Â \$7,082Â (Unfavorable) favorable fair value

adjustments\$(8,342)\$12,500Â \$9,129Â \$34,562Â Commodity Price RiskThe results of the Companyâ€™s operations may be affected by the market prices of oil, natural gas and NGLs. A portion of the Companyâ€™s revenue is directly tied to local natural gas, natural gas liquids and condensate prices in the Permian Basin and the U.S. Gulf Coast. Fluctuations in commodity prices also impact operating cost elements both directly and indirectly. Management regularly reviews the Companyâ€™s potential exposure to commodity price risk and manages exposure of such risk through commodity hedge contracts. During the past twelve months, the Company entered into multiple commodity swap contracts based on the OPIS NGL Mont Belvieu prices for ethane, propane and butane, the Waha Basis index, the HSC index and the NYMEX West Texas Intermediate Control index. These contracts are for various notional quantities of NGLs, natural gas and crude. Similarly, the Company has entered into various natural gas and crude basis spread swaps. These contracts are effective over the next 1 to 20 months and are used to hedge against location price risk of the respective commodity resulting from supply and demand volatility and protect cash flows against price fluctuations.19Table of ContentsThe following table presents detailed information of commodity swaps outstanding as of September 30, 2024 (in thousands, except volumes):September 30, 20242023CommodityUnitNotional VolumeNet Fair ValueNatural Gas MMBtus1,210,000Â \$569Â NGL Gallons312,215,400Â 917Â CrudeBbl613,000Â 2,563Â Crude CollarsBbl163,800Â 937Â Crude Basis Spread SwapsBbl22,400Â (9)Natural Gas Basis Spread

SwapsMMBtus7,300,000Â (1,128)Â \$3,849Â The fair value or settlement value of the swaps outstanding are presented on a gross basis on the Condensed Consolidated Balance Sheets. The following table presents the fair value of derivative assets and liabilities related to commodity swaps:September 30, December 31, 20242023(In thousands)Derivatives assets - current\$6,200Â \$3,498Â Derivative assets - noncurrent1,585Â \$165Â Total derivative assets\$7,785Â \$3,663Â Derivative liabilities - current\$2,855Â \$1,734Â Derivatives liabilities - noncurrent1,081Â \$15Â Total derivative liabilities\$3,936Â \$1,749Â The Company recorded cash settlements and fair value adjustments on commodity swap derivatives in â€œProduct revenueâ€ of the Consolidated Statements of Operations. The following table presents commodity swap derivatives activities for the three and nine months ended SeptemberÂ 30, 2024 and 2023:Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Realized (loss) gain on commodity swaps\$(2,790)Â \$176Â \$(20,002)Â \$8,029Â Favorable (unfavorable) fair value

adjustment\$6,027Â \$(8,083)Â \$(18,067)Â \$6,466Â 12.Â A Â A SHARE-BASED COMPENSATIONThe Company granted various Class A and Class C Shares, restricted stock units (â€œRSUsâ€) and performance stock units (â€œPSUsâ€) to members of the Board of Directors (the â€œBoardâ€) and employees. The Class A Shares and Class C Shares and RSUs are subject to service requirements for vesting and the PSUs have both service requirements and market condition performance requirements for vesting. These units are recorded at grant-date fair value and compensation expense is recognized on a straight-line or graded straight-line basis over the vesting period within â€œGeneral and Administrative Expensesâ€ of the Condensed Consolidated Statements of Operations in accordance with FASB ASC 718, Compensation - Stock Compensation. Forfeitures are recognized as they occur. 20Table of Contents Class A Shares and Class C SharesThe table below summarizes Class A Share and Class C Share activities for the nine months ended September 30, 2024:Number of SharesWeighted Avg Grant-Date Fair Market Value Per UnitOutstanding and unvested shares at December 31, 20235,444,488Â \$28.91Â Vested43,166Â 31.18Â Forfeited1,592Â 31.18Â Outstanding and unvested shares at September 30, 20245,399,730Â \$28.90Â Table below summarizes aggregate intrinsic value (market value at vesting date) and grant-date fair value of vested Class A Shares for the nine months ended September 30, 2024:Three Months Ended Nine Months Ended September 30, 2024September 30, 2024(In thousands)Aggregate intrinsic value of vested Class A Shares\$1,102Â \$1,756Â Grant-date fair value of vested Class A Shares\$834Â \$1,346Â No vesting or forfeiture occurred for Class C Shares for the three and nine months ended September 30, 2024 and 2023. No vesting occurred for Class A Shares for the three and nine months ended September 30, 2023. As of September 30, 2024, there were \$38.8 million of unrecognized compensation costs related to unvested Class A Shares and Class C Shares. These costs are expected to be recognized over a weighted average period of 1.16 years. Restricted Stock UnitsRSUs were granted to certain executives and employees under the Kinetik Holdings Inc. Amended and Restated 2019 Omnibus Compensation Plan (the â€œ2019 Planâ€) with various service vesting requirements. Such RSUs may be settled only for shares of Class A Common Stock on a one-for-one basis, contingent upon continued employment. The table below summarizes RSUs activities for the nine months ended SeptemberÂ 30, 2024:Number of Shares(1)Weighted Avg Grant-Date Fair Market Value Per Unit(1)Outstanding and unvested shares at December 31,

202343,220Â \$31.15Â Granted610,333Â 35.41Â Vested323,158Â 34.79Â Forfeited12,565Â 33.06Â Outstanding and unvested shares at September 30, 2024 709,830Â \$33.12Â (1)The number of shares and weighted average fair market value per share include RSUs issued to new employees that transitioned from ALTM as part of the merger as replacement awards. Table below summarizes aggregate intrinsic value (market value at vesting date) and grant-date fair value of RSUs for the three and nine months ended September 30, 2024 and 2023:Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Aggregate intrinsic value of vested RSUs\$387Â \$34Â \$11,469Â \$7,340Â Grant-date fair value of vested RSUs\$372Â \$35Â \$11,243Â \$6,827Â 21Table of ContentsAs of September 30, 2024, there were \$13.0 million of unrecognized compensation costs related to the RSUs. These costs are expected to be recognized over a weighted average period of 1.64 years. Performance Stock UnitsThe Company granted PSUs pursuant to the 2019 Plan to certain of its employees and executives during 2024. These PSUs vest and become earned upon the achievement of certain performance goals based on the Companyâ€™s annualized absolute total stockholder return and the Companyâ€™s relative total stockholder return as compared to the performance peer group during a three-year performance period. Depending on the results achieved during the three-year performance period, the actual number of Class A Common Stock that a holder of the PSUs earns at the end of the performance period may range from 0% to 200% of the target number of PSUs granted. The fair value of the PSUs is determined using a Monte Carlo simulation at the grant date. The Company recognized compensation expense for PSUs on a straight-line basis over the performance period. Any PSU not earned at the end of the performance period will be forfeited. The table below summarizes PSU activities for the nine months ended SeptemberÂ 30, 2024:Number of SharesWeighted Avg Grant-Date Fair Market Value Per UnitGranted in 2024198,703Â \$36.76Â Outstanding and unvested shares at September 30, 2024198,703Â \$36.76Â No vesting or forfeiture occurred for PSUs for the three and nine months ended SeptemberÂ 30, 2024. The table below presents a summary of the grant-date fair value assumptions used to value the PSUs on grant date:March 2024Grant-date fair value per unit\$36.76Beginning average price\$32.84Risk-free interest rate4.21%Volatility factor37%Expected term2.82 yearsAs of September 30, 2024, there were \$5.8 million of unrecognized compensation costs related to the PSUs. These costs are expected to be recognized over a weighted average period of 2.25 years. With respect to above Class A Shares, Class C Shares, RSUs and PSUs, the Company recorded compensation expenses of \$15.2 million and \$12.5 million for the three months ended September 30, 2024 and 2023, respectively, and \$52.9 million and \$43.3 million for the nine months ended SeptemberÂ 30, 2024 and 2023.13.Â A Â A INCOME TAXES The Company is subject to U.S. federal income tax and state taxes. Income tax expense included in the condensed consolidated financial statements in this Quarterly Report on Form 10-Q is as follows: Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands)Income before income taxes\$91,914Â \$44,434Â \$249,2705121,128Income tax expense\$8,260Â \$1,303Â \$21,261Â \$2,030Â Effective tax rate8.99Â %2.93Â %8.53Â %1.68Â %The effective tax rate for the three and nine months ended September 30, 2024 was lower than the statutory rate mainly due to the impact of tax attributable to noncontrolling interests related to the Common Unit limited partners.22Table of ContentsThe effective tax rate for the three and nine months ended September 30, 2023 was lower than the statutory rate mainly due to the impact of tax attributable to noncontrolling interests related to the Common Unit limited partners and a full valuation allowance on deferred tax assets as of September 30, 2023.14.Â A Â A NET INCOME PER SHARE The computation of basic and diluted net income per share for the periods presented in the condensed consolidated financial statements is shown in the tables below:Three Months Ended September 30, Nine Months Ended September 30, 2024202320242023(In thousands, except per share amounts)Net income attributable to Class A common shareholders\$25,763Â \$15,580Â \$74,505Â \$42,030Â Less: Net income available to participating unvested restricted Class A common shareholders(1)(4,755)(4,414)(13,636)(12,996)Total net income attributable to Class A common

