

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2025
OR

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

Commission File Number 001-36505

Viper Energy, Inc.
(Exact Name of Registrant As Specified in Its Charter)

DE

46-5001985

(State or Other Jurisdiction of Incorporation or
Organization)

(I.R.S. Employer Identification Number)

500 West Texas Ave.,

Suite 100

Midland, TX

(Address of principal executive offices)

79701

(Zip code)

(432) 221-7400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock \$0.000001 par value	VNOM	The Nasdaq Stock Market LLC (NASDAQ Global Select Market)

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

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

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

As of May 2, 2025, 131,083,704 shares of Class A Common Stock and 157,458,390 shares of Class B Common Stock of the registrant were outstanding.

VIPER ENERGY, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2025
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GLOSSARY OF OIL AND NATURAL GAS TERMS

The following is a glossary of certain oil and natural gas terms that are used in this Quarterly Report on Form 10-Q (this “report”) and our other periodic reports under the Exchange Act:

Argus WTI Midland	Grade of oil that serves as a benchmark price for oil at Midland, Texas.
Basin	A large depression on the earth’s surface in which sediments accumulate.
Bbl or barrel	One stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to crude oil or other liquid hydrocarbons.
BO/d	One barrel of crude oil per day.
BOE	One barrel of oil equivalent, with six thousand cubic feet of natural gas being equivalent to one barrel of oil.
BOE/d	BOE per day.
Completion	The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.
Crude oil	Liquid hydrocarbons retrieved from geological structures underground to be refined into fuel sources.
Development well	A well drilled within the proved area of a natural gas or oil reservoir to the depth of a stratigraphic horizon known to be productive.
Differential	An adjustment to the price of oil or natural gas from an established spot market price to reflect differences in the quality and/or location of oil or natural gas.
Fracturing	The process of creating and preserving a fracture or system of fractures in a reservoir rock typically by injecting a fluid under pressure through a wellbore and into the targeted formation.
Gross wells	The total wells in which a working interest is owned.
Henry Hub	Natural gas gathering point that serves as a benchmark price for natural gas futures on the NYMEX.
Horizontal wells	Wells drilled directionally horizontal to allow for development of structures not reachable through traditional vertical drilling mechanisms.
MBbls	One thousand barrels of crude oil and other liquid hydrocarbons.
MBO/d	One thousand barrels of crude oil per day.
MBOE	One thousand barrels of crude oil equivalent, determined using a ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.
MBOE/d	One thousand BOE per day.
Mcf	One thousand cubic feet of natural gas.
Mineral interests	The interests in ownership of the resource and mineral rights, giving an owner the right to profit from the extracted resources.
MMBtu	One million British Thermal Units.
MMcf	Million cubic feet of natural gas.
Net royalty acres	Net mineral acres multiplied by the average lease royalty interest and other burdens.
Oil and natural gas properties	Tracts of land consisting of properties to be developed for oil and natural gas resource extraction.
Operator	The individual or company responsible for the exploration and/or production of an oil or natural gas well or lease.
Proved reserves	The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions.

Reserves	The estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to the market and all permits and financing required to implement the project. Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).
Royalty interest	An interest that gives an owner the right to receive a portion of the resources or revenues without having to carry any costs of development, which may be subject to expiration.
Spud	Commencement of actual drilling operations.
Waha Hub	Natural gas gathering point that serves as a benchmark price for natural gas at western Texas and New Mexico.
WTI	West Texas Intermediate, a light sweet blend of oil produced from fields in western Texas and is a grade of oil that serves as a benchmark for oil on the NYMEX.
WTI Cushing	Grade of oil that serves as a benchmark price for oil at Cushing, Oklahoma.

GLOSSARY OF CERTAIN OTHER TERMS

The following is a glossary of certain other terms that are used in this report and our other periodic reports under the Exchange Act:

Adjusted EBITDA	Consolidated Adjusted EBITDA, a non-GAAP measure, generally equals net income (loss) attributable to Viper Energy, Inc. plus net income (loss) attributable to non-controlling interest before interest expense, net, non-cash share-based compensation expense, depletion, non-cash (gain) loss on derivative instruments, other non-cash operating expenses, other non-recurring expenses and provision for (benefit from) income taxes, which measure is used by management to more effectively evaluate the operating performance and determine dividend amounts for purposes of the dividend policy.
ASU	Accounting Standards Update.
Class A Common Stock	Class A Common Stock, \$0.000001 par value per share of Viper Energy, Inc.
Class B Common Stock	Class B Common Stock, \$0.000001 par value per share of Viper Energy, Inc.
Common Stock	Collectively, Class A Common Stock and Class B Common Stock.
Diamondback	Diamondback Energy, Inc., a Delaware corporation.
Exchange Act	The Securities Exchange Act of 1934, as amended.
FASB	Financial Accounting Standards Board.
GAAP	Accounting principles generally accepted in the United States.
LTIP	Viper Energy, Inc. Amended and Restated 2014 Long-Term Incentive Plan, as amended and restated by Viper Energy, Inc. 2024 Amended and Restated Long-Term Incentive Plan, and as may be further amended or restated from time to time.
Nasdaq	The Nasdaq Global Select Market.
Notes	The outstanding senior notes of Viper Energy, Inc. issued under indentures where Viper Energy Partners LLC is the sole guarantor, consisting of the 5.375% Senior Notes due 2027 and the 7.375% Senior Notes due 2031.
OPEC	Organization of the Petroleum Exporting Countries.
Operating Company	Viper Energy Partners LLC, a Delaware limited liability company and a consolidated subsidiary of Viper Energy, Inc.
Partnership	Viper Energy Partners LP, the predecessor of the Company, which converted into the Company in the conversion from a Delaware limited partnership into a Delaware corporation completed on November 13, 2023.
SEC	United States Securities and Exchange Commission.
Securities Act	The Securities Act of 1933, as amended.
SOFR	The secured overnight financing rate.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in this report are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which involve risks, uncertainties, and assumptions. All statements, other than statements of historical fact, including statements regarding our: future performance; business strategy; future operations; estimates and projections of operating income, losses, costs and expenses, returns, cash flow, and financial position; production levels on properties in which we have mineral and royalty interests, developmental activity by other operators; reserve estimates and our ability to replace or increase reserves; anticipated benefits or other effects of strategic transactions; and plans and objectives of management (including Diamondback’s plans for developing our acreage and our cash dividend policy and repurchases of our Class A Common Stock and/or Notes) are forward-looking statements. When used in this report, the words “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and similar expressions (including the negative of such terms) as they relate to us are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although we believe that the expectations and assumptions reflected in our forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond our control. In particular, the factors discussed in this report and detailed under [Part II, Item 1A, Risk Factors](#), and our [Annual Report on Form 10-K](#) for the year ended December 31, 2024, could affect our actual results and cause our actual results to differ materially from expectations, estimates or assumptions expressed, forecasted or implied in such forward-looking statements. Unless the context requires otherwise, references to “we,” “us,” “our” or the “Company” are intended to mean the business and operations of the Company and the Operating Company.

Factors that could cause the outcomes to differ materially include (but are not limited to) the following:

- changes in supply and demand levels for oil, natural gas, and natural gas liquids and the resulting impact on the price for those commodities;
- the impact of public health crises, including epidemic or pandemic diseases and any related company or government policies or actions;
- actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments;
- changes in general economic, business or industry conditions, including changes in foreign currency exchange rates, interest rates, inflation rates, or instability in the financial sector;
- regional supply and demand factors, including delays, curtailment delays or interruptions of production on our mineral and royalty acreage, or governmental orders, rules or regulations that impose production limits on such acreage;
- federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations;
- physical and transition risks relating to climate change;
- restrictions on the use of water, including limits on the use of produced water by our operators and a moratorium on new produced water well permits recently imposed by the Texas Railroad Commission in an effort to control induced seismicity in the Permian Basin;
- significant declines in prices for oil, natural gas, or natural gas liquids, which could require recognition of significant impairment charges;
- changes in U.S. energy, environmental, monetary and trade policies, including with respect to tariffs or other trade barriers, and any resulting trade tensions;
- conditions in the capital, financial and credit markets, including the availability and pricing of capital for drilling and development by our operators and environmental and social responsibility projects undertaken by Diamondback and our other operators;
- changes in availability or cost of rigs, equipment, raw materials, supplies and oilfield services impacting our operators;
- changes in safety, health, environmental, tax, and other regulations or requirements impacting us or our operators (including those addressing air emissions, water management, or the impact of global climate change);
- security threats, including cybersecurity threats and disruptions to our business from breaches of Diamondback’s information technology systems, or from breaches of information technology systems of our operators or third parties with whom we transact business;

- lack of, or disruption in, access to adequate and reliable transportation, processing, storage and other facilities impacting our operators;
- severe weather conditions and natural disasters;
- acts of war or terrorist acts and the governmental or military response thereto;
- changes in the financial strength of counterparties to the credit facility and hedging contracts of our operating subsidiary;
- changes in our credit rating;
- failure to realize anticipated benefits from the 2025 Drop Down discussed in this report or our other recent acquisitions; and
- other risks and factors disclosed in this report.

In light of these factors, the events anticipated by our forward-looking statements may not occur at the time anticipated or at all. Moreover, new risks emerge from time to time. We cannot predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements we may make. Accordingly, you should not place undue reliance on any forward-looking statements made in this report. All forward-looking statements speak only as of the date of this report or, if earlier, as of the date they were made. We do not intend to, and disclaim any obligation to, update or revise any forward-looking statements unless required by applicable law.

PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Viper Energy, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 560	\$ 27
Royalty income receivable (net of allowance for credit losses)	146	149
Royalty income receivable—related party	41	31
Income tax receivable	2	2
Derivative instruments	31	18
Prepaid expenses and other current assets	12	11
Total current assets	<u>792</u>	<u>238</u>
Property:		
Oil and natural gas interests, full cost method of accounting (\$2,279 and \$2,180 excluded from depletion at March 31, 2025 and December 31, 2024, respectively)	6,097	5,713
Land	6	6
Accumulated depletion and impairment	(1,148)	(1,081)
Property, net	<u>4,955</u>	<u>4,638</u>
Derivative instruments	12	—
Deferred income taxes (net of allowances)	249	185
Funds held in escrow	223	1
Other assets	7	7
Total assets	<u>\$ 6,238</u>	<u>\$ 5,069</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable—related party	\$ 2	\$ 2
Accrued liabilities	66	43
Derivative instruments	5	2
Income taxes payable	18	2
Total current liabilities	<u>91</u>	<u>49</u>
Long-term debt, net	822	1,083
Derivative instruments	2	—
Other long-term liabilities	—	30
Total liabilities	<u>915</u>	<u>1,162</u>
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A Common Stock, \$0.000001 par value: 1,000,000,000 shares authorized; 131,323,078 shares issued and outstanding as of March 31, 2025 and 102,977,142 shares issued and outstanding as of December 31, 2024	—	—
Class B Common Stock, \$0.000001 par value: 1,000,000,000 shares authorized; 87,831,750 shares issued and outstanding as of March 31, 2025 and 85,431,453 shares issued and outstanding as of December 31, 2024	—	—
Additional paid-in capital	2,566	1,569
Retained earnings (accumulated deficit)	108	118
Total Viper Energy, Inc. stockholders' equity	<u>2,674</u>	<u>1,687</u>
Non-controlling interest	2,649	2,220
Total equity	<u>5,323</u>	<u>3,907</u>
Total liabilities and stockholders' equity	<u>\$ 6,238</u>	<u>\$ 5,069</u>

