UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022

OR

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

For the transition period from to

Commission file number: 001-38075

ANTERO MIDSTREAM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**61-1748605** (IRS Employer Identification No.)
1615 Wynkoop Street **Denver, Colorado** (Address of principal executive offices)	**80202** (Zip Code)

(303) 357-7310
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	AM	New York Stock Exchange

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

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

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

Large Accelerated Filer ☒	Accelerated Filer ☐
Non-accelerated Filer ☐	Smaller Reporting Company ☐
Emerging Growth Company ☐	

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

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

The registrant had 478,457,912 shares of common stock outstanding as of July 22, 2022.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Quarterly Report on Form 10-Q may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact, included in this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. Words such as "may," "assume," "forecast," "position," "predict," "strategy," "expect," "intend," "plan," "estimate," "anticipate," "believe," "project," "budget," "potential," or "continue," and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. When considering these forward-looking statements, investors should keep in mind the risk factors and other cautionary statements in this Quarterly Report on Form 10-Q. These forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- Antero Resources Corporation's ("Antero Resources") expected production and development plan;
- impacts to producer customers of insufficient storage capacity;
- our ability to execute our business strategy;
- our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;
- our ability to realize the anticipated benefits of our investments in unconsolidated affiliates;
- natural gas, natural gas liquids ("NGLs"), and oil prices;
- impacts of geopolitical events and world health events, including the coronavirus ("COVID-19") pandemic;
- our ability to complete the construction of or purchase new gathering and compression, processing, water handling or other assets on schedule, at the budgeted cost or at all, and the ability of such assets to operate as designed or at expected levels;
- our ability to execute our share repurchase program;
- competition;
- government regulations and changes in laws;
- actions taken by third-party producers, operators, processors and transporters;
- pending legal or environmental matters;
- costs of conducting our operations;
- our ability to achieve our greenhouse gas reduction targets and the costs associated therewith;
- general economic conditions;
- credit markets;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- uncertainty regarding our future operating results; and
- our other plans, objectives, expectations and intentions contained in this Quarterly Report on Form 10-Q.

We caution investors that these forward-looking statements are subject to all of the risks and uncertainties incidental to our business, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, commodity price volatility, inflation, environmental risks, Antero Resources' drilling and completion and other operating risks, regulatory changes or changes in law, the uncertainty inherent in projecting Antero Resources' future rates of production, cash flows and access to capital, the timing of development expenditures, impacts of world health events (including the COVID-19 pandemic), cybersecurity risks, the state or markets for, and availability of, verified quality carbon offsets and the other risks described or referenced under the heading "1A. Risk Factors" herein, including the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "2021 Form 10-K"), which is on file with the Securities and Exchange Commission ("SEC").

Should one or more of the risks or uncertainties described or referenced in this Quarterly Report on Form 10-Q occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this Quarterly Report on Form 10-Q are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

PART I—FINANCIAL INFORMATION

ANTERO MIDSTREAM CORPORATION

Condensed Consolidated Balance Sheets

(In thousands)

	December 31, 2021	(Unaudited) June 30, 2022
Assets		
Current assets:		
Accounts receivable–Antero Resources	$ 81,197	75,098
Accounts receivable–third party	747	431
Income tax receivable	940	940
Other current assets	920	588
Total current assets	83,804	77,057
Property and equipment, net	3,394,746	3,492,489
Investments in unconsolidated affiliates	696,009	681,560
Customer relationships	1,356,775	1,321,439
Other assets, net	12,667	12,956
Total assets	$ 5,544,001	5,585,501
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable–Antero Resources	$ 4,956	2,227
Accounts payable–third party	23,592	24,510
Accrued liabilities	80,838	90,656
Other current liabilities	4,623	6,379
Total current liabilities	114,009	123,772
Long-term liabilities:		
Long-term debt	3,122,910	3,157,966
Deferred income tax liability	13,721	68,187
Other	6,663	5,457
Total liabilities	3,257,303	3,355,382
Stockholders' Equity:		
Preferred stock, $0.01 par value: 100,000 authorized as of December 31, 2021 and June 30, 2022		
Series A non-voting perpetual preferred stock; 12 designated and 10 issued and outstanding as of December 31, 2021 and June 30, 2022	—	—
Common stock, $0.01 par value; 2,000,000 authorized; 477,495 and 478,437 issued and outstanding as of December 31, 2021 and June 30, 2022, respectively	4,775	4,784
Additional paid-in capital	2,414,398	2,198,375
Retained earnings (accumulated deficit)	(132,475)	26,960
Total stockholders' equity	2,286,698	2,230,119
Total liabilities and stockholders' equity	$ 5,544,001	5,585,501

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(In thousands, except per share amounts)