shareholders\$21,008Â \$11,166Â \$60,869Â \$29,034Â Weighted average shares outstanding - basic59,811Â 53,340Â 59,116Â 50,464Â Dilutive effect of unvested Class A common shares(2)613Â 123Â 736Â 255Â Weighted average shares outstanding - diluted(2)(3)60,424Â 53,463Â 59,852Â 50,719Â Net income available per common share - basic\$0.35Â \$0.21Â \$1.03Â \$0.58Â Net income available per common share - diluted\$0.35Â \$0.21Â \$1.02Â \$0.57Â (1)Represents dividends paid to unvested Class A and Class C Shares, RSUs and PSUs. (2)Includes dilutive effect from both RSUs and PSUs on unvested Class A common shares.(3)The effect of an assumed exchange of outstanding Common Units (and the cancellation of a corresponding number of shares of outstanding Class C Common Stock) would have been anti-dilutive for all periods presented in which the Common Units were outstanding.15.Â A Â A COMMITMENTS AND CONTINGENCIESAccruals 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. As of September 30, 2024 and December 31, 2023, there were no accruals for loss contingencies. LitigationThe Company is a party to various legal actions arising in the ordinary course of its business. In accordance with FASB ASC 450, Contingencies, the Company accrues reserves for outstanding lawsuits, claims and proceedings when a loss contingency is probable and can be reasonably estimated. The Company estimates the amount of loss contingencies using current available information from legal proceedings, advice from legal counsel and available insurance coverage. Due to the inherent subjectivity of the assessments and unpredictability of the outcomes of the legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to the Company from the legal proceedings in question. There were no litigation-related accrued reserves as of September 30, 2024 and DecemberÂ 31, 2023. The Company has entered into litigation with a third party to collect receivables totaling \$11.6Â million and is waiting on settlement of \$8.0Â million in outstanding vendor credits from another counterparty related to prior litigation the Company had previously entered into and subsequently dropped. These amounts remain outstanding from the Winter Storm Uri during February of 2021. Given the counterpartiesâ€™ sufficient creditworthiness and the valid claims that we hold, no allowance has currently been established for these items as we have legally enforceable agreements with these parties.23Table of ContentsEnvironmental MattersThe Company is subject to various local, state, and federal laws and regulations relating to various environmental matters during the ordinary course of business. Although we believe our operations are in

substantial compliance with applicable environmental laws and relations, risks of additional costs and liabilities are inherent in our operations. Moreover, changes in environmental laws and regulations occur frequently, and any changes that result in more stringent or costly requirements could require the Company to make significant expenditures to attain and maintain compliance or may otherwise have a material adverse effect on its operations, competitive position, or financial condition. The Company is not aware of any material environmental claims existing as of September 30, 2024, that have not been provided for or would otherwise have a material impact on its financial position, results of operations, or liquidity.

Contingent Liabilities

Durango Acquisition On June 24, 2024, the Company consummated the previously announced Durango Acquisition. Pursuant to the Durango MIPA, Durango Seller is entitled to an earn out of up to \$75.0 million in cash contingent upon the completion of the Kings Landing Project and placing it into service in Eddy County, New Mexico. This earn out is subject to reduction based on actual capital costs associated with the Kings Landing Project. Upon Closing, the Company evaluated the earn-out consideration classification in accordance with ASC 480. The Company determined the earn-out consideration to be classified as a liability based on the settlement provision. As of Closing, the Company recorded an initial contingent liability of \$64.0 million based on the project's completion probability and projected spend. Pursuant to ASC 805, the Company recorded a subsequent fair value adjustment of \$1.4 million within "Costs of sales (exclusive of depreciation and amortization)" of the Condensed Consolidated Statement of Operations for the three months ended September 30, 2024. The contingent liability associated with the Kings Landing Project was \$65.4 million as of September 30, 2024. Permian Gas Acquisition As part of the acquisition of Permian Gas on June 11, 2019, consideration included a contingent liability arrangement with PDC Permian, Inc. ("PDC"). The arrangement requires additional monies to be paid by the Company to PDC on a per Mcf basis if the actual annual Mcf volume amounts exceed forecasted annual Mcf volume amounts starting in 2020 and continuing through 2029. The total monies paid under this arrangement are capped at \$60.5 million and are payable on an annual basis over the earn-out period. PDC's actual annual Mcf volume did not exceed the incentive forecast volume during the past four years, and is not expected to over the next five years; therefore, the estimated fair value of the contingent consideration liability was nil as of September 30, 2024 and December 31, 2023.

SEGMENTS Our two operating segments represent the Company's segments for which discrete financial information is available and is utilized on a regular basis by our CODM to make key operating decisions, assess performance and allocate resources. These segments represent strategic business units with differing products and services. No operating segments have been aggregated to form the reportable segments. Therefore, our two operating segments represent our reportable segments. The activities of each of our reportable segments from which the Company earns revenues and incurs expenses are described below.

Midstream Logistics: The Midstream Logistics segment operates under three streams, 1) gas gathering, processing and treating, 2) crude oil gathering, stabilization and storage services and 3) produced water gathering and disposal.

Pipeline Transportation: The Pipeline Transportation segment consists of equity investment interests in three Permian Basin pipelines that access various points along the U.S. Gulf Coast, as well as Kinetik NGL and Delaware Link Pipelines. The current operating pipelines transport crude oil, natural gas and NGLs. Our Chief Executive Officer, who is the CODM, uses Segment Adjusted EBITDA, a non-GAAP measure, to measure profitability and allocate resources among segments. Segment Adjusted EBITDA, a non-GAAP measure, is defined as segment net earnings adjusted to exclude interest expense, income tax expense, depreciation and amortization, the proportionate effect of these same items for our EMI pipelines and other non-recurring items. The CODM considers budget-to-actual and forecast-to-actual variances on a monthly basis when making decisions about allocating capital and personnel to the segments.

Table of Contents The Midstream Logistics segment accounts for more than 97% of the Company's operating revenues, more than 99% of the cost of sales (excluding depreciation and amortization) and operating expenses and more than 94% of the ad valorem expenses. The Pipeline Transportation segment contains all of the Company's equity method investments. Corporate and Other contains the Company's executive and administrative functions, including 84% of the Company's General and Administrative Expenses and all of the Company's debt service costs. For the three months ended September 30, 2024, the Midstream Logistics segment and the Pipeline Transportation segment represent 65% and 36% of total consolidated adjusted EBITDA, respectively, which is consistent with the prior year contributions from each segment. The following tables present the reconciliation of the non-GAAP measure Segment Adjusted EBITDA to the GAAP measure segment income (loss) before income taxes as of and for the three and nine months period ended September 30, 2024 and 2023:

Midstream Logistics Pipeline Transportation Corporate and Other (1) Consolidated (In thousands) For the Three Months Ended September 30, 2024 Segment income (loss) before income taxes \$88,581A \$88,797A \$(85,464) \$91,914A Add back: Interest expense 2,666A \$(63,363A) 66,029A Depreciation and amortization expenses 85,273A 2,305A 5A 87,583A Contract assets amortization 1,655A \$(88,229A) Share-based compensation \$(15,171A) 15,171A Contingent liabilities fair value adjustment 1,400A \$(1,655A) Proportionate EMI EBITDA \$(1,400A) Integration costs 1,208A \$(1,332A) 2,540A Acquisition transaction costs \$(31A) 31A Other one-time costs or amortization 1,657A \$(2,060A) 3,717A Deduct: Interest income \$(572A) 572A Commodity hedging unrealized gain 8,817A \$(8,817A) Gain on sale of equity method investment \$(29,953A) \$(29,953A) Equity income from unconsolidated affiliates \$(53,244A) 53,244A Segment Adjusted EBITDA \$(173,623A) \$96,134A \$(4,074) \$265,683A

Table of Contents Midstream Logistics Pipeline Transportation Corporate and Other (1) Consolidated (In thousands) For the Three Months Ended September 30, 2023 Segment income (loss) before income taxes \$56,584A \$50,598A \$(62,748) \$44,434A Add back: Interest expense 12A \$(44,997A) 45,009A Depreciation and amortization expenses 69,456A 473A 6A 69,935A Contract assets amortization 1,655A \$(1,655A) Proportionate EMI EBITDA \$(78,585A) Share-based compensation \$(12,502A) 12,502A Loss on disposal of assets 2,927A \$(2,927A) 2,927A Unrealized loss on derivatives 8,259A \$(8,259A) Integration costs 21A \$(21A) Acquisition transaction costs \$(378A) 378A Other one-time costs or amortization 1,529A \$(1,133A) 2,662A Warrant valuation adjustment \$(4A) 4A Deduct: Interest income \$(293A) 293A Equity income from unconsolidated affiliates \$(50,754A) 50,754A Segment Adjusted EBITDA \$(140,443A) \$78,902A \$(4,021) \$215,324A Midstream Logistics Pipeline Transportation Corporate and Other (1) Consolidated (In thousands) For the Nine Months Ended September 30, 2024 Segment income (loss) before income taxes \$215,196A \$275,246A \$(241,172) \$249,270A Add back: Interest expense 5,273A \$(162,272A) 167,545A Depreciation and amortization expenses 229,336A 6,897A 17A 236,250A Contract assets amortization 4,965A \$(4,965A) Proportionate EMI EBITDA \$(262,553A) Share-based compensation \$(262,553A) \$(262,553A) Share-based compensation \$(15,286A) 52,868A Loss on disposal of assets 4,090A \$(15,286A) 4,090A Loss on debt extinguishment \$(525A) 525A Contingent liabilities fair value adjustment 1,400A \$(1,400A) Integration costs 1,792A \$(3,299A) 5,091A Acquisition transaction costs \$(3,538A) 3,538A Other one-time costs or amortization 4,048A \$(4,400A) 8,448A Deduct: Other interest income \$(1,459A) 1,459A Commodity hedging unrealized gain 1,935A \$(1,935A) Gain on sale of equity method investment \$(89,837A) \$(89,837A) Equity income from unconsolidated affiliates \$(169,668A) 169,668A Segment Adjusted EBITDA \$(464,165A) \$285,191A \$(15,712) \$733,644A