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
	(In millions, except per share amounts, shares in thousands)	
Operating income:		
Oil income	\$ 201	\$ 177
Natural gas income	15	7
Natural gas liquids income	28	21
Royalty income	244	205
Lease bonus income	1	—
Total operating income	245	205
Costs and expenses:		
Production and ad valorem taxes	17	14
Depletion	67	47
General and administrative expenses—related party	4	2
General and administrative expenses	2	3
Total costs and expenses	90	66
Income (loss) from operations	155	139
Other income (expense):		
Interest expense, net	(13)	(20)
Gain (loss) on derivative instruments, net	32	(7)
Total other income (expense), net	19	(27)
Income (loss) before income taxes	174	112
Provision for (benefit from) income taxes	21	13
Net income (loss)	153	99
Net income (loss) attributable to non-controlling interest	78	56
Net income (loss) attributable to Viper Energy, Inc.	\$ 75	\$ 43
Net income (loss) attributable to common shares:		
Basic	\$ 0.62	\$ 0.49
Diluted	\$ 0.62	\$ 0.49
Weighted average number of common shares outstanding:		
Basic	120,926	87,537
Diluted	121,030	87,629

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Changes to Stockholders' Equity
(Unaudited)

	<u>Common Stock⁽¹⁾</u>		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Non- Controlling Interest	Total
	Class A Shares	Class B Shares				
	(In millions, shares in thousands)					
Balance at December 31, 2024	102,977	85,431	\$ 1,569	\$ 118	\$ 2,220	\$ 3,907
Common shares issued for acquisition	—	2,400	—	—	—	—
Operating Company units issued for acquisition	—	—	—	—	119	119
Net proceeds from the issuance of Common Stock	28,336	—	1,232	—	—	1,232
Equity-based compensation	—	—	1	—	—	1
Issuance of shares upon vesting of equity awards	10	—	—	—	—	—
Dividends to stockholders	—	—	—	(85)	—	(85)
Dividends to Diamondback	—	—	—	—	(59)	(59)
Dividends to other non-controlling interest	—	—	—	—	(9)	(9)
Change in ownership of consolidated subsidiaries, net	—	—	(236)	—	300	64
Net income (loss)	—	—	—	75	78	153
Balance at March 31, 2025	<u>131,323</u>	<u>87,831</u>	<u>\$ 2,566</u>	<u>\$ 108</u>	<u>\$ 2,649</u>	<u>\$ 5,323</u>

(1) The par values of the outstanding shares of Class A Common Stock and Class B Common Stock each round to zero during the periods presented.

	<u>Common Stock⁽¹⁾</u>		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Non- Controlling Interest	Total
	Class A Shares	Class B Shares				
	(In millions, shares in thousands)					
Balance at December 31, 2023	86,144	90,710	\$ 1,031	\$ (17)	\$ 1,843	\$ 2,857
Common Stock converted in Diamondback Offering	5,279	(5,279)	—	—	—	—
Issuance of shares upon vesting of equity awards	1	—	—	—	—	—
Dividends to stockholders	—	—	—	(44)	—	(44)
Dividends to Diamondback	—	—	—	(4)	(63)	(67)
Change in ownership of consolidated subsidiaries, net	—	—	70	—	(51)	19
Net income (loss)	—	—	—	43	56	99
Balance at March 31, 2024	<u>91,424</u>	<u>85,431</u>	<u>\$ 1,101</u>	<u>\$ (22)</u>	<u>\$ 1,785</u>	<u>\$ 2,864</u>

(1) The par values of the outstanding shares of Class A Common Stock and Class B Common Stock each round to zero during the periods presented.

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Cash flows from operating activities:		
Net income (loss)	\$ 153	\$ 99
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for (benefit from) deferred income taxes	(1)	(1)
Depletion	67	47
(Gain) loss on derivative instruments, net	(32)	7
Net cash receipts (payments) on derivatives	9	(3)
Other	1	2
Changes in operating assets and liabilities:		
Royalty income receivable	3	(23)
Royalty income receivable—related party	(10)	(30)
Accounts payable and accrued liabilities	(4)	5
Accounts payable—related party	—	(1)
Income taxes payable	15	12
Other	—	1
Net cash provided by (used in) operating activities	<u>201</u>	<u>115</u>
Cash flows from investing activities:		
Acquisitions of oil and natural gas interests	(486)	(21)
Proceeds from sale of oil and natural gas interests	—	1
Net cash provided by (used in) investing activities	<u>(486)</u>	<u>(20)</u>
Cash flows from financing activities:		
Proceeds from borrowings under credit facility	295	90
Repayment on credit facility	(556)	(80)
Net proceeds from public offering	1,232	—
Dividends to stockholders	(85)	(44)
Dividends to Diamondback	(59)	(67)
Dividends to other non-controlling interest	(9)	—
Net cash provided by (used in) financing activities	<u>818</u>	<u>(101)</u>
Net increase (decrease) in cash and cash equivalents	533	(6)
Cash, cash equivalents and restricted cash at beginning of period	27	26
Cash, cash equivalents and restricted cash at end of period	<u>\$ 560</u>	<u>\$ 20</u>
Supplemental disclosure of non—cash transactions:		
OpCo Units issued for acquisition	\$ 119	\$ —

See accompanying notes to condensed consolidated financial statements.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Viper Energy, Inc. (the “Company”) is a publicly traded Delaware corporation focused on owning and acquiring mineral interests and royalty interests in oil and natural gas properties primarily in the Permian Basin. As of March 31, 2025, Viper Energy, Inc. owned approximately 57.3% of the units representing limited liability company interests (“OpCo Units”) in its operating subsidiary Viper Energy Partners LLC (the “Operating Company”) and was the managing member of the Operating Company.

Prior to March 8, 2024, the Company was a “controlled company” under the rules of the Nasdaq Stock Market LLC (the “Nasdaq Rules”). On March 8, 2024, the Company’s parent, Diamondback, completed an underwritten public offering in which it sold 13,225,000 shares of the Company’s Class A Common Stock (the “Diamondback Offering”). Following the Diamondback Offering, Diamondback owned no shares of the Company’s Class A Common Stock and owned 85,431,453 shares of the Company’s Class B Common Stock, reducing its beneficial ownership to less than 50% of the Company’s total Common Stock outstanding. As such, the Company ceased to be a “controlled company” under the Nasdaq Rules. Prior to the Diamondback Offering, the Company’s board of directors had a majority of independent directors and a standing audit committee comprised of all independent directors, but had elected to take advantage of certain exemptions from corporate governance requirements applicable to controlled companies under the Nasdaq Rules and, until March 8, 2024, did not have a compensation committee or a committee of independent directors that selects director nominees.

Effective as of March 8, 2024, the Company’s board of directors formed (i) the compensation committee for purposes of making certain executive and other compensation decisions, and (ii) the nominating and corporate governance committee for purposes of making certain nominating and corporate governance decisions, with each such committee’s rights and obligations being subject to the terms and conditions of (x) the Company’s certificate of incorporation, (y) such committee’s charter as adopted by the board, and (z) the services and secondment agreement, dated as of November 2, 2023, pursuant to which Diamondback provides personnel and general and administrative services to us, including the services of the executive officers and other employees (the “Services and Secondment Agreement”).

As of March 31, 2025, Diamondback beneficially owned approximately 39.0% of the outstanding voting power of the Company’s capital stock.

Basis of Presentation

The accompanying condensed consolidated financial statements and related notes thereto were prepared in accordance with GAAP. All material intercompany balances and transactions have been eliminated upon consolidation. The Company reports its operations in one reportable segment.

These condensed consolidated financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the SEC. They reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal recurring nature. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to SEC rules and regulations, although the Company believes the disclosures are adequate to make the information presented not misleading. This report should be read in conjunction with the Company’s most recent [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2024, which contains a summary of the Company’s significant accounting policies and other disclosures.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period financial statement presentation. These reclassifications had no effect on the previously reported total assets, total liabilities, stockholders’ equity, results of operations or cash flows.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Certain amounts included in or affecting the Company's condensed consolidated financial statements and related disclosures must be estimated by management, requiring certain assumptions to be made with respect to values or conditions that cannot be known with certainty at the time the condensed consolidated financial statements are prepared. These estimates and assumptions affect the amounts the Company reports for assets and liabilities and the Company's disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements.

Making accurate estimates and assumptions is particularly difficult in the oil and natural gas industry given the challenges resulting from volatility in oil and natural gas prices. For instance, the war in Ukraine, the Israel-Hamas war and other conflicts in the Middle East, higher interest rates, effects of tariffs, actions taken by OPEC and its non-OPEC allies, known collectively as OPEC+, global supply chain disruptions and measures to combat persistent inflation and instability in the financial sector have contributed to recent pricing and economic volatility. The financial results of companies in the oil and natural gas industry have been and may continue to be impacted materially as a result of changing market conditions. Such circumstances generally increase uncertainty in the Company's accounting estimates, particularly those involving financial forecasts.

The Company evaluates these estimates on an ongoing basis, using historical experience, consultation with experts and other methods the Company considers reasonable in each particular circumstance. Nevertheless, actual results may differ significantly from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Significant items subject to such estimates and assumptions include estimates of proved oil and natural gas reserves and related present value estimates of future net cash flows therefrom, the carrying value of oil and natural gas interests, estimates of third-party operated royalty income related to expected sales volumes and prices, the recoverability of costs of unevaluated properties, the fair value determination of assets and liabilities, including those acquired by the Company, fair value estimates of commodity derivatives and estimates of income taxes, including deferred tax valuation allowances.

Related Party Transactions

Funds Held in Escrow

During the first quarter of 2025, the Company deposited approximately \$223 million of cash into escrow pursuant to a definitive equity purchase agreement relating to the 2025 Drop Down (as defined and discussed in Note 13—[Subsequent Events](#)). The escrow deposit is recorded in the caption "Funds held in escrow" on the Company's condensed consolidated balance sheet at March 31, 2025.

Royalty Income Receivable

As of March 31, 2025 and December 31, 2024, Diamondback, either directly or through its consolidated subsidiaries, owed the Company \$41 million and \$31 million, respectively, for royalty income received from third parties for the Company's production, which had not yet been remitted to the Company.

Lease Bonus Income

During the three months ended March 31, 2025 and 2024, Diamondback paid the Company \$0.3 million and \$0.1 million, respectively, of lease bonus income primarily related to new leases in the Midland Basin.

Other Related Party Transactions

See Note 13—[Subsequent Events](#) for significant related party acquisitions of oil and natural gas interests.

See Note 7—[Stockholder's Equity](#) for further details regarding equity transactions with related parties.

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Notes to the Condensed Consolidated Financial Statements - (Continued)
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All other significant related party transactions with Diamondback or its affiliates have been stated on the face of the condensed consolidated financial statements.

Accrued Liabilities

Accrued liabilities consist of the following as of the dates indicated:

	March 31, 2025	December 31, 2024
(In millions)		
Interest payable	\$ 22	\$ 10
Ad valorem taxes payable	8	20
Derivatives instruments payable	1	1
Acquisition adjustment accrual	7	9
2026 WTI Contingent Liability	27	—
Other	1	3
Total accrued liabilities	\$ 66	\$ 43

Recent Accounting Pronouncements

Recently Adopted Pronouncements

There are no recently adopted pronouncements.

Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740) – Improvements to Income Tax Disclosures,” which requires that certain information in a reporting entity’s tax rate reconciliation be disaggregated, and provides additional requirements regarding income taxes paid. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and should be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

In November 2024, the FASB issued ASU 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses,” which requires additional disclosure about specified categories of expenses included in relevant expense captions presented on the income statement. The amendments are effective for annual periods beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company’s disclosures. Adoption of the update will not impact the Company’s financial position, results of operations or liquidity.

The Company considers the applicability and impact of all ASUs. ASUs not discussed above were assessed and determined to be either not applicable, previously disclosed, or not material upon adoption.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Royalty income represents the right to receive revenues from oil, natural gas and natural gas liquids sales obtained from third-party purchasers by the operator of the wells in which the Company owns a royalty interest. Royalty income is recognized at the point control of the product is transferred to the purchaser at the wellhead or at the gas processing facility based on the Company’s percentage ownership share of the revenue, net of any deductions for gathering and transportation. Virtually all of the pricing provisions in the Company’s contracts are tied to a market index.