	Three Months Ended June 30,	
	2021	2022
Revenue:		
Gathering and compression–Antero Resources	$ 192,667	184,071
Water handling–Antero Resources	57,718	62,262
Water handling–third party	70	242
Amortization of customer relationships	(17,668)	(17,668)
Total revenue	232,787	228,907
Operating expenses:		
Direct operating	39,555	43,299
General and administrative (including $3,059 and $5,641 of equity-based compensation in 2021 and 2022, respectively)	14,251	16,079
Facility idling	984	1,185
Depreciation	26,619	35,675
Impairment of property and equipment	—	3,702
Accretion of asset retirement obligations	114	64
Loss on settlement of asset retirement obligations	—	539
Gain on asset sale	(135)	(32)
Total operating expenses	81,388	100,511
Operating income	151,399	128,396
Other income (expense):		
Interest expense, net	(43,505)	(45,426)
Equity in earnings of unconsolidated affiliates	21,515	22,824
Loss on early extinguishment of debt	(20,701)	—
Total other expense	(42,691)	(22,602)
Income before income taxes	108,708	105,794
Income tax expense	(28,485)	(26,399)
Net income and comprehensive income	$ 80,223	79,395
Net income per share–basic	$ 0.17	0.17
Net income per share–diluted	$ 0.17	0.17
Weighted average common shares outstanding:		
Basic	477,290	478,317
Diluted	479,530	480,270

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)

(In thousands, except per share amounts)

	Six Months Ended June 30,	
	2021	2022
Revenue:		
Gathering and compression–Antero Resources	$ 377,828	366,514
Water handling–Antero Resources	114,321	115,583
Water handling–third party	95	637
Amortization of customer relationships	(35,336)	(35,336)
Total revenue	456,908	447,398
Operating expenses:		
Direct operating	78,869	85,311
General and administrative (including $7,071 and $8,473 of equity-based compensation in 2021 and 2022, respectively)	32,181	34,010
Facility idling	2,163	2,333
Depreciation	53,469	63,975
Impairment of property and equipment	1,379	3,702
Accretion of asset retirement obligations	233	128
Loss on settlement of asset retirement obligations	—	539
Loss (gain) on asset sale	3,628	(150)
Total operating expenses	171,922	189,848
Operating income	284,986	257,550
Other income (expense):		
Interest expense, net	(86,371)	(89,705)
Equity in earnings of unconsolidated affiliates	42,259	46,056
Loss on early extinguishment of debt	(20,701)	—
Total other expense	(64,813)	(43,649)
Income before income taxes	220,173	213,901
Income tax expense	(56,509)	(54,466)
Net income and comprehensive income	$ 163,664	159,435
Net income per share–basic	$ 0.34	0.33
Net income per share–diluted	$ 0.34	0.33
Weighted average common shares outstanding:		
Basic	477,071	477,983
Diluted	479,382	480,329

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(In thousands)

	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Equity
Balance at December 31, 2020	$ —	476,639	$ 4,766	2,877,612	(464,092)	2,418,286
Dividends to stockholders	—	—	—	(147,332)	—	(147,332)
Equity-based compensation	—	—	—	4,012	—	4,012
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	268	3	(1,544)	—	(1,541)
Net income and comprehensive income	—	—	—	—	83,441	83,441
Balance at March 31, 2021	—	476,907	4,769	2,732,748	(380,651)	2,356,866
Dividends to stockholders	—	—	—	(108,936)	—	(108,936)
Equity-based compensation	—	—	—	3,059	—	3,059
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	451	5	(2,781)	—	(2,776)
Net income and comprehensive income	—	—	—	—	80,223	80,223
Balance at June 30, 2021	$ —	477,358	$ 4,774	2,624,090	(300,428)	2,328,436
Balance at December 31, 2021	$ —	477,495	$ 4,775	2,414,398	(132,475)	2,286,698
Dividends to stockholders	—	—	—	(108,287)	—	(108,287)
Equity-based compensation	—	—	—	2,832	—	2,832
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	188	2	(1,331)	—	(1,329)
Net income and comprehensive income	—	—	—	—	80,040	80,040
Balance at March 31, 2022	—	477,683	4,777	2,307,612	(52,435)	2,259,954
Dividends to stockholders	—	—	—	(109,433)	—	(109,433)
Equity-based compensation	—	—	—	5,641	—	5,641
Issuance of common stock upon vesting of equity-based compensation awards, net of common stock withheld for income taxes	—	754	7	(5,445)	—	(5,438)
Net income and comprehensive income	—	—	—	—	79,395	79,395
Balance at June 30, 2022	$ —	478,437	$ 4,784	2,198,375	26,960	2,230,119

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2021	2022
Cash flows provided by (used in) operating activities:		
Net income	$ 163,664	159,435
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	53,469	63,975
Accretion	233	128
Impairment	1,379	3,702
Deferred income tax expense	56,509	54,466
Equity-based compensation	7,071	8,473
Equity in earnings of unconsolidated affiliates	(42,259)	(46,056)
Distributions from unconsolidated affiliates	58,185	60,505
Amortization of customer relationships	35,336	35,336
Amortization of deferred financing costs	2,733	2,828
Settlement of asset retirement obligations	(602)	(916)
Loss on settlement of asset retirement obligations	—	539
Loss (gain) on asset sale	3,628	(150)
Loss on early extinguishment of debt	20,701	—
Changes in assets and liabilities:		
Accounts receivable–Antero Resources	(16,274)	6,099
Accounts receivable–third party	777	517
Income tax receivable	16,311	—
Other current assets	1,070	158
Accounts payable–Antero Resources	376	(2,427)
Accounts payable–third party	5,365	9,480
Accrued liabilities	(7,297)	(1,911)
Net cash provided by operating activities	360,375	354,181
Cash flows provided by (used in) investing activities:		
Additions to gathering systems and facilities	(51,658)	(131,665)
Additions to water handling systems	(22,707)	(30,369)
Investments in unconsolidated affiliates	(966)	—
Cash received in asset sale	1,627	147
Change in other liabilities	—	(805)
Net cash used in investing activities	(73,704)	(162,692)
Cash flows provided by (used in) financing activities:		
Dividends to stockholders	(255,993)	(217,445)
Dividends to preferred stockholders	(275)	(275)
Issuance of senior notes	750,000	—
Redemption of senior notes	(667,472)	—
Payments of deferred financing costs	(8,755)	(302)
Borrowings (repayments) on bank credit facilities, net	(99,800)	33,300
Employee tax withholding for settlement of equity compensation awards	(4,317)	(6,767)
Other	(21)	—
Net cash used in financing activities	(286,633)	(191,489)
Net increase in cash and cash equivalents	38	—
Cash and cash equivalents, beginning of period	640	—
Cash and cash equivalents, end of period	$ 678	—
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 91,608	86,688
Cash received during the period for income taxes	$ 16,913	—
Increase in accrued capital expenditures and accounts payable for property and equipment	$ 25,490	2,822