Table of Contents Midstream Logistics Pipeline Transportation Corporate and Other (1) Consolidated (In thousands) For the Nine Months Ended September 30, 2023 Segment income (loss) before income taxes \$163,794A \$146,524A \$(189,190) \$121,128A Add back: Interest expense 32A \$(130,411A) 130,443A Depreciation and amortization expenses 206,855A 1,398A 18A 208,271A Contract assets amortization 4,965A \$(4,965A) Proportionate EMI EBITDA \$(224,933A) Share-based compensation \$(43,340A) 43,340A Loss on disposal of assets 15,166A \$(15,166A) Unrealized loss on derivatives 616A \$(616A) 6,748A Integration costs 29A \$(956A) 985A Acquisition transaction costs 33A \$(615A) 648A Other one-time costs or amortization 5,310A \$(2,235A) 7,545A Deduct: Interest income \$(314A) 314A Warrant valuation adjustment \$(73A) 73A Equity income from unconsolidated affiliates \$(146,828A) 146,828A Segment Adjusted EBITDA \$(396,800A) \$226,027A \$(12,002) \$610,825A

(1) Corporate and Other represents those results that: (i) are not specifically attributable to a reportable segment; (ii) are not individually reportable or (iii) have not been allocated to a reportable segment for the purpose of evaluating their performance, including certain General and Administrative Expense items. Items included here to reconcile operating segments profit and loss with the Company's consolidated profit and loss.

(2) Segment adjusted EBITDA is a non-GAAP measure; please see Key Performance Metrics in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q, for a definition and reconciliation to the GAAP measure. The following tables present the revenue for the individual operating segments for the three and nine month period ended September 30, 2024 and 2023:

Midstream Logistics Pipeline Transportation Elimination Consolidated (In thousands) For the Three Months Ended September 30, 2024 Revenue \$391,331A \$2,192A \$(393,523A) Other revenue 2,837A 2A \$(2,839A) Intersegment revenue (1)A \$(6,748A) Total segment operating revenue \$394,168A \$8,942A \$(6,748) \$396,362A Midstream Logistics Pipeline Transportation Elimination Consolidated (In thousands) For the Three Months Ended September 30, 2023 Revenue \$324,863A \$766A \$(325,629A) Other revenue 4,670A 2A \$(4,672A) Total segment operating revenue \$329,533A \$768A \$(330,301A) 27 Table of Contents Midstream Logistics Pipeline Transportation Elimination Consolidated (In thousands) For the Nine Months Ended September 30, 2024 Revenue \$1,082,236A \$6,566A \$(1,088,802A) Other revenue 8,122A 289A \$(8,411A) Intersegment revenue (1)A \$(19,288A) \$(19,288A) Total segment operating revenue \$1,090,358A \$26,143A \$(19,288A) \$1,097,213A Midstream Logistics Pipeline Transportation Elimination Consolidated (In thousands) For the Nine Months Ended September 30, 2023 Revenue \$894,669A \$2,190A \$(896,859A) Other revenue 10,679A 6A \$(10,685A) Total segment operating revenue \$905,348A \$2,196A \$(907,544A)

(1) The Company accounts for intersegment sales at market prices, while it accounts for asset transfers at book value. Intersegment revenue is eliminated at consolidation. The following table presents total assets for each operating segment as of September 30, 2024 and December 31, 2023:

September 30, December 31, 2024/2023 (In thousands) Midstream Logistics \$4,323,444A \$3,772,764A Pipeline Transportation \$(12,297,544A) 2,703,588A Segment total assets 6,620,988A 6,476,352A Corporate and other 239,473A 20,521A Total assets \$6,860,461A \$6,496,873A

(1) Includes investment in unconsolidated affiliates of \$2.14 billion and \$2.54 billion as of September 30, 2024 and December 31, 2023, respectively.

(2) On October 17, 2024, the Board declared a cash dividend of \$0.78 per share on the Company's Class A Common Stock which will be payable to stockholders of record as of October 28, 2024 on November 7, 2024. The Company, through its ownership of the general partner of the Partnership, declared a distribution of \$0.78 per Common Unit from the Partnership to the holders of Common Units, which will be payable on November 7, 2024.

Table of Contents Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis addresses the results of our operations for the three and nine month period ended September 30, 2024, as compared to our results of operations for the same periods in 2023. Please read the following discussion of our financial condition and results of operations in conjunction with the financial statements and notes thereto included elsewhere in this report.

Overview We are an integrated midstream energy company in the Permian Basin providing comprehensive gathering, transportation, compression, processing and treating services. Our core capabilities include a variety of service offerings including natural gas gathering, transportation, compression, treating and processing; NGLs stabilization and transportation; produced water gathering and disposal; and crude oil gathering, stabilization, storage and transportation. Our operations are strategically located in the heart of the Delaware Basin. Our Operations and Segments We have two reportable segments which are strategic business units with various products and services. The Midstream Logistics segment operates under three service offerings, 1) gas gathering and processing, 2) crude oil gathering, stabilization and storage services and 3) produced water gathering and disposal. The Pipeline Transportation segment consists of three EMI pipelines originating in the Permian Basin with various access points to the U.S. Gulf Coast, as well as Kinetik NGL and Delaware Link Pipelines. The pipelines transport natural gas, NGLs and crude oil within the Permian Basin and to the U.S. Gulf Coast. Midstream Logistics Gas Gathering and Processing. The Midstream Logistics segment provides gas gathering and processing services with over 3,900 miles of low and high-pressure steel pipeline located throughout the Delaware Basin, including over 2,300 miles of gas pipeline acquired through the Durango Acquisition, and over 570,000 horsepower of compression capacity. Gas processing assets are centralized at seven processing complexes with system-wide front-end amine treating capability, 6.5 Mmcf/d AGI capacity and total cryogenic processing capacity of approximately 2.2 Bcf/d as of today and over 2.4 BCF/d once the Kings Landing Project is complete in early 2025. Crude Oil Gathering, Stabilization and Storage Services. Crude gathering assets are centralized at the Caprock Stampede Terminal and the Pinnacle Sierra Grande Terminal. The system includes approximately 220 miles of gathering pipeline and 90,000 barrels of crude storage. Water Gathering and Disposal. The system includes over 360 miles of gathering pipeline and approximately 580,000 barrels per day of permitted disposal capacity. Pipeline Transportation EMI pipelines. The Company owns the following equity interests in three EMI pipelines in the Permian Basin with access to various points along the U.S. Gulf Coast: 1) an approximate 55.5% equity interest in Permian Highway Pipeline LLC ("PHP"), which is operated by Kinder Morgan; 2) 33.0% equity interest in Breviloba, LLC ("Breviloba"), the owner of the Shin Oak NGL Pipeline ("Shin Oak"), which is operated by Enterprise Products Operating LLC; and 3) 27.5% equity interest in Epic Crude Holdings, LP ("EPIC"), which is operated by EPIC Consolidated Operations, LLC. Kinetik NGL Pipelines. The Kinetik NGL Pipelines consist of approximately 96 miles of NGL pipelines connecting our East Toyah and Pecos complexes to Waha, including our 20-inch Dewpoint pipeline that spans over 40 miles, and our 30 mile, 16-inch Brandywine Pipeline connecting to our Diamond Cryogenic complex. The Kinetik NGL pipeline system has a capacity of approximately 560 MBbl/d. Delaware Link Pipeline. The Delaware Link Pipeline consists of approximately 40 miles of 30-inch diameter pipeline with an initial capacity of approximately 1.0 Bcf/d that provides additional transportation capacity to Waha. The project reached commercial in-service in October 2023.