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The following table disaggregates the Company's revenue from oil, natural gas and natural gas liquids by revenue generated from production on properties operated by Diamondback and revenue generated from production on properties operated by third parties:

	Three Months Ended March 31,					
	2025			2024		
	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third-Party Operated Properties	Total	Revenue Generated from Diamondback Operated Properties	Revenue Generated from Third-Party Operated Properties	Total
	(In millions)					
Oil income	\$ 120	\$ 81	\$ 201	\$ 95	\$ 82	\$ 177
Natural gas income	9	6	15	3	4	7
Natural gas liquids income	16	12	28	11	10	21
Total royalty income	\$ 145	\$ 99	\$ 244	\$ 109	\$ 96	\$ 205

4. ACQUISITIONS AND DIVESTITURES

2025 Activity

Morita Ranches Acquisition

On February 14, 2025, the Company completed an acquisition of certain mineral and royalty interests located in Howard County, Texas from Morita Ranches Minerals, LLC ("Morita Ranches") (the "Morita Ranches Acquisition") pursuant to a definitive purchase and sale agreement for consideration consisting of approximately (i) \$211 million in cash, and (ii) 2,400,297 OpCo Units together with an equal number of shares of the Company's Class B Common Stock issued to certain affiliate designees of Morita Ranches (the "Morita Ranches Equity Recipients"), including certain transaction costs and subject to customary post-closing adjustments. At the closing of the Morita Ranches Acquisition, the Morita Ranches Equity Recipients (i) became parties to the Third Amended and Restated Limited Liability Agreement of the Operating Company, dated as of October 1, 2024, as amended, and (ii) entered into an Exchange Agreement with the Company and the Operating Company to provide for the right to exchange the OpCo Units and shares of our Class B Common Stock acquired by the Morita Ranches Equity Recipients at the closing of the Morita Ranches Acquisition for an equal number of shares of the Company's Class A Common Stock. In addition, at the closing of the Morita Ranches Acquisition, the Company entered into a registration rights agreement with the Morita Ranches Equity Recipients, pursuant to which the Morita Ranches Equity Recipients received certain demand and piggyback registration rights with respect to the shares of the Company's Class A Common Stock that may be acquired by them in exchange for OpCo Units and shares of the Company's Class B Common Stock.

The mineral and royalty interests included in the Morita Ranches Acquisition represent approximately 1,691 net royalty acres in the Permian Basin, 75% of which are operated by Diamondback, and have an average net royalty interest of approximately 8.6%. The Company funded the cash consideration for the Morita Ranches Acquisition with proceeds from the 2025 Equity Offering as defined and discussed in Note 7—[Stockholders' Equity](#).

Other Acquisitions

During the three months ended March 31, 2025, the Company acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 166 net royalty acres in the Permian Basin for an aggregate purchase price of approximately \$50 million, subject to customary post-closing adjustments.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements - (Continued)
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2024 Activity

Acquisitions

Tumbleweed Acquisitions

In September and October of 2024, the Company completed a series of related acquisitions including the TWR Acquisition, the Q Acquisition and the M Acquisition, collectively the (“Tumbleweed Acquisitions”), each as defined and discussed below.

TWR Acquisition

On October 1, 2024, the Company acquired all of the issued and outstanding equity interests in TWR IV, LLC and TWR IV SellCo, LLC from Tumbleweed Royalty IV, LLC (“TWR IV”) and TWR IV SellCo Parent, LLC (the “TWR Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of approximately (i) \$464 million in cash, including transaction costs and certain customary post-closing adjustments, (ii) 10,093,670 OpCo Units to TWR IV, (iii) an option (the “TWR Class B Option”) granted to TWR IV to acquire up to 10,093,670 shares of the Company’s Class B Common Stock, and (iv) contingent cash consideration of up to \$41 million, payable in January of 2026, based on the average price of WTI sweet crude oil prompt month futures contracts for the calendar year 2025 (the “WTI 2025 Average”). The contingent cash consideration payment will be (i) \$16 million if the WTI 2025 Average is between \$60.00 and \$65.00, (ii) \$25 million if the WTI 2025 Average is between \$65.00 and \$75.00, or (iii) \$41 million if the WTI 2025 Average is greater than \$75.00 (the “TWR Contingent Liability”). Additionally, at the closing of the TWR Acquisition, the Company assumed from TWR IV a royalty income receivable of approximately \$24 million.

TWR IV can exchange some or all of the OpCo Units received for an equal number of shares of Class A Common Stock, and any OpCo Units so exchanged will reduce the number of shares of Class B Common Stock subject to the TWR Class B Option. The mineral and royalty interests acquired in the TWR Acquisition represent approximately 3,067 net royalty acres located primarily in the Permian Basin. The Company funded the cash consideration for the TWR Acquisition through a combination of cash on hand, borrowings under the Operating Company’s revolving credit facility and proceeds from the 2024 Equity Offering as defined and discussed in Note 7—[Stockholders' Equity](#).

Q Acquisition

On September 3, 2024, the Company acquired all of the issued and outstanding equity interests in Tumbleweed-Q Royalties, LLC (the “Q Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately \$114 million in cash, including transaction costs and certain customary post-closing adjustments, and (ii) contingent cash consideration of up to \$5 million, payable in January of 2026, based on the WTI 2025 Average. The contingent cash consideration payment will be (i) \$2 million if the WTI 2025 Average is between \$60.00 and \$65.00, (ii) \$3 million if the WTI 2025 Average is between \$65.00 and \$75.00, or (iii) \$5 million if the WTI 2025 Average is greater than \$75.00 (the “Q Contingent Liability”). The mineral and royalty interests acquired in the Q Acquisition represent approximately 406 net royalty acres located primarily in the Permian Basin. The cash consideration for the Q Acquisition was funded through a combination of cash on hand and borrowings under the Operating Company’s revolving credit facility.

M Acquisition

On September 3, 2024, the Company acquired all of the issued and outstanding equity interests in MC TWR Royalties, LP and MC TWR Intermediate, LLC (the “M Acquisition”), pursuant to a definitive purchase and sale agreement for consideration consisting of (i) approximately \$76 million in cash, including transaction costs and certain customary post-closing adjustments, and (ii) contingent cash consideration of up to \$4 million, payable in January of 2026, based on the WTI 2025 Average. The contingent cash consideration payment will be (i) \$1 million if the WTI 2025 Average is between \$60.00 and \$65.00, (ii) \$2 million if the WTI 2025 Average is between \$65.00 and \$75.00, or (iii) \$4 million if the WTI 2025 Average is greater than \$75.00 (the “M Contingent Liability”). The mineral and royalty interests acquired in the M Acquisition represent approximately 267 net royalty acres located primarily in the Permian Basin. The cash consideration for the M Acquisition was funded through a combination of cash on hand and borrowings under the Operating Company’s revolving credit facility.

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Notes to the Condensed Consolidated Financial Statements - (Continued)
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The Company records the Q Contingent Liability, the M Contingent Liability and the TWR Contingent Liability (collectively, the “2026 WTI Contingent Liability”) at their aggregate estimated fair value on a quarterly basis as discussed further in Note 11—[Fair Value Measurements](#). At March 31, 2025, the aggregate estimated fair value of the 2026 WTI Contingent Liability was \$27 million.

Other Acquisitions

Additionally, during the year ended December 31, 2024, the Company acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 261 net royalty acres in the Permian Basin for an aggregate purchase price of approximately \$54 million, including customary closing adjustments. The Company funded these acquisitions with cash on hand and borrowings under the Operating Company’s revolving credit facility.

Divestiture

In the second quarter of 2024, the Company divested all of its non-Permian assets for a purchase price of approximately \$87 million, including transaction costs and customary post-closing adjustments. The divested properties consisted of approximately 2,713 net royalty acres with current production of approximately 450 BO/d. The Company recorded the proceeds as a reduction of its full cost pool with no gain or loss recognized on the sale.

5. OIL AND NATURAL GAS INTERESTS

Oil and natural gas interests include the following for the periods presented:

	March 31, 2025	December 31, 2024
(In millions)		
Oil and natural gas interests:		
Subject to depletion	\$ 3,818	\$ 3,533
Not subject to depletion	2,279	2,180
Gross oil and natural gas interests	6,097	5,713
Accumulated depletion and impairment	(1,148)	(1,081)
Oil and natural gas interests, net	4,949	4,632
Land	6	6
Property, net of accumulated depletion and impairment	\$ 4,955	\$ 4,638

As of March 31, 2025 and December 31, 2024, the Company had mineral and royalty interests representing approximately 37,573 and 35,671 net royalty acres, respectively.

No impairment expense was recorded on the Company’s oil and natural gas interests for the three months ended March 31, 2025 and 2024 based on the results of the respective quarterly ceiling tests. In addition to commodity prices, the Company’s production rates, levels of proved reserves, transfers of unevaluated properties and other factors will determine its actual ceiling test limitations and impairment analysis in future periods. If the trailing 12-month commodity prices decline as compared to the commodity prices used in prior quarters, the Company could have material write-downs in subsequent quarters.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements - (Continued)
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6. DEBT

Long-term debt consisted of the following as of the dates indicated:

	March 31, 2025	December 31, 2024
	(In millions)	
5.375% Senior Notes due 2027	\$ 430	\$ 430
7.375% Senior Notes due 2031	400	400
Revolving credit facility	—	261
Unamortized debt issuance costs	(6)	(6)
Unamortized discount	(2)	(2)
Total long-term debt	<u>\$ 822</u>	<u>\$ 1,083</u>

The Operating Company's Revolving Credit Facility

The Operating Company's credit facility, as amended to date, provides for a revolving credit facility in the maximum credit amount of \$2.0 billion and a borrowing base of \$1.3 billion. The borrowing base is scheduled to be redetermined semi-annually in May and November. As of March 31, 2025, the Operating Company had elected a commitment amount of \$1.3 billion, with no outstanding borrowings and \$1.3 billion available for future borrowings. During the three months ended March 31, 2025 and 2024, the weighted average interest rates on the Operating Company's revolving credit facility were 6.57% and 7.65%, respectively. The revolving credit facility will mature on September 22, 2028.

As of March 31, 2025, the Operating Company was in compliance with the financial maintenance covenants under its credit facility.

7. STOCKHOLDERS' EQUITY

At March 31, 2025, the Company had a total of 131,323,078 shares of Class A Common Stock issued and outstanding and 87,831,750 shares of Class B Common Stock issued and outstanding. At March 31, 2025, Diamondback beneficially owned 85,431,453 shares of the Company's Class B Common Stock, representing approximately 39.0% of the Company's total shares outstanding. Diamondback also beneficially owned 85,431,453 OpCo Units, representing a 37.3% non-controlling ownership interest in the Operating Company, TWR IV beneficially owned 10,093,670 OpCo Units, representing a 4.4% non-controlling ownership interest in the Operating Company, Morita Ranches beneficially owned 2,400,297 OpCo Units, representing a 1.0% non-controlling ownership interest in the Operating Company and the Company owned 131,323,078 OpCo Units, representing a 57.3% controlling ownership interest in the Operating Company. The OpCo units and the Company's Class B Common Stock are exchangeable from time to time for the Company's Class A Common Stock (that is, one OpCo Unit and one share of the Company's Class B Common Stock, together, are exchangeable for one share of the Company's Class A Common Stock).

2025 Equity Offering

On February 3, 2025, the Company completed an underwritten public offering of 28,336,000 shares of Class A Common Stock, which included 3,696,000 shares issued pursuant to an option to purchase additional shares of Class A Common Stock granted to the underwriters, at a price to the public of \$44.50 per share for total net proceeds of approximately \$1.2 billion, after the underwriters' discount and transaction costs (the "2025 Equity Offering").

The Company used the net proceeds from the 2025 Equity Offering to fund (i) the cash consideration for the Morita Ranches Acquisition, (ii) a portion of the cash consideration for the 2025 Drop Down (as defined in Note 13—[Subsequent Events](#)), and (iii) for general corporate purposes.