See accompanying notes to unaudited condensed consolidated financial statements.

ANTERO MIDSTREAM CORPORATION
Notes to Unaudited Condensed Consolidated Financial Statements

(1) Organization

Antero Midstream Corporation (together with its consolidated subsidiaries, "Antero Midstream," "AM" or the "Company") is a growth-oriented midstream company formed to own, operate and develop midstream energy infrastructure primarily to service Antero Resources Corporation ("Antero Resources") and its production and completion activity in the Appalachian Basin. The Company's assets consist of gathering pipelines, compressor stations, interests in processing and fractionation plants and water handling assets. Antero Midstream provides midstream services to Antero Resources under long-term contracts. The Company's corporate headquarters is located in Denver, Colorado.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") applicable to interim financial information and should be read in the context of the Company's December 31, 2021 consolidated financial statements and notes thereto for a more complete understanding of the Company's operations, financial position, and accounting policies. The Company's December 31, 2021 consolidated financial statements were included in the Company's 2021 Annual Report on Form 10-K, which was filed with the SEC.

These unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information, and, accordingly, do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, these unaudited condensed consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly the Company's financial position as of December 31, 2021 and June 30, 2022, the results of the Company's operations for the three and six months ended June 30, 2021 and 2022, and the Company's cash flows for the six months ended June 30, 2021 and 2022. The Company has no items of other comprehensive income; therefore, net income is equal to comprehensive income.

Certain costs of doing business incurred and charged to the Company by Antero Resources have been reflected in the accompanying unaudited condensed consolidated financial statements. These costs include general and administrative expenses provided to the Company by Antero Resources in exchange for:

- business services, such as payroll, accounts payable and facilities management;
- corporate services, such as finance and accounting, legal, human resources, investor relations and public and regulatory policy; and
- employee compensation, including equity-based compensation.

Transactions between the Company and Antero Resources have been identified in the unaudited condensed consolidated financial statements (see Note 4—Transactions with Affiliates).

(b) Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Antero Midstream Corporation and its consolidated subsidiaries. All significant intercompany accounts and transactions have been eliminated in the Company's unaudited condensed consolidated financial statements.

(c) Recently Adopted Accounting Standard

In December 2019, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2019-12, *Simplifying the Accounting for Income Taxes*. This ASU removes certain exceptions to the general principles in Accounting Standard Codifications Topic 740, *Income Taxes* ("ASC 740"), and also simplifies portions of ASC 740 by clarifying and amending existing guidance. It is effective for interim and annual reporting periods after December 15, 2020. The Company adopted this ASU on January 1, 2021, and it did not have a material impact on the Company's consolidated financial statements.

(3) Intangibles

All customer relationships are subject to amortization and are amortized over a weighted average period of 20 years, which reflects the remaining economic life of the relationships as of June 30, 2022. The changes in the carrying amount of customer relationships were as follows (in thousands):

Customer relationships as of December 31, 2021	$	1,356,775
Amortization of customer relationships		(35,336)
Customer relationships as of June 30, 2022	$	1,321,439

Future amortization expense is as follows (in thousands):

Remainder of year ending December 31, 2022	$	35,336
Year ending December 31, 2023		70,672
Year ending December 31, 2024		70,672
Year ending December 31, 2025		70,672
Year ending December 31, 2026		70,672
Thereafter		1,003,415
Total	$	1,321,439

(4) Transactions with Affiliates

(a) Revenues

Substantially all revenues earned in the three and six months ended June 30, 2021 and 2022 were earned from Antero Resources, under various agreements for gathering and compression and water handling services. Revenues earned from gathering and compression services consists of lease income.

(b) Accounts receivable—Antero Resources and Accounts payable—Antero Resources

Accounts receivable—Antero Resources represents amounts due from Antero Resources, primarily related to gathering and compression services and water handling services. Accounts payable—Antero Resources represents amounts due to Antero Resources for general and administrative and other costs.