Table of Contents Recent Developments EPIC Equity Interest During the third quarter, the Company consummated the Equity Sale and Purchase Agreement with Dos Rios Crude Intermediate LLC ("Seller") to purchase a

12.5% of equity interest in EPIC. The acquisition of additional interest is accounted for as a business acquisition pursuant to ASC 805. After completion of the transaction, the Company owned a 27.5% equity interest in EPIC as of September 30, 2024. EPIC has over 800 miles of pipeline connecting the Delaware and Midland Basins and has a capacity of 625 MBbl/d. Durango Acquisition On June 24, 2024, the Company consummated the previously announced Durango Acquisition for an adjusted purchase price of approximately \$845.2 million, consisting of (i) \$358.0 million of cash consideration paid at closing, (ii) approximately 3.8 million shares of Class C Common Stock and an equivalent number of OpCo Units, issued at closing and (iii) approximately 7.7 million shares of Class C Common Stock and an equivalent number of OpCo Units to be issued on July 1, 2025. Durango Seller is also entitled to an earn out of up to \$75.0 million in cash contingent upon the completion and placing into service of the Kings Landing Project in Eddy County, New Mexico, which is currently under construction. This earn out is subject to reduction based on actual capital costs associated with the Kings Landing Project. This transaction was accounted for as a business combination pursuant to ASC 805. Refer to Note 2â€œBusiness Combinations in the Notes to our Condensed Consolidated Financial Statements for further information. The Durango Acquisition significantly expands Kinetikâ€™s footprint into New Mexico and the Northern Delaware Basin, expanding Kinetikâ€™s processing capacity by over 200 MMcf/d and doubling its existing gathering pipeline mileage. An additional 200 MMcf/d of processing capacity will be added upon completion of the Kings Landing Project. GCX Divestiture On June 4, 2024, the Company consummated the previously announced transaction contemplated by the GCX Purchase Agreement to sell its 16% equity interest in GCX for an adjusted purchase price of \$524.4 million (the "GCX Sale"), including an additional \$30.0 million earn out in cash upon the approval by the GCX Board of Directors of one or more capital projects that achieve certain capacity expansion criteria. Net cash proceeds of \$494.4 million were received from the GCX Buyer on June 4, 2024 and the cash earn out was received in September 2024. The Company recognized a gain of \$89.8 million upon closing of the GCX Sale. Factors Affecting Our Business Commodity Price Volatility There has been, and we believe there will continue to be, volatility in commodity prices and in the relationships among NGLs, crude oil and natural gas prices. As a result of uncertainty around global commodity supply and demand, the current conflict in Israel and the Gaza Strip and elsewhere in the Middle East, as well as the ongoing armed conflict in Ukraine, global oil and natural gas commodity prices continue to remain volatile. The volatility and uncertainty of natural gas, crude oil and NGL prices impact drilling, completion and other investment decisions by producers and ultimately supply to our systems. Although ongoing armed conflicts might generate commodity price upward pressure, and our operations could benefit in an environment of higher natural gas, NGLs and condensate prices, the instability of the international political environment and human and economic hardship resulting from the conflicts would have a highly uncertain impact on the U.S. economy, which in turn, might affect our business and operations adversely. Our product sales revenue is exposed to commodity price fluctuations. Therefore, commodity price decline and sustained periods of low natural gas and NGL prices could have an adverse effect on our product revenue stream. The Company continues to monitor commodity prices closely and may enter into commodity price hedges from time to time as necessary to mitigate the volatility risk. In addition, the Company, when economically appropriate, enters into fee-based arrangements that insulate the Company from commodity price volatility. 30 Table of Contents Inflation and Interest Rates The annual rate of inflation in the United States was 2.4% in September 2024 as measured by the Consumer Price Index. In light of the recent economic activity, unemployment level and progress on lowering inflation, the Federal Open Market Committee (â€œFOMCâ€) decided to lower the target range for the federal funds rate by 0.50% to 4.75% - 5.00% during its meeting in September 2024. During the meeting, the FOMC noted that the economic outlook is uncertain and the Committee is attentive to the risks to both sides of its dual mandate. If interest rates elevated beyond the term of our hedges, our financing cost will increase and could have a negative impact on the Companyâ€™s ability to meet its contractual debt obligations and to fund its operating expenses and capital expenditures. The Company will continue to monitor the FOMCâ€™s monetary policy and interest rate movement. Refer to Note 11â€œDerivatives and Hedging Activities in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional discussion regarding our hedging strategies and objectives for interest rate risk. 31 Table of Contents Results of Operations The following table presents the Companyâ€™s results of operations for the periods presented: Three Months Ended September 30, Nine Months Ended September 30, 2024/2023 % Change (In thousands, except percentages) Revenues: Service revenue \$103,100A \$104,349A (1A %) \$301,710A \$310,325A (3A %) Product revenue 290,423A 221,280A 31A % 787,092A 586,534A 34A % Other revenue 2,839A 4,672A (39A %) 8,411A 10,685A (21A %) Total revenues 396,362A 330,301A 20A % 1,097,213A 907,544A 21A % Operating costs and expenses: Cost of sales (exclusive of depreciation and amortization) (1) 144,586A 147,756A (2A %) 444,786A 374,100A 19A % Operating expense 55,804A 42,925A 30A % 143,278A 118,804A 21A % Ad valorem taxes 5,896A 5,607A 5A % 18,400A 14,954A 23A % General and administrative 29,619A 22,751A 30A % 94,846A 73,131A 30A % Depreciation and amortization expense 87,583A 69,935A 25A % 236,250A 208,271A 13A % Loss on disposal of assets â€“ A 2,927A (100A %) 4,090A 15,166A (73A %) Total operating costs and expenses 323,488A 291,901A 11A % 941,650A 804,426A 17A % Operating income 72,874A 38,400A 90A % 155,563A 103,118A 51A % Other income (expense): Interest and other income 1,872A 289A NM2,272A 1,625A 40A % Loss on debt extinguishment â€“ A â€“ A â€“ A % (525)A â€“ A 100A % Gain on sale of equity method investments 29,953A â€“ A 100A % 89,837A â€“ A 100A % Interest expense (66,029A) (45,009A) 47A % (167,545A) (130,443A) 28A % Equity in earnings of unconsolidated affiliates 53,244A 50,754A 5A % 169,668A 146,828A 16A % Total other income, net 19,040A 6,034A NM93,707A 18,010A NM Income before income taxes 91,914A 44,434A 107A % 249,270A 121,128A 106A % Income tax expense 8,260A 1,303A NM21,261A 2,030A NM Net income including noncontrolling interest \$83,654A \$43,131A 94A % \$228,009A \$119,098A 91A % (1) Cost of sales (exclusive of depreciation and amortization) is net of gas service revenues totaling \$60.2 million and \$38.6 million for the three months ended September 30, 2024 and 2023, respectively, and \$159.4 million and \$107.1 million for the nine months ended September 30, 2024 and 2023, respectively, for certain volumes, where we act as principal. NM - Not meaningful. 32 Table of Contents Three Months Ended September 30, 2024 Compared to Three Months Ended September 30, 2023 Revenues For the three months ended September 30, 2024, revenue increased \$66.1 million, or 20%, to \$396.4 million, compared to \$330.3 million for the same period in 2023. The increase was primarily driven by higher product revenue related to increased natural gas residue volumes sold and increased gathered and processed gas volumes. Service revenue Service revenue consists of service fees paid to us by our customers for providing comprehensive gathering, treating, processing and produced water disposal services necessary to bring natural gas, NGLs and crude oil to market. Service revenue for the three months ended September 30, 2024, decreased by \$1.2 million, or 1%, to \$103.1 million, compared to \$104.3 million for the same period in 2023. This decrease was driven by lower period-over-period gas gathering fees of \$1.7 million. Period-over-period gathered and processed gas volumes increased by 212.3 Mcf per day, or 12% and by 238.7 Mcf per day, or 16%, respectively. Of the increase, Durangoâ€™s operation accounted for 207.2 Mcf per day and 195.8 Mcf per day of gathered and processed gas volume, respectively. However, the total gathered and processed gas volumes where we function as the agent decreased period over period causing the change in net gas gathering fees presented as revenues to be down 