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Notes to the Condensed Consolidated Financial Statements - (Continued)
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2024 Equity Offering

On September 13, 2024, the Company completed an underwritten public offering of 11,500,000 shares of its Class A Common Stock, which included 1,500,000 shares issued pursuant to an option to purchase additional shares of Class A Common Stock granted to the underwriters, at a price to the public of \$42.50 per share for total net proceeds of approximately \$476 million, after the underwriters' discount and transaction costs (the "2024 Equity Offering"). The net proceeds were used to fund a portion of the cash consideration for the TWR Acquisition.

Common Stock Repurchase Program

The Company's board of directors has authorized a \$750 million common stock repurchase program, with respect to the repurchase of the Company's Class A Common Stock, excluding excise tax, over an indefinite period of time. The Company has and intends to continue to purchase shares of Class A Common Stock under the repurchase program opportunistically with funds from cash on hand, free cash flow from operations and potential liquidity events such as the sale of assets. This repurchase program may be suspended from time to time, modified, extended or discontinued by the Company's board of directors at any time.

There were no repurchases of Class A Common Stock during the three months ended March 31, 2025 and 2024. As of March 31, 2025, approximately \$434 million remained available under the repurchase program, excluding excise tax.

Cash Dividends

The board of directors of the Company has established a dividend policy, whereby the Operating Company distributes all or a portion of its available cash on a quarterly basis to its unitholders (including Diamondback, the Company, TWR IV and the Morita Ranches Equity Recipients). The Company in turn distributes all or a portion of the available cash it receives from the Operating Company to holders of its Class A Common Stock through base and variable dividends that take into account capital returned to stockholders via its stock repurchase program. The Company's available cash and the available cash of the Operating Company for each quarter is determined by the board of directors following the end of such quarter.

The cash available for distribution by the Operating Company, a non-GAAP measure, generally equals the Company's consolidated Adjusted EBITDA for the applicable quarter, less cash needed for income taxes payable, debt service, contractual obligations, fixed charges and reserves for future operating or capital needs that the board of directors of the Company deems necessary or appropriate, lease bonus income (net of applicable taxes), distribution equivalent rights payments, preferred dividends, and an adjustment for changes in ownership interests that occurred subsequent to the quarter, if any. For a detailed description of the Company's and the Operating Company's dividend policy, see [Note 7—Stockholders' Equity—Cash Dividends in the Company's Annual Report on Form 10-K](#) for the year ended December 31, 2024.

The percentage of cash available for distribution by the Operating Company pursuant to its distribution policy may change quarterly to enable the Operating Company to retain cash flow to help strengthen the Company's balance sheet while also expanding the return of capital program through the Company's stock repurchase program. The Company is not required to pay dividends to its Class A Common stockholders on a quarterly or other basis.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements - (Continued)
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The following table presents information regarding cash dividends paid during the periods presented (in millions except per share amounts):

Period	Distributions					Declaration Date	Class A Common Stockholder Record Date	Payment Date
	Amount per OpCo Unit	Operating Company Distributions to Non-Controlling Interests	Amount per Class A Common Share	Class A Common Stockholders ⁽¹⁾				
2025								
Q4 2024	\$ 0.69	\$ 68	\$ 0.65	\$ 85		January 30, 2025	March 6, 2025	March 13, 2025
2024								
Q4 2023	\$ 0.69	\$ 63	\$ 0.56	\$ 48		February 15, 2024	March 5, 2024	March 12, 2024

(1) Dividends paid in the first quarter of 2024 include amounts paid to Diamondback for the 7,946,507 shares of Class A Common Stock then beneficially owned by Diamondback and distribution equivalent rights payments. As of March 31, 2024, Diamondback did not beneficially own any shares of Class A Common Stock.

Cash dividends will be made to the holders of record of the Company's Class A Common Stock on the applicable record date, generally within 60 days after the end of each quarter.

Change in Ownership of Consolidated Subsidiaries

Non-controlling interest in the accompanying condensed consolidated financial statements represents the ownership interests of Diamondback, TWR IV and the Morita Ranches Equity Recipients in the net assets of the Operating Company. The non-controlling interests' relative ownership in the Operating Company can change due to the purchase or sale of the Company's Common Stock, the Company's public offerings of shares of Class A Common Stock for which proceeds are contributed to the Operating Company in exchange for OpCo Units, issuance of shares of Class A Common Stock or issuance of shares of Class B Common Stock and OpCo Units for acquisitions, share-based compensation, repurchases of shares of Class A Common Stock and distribution equivalent rights paid on the Company's Class A Common Stock. These changes in ownership percentage result in adjustments to non-controlling interest and stockholders' equity, tax effected, but do not impact earnings.

The following table summarizes the changes in stockholders' equity due to changes in ownership interest during the period:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Net income (loss) attributable to the Company	\$ 75	\$ 43
Change in ownership of consolidated subsidiaries	(236)	70
Change from net income (loss) attributable to the Company's stockholders and transfers with non-controlling interest	\$ (161)	\$ 113

8. EARNINGS PER COMMON SHARE

The net income (loss) per common share on the condensed consolidated statements of operations is based on the net income (loss) attributable to the Company's Class A Common Stock for the three months ended March 31, 2025 and 2024, respectively.

Basic and diluted earnings per common share are calculated using the two-class method. The two-class method is an earnings allocation proportional to the respective ownership among holders of Class A Common Stock and participating securities. Basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted-average shares of Class A Common Stock outstanding during the period. Diluted net income (loss) per common share gives effect, when applicable, to unvested restricted stock units and performance restricted stock units granted under the LTIP.

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Notes to the Condensed Consolidated Financial Statements - (Continued)
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A reconciliation of the components of basic and diluted earnings per common share is presented in the table below:

	Three Months Ended March 31,	
	2025	2024
	(In millions, except per share amounts, shares in thousands)	
Net income (loss) attributable to the period	\$ 75	\$ 43
Less: distributed and undistributed earnings allocated to participating securities ⁽¹⁾	—	—
Net income (loss) attributable to common stockholders	<u>\$ 75</u>	<u>\$ 43</u>
Weighted average common shares outstanding:		
Basic weighted average common shares outstanding	120,926	87,537
Effect of dilutive securities:		
Potential common shares issuable ⁽²⁾	104	92
Diluted weighted average common shares outstanding	<u>121,030</u>	<u>87,629</u>
Net income (loss) per common share, basic	\$ 0.62	\$ 0.49
Net income (loss) per common share, diluted	\$ 0.62	\$ 0.49

(1) Unvested restricted stock units and performance restricted stock units that contain non-forfeitable distribution equivalent rights are considered participating securities and are therefore included in the earnings per share calculation pursuant to the two-class method.

(2) For the three months ended March 31, 2025 and 2024, there were no other significant potential common shares excluded from the computation of diluted earnings per common share.

9. INCOME TAXES

The following table provides the Company's provision for (benefit from) income taxes and the effective income tax rate for the dates indicated:

	Three Months Ended March 31,	
	2025	2024
	(In millions, except for tax rate)	
Provision for (benefit from) income taxes	\$ 21	\$ 13
Effective tax rate	12.1 %	11.2 %

The Company's effective income tax rates for the three months ended March 31, 2025 and 2024 differed from the amounts computed by applying the United States federal statutory tax rate to pre-tax income for the periods primarily due to net income attributable to the non-controlling interest.

In March 2024, Diamondback converted 5,278,493 shares of the Company's Class B Common Stock along with 5,278,493 OpCo Units into an equivalent number of shares of the Company's Class A Common Stock. In connection with this transaction, the Company recognized a \$28 million increase in its deferred tax asset and a \$11 million increase in its valuation allowance through additional paid-in capital.

As of March 31, 2024, the Company maintained a partial valuation allowance against its deferred tax assets considered not more likely than not to be realized, based on its assessment of all available evidence, both positive and negative as required by applicable accounting standards. The remaining valuation allowance was released in full during the fourth quarter of 2024.

The Company incurred no excise tax on repurchases of Class A Common Stock during the three months ended March 31, 2025 and 2024.

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10. DERIVATIVES

All derivative financial instruments are recorded at fair value. The Company has not designated its derivative instruments as hedges for accounting purposes and, as a result, marks its derivative instruments to fair value and recognizes the cash and non-cash changes in fair value in the condensed consolidated statements of operations under the caption “Gain (loss) on derivative instruments, net.”

Commodity Contracts

The Company historically has used fixed price swap contracts, fixed price basis swap contracts and costless collars with corresponding put and call options to reduce price volatility associated with certain of its royalty income. At March 31, 2025, the Company has puts, costless collars and fixed price basis swaps outstanding.

The Company’s derivative contracts are based upon reported settlement prices on commodity exchanges, with put contracts for oil based on WTI Cushing and fixed price basis swaps for oil based on the spread between the WTI Cushing crude oil price and the Argus WTI Midland crude oil price. The Company’s fixed price basis swaps for natural gas are for the spread between the Waha Hub natural gas price and the Henry Hub natural gas price. The weighted average differential represents the amount of reduction to the WTI Cushing oil price and the Waha Hub natural gas price for the notional volumes covered by the basis swap contracts. Under the Company’s costless collar contracts, each collar has an established floor price and ceiling price. When the settlement price is below the floor price, the counterparty is required to make a payment to the Company, and when the settlement price is above the ceiling price, the Company is required to make a payment to the counterparty. When the settlement price is between the floor and the ceiling, there is no payment required.

By using derivative instruments to economically hedge exposure to changes in commodity prices, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates credit risk. The Company’s counterparties are all participants in the amended and restated credit facility, which is secured by substantially all of the assets of the Operating Company; therefore, the Company is not required to post any collateral. The Company’s counterparties have been determined to have an acceptable credit risk; therefore, the Company does not require collateral from its counterparties. Market risks involved in our use of derivative instruments relate to our potential inability to realize the benefits of any increases in commodity prices above the prices established by our derivative contracts.

As of March 31, 2025, the Company had the following outstanding derivative contracts. When aggregating multiple contracts, the weighted average contract price is disclosed.

Settlement Month	Settlement Year	Type of Contract	Bbls/MMBtu Per Day	Index	Swaps	Collars		Puts	
					Weighted Average Differential	Weighted Average Floor Price	Weighted Average Ceiling Price	Strike Price	Deferred Premium
OIL									
Apr. - Jun.	2025	Puts	20,000	WTI Cushing	\$—	\$—	\$—	\$55.00	\$(1.61)
Jul. - Sep.	2025	Puts	18,000	WTI Cushing	\$—	\$—	\$—	\$55.00	\$(1.60)
NATURAL GAS									
Apr. - Dec.	2025	Basis Swaps	60,000	Waha Hub	\$(0.80)	\$—	\$—	\$—	\$—
Jan. - Dec.	2026	Basis Swaps	40,000	Waha Hub	\$(1.40)	\$—	\$—	\$—	\$—
Jan. - Dec.	2027	Basis Swaps	40,000	Waha Hub	\$(1.40)	\$—	\$—	\$—	\$—
Apr. - Dec.	2025	Costless Collar	60,000	Henry Hub	\$—	\$2.50	\$4.93	\$—	\$—
Jan. - Dec.	2026	Costless Collar	60,000	Henry Hub	\$—	\$2.75	\$6.64	\$—	\$—

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Balance Sheet Offsetting of Derivative Assets and Liabilities

The fair value of derivative instruments is generally determined using established index prices and other sources which are based upon, among other things, futures prices and time to maturity. These fair values are recorded by netting asset and liability positions, including any deferred premiums, that are with the same counterparty and are subject to contractual terms which provide for net settlement. See Note 11—[Fair Value Measurements](#) for further details.

Gains and Losses on Derivative Instruments

The following table summarizes the gains and losses on derivative instruments included in the condensed consolidated statements of operations and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Gain (loss) on derivative instruments ⁽¹⁾	\$ 32	\$ (7)
Net cash receipts (payments) on derivatives	\$ 9	\$ (3)

(1) The three months ended March 31, 2025 includes an unrealized gain of \$3 million for the change in fair value of the 2026 WTI Contingent Liability.

11. FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed in [Note 11—Fair Value Measurements in the Company's Annual Report on Form 10-K](#) for the year ended December 31, 2024, certain assets and liabilities are reported at fair value on a recurring basis on the Company's condensed consolidated balance sheets, including the Company's commodity derivative instruments and the 2026 WTI Contingent Liability. The 2026 WTI Contingent Liability was recorded in "Accrued liabilities" on the Company's condensed consolidated balance sheet at March 31, 2025 and in "Other long-term liabilities" on the Company's consolidated balance sheet at December 31, 2024. The change in fair value of the 2026 WTI Contingent Liability is recognized in "Gain (loss) on derivative instruments, net" on the Company's condensed consolidated statements of operations for the three months ended March 31, 2025.

The fair values of the Company's derivative contracts are measured internally using established commodity futures price strips for the underlying commodity provided by a reputable third-party, the contracted notional volumes, and time to maturity. The net amounts are classified as current or noncurrent based on their anticipated settlement dates. The fair value of the 2026 WTI Contingent Liability is estimated using observable market data and a Monte Carlo pricing model, which are considered Level 2 inputs in the fair value hierarchy.

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Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The following table provides (i) fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis, (ii) the gross amounts of recognized derivative assets and liabilities, (iii) the amounts offset under master netting arrangements with counterparties, and (iv) the resulting net amounts presented in the Company's condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024:

As of March 31, 2025						
Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet	
(In millions)						
Assets:						
Current:						
Derivative instruments	\$ —	\$ 41	\$ —	\$ 41	\$ (10)	\$ 31
Non-current:						
Derivative instruments	\$ —	\$ 17	\$ —	\$ 17	\$ (5)	\$ 12
Liabilities:						
Current:						
Derivative instruments	\$ —	\$ 15	\$ —	\$ 15	\$ (10)	\$ 5
2026 WTI Contingent Liability	\$ —	\$ 27	\$ —	\$ 27	\$ —	\$ 27
Non-current:						
Derivative instruments	\$ —	\$ 7	\$ —	\$ 7	\$ (5)	\$ 2

As of December 31, 2024						
Level 1	Level 2	Level 3	Total Gross Fair Value	Gross Amounts Offset in Balance Sheet	Net Fair Value Presented in Balance Sheet	
(In millions)						
Assets:						
Current:						
Derivative instruments	\$ —	\$ 24	\$ —	\$ 24	\$ (6)	\$ 18
Liabilities:						
Current:						
Derivative instruments	\$ —	\$ 8	\$ —	\$ 8	\$ (6)	\$ 2
Non-current:						
2026 WTI Contingent Liability	\$ —	\$ 30	\$ —	\$ 30	\$ —	\$ 30

Assets and Liabilities Not Recorded at Fair Value

The following table provides the fair value of financial instruments that are not recorded at fair value in the condensed consolidated balance sheets:

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(In millions)				
Debt:				
Revolving credit facility	\$ —	\$ —	\$ 261	\$ 261
5.375% Senior Notes due 2027 ⁽¹⁾	\$ 427	\$ 427	\$ 427	\$ 424
7.375% Senior Notes due 2031 ⁽¹⁾	\$ 395	\$ 419	\$ 395	\$ 420

(1) The carrying value includes associated deferred loan costs and any discount.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements - (Continued)
(Unaudited)

The fair value of the Operating Company's revolving credit facility approximates the carrying value based on borrowing rates available to the Company for bank loans with similar terms and maturities and is classified as Level 2 in the fair value hierarchy. The fair value of the Notes was determined using the quoted market price at each period end, a Level 1 classification in the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in certain circumstances. These assets and liabilities can include mineral and royalty interests acquired in asset acquisitions and subsequent write-downs of the Company's proved oil and natural gas interests to fair value when they are impaired or held for sale.

Fair Value of Financial Assets

The Company has other financial instruments consisting of cash and cash equivalents, royalty income receivables, income tax receivables, funds held in escrow, prepaid expenses and other current assets, accounts payable, accrued liabilities and income taxes payable. The carrying values of these instruments approximate their fair values because of the short-term nature of the instruments.

12. COMMITMENTS AND CONTINGENCIES

The Company is a party to various routine legal proceedings, disputes and claims from time to time arising in the ordinary course of its business. While the ultimate outcome of the pending proceedings, disputes or claims, and any resulting impact on the Company cannot be predicted with certainty, the Company's management believes that none of these matters, if ultimately decided adversely, will have a material adverse effect on the Company's financial condition, results of operations or cash flows. The Company's assessment is based on information known about the pending matters and its experience in contesting, litigating and settling similar matters. Actual outcomes could differ materially from the Company's assessment. The Company records reserves for contingencies related to outstanding legal proceedings, disputes or claims when information available indicates that a loss is probable and the amount of the loss can be reasonably estimated.

13. SUBSEQUENT EVENTS

2025 Drop Down Transaction

On May 1, 2025, the Company and the Operating Company, as buyer parties, acquired all of the issued and outstanding equity interests in 1979 Royalties, LP and 1979 Royalties GP, LLC from Endeavor Energy Resources, LP ("Endeavor"), each a seller party and a subsidiary of Diamondback, pursuant to a definitive equity purchase agreement for consideration consisting of (i) \$1.0 billion in cash, and (ii) the issuance of 69,626,640 OpCo Units and an equivalent number of shares of the Company's Class B Common Stock (collectively, the "Equity Issuance"), subject to transaction costs and certain customary post-closing adjustments (the "2025 Drop Down"). The OpCo Units and the Class B Common Stock issued in the 2025 Drop Down, as well as the OpCo Units and Class B Common Stock otherwise beneficially owned by Diamondback, are exchangeable from time to time for shares of our Class A Common Stock (that is, one OpCo Unit and one share of Class B Common Stock, together, are exchangeable for one share of Class A Common Stock). The shares of Class A Common Stock that may be issued to Diamondback and/or its subsidiaries upon exchange of their OpCo Units and shares of Class B Common Stock, including those OpCo Units and shares of Class B Common Stock issued at the closing of the 2025 Drop Down, are subject to our existing registration rights agreement with Diamondback, dated as of November 13, 2023, previously filed by us with the SEC.

The mineral and royalty interests acquired in the 2025 Drop Down represent approximately 22,847 net royalty acres in the Permian Basin, 69% of which are operated by Diamondback, and have an average net royalty interest of approximately 2.8% and current oil production of approximately 17,097 BO/d (the "Endeavor Mineral and Royalty Interests"). The Endeavor Mineral and Royalty Interests include interests in horizontal wells comprised of 6,055 gross proved developed production wells (of which approximately 29% are operated by Diamondback), 116 gross completed wells and 394 gross drilled but uncompleted wells, all of which are principally concentrated in the Midland Basin, with the balance located primarily in the Delaware and Williston Basins.

Viper Energy, Inc.
Notes to the Condensed Consolidated Financial Statements - (Continued)
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The 2025 Drop Down was approved by (i) the Company's audit committee comprised of all independent directors and the full board of directors, in each case on January 30, 2025, and (ii) the majority of the Company's stockholders, other than Diamondback and its subsidiaries, at the special meeting of the Company's stockholders held on May 1, 2025. At the special meeting, the Company's stockholders also approved the Equity Issuance, as required under the Nasdaq Rules.

Immediately following the completion of the 2025 Drop Down, Diamondback beneficially owned approximately 53.7% of the Company's outstanding Common Stock (or approximately 52% of the Common Stock on a fully diluted basis after giving effect to the outstanding TWR Class B Option). As a result, at the closing of the 2025 Drop Down, the Company regained its status as a "controlled company" under the applicable Nasdaq Rules; however, while the controlled company exemptions are again available to the Company, the Company's board of directors does not currently intend to avail itself to these exemptions. See Note 1—[Organization and Basis of Presentation](#) for additional information on the available exemptions.

The Company funded the cash consideration for the 2025 Drop Down with a portion of the proceeds from the 2025 Equity Offering and borrowings under the Operating Company's revolving credit facility. The 2025 Drop Down was accounted for as a transaction between entities under common control with the Endeavor Mineral and Royalty Interests recorded at Endeavor's historical carrying value in the Company's condensed consolidated balance sheet.

Cash Dividend

On May 1, 2025, the board of directors of the Company approved a cash dividend for the first quarter of 2025 of \$0.57 per share of Class A Common Stock and \$0.70 per OpCo Unit, in each case, payable on May 22, 2025, to holders of record at the close of business on May 15, 2025. The dividend on Class A Common Stock consists of a base quarterly dividend of \$0.30 per share and a variable quarterly dividend of \$0.27 per share.

Retirement of Notes

During the second quarter of 2025 through May 2, 2025, the Company opportunistically repurchased principal amounts of \$36 million of our 5.375% Senior Notes due 2027 in open market transactions for total cash consideration of \$36 million, at an average of 99.7% of par value.

14. SEGMENT INFORMATION

The Company is managed on a consolidated basis as a single operating and reportable segment which is focused on owning and acquiring mineral and royalty interests primarily in the Permian Basin in West Texas. The Company's operating segment derives its revenue from customers through the receipt of royalty income on the sale of oil and natural gas products as well as other immaterial service contracts. See Note 3—[Revenue from Contracts with Customers](#) for further discussion of the Company's sources of revenue.

The Company's Chief Operating Decision Maker ("CODM") uses the Company's condensed consolidated financial results to assess performance, allocate resources and make key operating decisions, obtaining the board's approval as required. The measures of segment profit or loss and total assets utilized by the CODM are net income and total assets, as reported on the condensed consolidated statements of operations and the condensed consolidated balance sheets, respectively. The significant expense categories, their amounts and other segment items that are regularly provided to the CODM are those that are reported in the Company's condensed consolidated statements of operations.

The CODM uses consolidated net income as a measure of profitability to evaluate segment performance and to make capital allocation decisions such as reinvestment in the business or return of capital through the payment of base and variable dividends or repurchases under the share repurchase program.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto presented in this report as well as our audited financial statements and notes thereto included in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors. See [Part II, Item 1A, Risk Factors](#) and [Cautionary Statement Regarding Forward-Looking Statements](#).

Overview

We are a publicly traded Delaware corporation focused on owning and acquiring mineral and royalty interests in oil and natural gas properties primarily in the Permian Basin. We operate in one reportable segment.

Recent Developments

2025 Drop Down Transaction

On May 1, 2025, we and the Operating Company completed the 2025 Drop Down for consideration consisting of (i) \$1.0 billion in cash, and (ii) the issuance of 69,626,640 OpCo Units and an equivalent number of shares of our Class B Common Stock, subject to transaction costs and certain customary post-closing adjustments. The mineral and royalty interests acquired in the 2025 Drop Down represent approximately 22,847 net royalty acres in the Permian Basin, 69% of which are operated by Diamondback. We funded the cash consideration for the 2025 Drop Down with a portion of the proceeds from the 2025 Equity Offering and borrowings under the Operating Company's revolving credit facility. The 2025 Drop Down was approved by (i) our audit committee comprised of all independent directors and the full board of directors, in each case on January 30, 2025, and (ii) the majority of our stockholders, other than Diamondback and its subsidiaries, at the special meeting of our stockholders held on May 1, 2025. At the special meeting, our stockholders also approved the Equity Issuance, as required under the Nasdaq Rules. See Note 13—[Subsequent Events](#) of the notes to the condensed consolidated financial statements for additional information on the acquisition.

Acquisitions Update

Morita Ranches Acquisition

On February 14, 2025, we completed the Morita Ranches Acquisition for consideration consisting of approximately (i) \$211 million in cash, and (ii) 2,400,297 OpCo Units together with an equal number of shares of Class B Common Stock to be issued to the Morita Ranches Equity Recipients, including certain transaction costs and subject to certain customary post-closing adjustments. The mineral and royalty interests acquired in the Morita Ranches Acquisition represent approximately 1,691 net royalty acres located in the Permian Basin. We funded the cash consideration for the Morita Ranches Acquisition with proceeds from the 2025 Equity Offering.

Other Acquisitions

During the three months ended March 31, 2025, we acquired, in individually insignificant transactions from unrelated third-party sellers, mineral and royalty interests representing 166 net royalty acres in the Permian Basin for an aggregate purchase price of approximately \$50 million, subject to customary post-closing adjustments.