(c) Allocation of Costs Charged by Antero Resources

The employees supporting the Company's operations are concurrently employed by Antero Resources and the Company. Direct operating expense includes costs charged to the Company of $2 million and $3 million during the three months ended June 30, 2021 and 2022, respectively, and $5 million and $7 million during the six months ended June 30, 2021 and 2022, respectively. These costs were for services provided by employees associated with the operation of the Company's gathering lines, compressor stations, and water handling assets. General and administrative expense includes costs charged to the Company by Antero Resources of $7 million and $8 million during the three months ended June 30, 2021 and 2022, respectively, and $16 million during the six months ended June 30, 2021 and 2022. These costs relate to (i) various business services, including payroll processing, accounts payable processing and facilities management, (ii) various corporate services, including legal, accounting, treasury, information technology and human resources and (iii) compensation, including certain equity-based compensation. These expenses are charged to the Company based on the nature of the expenses and are apportioned based on a combination of the Company's proportionate share of gross property and equipment, capital expenditures and labor costs, as applicable. The Company reimburses Antero Resources directly for all general and administrative costs charged to it, except costs attributable to noncash equity-based compensation. For further information on equity-based compensation, see Note 9—Equity-Based Compensation and Cash Awards.

(5) Revenue

All of the Company's gathering and compression revenues are derived from an operating lease agreement, and all of the Company's water handling revenues are derived from service contracts with customers. The Company currently earns substantially all of its revenues from Antero Resources.

(a) Gathering and Compression

Pursuant to the gathering and compression agreement with Antero Resources, Antero Resources has dedicated substantially all of its current and future acreage in West Virginia, Ohio and Pennsylvania to the Company for gathering and compression services except for acreage subject to third-party commitments or pre-existing dedications. The Company also has an option to gather and compress natural gas produced by Antero Resources on any additional acreage it acquires during the term of the agreement outside of West Virginia, Ohio and Pennsylvania on the same terms and conditions. In December 2019, the Company and Antero Resources agreed to extend the initial term of the gathering and compression agreement to 2038 and established a growth incentive fee program whereby low pressure gathering fees will be reduced from 2020 through 2023 to the extent Antero Resources achieves certain quarterly volumetric targets during such time. Antero Resources did not earn any rebates from the Company for the three and six months ended June 30, 2021 since Antero Resources did not achieve any volumetric targets during the first or second quarters of 2021. For the three and six months ended June 30, 2022, Antero Resources earned rebates of $12 million and $24 million, respectively, from the Company by achieving the first level volumetric target during the first and second quarters of 2022. Upon completion of the initial contract term, the gathering and compression agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by either the Company or Antero Resources on or before the 180th day prior to the anniversary of such effective date.

Under the gathering and compression agreement, the Company receives a low pressure gathering fee, a high pressure gathering fee and a compression fee, in each case subject to annual Consumer Price Index ("CPI")-based adjustments, or a cost of service fee, at the Company's election when such assets are placed in-service. In addition, the agreement stipulates that the Company receives a reimbursement for the actual cost of (i) electricity used at its compressor stations where the compression services are provided based on a compression fee and (ii) operating expenses for all services provided for a cost of service fee.

The Company determined that the gathering and compression agreement is an operating lease as Antero Resources obtains substantially all of the economic benefit of the asset and has the right to direct the use of the asset. The gathering system is an identifiable asset within the gathering and compression agreement, and it consists of underground low pressure pipelines that generally connect and deliver gas from specific well pads to compressor stations to compress the gas before delivery to underground high pressure pipelines that transport the gas to a third-party pipeline, third-party plant or Joint Venture (as defined in Note 13— Investments in Unconsolidated Affiliates) plant. The gathering system is considered a single lease due to the interrelated network of the assets. When a modification to the gathering and compression agreement occurs, the Company reassesses the classification of this lease. The Company accounts for its lease and non-lease components as a single lease component as the lease component is the predominant component. The non-lease components consist of operating, oversight and maintenance of the gathering system, which are performed on time-elapsed measures.

The gathering and compression agreement includes certain fixed fee provisions. If and to the extent Antero Resources requests that the Company construct new low pressure lines, high pressure lines and/or compressor stations, the gathering and compression agreement contains options at the Company's election for either (i) minimum volume commitments that require Antero Resources to utilize or pay for 75% of the high pressure gathering capacity and 70% of the compression capacity of such new construction for 10 years or (ii) a cost of service fee that allows the Company to earn a 13% rate of return on such new construction over seven years, which election is made individually for each piece of equipment placed in service. All lease payments under the minimum volume commitments and cost of service fees are considered to be in-substance fixed lease payments under the gathering and compression agreement.

The Company recognizes lease income from its minimum volume commitments and cost of service fees under its gathering and compression agreement on a straight-line basis. Additional variable operating lease income is earned when volumes in excess of the minimum commitments are delivered under the contract. The Company recognizes variable lease income when low pressure volumes are delivered to a compressor station, compression volumes are delivered to a high pressure line and high pressure volumes are delivered to a processing plant or transmission pipeline. Minimum volume commitments for high pressure gathering capacity and compression capacity are aggregated such that there is a single minimum volume commitment for the respective service each year. The Company invoices the customer the month after each service is performed, and payment is due in the same month. The Company is not party to any leases that have not commenced.