2%. Over 91% of service revenues are included in the Midstream Logistics segment. Product revenue Product revenue consists of commodity sales (including condensate, natural gas residue and NGLs). Product revenue for the three months ended September 30, 2024, increased by \$69.1 million, or 31%, to \$290.4 million, compared to \$221.3 million for the same period in 2023, primarily due to increased residue gas volumes sold and higher commodity prices. Period over period natural gas residue volumes sold increased 36.1 million MMBtu, of which, Durangoâ€™s operations accounted for 14.2 million MMBtu. Partially offsetting this increase, NGL and condensate volumes sold decreased 2.0 million barrels, or 24%. Product revenues are included entirely in the Midstream Logistics segment. Operating Costs and Expenses Operating expenses Operating expenses increased by \$12.9 million, or 30%, to \$55.8 million for the three months ended September 30, 2024, compared to \$42.9 million for the same period in 2023. Of the total increase, \$11.7 million was driven by Durangoâ€™s operations that were acquired during June 2024. Over 99% of operating expenses are included in the Midstream Logistics segment. General and administrative expenses General and administrative expenses increased by \$6.9 million, or 30% to \$29.6 million for the three months ended September 30, 2024, compared to \$22.8 million for the same period in 2023. The increase was mainly driven by increases in share-based compensation of \$2.7 million due to new RSUs and PSUs granted during 2024 and Durango integration costs of \$2.2 million. The remaining \$2.0 million increase primarily relates to higher internal labor and insurance expenses that have resulted from the overall growth of the organization. Depreciation and amortization expense Depreciation and amortization expense increased by \$17.6 million, or 25% to \$87.6 million for the three months ended September 30, 2024, compared to \$69.9 million for the same period in 2023. Of the total increase, \$12.8 million was driven by the Durango Acquisition that was completed during June of 2024. The remaining increase was driven by assets placed in service since third quarter of 2023, primarily related to the Delaware Link Pipeline that was placed in service in October 2023. Other Income (Expense) Gain on sale of equity method investment Gain on sale of equity method investment increased by \$30.0 million, or 100%, for the three months ended September 30, 2024. The increase was related to the cash earn out received in September 2024 related to the GCX Sale. 33 Table of Contents Interest expense Interest expense increased by \$21.0 million, or 47%, to \$66.0 million for the three months ended September 30, 2024. The increase was primarily driven by an unrealized loss on interest rate swaps of \$12.3 million during the three months ended September 30, 2024 versus an unrealized gain on interest rate swaps of \$7.8 million during the same period in 2023. Refer to Note 4â€œDerivatives and Hedging Activities in the Notes to Condensed Consolidated Financial Statements regarding the Companyâ€™s strategy in managing interest rate risk. Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023 Revenues For the nine months ended September 30, 2024, revenue increased \$189.7 million, or 21%, to \$1,097.2 million, compared to \$907.5 million for the same period in 2023. The increase was primarily driven by higher period-over-period product revenue due to increased natural gas residue volumes sold and increased gathered and processed gas volumes. Service revenue Service revenue consists of service fees paid to us by our customers for providing comprehensive gathering, treating, processing and water disposal services necessary to bring natural gas, NGLs and crude oil to market. Service revenue for the nine months ended September 30, 2024, decreased by \$8.6 million, or 3%, to \$301.7 million, compared to \$310.3 million for the same period in 2023. The decrease was primarily driven by lower period-over-period gas gathering fees of \$8.2 million. Total gathered and processed gas volumes increased 171.1 Mcf per day, or 10% and 188.0 Mcf per day, or 13%, respectively. Of the increase, Durangoâ€™s operations accounted for 74.8 Mcf per day and 70.6 Mcf per day of gathered and processed gas volume, respectively. However, the total gathered and processed gas volumes where we function as the agent decreased period over period causing the change in net gas gathering fees presented as revenues to be down 3%. Over 91% of service revenues are included in the Midstream Logistics segment. Product revenue Product revenue consists of commodity sales (including condensate, natural gas residue and NGLs). Product revenue for the nine months ended September 30, 2024, increased by \$200.6 million, or 34%, to \$787.1 million, compared to \$586.5 million for the same period in 2023, primarily due to a period-over-period increase in residue gas volumes sold. Natural gas residue sales volumes increased 59.6 million MMBtu, of which Durangoâ€™s operations accounted for 14.6 million MMBtu. The increase was also driven by a period over period increase in NGL prices of \$8.46 per barrel, or 39%. The overall increase was partially offset by decreases in NGL and condensate volumes sold of 4.3 million barrels, or 19% and a decrease in natural gas prices of \$0.42 per MMBtu, or 25%. Product revenues are included entirely in the Midstream Logistics segment. Operating Costs and Expenses Costs of sales (exclusive of depreciation and amortization) Cost of sales (exclusive of depreciation and amortization) primarily consists of purchases of NGLs and natural gas from our producers at contracted market prices to support product sales to other third parties. For the nine months ended September 30, 2024, cost of sales increased \$70.7 million, or 19%, to \$444.8 million, compared to \$374.1 million for the same period in 2023. As discussed above, the increase was primarily driven by period to period increases in natural gas residue volumes sold, slightly offset by a decrease in NGL and condensate volumes sold as well as lower natural gas prices. Over 99% of cost of sales (exclusive of depreciation and amortization) is included entirely in the Midstream Logistics segment. Operating Expense Operating expenses increased by \$24.5 million, or 21%, to \$143.3 million for the nine months ended September 30, 2024, compared to \$118.8 million for the same period in 2023. Of the total increase, \$12.7 million was driven by Durangoâ€™s operations that were acquired during June of 2024. The remaining increase was primarily driven by increases in internal labor, repairs and maintenance and lubricants and chemicals totaling \$9.8 million, which was related to the increased gathered and processed volumes during 2024. Over 99% of operating expenses are included in the Midstream Logistics segment. 34 Table of Contents General and administrative expenses General and administrative expenses increased by \$21.7 million, or 30% to \$94.8 million for the nine months ended September 30, 2024, compared to \$73.1 million for the same period in 2023. The increase was mainly driven by higher share-based compensation of \$9.5 million due to new RSUs and PSUs granted during 2024 and \$7.9 million of integration and transaction costs associated with the 2024 Durango and Epic transactions. The remaining \$4.3 million increase primarily relates to higher internal labor and insurance expenses that have resulted from the overall growth of the organization. Depreciation and amortization expense Depreciation and amortization expense increased by \$28.0 million, or 13% to \$236.3 million for the nine months ended September 30, 2024, compared to \$208.3 million for the same period in 2023. Of the total increase, \$13.6 million was driven by Durango Acquisition that was completed during June of 2024. The remaining increase was driven by assets placed in service since third quarter of 2023, primarily related to the Delaware Link Pipeline that was placed in service in October 2023 and the rich gas lateral into Lea County, New Mexico. Loss on disposal of assets Loss on disposal of asset decreased by \$11.1 million, or 73% to \$4.1 million for the nine months ended September 30, 2024, compared to \$15.2 million for the same period in 2023. The decrease was mainly due to the write off of obsolete gathering and processing systems and facilities of \$11.8 million in 2023, but no similar write off took place in 2024. Other Income (Expense) Gain on sale of equity method investment Gain on sale of equity method investment increased by \$89.8 million, or 100%, for the nine months ended September 30, 2024, compared to the same period in 2023. The increase was related to the GCX Sale consummated in the second quarter of 2024. Interest Expense Interest expense increased by \$37.1 million, or 28%, to \$167.5 million for the nine months ended September 30, 2024, compared to \$130.4 million for the same