After giving effect to the 2025 Drop Down, our footprint of mineral and royalty interests totals approximately 60,725 net royalty acres, approximately 59% of which are operated by Diamondback.

See Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for additional information on these acquisitions.

Retirement of Notes

During the second quarter of 2025 through May 2, 2025, we opportunistically repurchased principal amounts of \$36 million of our 5.375% Senior Notes due 2027 in open market transactions for total cash consideration of \$36 million, at an average of 99.7% of par value.

2025 Equity Offering

On February 3, 2025, we completed an underwritten public offering of 28,336,000 shares of our Class A Common Stock, which included 3,696,000 shares issued pursuant to an option to purchase additional shares of Class A Common Stock granted to the underwriters, at a price to the public of \$44.50 per share, for total net proceeds of approximately \$1.2 billion, after the underwriters' discount and transaction costs. We used the net proceeds from the 2025 Equity Offering to fund (i) the cash consideration for the Morita Ranches Acquisition, (ii) a portion of the cash consideration for the 2025 Drop Down, and (iii) for general corporate purposes.

Commodity Prices

Prices for oil, natural gas and natural gas liquids are determined primarily by prevailing market conditions. Regional and worldwide economic activity, changes in trade or other government policies or regulations, including with respect to tariffs or other trade barriers, and any resulting trade tensions, extreme weather conditions and other substantially variable factors influence market conditions for these products. These factors are beyond our control and are difficult to predict. OPEC and its non-OPEC allies, known collectively as OPEC+, continue to meet regularly to evaluate the state of global oil supply, demand and inventory levels and can heavily influence volatility in oil prices. During the three months ended March 31, 2025 and 2024, WTI prices averaged \$71.42 and \$76.91 per Bbl, respectively, and Henry Hub prices averaged \$3.87 and \$2.10 per MMBtu, respectively.

For additional information around risks related to commodity prices, see [Part II, Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk](#).

Guidance

The following table presents our current estimates of certain financial and operating results for the full year 2025, as well as production and cash tax guidance for the second quarter of 2025, giving effect to the impact of the 2025 Drop Down. Given recent market volatility, Diamondback and our other operators are closely monitoring the macro environment and may review their operating plans for the remainder of 2025, and thus our production guidance could be subject to change.

	2025 Guidance
Q2 2025 net production - MBO/d	40.0 - 43.0
Q2 2025 net production - MBOE/d	72.5 - 78.0
Full year 2025 net production - MBO/d	41.0 - 43.5
Full year 2025 net production - MBOE/d	74.5 - 79.0
<i>Costs (\$/BOE)</i>	
Depletion	\$15.50 - \$16.50
Cash general and administrative expenses	\$0.80 - \$1.00
Non-cash share-based compensation	\$0.10 - \$0.20
Net interest expense	\$2.00 - \$2.50
Production and ad valorem taxes (% of revenue)	~7%
Cash tax rate (% of pre-tax income attributable to the Company)	21% - 23%
Q2 2025 cash taxes (in millions) ⁽¹⁾	\$10 - \$15

(1) Attributable to the Company.

Production and Operational Update

As of May 1, 2025, after giving effect to the 2025 Drop Down, there are 63 gross rigs operating on our mineral and royalty acreage, 16 of which are operated by Diamondback. Despite the potential for sustained weakness in commodity prices and reduced activity levels, we expect Viper's production to remain durable in 2025.

The following table summarizes our gross well information as of May 1, 2025, after giving effect to the 2025 Drop Down:

	Diamondback Operated	Third-Party Operated	Total
Q1 2025 Horizontal wells turned to production⁽¹⁾⁽²⁾:			
Gross wells	108	334	442
Net 100% royalty interest wells	4.3	3.7	8.0
Average percent net royalty interest	4.0 %	1.1 %	1.8 %
Horizontal producing well count:			
Gross wells	3,725	11,546	15,271
Net 100% royalty interest wells	235.0	165.0	400.0
Average percent net royalty interest	6.3 %	1.4 %	2.6 %
Horizontal active development well count⁽³⁾:			
Gross wells	239	682	921
Net 100% royalty interest wells	13.0	10.4	23.4
Average percent net royalty interest	5.4 %	1.5 %	2.5 %
Line of sight wells⁽⁴⁾:			
Gross wells	417	677	1,094
Net 100% royalty interest wells	27.1	8.9	36.0
Average percent net royalty interest	6.5 %	1.3 %	3.3 %

(1) Represents wells turned to production on our standalone acreage position; does not give effect to the 2025 Drop Down.

(2) Average lateral length of 11,946.

(3) The total 921 gross wells currently in the process of active development are those wells that have been spud and are expected to be turned to production within approximately the next six to eight months.

(4) The total 1,094 gross line-of-sight wells are those that are not currently in the process of active development, but for which we have reason to believe will be turned to production within approximately the next 15 to 18 months. The expected timing of these line-of-sight wells is based primarily on permitting by third-party operators or Diamondback's current expected completion schedule. Existing permits or active development of our royalty acreage does not ensure that those wells will be turned to production given the volatility in oil prices.

Results of Operations***Comparison of the Three Months Ended March 31, 2025 and December 31, 2024***

The following table summarizes our income and expenses for the periods indicated:

	Three Months Ended	
	March 31, 2025	December 31, 2024
	(In millions)	
Operating income:		
Oil income	\$ 201	\$ 192
Natural gas income	15	6
Natural gas liquids income	28	27
Royalty income	244	225
Lease bonus income	1	4
Total operating income	245	229
Costs and expenses:		
Production and ad valorem taxes	17	16
Depletion	67	65
General and administrative expenses—related party	4	3
General and administrative expenses	2	1
Total costs and expenses	90	85
Income (loss) from operations	155	144
Other income (expense):		
Interest expense, net	(13)	(19)
Gain (loss) on derivative instruments, net	32	6
Total other income (expense), net	19	(13)
Income (loss) before income taxes	174	131
Provision for (benefit from) income taxes	21	(142)
Net income (loss)	153	273
Net income (loss) attributable to non-controlling interest	78	63
Net income (loss) attributable to Viper Energy, Inc.	\$ 75	\$ 210

The following table summarizes our production data, average sales prices and average costs for the periods indicated:

	Three Months Ended	
	March 31, 2025	December 31, 2024
Production data:		
Oil (MBbls)	2,818	2,747
Natural gas (MMcf)	7,221	7,236
Natural gas liquids (MBbls)	1,142	1,209
Combined volumes (MBOE) ⁽¹⁾	5,164	5,162
Average daily oil volumes (BO/d)	31,311	29,859
Average daily combined volumes (BOE/d)	57,378	56,109
Average sales prices:		
Oil (\$/Bbl)	\$ 71.33	\$ 69.91
Natural gas (\$/Mcf)	\$ 2.08	\$ 0.84
Natural gas liquids (\$/Bbl)	\$ 24.52	\$ 22.15
Combined (\$/BOE) ⁽²⁾	\$ 47.25	\$ 43.56
Oil, hedged (\$/Bbl) ⁽³⁾	\$ 70.26	\$ 69.00
Natural gas, hedged (\$/Mcf) ⁽³⁾	\$ 3.74	\$ 1.05
Natural gas liquids (\$/Bbl) ⁽³⁾	\$ 24.52	\$ 22.15
Combined price, hedged (\$/BOE) ⁽³⁾	\$ 48.99	\$ 43.38
Average costs (\$/BOE):		
Production and ad valorem taxes	\$ 3.29	\$ 3.13
General and administrative - cash component	0.97	0.72
Total operating expense - cash	\$ 4.26	\$ 3.85
General and administrative - non-cash stock compensation expense	\$ 0.19	\$ 0.16
Interest expense, net	\$ 2.52	\$ 3.70
Depletion	\$ 12.97	\$ 12.51

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.

(2) Realized price net of all deducts for gathering, transportation and processing.

(3) Hedged prices reflect the impact of cash settlements of our matured commodity derivative transactions on our average sales prices.

Significant changes in our revenues and expenses between the first quarter of 2025 and the fourth quarter of 2024 are discussed further below.

Royalty Income. Our royalty income is a function of oil, natural gas and natural gas liquids production volumes sold and average prices received for those volumes.

Royalty income increased by \$19 million during the first quarter of 2025 compared to the fourth quarter of 2024. This net increase consisted of \$16 million attributable to higher average oil, natural gas and natural gas liquids prices received for our production and an additional \$3 million attributable to a higher percentage of combined production volumes coming from oil production in the first quarter of 2025 compared to the fourth quarter of 2024.

Production and Ad Valorem Taxes. The following table presents production and ad valorem taxes for the periods indicated:

	Three Months Ended					
	March 31, 2025			December 31, 2024		
	Amount (In millions)	Per BOE	Percentage of Royalty Income	Amount (In millions)	Per BOE	Percentage of Royalty Income
Production taxes	\$ 13	\$ 2.52	5.4 %	\$ 11	\$ 2.16	4.9 %
Ad valorem taxes	4	0.77	1.6	5	0.97	2.2
Total production and ad valorem taxes	\$ 17	\$ 3.29	7.0 %	\$ 16	\$ 3.13	7.1 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of royalty income for the first quarter of 2025 were relatively consistent with the fourth quarter of 2024 .

Derivative Instruments. The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended			
	March 31, 2025		December 31, 2024	
	(In millions)			
Gain (loss) on derivative instruments	\$ 32	\$ 6		
Net cash receipts (payments) on derivatives	\$ 9	\$ (1)		

The increase in gain on derivative instruments in the first quarter of 2025 compared to the fourth quarter of 2024 is primarily due to (i) an additional \$10 million in cash receipts on settled natural gas basis swaps, (ii) a \$7 million increase in the value of our open natural gas contracts primarily due to changes in the differential between prices for Waha Hub and Henry Hub, (iii) a \$6 million decrease in the estimated fair value of our 2026 WTI Contingent Liability based on fluctuations in the projected WTI 2025 Average price, and (iv) a reduction of \$3 million in the loss recognized on open oil contracts.

See Note 10—[Derivatives](#) of the notes to the condensed consolidated financial statements for additional discussion of our open contracts at March 31, 2025.

Provision for (Benefit from) Income Taxes. We recorded an income tax expense of \$21 million and an income tax benefit of \$142 million for the first quarter of 2025 and the fourth quarter of 2024, respectively. This change is primarily due to the release of our remaining valuation allowance during the fourth quarter of 2024. See Note 9—[Income Taxes](#) of the notes to the condensed consolidated financial statements for further discussion of income tax expense.

Net Income (Loss) Attributable to Non-controlling Interest. The \$15 million increase in net income attributable to non-controlling interest for the first quarter of 2025 compared to the fourth quarter of 2024 is primarily due to an increase in net income before taxes and an increase in non-controlling interest resulting from the Morita Ranches Acquisition.