Minimum future lease cash flows to be received by the Company under the gathering and compression agreement as of June 30, 2022 are as follows (in thousands):

Remainder of year ending December 31, 2022	$	125,982
Year ending December 31, 2023		298,655
Year ending December 31, 2024		299,473
Year ending December 31, 2025		285,175
Year ending December 31, 2026		271,762
Thereafter		562,414
Total	$	1,843,461

(b) Water Handling

The Company is party to a water services agreement with Antero Resources, whereby the Company provides certain water handling services to Antero Resources within an area of dedication in defined service areas in West Virginia and Ohio. The initial term of the water services agreement runs to 2035. Upon completion of the initial term in 2035, the water services agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by either the Company or Antero Resources on or before the 180th day prior to the anniversary of such effective date. Under the agreement, the Company receives a fixed fee for fresh water deliveries by pipeline directly to the well site, subject to annual CPI-based adjustments. In addition, the Company also provides other fluid handling services. These operations, along with the Company's fresh water delivery systems, support well completion and production operations for Antero Resources. These services are provided by the Company directly or through third-parties with which the Company contracts. For these other fluid handling services provided by third-parties, Antero Resources reimburses the Company's third-party out-of-pocket costs plus 3%. For these other fluid handling services provided by the Company, the Company charges Antero Resources a cost of service fee.

The Company satisfies its performance obligations and recognizes revenue when (i) the fresh water volumes have been delivered to the hydration unit of a specified well pad or (ii) other fluid handling services have been completed. The Company invoices the customer the month after water services are performed, and payment is due in the same month. For services contracted through third-party providers, the Company's performance obligation is satisfied when the service to be performed by the third-party provider has been completed. The Company invoices the customer after the third-party provider billing is received, and payment is due in the same month.

Transaction Price Allocated to Remaining Performance Obligations

The Company's water service agreement with Antero Resources has a term greater than one year. The Company is not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under the Company's service contracts, each unit of product delivered to the customer represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

The remainder of the Company's water service contracts, which relate to contracts with third parties, are short-term in nature with a contract term of one year or less. Accordingly, the Company is exempt from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

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Contract Balances

Under the Company's water service contracts, the Company invoices customers after the performance obligations have been satisfied, at which point payment is unconditional. Accordingly, the Company's water service contracts do not give rise to contract assets or liabilities.

(c) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of service and type of fee and is identified by the reportable segment to which such revenues relate. For more information on reportable segments, see Note 14—Reportable Segments.

	Three Months Ended June 30,		Six Months Ended June 30,		
(in thousands)	**2021**	**2022**	**2021**	**2022**	**Reportable Segment**
Type of service					
Gathering—low pressure	$ 91,761	91,660	178,067	181,097	Gathering and Processing (1)
Gathering—low pressure rebate	—	(12,000)	—	(24,000)	Gathering and Processing (1)
Compression	49,371	51,486	97,508	103,098	Gathering and Processing (1)
Gathering—high pressure	51,535	52,925	102,253	106,319	Gathering and Processing (1)
Fresh water delivery	37,751	41,120	75,109	73,164	Water Handling
Other fluid handling	20,037	21,384	39,307	43,056	Water Handling
Amortization of customer relationships	(9,271)	(9,272)	(18,542)	(18,543)	Gathering and Processing
Amortization of customer relationships	(8,397)	(8,396)	(16,794)	(16,793)	Water Handling
Total	$ 232,787	228,907	456,908	447,398	
Type of contract					
Per Unit Fixed Fee	$ 192,667	196,071	377,828	390,514	Gathering and Processing (1)
Gathering—low pressure rebate	—	(12,000)	—	(24,000)	Gathering and Processing (1)
Per Unit Fixed Fee	37,751	41,362	75,109	73,801	Water Handling
Cost plus 3%	16,425	16,400	31,775	32,038	Water Handling
Cost of service fee	3,612	4,742	7,532	10,381	Water Handling
Amortization of customer relationships	(9,271)	(9,272)	(18,542)	(18,543)	Gathering and Processing
Amortization of customer relationships	(8,397)	(8,396)	(16,794)	(16,793)	Water Handling
Total	$ 232,787	228,907	456,908	447,398	

(1) Revenue related to the gathering and processing segment is classified as lease income related to the gathering system.

The Company's receivables from its contracts with customers and operating leases as of December 31, 2021 and June 30, 2022, were $81 million and $75 million, respectively.

ANTERO MIDSTREAM CORPORATION

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(6) Property and Equipment

Property and equipment, net consisted of the following items:

(in thousands)	Estimated Useful Lives	December 31, 2021	(Unaudited) June 30, 2022
Land	n/a	$ 23,369	26,682
Gathering systems and facilities	40-50 years [(1)]	2,817,918	2,974,773
Permanent buried pipelines and equipment	7-20 years	582,481	602,024
Surface pipelines and equipment	1-7 years	54,542	61,649
Heavy trucks and equipment	3-5 years	5,157	5,157
Above ground storage tanks	5-10 years	2,946	2,953
Construction-in-progress	n/a	174,271	148,733
Total property and equipment		3,660,684	3,821,971
Less accumulated depreciation		(265,938)	(329,482)
Property and equipment, net		$ 3,394,746	3,492,489

(1) Gathering systems and facilities are recognized as a single-leased asset with no residual value.