period in 2023. The increase was driven by a decrease in capitalized interest expense of \$8.9 million given the completion of the PHP expansion in December of 2023, and an unrealized loss on interest rate swaps of \$2.8 million during the nine months ended September 30, 2024 versus an unrealized gain on interest swaps of \$27.5 million during the same period in 2023. Refer to Note 11 "Derivatives and Hedging Activities" in the Notes to Condensed Consolidated Financial Statements regarding the Company's strategy in managing interest rate risk. Equity in earnings of unconsolidated affiliates Income from EMI pipelines increased by \$22.8 million, or 16%, to \$169.7 million for the nine months ended September 30, 2024, compared to \$146.8 million for the same period in 2023. An increase of \$35.9 million was driven by higher profitability from the Company's investment in PHP due to its expanded capacity that was placed into service in December 2023. This increase was partially offset by the decrease in equity in earnings of unconsolidated affiliates from GCX due to the GCX sale consummated in the second quarter of 2024. Income Tax Expense Income tax expense increased by \$19.2 million for the nine months ended September 30, 2024 compared to the same period in 2023. The increase was primarily due to the release of the valuation allowance against deferred tax assets in December 2023 and the recognition of deferred federal income tax of \$18.4 million for nine months ended September 30, 2024 compared to nil for the same period in 2023. 35 Table of Contents Key Performance Metrics Adjusted EBITDA Adjusted EBITDA is defined as net income including noncontrolling interests adjusted for interest, taxes, depreciation and amortization, gain or loss on disposal of assets and debt extinguishment, the proportionate EBITDA from our EMI pipelines, equity income and gain from sale of investments recorded using the equity method, share-based compensation expense, noncash increases and decreases related to hedging activities, fair value adjustments for contingent liabilities, integration and transaction costs and extraordinary losses and unusual or non-recurring charges. Adjusted EBITDA provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. We believe that Adjusted EBITDA provides a meaningful understanding of certain aspects of earnings before the impact of investing and financing charges and income taxes. Adjusted EBITDA is useful to an investor in evaluating our performance because this measure is widely used by analysts, investors and competitors to measure a company's operating performance; it is a financial measurement that is used by rating agencies and other parties to evaluate our credit worthiness; and it is used by our management for various purposes, including as a basis for strategic planning and forecasting. Adjusted EBITDA is not defined in GAAP. The GAAP measure used by the Company that is most directly comparable to Adjusted EBITDA is net income including noncontrolling interest. Adjusted EBITDA should not be considered as an alternative to the GAAP measure of net income including noncontrolling interest or any other measure of financial performance presented in accordance with GAAP. Adjusted EBITDA has important limitations as an analytical tool because it excludes some, but not all, items that affect net income including noncontrolling interest. Adjusted EBITDA should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP. The Company's definition of Adjusted EBITDA may not be comparable to similarly titled measures of other companies in the industry, thereby diminishing its utility. Reconciliation of non-GAAP financial measure Company management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable GAAP measure, understanding the differences between Adjusted EBITDA as compared to net income including noncontrolling interest, and incorporating this knowledge into its decision-making processes. Management believes that investors benefit from having access to the same financial measure that the Company uses in evaluating operating results. 36 Table of Contents The following table presents a reconciliation of the GAAP financial measure of net income including noncontrolling interest to the non-GAAP financial measure of Adjusted EBITDA. Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 % Change (In thousands, except percentages) Reconciliation of net income including noncontrolling interest to Adjusted EBITDA Net income including noncontrolling interest \$83,654 \$43,131 94% \$228,009 \$119,098 91% % Add back: Interest expense \$66,029 \$45,009 47% \$167,545 \$130,443 28% Income tax expense \$8,260 \$1,303 NM \$21,261 2,030 NM Depreciation and amortization expenses \$87,583 \$69,935 25% \$236,250 \$208,271 13% Amortization of contract costs \$1,655 \$1,655 4% \$4,965 \$4,965 4% Proportionate EMI EBITDA \$88,229 \$78,585 12% \$262,553 \$224,933 17% Share-based compensation \$15,171 \$12,502 21% \$52,868 \$43,340 22% Loss on disposal of assets \$2,927 \$100 4% \$9,094 \$15,166 73% Loss on debt extinguishment \$4 \$16 100% Contingent liability fair value adjustment \$1,400 \$4 \$100 1% \$4,400 \$4 \$100 100% Integration costs \$2,540 \$21 NM \$5,091 \$985 NM Acquisition transaction costs \$31 \$378 \$92 3% \$358 \$648 NM Other one-time cost or amortization \$3,717 \$2,662 40% \$8,448 \$7,545 12% Warrant valuation adjustment \$4 \$4 (100%) \$4 \$4 \$4 Deduct: Interest income \$572 \$293 95% \$1,459 \$314 NM Warrant valuation adjustment \$4 \$4 \$4 \$4 \$4 Commodity hedging unrealized gain \$8,817 \$100 1% \$1,935 \$4 \$100 100% Gain on sale of equity method investment \$29,953 \$4 \$100 100% \$89,837 \$4 \$100 100% Equity income from EMI's \$53,244 \$50,754 5% \$169,668 \$146,828 16% Adjusted EBITDA \$265,683 \$215,324 23% \$733,644 \$610,825 20% NM - not meaningful Adjusted EBITDA increased by \$50.4 million, or 23%, to \$265.7 million for the three months ended September 30, 2024, compared to \$215.3 million for the same period in 2023. As discussed in the Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations "Results of Operations to this Quarterly Report on Form 10-Q, \$49.2 million of the increase was due to increased total operating revenue of \$66.1 million, partially offset by increased cost of sales (exclusive of depreciation and amortization), operating expenses, ad valorem taxes and general and administrative expense of \$16.9 million. The remaining increases were primarily driven by higher proportionate EMI EBITDA of \$9.6 million and higher non-cash amortizations or other one-time costs of \$8.6 million. These increases were partially offset by a decrease of \$17.1 million related to unrealized commodity hedging activities. Adjusted EBITDA increased by \$122.8 million, or 20%, to \$733.6 million for the nine months ended September 30, 2024, compared to \$610.8 million for the same period in 2023. As discussed in the Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations "Results of Operations to this Quarterly Report on Form 10-Q, \$69.3 million of the increase was due to increased total operating revenue of \$189.7 million, partially offset by increased cost of sales (exclusive of depreciation and amortization), operating expenses, ad valorem taxes and general and administrative expenses of \$120.3 million. The increase was also driven by (i) higher proportionate EMI EBITDA of \$37.6 million primarily related to the expanded capacity at PHP that was placed into service during December 2023 and (ii) increases related to stock based compensation of \$9.5 million and integration, transaction and other one-time costs of \$7.9 million, which was mainly related to the Durango Acquisition completed in June 2024. 37 Table of Contents Segment Adjusted EBITDA Segment Adjusted EBITDA is defined as segment net earnings adjusted to exclude interest expense, income tax expense, depreciation and amortization, the proportionate effect of these same items for our equity method investments and other non-recurring items. The following table presents Segment Adjusted EBITDA for the three and nine months ended September 30, 2024 and 2023. Also refer to Note 16 "Segments" in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for a reconciliation of Segment Adjusted EBITDA to net income before income taxes. Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 % Change (In thousands, except percentages) Midstream Logistics \$173,623 \$140,443 24% \$464,165 \$396,800 17% Pipeline Transportation \$96,134 \$78,902 22% \$285,191 \$226,027 26% Corporate and Other (1) \$4,074 (4,021) 1% \$15,712 (12,002) 31% % Total Segment Adjusted EBITDA \$265,683 \$215,324 23% \$733,644 \$610,825 20% (1) Corporate and Other represents those results that: (i) are not specifically attributable to a reportable segment; (ii) are not individually reportable or (iii) have not been allocated to a reportable segment for the purpose of evaluating their performance, including certain general and administrative expense items. Midstream Logistics Segment Adjusted EBITDA increased by \$33.2 million to \$173.6 million for the three months ended September 30, 2024, compared to \$140.4 million for the same period in 2023. The increase was primarily due to the increased total operating revenue of \$57.9 million, partially offset by increased operating expense and ad valorem taxes of \$12.7 million and a decrease of \$17.1 million related to unrealized commodity hedging activities. The reasons for the fluctuations are discussed in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations "Results of Operations to this Quarterly Report on Form 10-Q. Midstream Logistics Segment Adjusted EBITDA increased by \$67.4 million to \$464.2 million for the nine months ended September 30, 2024, compared to \$396.8 million for the same period in 2023. The increase was primarily due to the increased total operating revenue of \$165.7 million, partially offset by increases in cost of sales (exclusive of depreciation and amortization) of \$70.7 million and operating expense and ad valorem taxes of \$26.2 million. The reasons for the fluctuations are discussed in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations "Results of Operations to this Quarterly Report on Form 10-Q. Pipeline Transportation Segment Adjusted EBITDA increased by \$17.2 million to \$96.1 million for the three months ended September 30, 2024, compared to \$78.9 million for the same period in 2023. The increase was primarily driven by higher proportionate EMI EBITDA of \$9.6 million due to increased profitability at PHP related to expanded capacity that was placed into service starting in December 2023. The increase was also driven by the increase in operating revenue of \$8.2 million primarily related to the Delaware Link Pipeline going into service during October 2023. The reasons for the fluctuations are discussed in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations "Results of Operations to this Quarterly Report on Form 10-Q. Pipeline Transportation Segment Adjusted EBITDA increased by \$59.2 million to \$285.2 million for the nine months ended September 30, 2024, compared to \$226.0 million for the same period in 2023. The increase was primarily driven by higher proportionate EMI EBITDA of \$37.6 million due to increased profitability at PHP related to expanded capacity that was placed into service starting in December 2023. The remaining increase was driven by increased operating revenue of \$23.9 million primarily related to the Delaware Link Pipeline going into service during October 2023. The reasons for the fluctuations are discussed in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations "Results of Operations to this Quarterly Report on Form 10-Q. Contractual Obligations We have contractual obligations for principal and interest payments on our 2028 Notes, 2030 Notes, and under the Term Loan Credit Facility, Revolving Credit Facility and A/R Facility. See Note 7 "Debt and Financing Costs" in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. 38 Table of Contents Under certain clauses of our transportation services agreements with third party pipelines to transport natural gas and NGLs, if we fail to ship a minimum throughput volume, then we will pay certain deficiency payments for transportation based on the volume shortfall up to the MVC amount. Capital Resources and Liquidity The Company's primary use of capital since inception has been for the initial construction of gathering and processing assets, as well as the acquisitions of businesses and EMI pipelines and associated subsequent construction costs. For 2024, the Company's primary spending requirements are related to the business acquisitions and other budgeted capital expenditures for construction and maintenance of gathering and processing assets, the Company's contractual debt obligations and quarterly cash dividends. In addition, the Company may repurchase its Class A Common Stock pursuant to the Share Repurchase Program from time to time. During the nine months ended September 30, 2024, the Company's primary sources of cash were distributions from the EMI pipelines, borrowings under the Revolving Credit Facility and A/R Facility, proceeds from the GCX Sale and cash generated from operations. Based on the Company's current financial plan, the Company believes that cash from operations and distributions from the EMI pipelines, and remaining borrowing capacity on our credit facilities will generate cash flows in excess of capital expenditures and the amount required to fund the Company's planned quarterly dividend over the next 12 months. A/R Facility Pursuant to the A/R Facility, the Company and certain of its subsidiaries continuously transfer receivables to Kinetik Receivables and Kinetik Receivables transfers receivables that meet certain qualifying conditions to third-party purchasers in exchange for cash. These receivables are held by Kinetik Receivables and are pledged to secure the collectability of the sold receivables and are accounted for as secured borrowings. The amount available for borrowing at any one time under the A/R Facility is limited to an amount calculated based on the outstanding balance of eligible receivables sold to the purchasers, subject to certain reserves, concentration limits, and other limitations. As of September 30, 2024, eligible accounts receivable of \$150.0 million was pledged to the A/R Facility as collateral. The net proceeds of the A/R Facility were used, together with cash on hand, to repay a portion of the outstanding borrowings under the Term Loan Credit Facility during the second quarter 2024, lowering the remaining balance to \$1.00 billion. As a result, the maturity of the Term Loan Credit Facility extended to December 8, 2026. Capital Requirements and Expenditures Our operations can be capital intensive, requiring investments to expand, upgrade, maintain or enhance existing operations and to meet environmental and operational regulations. During the nine months ended September 30, 2024 and 2023, capital spending for property, plant and equipment totaled \$155.8 million and \$245.8 million, respectively, intangible asset purchases totaled \$7.7 million and \$15.1 million, respectively, and contributions to EMI totaled \$3.3 million and \$202.7 million, respectively. The decrease in capital spending was mainly due to completion of the Delaware Link Pipeline and PHP expansion projects in the second half of 2023. Management believes its existing gathering, processing and transmission infrastructure capacity and future planned projects are capable of fulfilling its midstream contracts to service its customers. The Company anticipates its existing capital resources will be sufficient to fund the future capital expenditures for EMI pipelines and the Company's existing infrastructure assets over the next 12 months. For further information on EMIs, refer to Note 6 "Equity Method Investments" in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. 39 Table of Contents Cash Flow The following tables present cash flows from operating, investing and financing activities during the periods presented: Nine Months Ended September 30, 2024 2023 (In thousands) Cash provided by operating activities \$493,356 \$405,585 Cash used in investing activities \$65,909 \$582,600 Cash (used in) provided by financing activities \$411,519 \$170,689 Operating activities Net cash provided by operating activities increased by \$87.8 million for the nine months ended September 30, 2024 compared with the same period in 2023. The change in the operating cash flows reflected (i) an increase in net income including noncontrolling interests of \$108.9 million; (ii) a decrease in adjustments related to non-cash items of \$20.8 million, which was mainly driven by a gain of \$89.8 million recognized on the GCX Sale and an increase in equity in earnings from EMI of \$22.8 million, partially offset by increases in distribution from EMIs