Comparison of the Three Months Ended March 31, 2025 and 2024

The following table summarizes our income and expenses for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Operating income:		
Oil income	\$ 201	\$ 177
Natural gas income	15	7
Natural gas liquids income	28	21
Royalty income	244	205
Lease bonus income	1	—
Total operating income	245	205
Costs and expenses:		
Production and ad valorem taxes	17	14
Depletion	67	47
General and administrative expenses—related party	4	2
General and administrative expenses	2	3
Total costs and expenses	90	66
Income (loss) from operations	155	139
Other income (expense):		
Interest expense, net	(13)	(20)
Gain (loss) on derivative instruments, net	32	(7)
Total other income (expense), net	19	(27)
Income (loss) before income taxes	174	112
Provision for (benefit from) income taxes	21	13
Net income (loss)	153	99
Net income (loss) attributable to non-controlling interest	78	56
Net income (loss) attributable to Viper Energy, Inc.	\$ 75	\$ 43

The following table summarizes our production data, average sales prices and average costs for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
Production data:		
Oil (MBbls)	2,818	2,312
Natural gas (MMcf)	7,221	5,589
Natural gas liquids (MBbls)	1,142	954
Combined volumes (MBOE) ⁽¹⁾	5,164	4,198
Average daily oil volumes (BO/d)	31,311	25,407
Average daily combined volumes (BOE/d)	57,378	46,132
Average sales prices:		
Oil (\$/Bbl)	\$ 71.33	\$ 76.61
Natural gas (\$/Mcf)	\$ 2.08	\$ 1.22
Natural gas liquids (\$/Bbl)	\$ 24.52	\$ 22.17
Combined (\$/BOE) ⁽²⁾	\$ 47.25	\$ 48.85
Oil, hedged (\$/Bbl) ⁽³⁾	\$ 70.26	\$ 75.64
Natural gas, hedged (\$/Mcf) ⁽³⁾	\$ 3.74	\$ 1.12
Natural gas liquids (\$/Bbl) ⁽³⁾	\$ 24.52	\$ 22.17
Combined price, hedged (\$/BOE) ⁽³⁾	\$ 48.99	\$ 48.19
Average costs (\$/BOE):		
Production and ad valorem taxes	\$ 3.29	\$ 3.43
General and administrative - cash component	0.97	1.08
Total operating expense - cash	<u>\$ 4.26</u>	<u>\$ 4.51</u>
General and administrative - non-cash stock compensation expense	\$ 0.19	\$ 0.12
Interest expense, net	\$ 2.52	\$ 4.67
Depletion	\$ 12.97	\$ 11.18

(1) Bbl equivalents are calculated using a conversion rate of six Mcf per one Bbl.

(2) Realized price net of all deducts for gathering, transportation and processing.

(3) Hedged prices reflect the impact of cash settlements of our matured commodity derivative transactions on our average sales prices.

Significant changes in our revenues and expenses for the first quarter of 2025 as compared to the first quarter of 2024 are discussed further below.

Royalty Income. Our royalty income is a function of oil, natural gas and natural gas liquids production volumes sold and average prices received for those volumes.

Royalty income increased \$39 million during the three months ended March 31, 2025 compared to the same period in 2024. This net increase consisted of an additional \$45 million in royalty income from the 23% growth in production, partially offset by a decrease of \$6 million due primarily to lower average prices received for our oil production during 2025 compared to the same period in 2024.

Approximately 33% of the overall increase in production is attributable to the Tumbleweed Acquisitions and approximately 5% is attributable to the Morita Ranches Acquisition. The remainder of the growth is primarily from new wells added between periods. See Note 4—[Acquisitions and Divestitures](#) of the notes to the condensed consolidated financial statements for additional discussion of our acquisitions.

Production and Ad Valorem Taxes. The following table presents production and ad valorem taxes for the periods indicated:

	Three Months Ended March 31,					
	2025			2024		
	Amount (In millions)	Per BOE	Percentage of Royalty Income	Amount (In millions)	Per BOE	Percentage of Royalty Income
Production taxes	\$ 13	\$ 2.52	5.4 %	\$ 10	\$ 2.46	5.0 %
Ad valorem taxes	4	0.77	1.6	4	0.97	2.0
Total production and ad valorem taxes	\$ 17	\$ 3.29	7.0 %	\$ 14	\$ 3.43	7.0 %

In general, production taxes are directly related to production revenues and are based upon current year commodity prices. Production taxes as a percentage of royalty income for the three months ended March 31, 2025 were relatively consistent with the same period in 2024.

Depletion. The increase in depletion expense of \$20 million for the three months ended March 31, 2025 compared to the same period in 2024 consisted primarily of (i) \$11 million from growth in production volumes, and (ii) \$9 million due to an increase in the depletion rate to \$12.97 per BOE for the three months ended March 31, 2025, resulting primarily from the addition of leasehold costs and reserves from the Tumbleweed Acquisitions and the Morita Ranches Acquisition compared to \$11.18 per BOE for the same period in 2024.

Derivative Instruments. The following table shows the net gain (loss) on derivative instruments and the net cash receipts (payments) on derivatives for the periods presented:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Gain (loss) on derivative instruments	\$ 32	\$ (7)
Net cash receipts (payments) on derivatives	\$ 9	\$ (3)

The change to a gain on derivative instruments from a loss on derivative instruments for the three months ended March 31, 2025 compared to the same period in 2024 is primarily due to (i) an \$18 million increase in the value of our open natural gas contracts primarily due to changes in the differential between prices for Waha Hub and Henry Hub on our basis swaps, (ii) a \$12 million increase in cash receipts on settled natural gas basis swaps, (iii) a \$7 million reduction in our deferred put premiums, (iv) a reduction of \$3 million in the estimated fair value of our 2026 WTI Contingent Liability during the three months ended March 31, 2025, and (v) other insignificant changes.

See Note 10—[Derivatives](#) of the notes to the condensed consolidated financial statements for additional discussion of our open contracts at March 31, 2025.

Provision for (Benefit from) Income Taxes. The \$8 million increase in income tax expense for the three months ended March 31, 2025 compared to the same period in 2024 primarily resulted from an increase in taxable income attributable to Viper Energy, Inc. See Note 9—[Income Taxes](#) of the notes to the condensed consolidated financial statements for further discussion of income tax expense.

Net Income (Loss) Attributable to Non-controlling Interest. The \$22 million increase in net income attributable to non-controlling interest for the three months ended March 31, 2025 compared to the same period in 2024 is primarily due to (i) an increase in net income, and (ii) an increase in non-controlling interest in the Operating Company resulting from the issuance of OpCo Units to the Morita Ranches Equity Recipients in the first quarter of 2025 and to TWR IV in the fourth quarter of 2024. These increases in net income attributable to non-controlling interest were partially offset by a dilution of the non-controlling interest following the completion of the 2025 Equity Offering.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

As we pursue our business and financial strategy, we regularly consider which capital resources, including cash flow, equity and debt financings are available to meet our future financial obligations and liquidity requirements. Our future ability to grow proved reserves will be highly dependent on the capital resources available to us. Our primary sources of liquidity have been cash flows from operations, equity and debt offerings, borrowings under the Operating Company’s revolving credit facility and proceeds from sales of non-core assets. Our primary uses of cash have been dividends to our stockholders, Operating Company distributions to the holders of OpCo Units, repayments of debt, capital expenditures for the acquisition of our mineral and royalty interests in oil and natural gas properties, including the recently completed Morita Ranches Acquisition and the 2025 Drop Down, and repurchases of our Class A Common Stock. At March 31, 2025, we had approximately \$1.9 billion of liquidity consisting of \$560 million in cash and cash equivalents and \$1.3 billion available under the Operating Company’s revolving credit facility. See further discussion of changes in our sources of cash in “[Capital Resources](#)” below.

Our working capital requirements are supported by our cash and cash equivalents and the Operating Company’s revolving credit facility. We may draw on the Operating Company’s revolving credit facility to meet short-term cash requirements, or issue debt or equity securities as part of our longer-term liquidity and capital management program. Because of the alternatives available to us as discussed above, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term funding requirements including future acquisitions of mineral and royalty interests, dividends, debt service obligations, repayment of debt maturities, repurchases of our Class A Common Stock or any of our Notes, and any amounts that may ultimately be paid in connection with contingencies.

In order to mitigate volatility in oil and natural gas prices, we have entered into commodity derivative contracts as discussed further in [Part II, Item 3. Quantitative and Qualitative Disclosures About Market Risk—Commodity Price Risk](#).

Continued prolonged volatility in the capital, financial and/or credit markets due to changing or adverse macroeconomic conditions, including tariffs, higher interest rates, global supply chain disruptions and actions taken by OPEC members and other exporting nations, the war in Ukraine, the Israel-Hamas war and other conflicts in the Middle East may limit our access to, or increase our cost of, capital or make capital unavailable on terms acceptable to us or at all. Although we expect that our sources of funding will be adequate to fund our short-term and long-term liquidity requirements, we cannot assure you that the needed capital will be available on acceptable terms or at all.

Cash Flows

The following table presents our cash flows for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
	(In millions)	
Cash flow data:		
Net cash provided by (used in) operating activities	\$ 201	\$ 115
Net cash provided by (used in) investing activities	(486)	(20)
Net cash provided by (used in) financing activities	818	(101)
Net increase (decrease) in cash and cash equivalents	<u>\$ 533</u>	<u>\$ (6)</u>

Operating Activities

Our operating cash flow is sensitive to many variables, the most significant of which are the volatility of prices for oil and natural gas and the volumes of oil and natural gas sold by our producers. The increase in net cash provided by operating activities during the three months ended March 31, 2025 compared to the same period in 2024 was primarily driven by an increase in royalty income and other changes in our working capital accounts including the timing of when accounts receivable are collected. See “—[Results of Operations](#)” for discussion of significant changes in our revenues and expenses.

Investing Activities

Net cash used in investing activities during the three months ended March 31, 2025, was primarily related to acquisitions of oil and natural gas interests from the Morita Ranches Acquisition and other third parties, and includes a \$223 million escrow deposit made for the 2025 Drop Down.

Net cash used in investing activities during the three months ended March 31, 2024 was primarily related to acquisitions of oil and natural gas interests from third parties.

Financing Activities

Net cash provided by financing activities during the three months ended March 31, 2025 was primarily attributable to proceeds of \$1.2 billion from the 2025 Equity Offering, offset by net repayments of \$261 million on the Operating Company’s revolving credit facility and \$153 million of dividends paid to holders of our Class A Common Stock.

Net cash used in financing activities during the three months ended March 31, 2024, primarily reflects the payment of dividends to holders of our Class A Common Stock totaling \$111 million. These cash outflows were partially offset by net borrowings of \$10 million under the Operating Company’s revolving credit facility.

Capital Resources

The Operating Company’s Revolving Credit Facility

At March 31, 2025, the Operating Company’s credit facility, which matures on September 22, 2028, had an elected commitment amount of \$1.3 billion, with no outstanding borrowings and \$1.3 billion of availability. See Note 6—[Debt](#) of the notes to the condensed consolidated financial statements included elsewhere in this report for additional discussion of our outstanding debt at March 31, 2025.

On May 1, 2025, we completed the 2025 Drop Down as discussed in Note 13—[Subsequent Events](#) of the notes to the condensed consolidated financial statements. Approximately \$255 million of the cash consideration for this transaction was funded through borrowings under the Operating Company’s credit facility, reducing the amount that remained available for future borrowings under this facility to \$995 million as of May 1, 2025. Following the close of the 2025 Drop Down, our long-term issuer default rating was upgraded to BBB- by Fitch.

2025 Equity Offering

During the first quarter of 2025, we completed an underwritten public offering of 28,336,000 shares of Class A Common Stock, at a price to the public of \$44.50 per share for total net proceeds of approximately \$1.2 billion, after the underwriters’ discount and transaction costs. For additional discussion of the 2025 Equity Offering, see Note 7—[Stockholders’ Equity](#) of the notes to the condensed consolidated financial statements included elsewhere in this report.

Capital Requirements

Repurchases of Securities

Under our current common stock repurchase program, the board of directors has authorized us to acquire up to \$750 million of our Class A Common Stock, excluding excise tax. As of March 31, 2025, \$434 million remains available for use to repurchase shares under this repurchase program.

Retirement of Notes

During the second quarter of 2025 through May 2, 2025, we opportunistically repurchased principal amounts of \$36 million of our 5.375% Senior Notes due 2027 in open market transactions for total cash consideration of \$36 million, at an average of 99.7% of par value. We may continue from time to time to opportunistically repurchase some of the outstanding Notes in open market purchases or in privately negotiated transactions.

Cash Dividends

The Operating Company will pay a cash distribution for the first quarter of 2025 in accordance with its distribution policy of \$0.70 per OpCo Unit on May 22, 2025 to eligible holders of record at the close of business on May 15, 2025.

We will pay a cash dividend for the first quarter of 2025 in accordance with our dividend policy of \$0.57 per share of Class A Common Stock on May 22, 2025 to eligible holders of record at the close of business on May 15, 2025. The dividend to stockholders consists of a base quarterly dividend of \$0.30 per share of Class A Common Stock and a variable quarterly dividend of \$0.27 per share of Class A Common Stock. Future base and variable dividends are at the discretion of the board of directors.