(7) Long-Term Debt

Long-term debt consisted of the following items:

(in thousands)	December 31, 2021	(Unaudited) June 30, 2022
Credit Facility (a)	$ 547,200	580,500
7.875% senior notes due 2026 (c)	550,000	550,000
5.75% senior notes due 2027 (d)	650,000	650,000
5.75% senior notes due 2028 (e)	650,000	650,000
5.375% senior notes due 2029 (f)	750,000	750,000
Total principal	3,147,200	3,180,500
Unamortized debt premiums	2,106	1,904
Unamortized debt issuance costs	(26,396)	(24,438)
Total long-term debt	$ 3,122,910	3,157,966

(a) Credit Facility

Antero Midstream Partners LP ("Antero Midstream Partners"), an indirect, wholly owned subsidiary of Antero Midstream Corporation, as borrower (the "Borrower"), has a senior secured revolving credit facility with a consortium of banks. On October 26, 2021, the Company entered into an amended and restated senior secured revolving credit facility (the "Credit Facility"). As of December 31, 2021 and June 30, 2022, the Credit Facility had lender commitments of $1.25 billion and matures on October 26, 2026; provided that if on November 17, 2025 any of the 2026 Notes (as defined below) are outstanding, the Credit Facility will mature on such date. As of June 30, 2022, the Credit Facility had an available borrowing capacity of $669 million.

The Credit Facility contains certain covenants including restrictions on indebtedness, and requirements with respect to leverage and interest coverage ratios. The Credit Facility permits distributions to the holders of the Borrower's equity interests in accordance with the cash distribution policy, provided that no event of default exists or would be caused thereby, and only to the extent permitted by the Borrower's organizational documents. The Borrower was in compliance with all of the financial covenants under the Credit Facility as of December 31, 2021 and June 30, 2022.

ANTERO MIDSTREAM CORPORATION

Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

The senior secured revolving credit facility agreement in effect prior to October 26, 2021 provided for borrowing under either the Base Rate or the Eurodollar Rate (as each term is defined in the agreement), and the Credit Facility provides for borrowing under either Adjusted Term Secured Overnight Financing Rate ("SOFR") or the Base Rate (as each term is defined in the Credit Facility). Principal amounts borrowed are payable on the maturity date with such borrowings bearing interest that is payable with respect to (i) base rate loans, quarterly and (ii) SOFR Loans at the end of the applicable interest period if three months (or shorter, if applicable), or every three months if the applicable interest period is longer than three months. Interest was payable at a variable rate based on LIBOR or the base rate, determined by election at the time of borrowing, plus an applicable margin rate under the senior secured revolving credit facility agreement in effect prior to October 26, 2021. Interest is payable at a variable rate based on SOFR or the base rate, determined by election at the time of borrowing, plus an applicable margin rate under the Credit Facility. Interest at the time of borrowing is determined with reference to the Borrower's then-current leverage ratio subject to certain exceptions. Commitment fees on the unused portion of the Credit Facility are due quarterly at rates ranging from 0.25% to 0.375% subject to certain exceptions based on the leverage ratio then in effect.

As of December 31, 2021, the Borrower had outstanding borrowings under the Credit Facility of $547 million with a weighted average interest rate of 1.81%. As of June 30, 2022, the Borrower had outstanding borrowings under the Credit Facility of $581 million with a weighted average interest rate of 3.24%. No letters of credit under the Credit Facility were outstanding as of December 31, 2021 or June 30, 2022.

(b) 5.375% Senior Notes Due 2024

On September 13, 2016, Antero Midstream Partners and its wholly owned subsidiary, Antero Midstream Finance Corporation ("Finance Corp" and together with Antero Midstream Partners, the "Issuers"), issued $650 million in aggregate principal amount of 5.375% senior notes due September 15, 2024 (the "2024 Notes") at par. The 2024 Notes were recorded at their fair value of $652.6 million as of March 12, 2019, and the related premium of $2.6 million was amortized into interest expense over the life of the 2024 Notes. The Issuers redeemed all $650 million of the 2024 Notes at 102.688% of par on June 8, 2021, and recognized a loss of $21 million on the early extinguishment of debt during the second quarter of 2021, which includes the write-off of all unamortized debt premium and issuance costs. Interest on the 2024 Notes was payable on March 15 and September 15 of each year.

(c) 7.875% Senior Notes Due 2026

On November 10, 2020, the Issuers issued $550 million in aggregate principal amount of 7.875% senior notes due May 15, 2026 (the "2026 Notes") at par. The 2026 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2026 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2026 Notes is payable on May 15 and November 15 of each year. Antero Midstream Partners may redeem all or part of the 2026 Notes at any time on or after May 15, 2023 at redemption prices ranging from 103.938% on or after May 15, 2023 to 100.00% on or after May 15, 2025. In addition, prior to May 15, 2023, Antero Midstream Partners may redeem up to 35% of the aggregate principal amount of the 2026 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 107.875% of the principal amount of the 2026 Notes, plus accrued and unpaid interest. At any time prior to May 15, 2023, Antero Midstream Partners may also redeem the 2026 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2026 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2026 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2026 Notes at a price equal to 101% of the principal amount of the 2026 Notes, plus accrued and unpaid interest.

(d) 5.75% Senior Notes Due 2027

On February 25, 2019, the Issuers issued $650 million in aggregate principal amount of 5.75% senior notes due March 1, 2027 (the "2027 Notes") at par. The 2027 Notes were recorded at their fair value of $653.3 million as of March 12, 2019, and the related premium of $3.3 million will be amortized into interest expense over the life of the 2027 Notes. The 2027 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2027 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2027 Notes is payable on March 1 and September 1 of each year. Antero Midstream Partners may redeem all or part of the 2027 Notes at any time on or after March 1, 2022 at redemption prices ranging from 102.875% currently to 100.00% on or after March 1, 2025. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2027 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2027 Notes at a price equal to 101% of the principal amount of the 2027 Notes, plus accrued and unpaid interest.