of \$17.8 million, deferred income taxes of \$18.1 million, depreciation and amortization expense of \$28.0 million and a decrease in favorable derivative activities adjustments of \$26.8 million and (iii) a decrease in working capital of \$0.4 million. Investing activities. Net cash used in investing activities decreased by \$516.7 million for the nine months ended September 30, 2024 compared with the same period in 2023. The decrease was primarily driven by cash proceeds from the GCX Sale of \$524.4 million, lower capital expenditures of \$97.3 million and a reduction of investments in EMIs of \$199.5 million as the PHP expansion project was completed and put into service in December 2023, partially offset by net cash used in the Durango Acquisition and net cash used in the acquisition of additional equity interests in EPIC. Financing activities. Net cash used in financing activities was \$411.5 million for the nine months ended September 30, 2024, which was primarily comprised of net payments on the Partnershipâ™s Term Loan, Revolving Credit Facility and A/R Facility of \$138.6 million and cash dividend of \$272.9 million paid to the holders of Class A Common Stock and Common Units, compared with net cash provided by financing activities of \$170.7 million for the nine months ended September 30, 2023, which was primarily comprised of net proceeds from the Partnershipâ™s Revolving Credit Facility of \$235.0 million and cash dividend of \$58.6 million paid to the holders of Class A Common Stock and Common Units. Significant increase in cash dividend paid in the first nine months of 2024 compared to the same period in 2023 was mainly due to the expiration of the Reinvestment Agreement on March 8, 2024, as such Reinvestment Holders are not obligated to reinvest a specified percent of all distributions on Common Units or dividends on shares of Class A Common Stock in the Companyâ™s Class A Common Stock. Dividend During the nine months ended September 30, 2024, the Company made cash dividend payments of \$272.9 million to holders of Class A Common Stock and Common Units and \$75.2 million was reinvested in shares of Class A Common Stock by the Reinvestment Holders. On OctoberÂ 17, 2024, the Board declared a cash dividend of \$0.78 per share on the Companyâ™s Class A Common Stock which will be payable to stockholders on OctoberÂ 28, 2024. The Company, through its ownership of the general partner of the Partnership, declared a distribution of \$0.78 per Common Unit from the Partnership to the holders of Common Units, which will be payable on NovemberÂ 7, 2024. As described in these Condensed Consolidated Financial Statements, as the context requires, dividends paid to holders of Class A Common Stock and distributions paid to holders of Common Units may be referred to collectively as â€œdividends.â€ Share Repurchase Program For nine months ended September 30, 2024, the Company did not repurchase any of its outstanding shares. For more information regarding the 1% U.S. federal excise tax imposed on certain repurchases of stock by publicly traded U.S. corporations, please refer to Part I, Item 1A. â€œRisk Factorsâ€ Risks Related to Ownership of our Common Stockâ€ of the Companyâ™s Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. 40Table of ContentsLiquidity The following table presents a summary of the Companyâ™s key liquidity indicators at the dates presented: September 30, December 31, 2024 2023 (InÂ thousands) Cash and cash equivalents \$20,438Â \$4,510Â Total debt, net of unamortized deferred financing cost \$3,429,689Â \$3,562,809Â Available committed borrowing capacity \$730,400Â \$643,400Â Total debt and available credit facilities There is no assurance that the financial condition of banks with lending commitments to the Company and its subsidiaries will not deteriorate. The Company closely monitors the ratings of the banks in the Companyâ™s bank group. Having a large bank group allows the Company to mitigate the potential impact of any bankâ™s failure to honor its lending commitment. Off-Balance Sheet Arrangements As of SeptemberÂ 30, 2024, there were no off-balance sheet arrangements. Critical Accounting Policies and Estimates There have been no significant changes to our critical accounting policies and estimates from those disclosed on our Annual Report on Form 10-K for the year ended December 31, 2023. Please refer to information regarding our critical accounting policies and estimates included in Item 7. â€œManagementâ™s Discussion and Analysis of Financial Condition and Results of Operationsâ€ in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Commission on MarchÂ 5, 2024. 41Table of ContentsITEMÂ 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK Quantitative and Qualitative Disclosure About Market Risk The Company is exposed to various market risks, including the effects of adverse changes in commodity prices and credit risk as described below. The Company continually monitors its market risk exposure, including the impact and developments related to the conflicts in Ukraine and Israel, monetary policy addressing the interest rate and inflation trend, which continued to have significant impact on volatility and uncertainties in the financial markets during the third quarter of 2024. Commodity Price Risk The results of the Companyâ™s operations may be affected by the market prices of oil and natural gas. A portion of the Companyâ™s revenue is directly tied to local crude, natural gas, NGLs and condensate prices in the Permian Basin. Fluctuations in commodity prices also impact operating cost elements both directly and indirectly. For example, commodity prices directly impact costs such as power and fuel, which are expenses that increase or decrease in line with changes in commodity prices. Commodity prices also affect industry activity and demand, thus indirectly impacting the cost of items such as labor and equipment rentals. Management regularly reviews the Companyâ™s potential exposure to commodity price risk and uses financial or physical arrangements to mitigate potential volatility. Refer to Note 11â€œDerivatives and Hedging Activities in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional discussion regarding our hedging strategies and objectives. Interest Rate Risk As of SeptemberÂ 30, 2024, the Company had interest bearing debt, net of deferred financing costs, with principal amount of \$3.43 billion. The interest rates for the Revolving Credit Facility, the Term Loan and A/R Facility are variable, which expose the Company to the risk of increased interest expense in the event of increases to interest rates. Accordingly, results of operations, cash flows, financial condition and the ability to make cash distributions could be adversely affected by significant increases in interest rates. As of SeptemberÂ 30, 2024, the Company had two interest rate swap contracts with total notional amounts of \$1.70Â billion maturing on MayÂ 31, 2025 that pay a fixed rate ranging from 4.38% to 4.48% and one interest rate swap contract with notional amount of \$0.08 billion maturing on DecemberÂ 31, 2025 that pays a fixed rate of 3.02%. Refer to Note 11â€œDerivatives and Hedging Activities in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional discussion regarding our hedging strategies and objectives. In addition, the Company realizes 0.05% reductions to the effective interest rates of both the Revolving Credit Facility and the Term Loan during 2024 in relation to sustainability adjustment features embedded in these facilities as the Company has met its sustainability performance targets for fiscal year 2022 and 2023. Credit Risk The Company is subject to credit risk resulting from nonpayment or nonperformance by, or the insolvency or liquidation of, third-party customers. Any increase in nonpayment and nonperformance by, or the insolvency or liquidation of, the Companyâ™s customers could adversely affect the Companyâ™s results of operations. 42Table of ContentsITEM 4. CONTROLS AND PROCEDURES Disclosure Controls and Procedures As of SeptemberÂ 30, 2024, pursuant to Rule 13a-15(b) of the Exchange Act, the Company conducted an evaluation, under the supervision and with the participation of the Companyâ™s management, including the Chief Executive Officer and Chief Accounting and Administrative Officer, who serves as the principal accounting officer, of the effectiveness of the design and operation of the Companyâ™s disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, the Companyâ™s Chief Executive Officer and Chief Accounting and Administrative Officer concluded that the design and operation of the Companyâ™s disclosure controls and procedures were effective as of SeptemberÂ 30, 2024. The Companyâ™s disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the applicable rules and forms of the SEC. The Companyâ™s disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Companyâ™s management, including the Chief Executive Officer and Chief Accounting and Administrative Officer, as appropriate, to allow timely decisions regarding required disclosure. As disclosed in Noteâ€2 Business Combinations in the Notes to Condensed Consolidated Financial Statements, we acquired Durango on June 24, 2024, and its total revenues constituted approximately 4% of total revenues as shown on our Condensed Consolidated Statements of Operations for the nine months ended SeptemberÂ 30, 2024. Durangoâ™s total assets constituted approximately 13% of total assets as shown on our Condensed Consolidated Balance Sheet as of SeptemberÂ 30, 2024. We expect to exclude Durangoâ™s internal control over financial reporting from the scope of management's assessment of the effectiveness of our disclosure controls and procedures for one year following the acquisition. As part of the Companyâ™s ongoing integration activities, the Companyâ™s financial reporting controls and procedures are in the process of incorporating the financial information of Durango. The Condensed Consolidated Financial Statements presented in this Quarterly Report on Form 10-Q were prepared using certain information obtained from Durangoâ™s separate, legacy systems. Change in Internal Control over Financial Reporting Except as described above, there were no changes in the Companyâ™s internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended SeptemberÂ 30, 2024, that have materially affected, or is reasonably likely to materially affect, the Companyâ™s internal control over financial reporting. 43Table of ContentsPART II â€œ OTHER INFORMATION ITEM 1. LEGAL PROCEEDINGS For further information regarding legal proceedings, refer to Note 15â€œCommitments and Contingencies in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. ITEM 1A. RISK FACTORS Please refer to Part II, Item 1A. â€œRisk Factorsâ€ in the Companyâ™s Annual Report Form 10-K for the year ended December 31, 2023 filed on MarchÂ 5, 2024. ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS There was no unregistered sale of equity securities or repurchase activities during the three months ended September 30, 2024. ITEM 5. OTHER INFORMATION Trading Arrangements During the three months ended SeptemberÂ 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b-5-1 trading arrangement or non-Rule 10b-5-1 trading arrangement (as each term is defined in Item 408 of Regulation S-K). Disclosure Pursuant to Section 13(r) of the Securities Exchange Act of 1934 Pursuant to Section 13(r) of the Exchange Act, we may be required to disclose in our annual and quarterly reports to the SEC whether we or any of our affiliates are knowingly engaged in certain activities, transactions or dealings relating to Iran or with certain individuals or entities targeted by US economic sanctions. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law. Because the SEC defines the term â€œaffiliateâ€ broadly, it includes any entity under common control with us (and the term â€œcontrolâ€ is also construed broadly by the SEC). The description of the activities below has been provided to us by Blackstone Inc. (â€œBXâ€), affiliates of which: (i) beneficially own more than 10% of our outstanding common stock and are members of our board of directors, and (ii) hold a minority non-controlling interest in Mundys S.p.A (formerly Atlanta S.p.A). Mundys S.p.A. may therefore be deemed to be under common control with us; however, this statement is not meant to be an admission that common control exists. The disclosure below relates solely to activities conducted by Mundys S.p.A. The disclosure does not relate to any activities conducted by us or by BX and does not involve our or BXâ™s management. Neither we nor BX has had any involvement in or control over the disclosed activities, and neither we nor BX has independently verified or participated in the preparation of the disclosure. Neither we nor BX is representing as to the accuracy or completeness of the disclosure nor do we or BX undertake any obligation to correct or update it. We understand that BX disclosed the following in their most recent Quarterly report on Form 10-Q, and as of September 30, 2024, the Company is unaware of any changes to the relationship status between BX and Mundys S.p.A, therefore, the Company included BXâ™s disclosure of certain activities, transactions or dealings between BX and Iran. Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Mundys S.p.A. on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Mundys S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Mundys S.p.A. Mundys S.p.A. owns and controls Aeroporti di Roma S.p.A. (â€œADRâ€), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the quarter ended September 30, 2024 was less than â€“100,000. Mundys S.p.A. does not track profits specifically attributable to these activities. 44Table of ContentsITEM 6. EXHIBITSEXHIBIT NO. DESCRIPTION 2.1***â€ Contribution Agreement, dated October 21, 2021, by and among Altus Midstream Company, Altus Midstream LP, New BCP Raptor Holdco, LLC, and BCP Raptor Holdco, LP. 3.1â€ Third Amended and Restated Certificate of Incorporation of Kinetik Holdings Inc. 3.2â€ Amended and Restated Bylaws of Kinetik Holdings Inc. 3.3â€ Certificate of Amendment to the Third Amended and Restated Certificate of Incorporation of Kinetik Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Registrantâ™s Current Report on Form 8-K filed on June 2, 2023). 4.1â€ Amended and Restated Stockholders Agreement, dated October 21, 2021, by and among APA Corporation, Apache Midstream LLC, Altus Midstream Company, New BCP Raptor Holdco, LLC, Raptor Aggregator, LP, BX Permian Pipeline Aggregator, LP, Buzzard Midstream LLC, and BCP Raptor Holdco, LP. 4.2â€ Second Amended and Restated Registration Rights Agreement, dated February 22, 2022, by and among Altus Midstream Company, Apache Midstream LLC, Raptor Aggregator, LP, BX Permian Pipeline Aggregator, LP, Buzzard Midstream LLC and the other holders party thereto. 4.3â€ Indenture, dated June 8, 2022, by and among Kinetik Holdings Inc., as parent, Kinetik Holdings LP, as issuer, and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrantâ™s Current Report on Form 8-K filed on June 14, 2022). 4.4â€ Form of 5.875% Senior Notes Due 2030 (included in Exhibit 4.3) (incorporated by reference to Exhibit 4.2 to the Registrantâ™s Current Report on Form 8-K filed on June 14, 2022). 4.5â€ Indenture, dated December 6, 2023, by and among Kinetik Holdings Inc., Kinetik Holdings LP and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrantâ™s Current Report on Form 8-K filed on December 6, 2023). 4.6â€ Form of 6.625% Sustainability-Linked Senior Notes (incorporated by reference to Exhibit 4.2 to the Registrantâ™s Current Report on Form 8-K filed on December 6, 2023). 4.7â€ Registration Rights Agreement, dated as of June 24, 2024, by and among Kinetik Holdings Inc. and Durango Midstream LLC (incorporated by reference to Exhibit 4.1 to the Registrantâ™s Current Report on Form