See Note 7—[Stockholders' Equity](#) of the notes to the condensed consolidated financial statements for further discussion of the repurchase program and dividends.

Critical Accounting Estimates

There have been no changes to our critical accounting estimates from those disclosed in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024.

Recent Accounting Pronouncements

See Note 2—[Summary of Significant Accounting Policies](#) included in the notes to the condensed consolidated financial statements for recent accounting pronouncements not yet adopted, if any.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk, including the effects of adverse changes in commodity prices and interest rates as described below. The primary objective of the following information is to provide quantitative and qualitative information about our potential exposure to market risks. The term “market risk” refers to the risk of loss arising from adverse changes in oil and natural gas prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses.

Commodity Price Risk

Our major market risk exposure is in the pricing applicable to the oil and natural gas production of our operators. Realized prices are driven primarily by the prevailing worldwide price for crude oil and prices for natural gas in the United States. Both crude oil and natural gas realized prices are also impacted by the quality of the product, supply and demand balances in local physical markets and the availability of transportation to demand centers. Pricing for oil and natural gas production has been historically volatile and unpredictable and the prices that our operators receive for production depend on many factors outside of our or their control, as discussed in [Item 2. Liquidity and Capital Resources—Overview of Sources and Uses of Cash](#). We cannot predict events that may lead to future price volatility and the near term energy outlook remains subject to heightened levels of uncertainty.

We historically have used fixed price swap contracts, fixed price basis swap contracts and costless collars with corresponding put and call options to reduce price volatility associated with certain of our royalty income as discussed in Note 10—[Derivatives](#) of the notes to the condensed consolidated financial statements.

At March 31, 2025, we had a net asset derivative position related to our commodity price derivatives of \$36 million. Utilizing actual derivative contractual volumes under our contracts as of March 31, 2025, a 10% increase in forward curves associated with the underlying commodity would have increased the net asset position by \$3 million to approximately \$39 million, while a 10% decrease in forward curves associated with the underlying commodity would have decreased the net asset derivative position by \$3 million to approximately \$33 million. However, any cash derivative gain or loss may be substantially offset by a decrease or increase, respectively, in the actual sales value of production covered by the derivative instrument.

Credit Risk

We are subject to risk resulting from the concentration of royalty income in producing oil and natural gas interests and receivables with a limited number of significant purchasers and producers. We do not require collateral and the failure or inability of our significant purchasers to meet their obligations to us due to their liquidity issues, bankruptcy, insolvency or liquidation may adversely affect our financial results. Volatility in the commodity pricing environment and macroeconomic conditions may enhance our purchaser credit risk.

Interest Rate Risk

We are subject to market risk exposure related to changes in interest rates on our indebtedness under the Operating Company's revolving credit facility. The terms of the credit facility provide for interest on borrowings at a floating rate equal to (i) term SOFR plus 0.10% ("Adjusted Term SOFR"), or (ii) an alternate base rate (which is equal to the greatest of the prime rate, the Federal Funds effective rate plus 0.50%, and 1-month Adjusted Term SOFR plus 1.00%), in each case plus the applicable margin. The applicable margin ranges from 1.00% to 2.00% per annum in the case of the alternative base rate and from 2.00% to 3.00% per annum in the case of Adjusted Term SOFR, in each case depending on the amount of the loans outstanding in relation to the commitment, which is calculated using the least of the maximum credit amount, the aggregate elected commitment amount and the borrowing base. We are obligated to pay a quarterly commitment fee ranging from 0.375% to 0.500% per year on the unused portion of the commitment. As of March 31, 2025, we had no outstanding borrowings. During the three months ended March 31, 2025, the weighted average interest rate on the Operating Company's revolving credit facility was 6.57%.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the direction of our Chief Executive Officer and Chief Financial Officer, we have established disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As of March 31, 2025, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under our Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2025, our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting. There have not been any changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Due to the nature of our business, we are, from time to time, involved in routine litigation or subject to disputes or claims related to our business activities. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations. See Note 12—[Commitments and Contingencies](#) of the notes to the condensed consolidated financial statements.

ITEM 1A. RISK FACTORS

Our business faces many risks. Any of the risks discussed in this report and our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially impair our business operations, financial condition or future results. As of the date of this filing, we continue to be subject to the risk factors previously disclosed in [Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K](#) for the year ended December 31, 2024, filed with the SEC on February 26, 2025, and in subsequent filings we make with the SEC. Except as discussed below, there have been no material changes in our risk factors from those described in our [Annual Report on Form 10-K](#) for the year ended December 31, 2024. For a discussion of the recent trends and uncertainties impacting our business, see “[Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments](#).”

Changes in U.S. trade policy and the impact of tariffs may have a material adverse effect on our business and results of operations.

Our business and results of operations may be adversely affected by uncertainty and changes in U.S. trade policies, including tariffs, trade agreements or other trade restrictions imposed by the U.S. or other governments. In recent months, the uncertainty over such policies has caused substantial volatility in commodity, capital and financial markets, increased concerns over domestic and global inflation and adversely impacted consumer confidence in the U.S. and worldwide.

Tariffs or other trade restrictions may lead to continuing uncertainty and volatility in U.S. and global financial and economic conditions and commodity markets, declining consumer confidence, significant inflation and diminished expectations for the economy, and ultimately reduced demand for oil and natural gas. Such conditions could have a material adverse impact on our business, results of operations and cash flows. Also, disruptions and volatility in the financial markets may lead to adverse changes in the availability, terms and cost of capital. Such adverse changes could increase our costs of capital and limit our access to external financing sources to fund acquisitions, repurchases of securities or other capital requirements, and reduce cash available for distribution.

Changes in tariffs and trade restrictions can be announced with little or no advance notice. The adoption and expansion of tariffs or other trade restrictions, increasing trade tensions, or other changes in governmental policies related to taxes and tariffs, are difficult to predict, which makes attendant risks difficult to anticipate and mitigate. If we are unable to navigate further changes in U.S. or international trade policy, it could have a material adverse impact on our business and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Unregistered Sales of Equity Securities**

None.

Issuer Repurchases of Equity Securities

Our common share repurchase activity for the three months ended March 31, 2025 was as follows:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share ⁽³⁾	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan ⁽²⁾⁽³⁾
(In millions, except share amounts)				
January 1, 2025 - January 31, 2025	—	\$ —	—	\$ 434,161
February 1, 2025 - February 28, 2025	—	\$ —	—	\$ 434,161
March 1, 2025 - March 31, 2025	6,527	\$ 46.57	—	\$ 434,161
Total	<u>6,527</u>	<u>\$ 46.57</u>	<u>—</u>	

- (1) Includes 6,527 shares of Class A Common Stock repurchased from employees in order to satisfy tax withholding requirements. Such shares are cancelled and retired immediately upon repurchase.
- (2) On July 26, 2022, the board of directors increased the authorization under our then-in-effect repurchase program from \$250 million to \$750 million. This repurchase program has no expiration date and remains subject to market conditions, applicable legal requirements, contractual obligations and other factors and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time.
- (3) All dollar amounts presented exclude excise taxes, as applicable.

ITEM 5. OTHER INFORMATION

None of the Company's directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during our fiscal quarter ended March 31, 2025.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1#	Equity Purchase Agreement, dated as of January 30, 2025, by and among Endeavor Energy Resources, LP, as seller, 1979 Royalties LP and 1979 Royalties GP, LLC, as companies, Viper Energy Partners LLC, as buyer, and Viper Energy, Inc., as parent (incorporated by reference to Exhibit 2.1 of the Company’s Current Report on Form 8-K (File 001-36505) filed on January 30, 2025).
3.1	Certificate of Incorporation of Viper Energy, Inc. (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K, filed by Viper Energy Partners LP with the SEC on November 2, 2023).
3.2	Amended and Restated Bylaws of Viper Energy Inc. (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K (File 001-36505), filed on December 9, 2024).
3.3	Third Amended and Restated Limited Liability Company Agreement of Viper Energy Partners LLC, dated as of October 1, 2024 (including the updated Exhibit A as of May 1, 2025) (incorporated by reference to Exhibit 3.1 of the Company’s Current Report on Form 8-K (File 001-36505), filed on May 5, 2025).
4.1	Second Amended and Restated Registration Rights Agreement, dated as of November 10, 2023, effective as of November 13, 2023, by and between Viper Energy Partners LP and Diamondback Energy, Inc. (incorporated by reference to Exhibit 10.3 of the Company’s Current Report on Form 8-K (File 001-36505) filed on November 13, 2023).
4.2	Registration Rights Agreement, dated as of October 1, 2024, by and between Viper Energy, Inc. and Tumbleweed Royalty IV, LLC, (incorporated by reference to Exhibit 4.3 of the Company’s Current Report on Form 8-K (File 001-36505) filed on October 2, 2024).
4.3	Registration Rights Agreement, dated as of February 14, 2025, by and among Viper Energy, Inc. and certain affiliates of Morita Ranches Minerals, LLC (incorporated by reference to Exhibit 4.4 of the Company’s Annual Report on Form 10-K (File 001-36505) filed on February 26, 2025).
4.4	Class B Common Stock Option Agreement, dated as of October 1, 2024, by and between Viper Energy, Inc., Viper Energy Partners LLC and Tumbleweed Royalty IV, LLC (incorporated by reference to Exhibit 4.1 of the Company’s Current Report on Form 8-K (File 001-36505) filed on October 2, 2024).
4.5	Second Amended and Restated Exchange Agreement, dated October 1, 2024, by and among Viper Energy, Inc., Viper Energy Partners LLC, Diamondback E&P LLC, Diamondback Energy, Inc. and Tumbleweed Royalty IV, LLC (incorporated by reference to Exhibit 4.2 of the Company’s Current Report on Form 8-K (File 001-36505) filed on October 2, 2024).
4.6	Exchange Agreement, dated as of February 14, 2025, by and among the Company, Viper Energy Partners LLC and certain affiliates of Morita Ranches Minerals, LLC (incorporated by reference to Exhibit 4.5 of the Company’s Annual Report on Form 10-K (File No. 001-36505) filed on February 26, 2025).
21.1*	List of Significant Subsidiaries of Viper Energy, Inc.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101	The following financial information from the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statement of Changes in Stockholders’ Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

Schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

* Filed herewith.

** The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

VIPER ENERGY, INC.

By: VIPER ENERGY, INC.

Date: May 7, 2025

By: /s/ Kaes Van't Hof

Kaes Van't Hof
Chief Executive Officer

Date: May 7, 2025

By: /s/ Teresa L. Dick

Teresa L. Dick
Chief Financial Officer

Viper Energy, Inc.
Significant Subsidiaries of Registrant

Name of Subsidiary	Jurisdiction of Incorporation
Viper Energy Partners LLC	Delaware
King Snake Royalty LLC	Texas
1979 Royalties, LP	Texas

CERTIFICATION

I, Kaes Van't Hof, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viper Energy, Inc. (the "registrant").
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 registrant'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 registrant'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; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Kaes Van't Hof

Kaes Van't Hof
Chief Executive Officer
Viper Energy, Inc.

CERTIFICATION

I, Teresa L. Dick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Viper Energy, Inc. (the “registrant”).
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 registrant’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 registrant’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; and
 - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’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 registrant’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 7, 2025

/s/ Teresa L. Dick

Teresa L. Dick
Chief Financial Officer
Viper Energy, Inc.

CERTIFICATION OF PERIOD REPORT

In connection with the Quarterly Report on Form 10-Q of Viper Energy, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Kaes Van't Hof, Chief Executive Officer of Viper Energy, Inc., and Teresa L. Dick, Chief Financial Officer of Viper Energy, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ Kaes Van't Hof

Kaes Van't Hof
Chief Executive Officer
Viper Energy, Inc.

Date: May 7, 2025

/s/ Teresa L. Dick

Teresa L. Dick
Chief Financial Officer
Viper Energy, Inc.