(e) 5.75% Senior Notes Due 2028

On June 28, 2019, the Issuers issued $650 million in aggregate principal amount of 5.75% senior notes due January 15, 2028 (the "2028 Notes") at par. The 2028 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2028 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2028 Notes is payable on January 15 and July 15 of each year. Antero Midstream Partners may redeem all or part of the 2028 Notes at any time on or after January 15, 2023 at redemption prices ranging from 102.875% on or after January 15, 2023 to 100.00% on or after January 15, 2026. In addition, prior to January 15, 2023, Antero Midstream Partners may redeem up to 35% of the aggregate principal amount of the 2028 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.75% of the principal amount of the 2028 Notes, plus accrued and unpaid interest. At any time prior to January 15, 2023, Antero Midstream Partners may also redeem the 2028 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2028 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2028 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2028 Notes at a price equal to 101% of the principal amount of the 2028 Notes, plus accrued and unpaid interest.

(f) 5.375% Senior Notes Due 2029

On June 8, 2021, the Issuers issued $750 million in aggregate principal amount of 5.375% senior notes due June 15, 2029 (the "2029 Notes") at par. The 2029 Notes are unsecured and effectively subordinated to the Credit Facility to the extent of the value of the collateral securing the Credit Facility. The 2029 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by Antero Midstream Corporation, Antero Midstream Partners' wholly owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2029 Notes is payable on June 15 and December 15 of each year. Antero Midstream Partners may redeem all or part of the 2029 Notes at any time on or after June 15, 2024 at redemption prices ranging from 102.688% on or after June 15, 2024 to 100.00% on or after June 15, 2026. In addition, prior to June 15, 2024, Antero Midstream Partners may redeem up to 35% of the aggregate principal amount of the 2029 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.375% of the principal amount of the 2029 Notes, plus accrued and unpaid interest. At any time prior to June 15, 2024, Antero Midstream Partners may also redeem the 2029 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2029 Notes plus a "make-whole" premium and accrued and unpaid interest. If Antero Midstream Partners undergoes a change of control followed by a rating decline, the holders of the 2029 Notes will have the right to require Antero Midstream Partners to repurchase all or a portion of the 2029 Notes at a price equal to 101% of the principal amount of the 2029 Notes, plus accrued and unpaid interest.

(g) Senior Notes Guarantors

The Company and each of the Company's wholly owned subsidiaries (except for the Issuers) has fully and unconditionally guaranteed the 2024 Notes, 2026 Notes, 2027 Notes, 2028 Notes and 2029 Notes (collectively the "Senior Notes"). In the event a guarantor is sold or disposed of (whether by merger, consolidation, the sale of a sufficient amount of its capital stock so that it no longer qualifies as a Restricted Subsidiary (as defined in the applicable indenture governing the series of Senior Notes) of the Issuer or the sale of all or substantially all of its assets) and whether or not the guarantor is the surviving entity in such transaction to a person that is not an Issuer or a Restricted Subsidiary of an Issuer, such guarantor will be released from its obligations under its guarantee if the sale or other disposition does not violate the covenants set forth in the indentures governing the applicable Senior Notes.

In addition, a guarantor will be released from its obligations under the applicable indenture and its guarantee, upon the release or discharge of the guarantee of other indebtedness under a credit facility that resulted in the creation of such guarantee, except a release or discharge by or as a result of payment under such guarantee; if the Issuers designate such subsidiary as an unrestricted subsidiary and such designation complies with the other applicable provisions of the indenture governing the applicable Senior Notes or in connection with any covenant defeasance, legal defeasance or satisfaction and discharge of the applicable Senior Notes.

During the three and six months ended June 30, 2021 and 2022, all of the Company's assets and operations are attributable to the Issuers and its guarantors.

(8) Accrued Liabilities

Accrued liabilities consisted of the following items:

(in thousands)		December 31, 2021	(Unaudited) June 30, 2022
Capital expenditures	$	24,900	36,283
Operating expenses		10,417	9,953
Interest expense		36,794	36,984
Ad valorem taxes		5,400	5,029
Other		3,327	2,407
Total accrued liabilities	$	80,838	90,656

(9) Equity-Based Compensation and Cash Awards

(a) Summary of Equity-Based Compensation

The Company's equity-based compensation includes (i) costs allocated to Antero Midstream by Antero Resources for grants made prior to March 12, 2019 pursuant to the Antero Resources Corporation Long-Term Incentive Plan (the "AR LTIP") and (ii) costs related to the Antero Midstream Corporation Long-Term Incentive Plan (the "AM LTIP"). Antero Midstream's equity-based compensation expense is included in general and administrative expenses, and recorded as a credit to the applicable classes of equity.