8-K filed June 28, 2024).10.1Third Amended and Restated Agreement of Limited Partnership of Altus Midstream LP, dated as of October 22, 2021. 10.2â€ Kinetik Holdings Inc. Amended and Restated 2019 Omnibus Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrantâ€™s Current Report on Form 8-K filed on May 23, 2024). 10.3***â€ “Receivables Purchase Agreement, dated April 2, 2024, by and among Kinetik Receivables LLC, as the seller, Kinetik Holdings LP, a subsidiary of Kinetik Holdings Inc., as the servicer, PNC Bank, National Association, as administrative agent, PNC Capital Markets LLC, as structuring agent, and the purchasers party thereto.10.4***â€ “Sale and Contribution Agreement, dated April 2, 2024, by and among Kinetik Holdings LP, a subsidiary of Kinetik Holdings Inc., Kinetik Receivables LLC and the originators party thereto.10.5***â€ “Purchase and Sale Agreement, dated as of May 9, 2024, by and among Kinetik GCX Pipe LLC, GCX Pipeline, LLC, solely for purposes of Section 6.7, Article X and Article XI, AL GCX Holdings, LLC and solely for purposes of Section 6.8, Article X and Article XI, Kinetik Holdings LP (incorporated by reference to Exhibit 10.2 to the Registrantâ€™s Current Report on Form 8-K filed on May 13, 2024).10.6***â€ “Membership Interest Purchase Agreement, dated as of May 9, 2024, by and among Kinetik Holdings Inc., Kinetik Holdings LP and Durango Midstream, LLC (incorporated by reference to Exhibit 10.1 to the Companyâ€™s Current Report on Form 8-K filed with the Commission on May 13, 2024).10.7â€ “Observer Rights Agreement, dated as of June 24, 2024, by and among Kinetik Holdings Inc., Kinetik Holdings LP and Durango Midstream LLC (incorporated by reference to Exhibit 10.1 to the Companyâ€™s Current Report on Form 8-K filed with the Commission on June 28, 2024).31.1*â€ “Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).31.2â€ “Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).32.1**â€ “Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(b) and 18 U.S.C. 1350.32.2**â€ “Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(b) and 18 U.S.C. 1350.101*â€ “The following financial statements from the Registrantâ€™s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statements of Cash Flows, (iv) Condensed Consolidated Statements of Changes in Equity and Noncontrolling Interests and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.45Table of ContentsEXHIBIT NO.DESCRIPTION101.SCH*â€ “Inline XBRL Taxonomy Schema Document.101.CAL*â€ “Inline XBRL Calculation Linkbase Document.101.DEF*â€ “Inline XBRL Definition Linkbase Document.101.LAB*â€ “Inline XBRL Label Linkbase Document.101.PRE*â€ “Inline XBRL Presentation Linkbase Document.104*â€ “Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).* Filed herewith.** Furnished herewith.*** Schedules and exhibits to this Exhibit have been omitted pursuant to Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.â€ Management contracts or compensatory plans or arrangements.46Table of ContentsSIGNATURESPursuant 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 hereunto duly authorized.Â A Â A Â KINETIK HOLDINGS INC.Dated:November 7, 2024Â /s/ Jamie WelchÂ Jamie WelchChief Executive Officer, President and Director (Principal Executive Officer)Dated:November 7, 2024Â /s/ Steven StellatoÂ Steven StellatoExecutive Vice President, Chief Accounting and Chief Administrative Officer(Principal Financial Officer and Principal Accounting Officer)47DocumentEXHIBIT 31.1CERTIFICATIONS1. Jamie Welch, certify that: 1.I have reviewed this Quarterly Report on Form 10-Q of Kinetik Holdings Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;c.Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.Â A Â A Â The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Date: November 7, 2024/s/ Jamie WelchChief Executive Officer, President and DirectorDocumentEXHIBIT 31.2CERTIFICATIONS1. Steven Stellato, certify that:1.I have reviewed this Quarterly Report on Form 10-Q of Kinetik Holdings Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;c.Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and5.Â A Â A Â The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; andb.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Date: November 7, 2024/s/ Steven StellatoSteven StellatoExecutive Vice President, Chief Accounting and Chief Administrative Officerroman; MARGIN: 0px; text-align:center;">3DocumentEXHIBIT 32.1KINETIK HOLDINGS INC.Certification of Principal Executive Officer I, Jamie Welch, Chief Executive Officer, President and Director, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report on Form 10-Q of Kinetik Holdings Inc. for the quarterly period ending September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Â§78m or Â§78o (d)) and that information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Kinetik Holdings Inc.Date: November 7, 2024/s/ Jamie WelchJamie WelchChief Executive Officer, President and DirectorDocumentEXHIBIT 32.2KINETIK HOLDINGS INC.Certification of Principal Financial Officer, Steven Stellato, Executive Vice President, Chief Accounting and Chief Administrative Officer, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report on Form 10-Q of Kinetik Holdings Inc. for the quarterly period ending September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Â§78m or Â§78o (d)) and that information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Kinetik Holdings Inc.Date: November 7, 2024/s/ Steven StellatoSteven StellatoExecutive Vice President, Chief Accounting and Chief Administrative Officer