AR LTIP

Equity-based compensation expense allocated to Antero Midstream from Antero Resources was $0.4 million and $0.1 million for the three months ended June 30, 2021 and 2022, respectively, and $1.5 million and $0.3 million for the six months ended June 30, 2021 and 2022, respectively, which includes expense related to the Converted AM RSU Awards (as defined below). For grants made prior to March 12, 2019, Antero Resources has total unamortized expense related to its various equity-based compensation plans that can be allocated to the Company of approximately $0.1 million as of June 30, 2022, which includes the Converted AM RSU Awards (as defined below). A portion of this unamortized cost will be allocated to Antero Midstream as it is amortized over the remaining service period of the related awards. The Company does not reimburse Antero Resources for noncash equity compensation allocated to it for awards issued under the AR LTIP.

AM LTIP

The Company is authorized to grant up to 15,398,901 shares of AM common stock to employees and directors under the AM LTIP. The AM LTIP provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), dividend equivalents, other stock-based awards, cash awards and substitute awards. The terms and conditions of the awards granted are established by the compensation committee of the Board of Directors (the "Board"). As of June 30, 2022, a total of 7,270,722 shares were available for future grant under the AM LTIP.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

The Company's equity-based compensation expense, by type of award, is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2021**	**2022**	**2021**	**2022**
Restricted stock units [1]	$ 2,925	4,425	5,703	6,913
Performance share units [1]	(94)	988	913	1,105
Equity awards issued to directors	228	228	455	455
Total expense	$ 3,059	5,641	7,071	8,473

(1) Amounts include equity-based compensation expense allocated to the Company by Antero Resources.

(b) Restricted Stock Unit Awards

As of March 19, 2019, each of the unvested outstanding phantom units granted under the Antero Midstream Partners Long Term Incentive Plan was assumed by the Company and converted into 1.8926 RSUs under the AM LTIP representing a right to receive shares of the Company's common stock for each converted phantom unit (all such RSUs, the "Converted AM RSU Awards"). The Converted AM RSU Awards are accounted for as if they are distributed by Antero Midstream Partners to Antero Resources. Therefore, the expense related to the Converted AM RSU Awards is subject to allocation by Antero Resources.

A summary of the RSU awards activity, which includes the Converted AM RSU Awards, is as follows:

	Number of Units	Weighted Average Grant Date Fair Value
Total AM LTIP RSUs awarded and unvested—December 31, 2021	3,573,377	$ 8.11
Granted	2,750,896	11.28
Vested	(1,237,558)	8.38
Forfeited	(132)	11.28
Total AM LTIP RSUs awarded and unvested—June 30, 2022	5,086,583	$ 9.76

As of June 30, 2022, unamortized expense of $45.2 million related to the unvested RSUs, which includes less than $0.1 million related to the Converted AM RSU Awards, is expected to be recognized over a weighted average period of approximately 2.6 years. The Company's proportionate share of the Converted AM RSU Awards will be allocated to it as it is recognized.

(c) Performance Share Unit Awards

2019 Performance Share Unit Awards

In 2019, the Company granted performance share units ("PSUs") to certain of its employees and executive officers that vest based on the Company's actual return on invested capital ("ROIC") (as defined in the award agreement) over a three-year period as compared to a targeted ROIC ("2019 ROIC PSUs"). The number of shares of the Company's common stock that could be earned with respect to the 2019 ROIC PSUs ranged from zero to 200% of the target number of 2019 ROIC PSUs originally granted. During the second quarter of 2022, the performance condition for the 2019 ROIC PSUs was met at 200% of target and 137,712 target 2019 ROIC PSUs converted into 275,424 shares of the Company's common stock. As of June 30, 2022, there were no 2019 ROIC PSUs outstanding.

2022 Performance Share Unit Awards

In April 2022, the Company granted PSUs to certain of its executive officers that vest based on the Company's actual ROIC (as defined in the award agreement) over a three-year period concluding on December 31, 2024 as compared to a targeted ROIC ("2022 ROIC PSUs"). The number of shares of the Company's common stock that can be earned with respect to the 2022 ROIC PSUs ranges from zero to 200% of the target number of 2022 ROIC PSUs originally granted. The grant date fair value of these awards was based on the closing price of the Company's common stock on the date of the grant, assuming target achievement of the performance condition. Expense related to the 2022 ROIC PSUs is recognized based on the number of shares of the Company's common stock that are expected to be issued at the end of the measurement period, and such expense is reversed if the likelihood of achieving the performance condition decreases. The likelihood of achieving the performance conditions related to 2022 ROIC PSU awards was probable as of June 30, 2022.

Summary Information for Performance Share Unit Awards

A summary of the PSU awards activity is as follows:

	Number of Units	Weighted Average Grant Date Fair Value
Total AM LTIP PSUs awarded and unvested—December 31, 2021	116,526	$ 6.32
Granted	461,121	11.05
Vested [1]	(137,712)	6.32
Forfeited	—	—
Total AM LTIP PSUs awarded and unvested—June 30, 2022	439,935	$ 11.28

(1) The performance condition for these vested PSUs was met at 200% of target and as such, they converted into 275,424 shares of the Company's common stock during the second quarter of 2022.

As of June 30, 2022, unamortized expense of $9.2 million related to unvested PSUs is expected to be recognized over a weighted average period of approximately 2.8 years.

(d) Cash Awards

In January 2020, the Company granted cash awards of $2.2 million to certain executives under the AM LTIP that vest ratably over a period of up to three years. In July 2020, the Company granted additional cash awards of $0.7 million to certain non-executive employees under the AM LTIP that vest ratably over a period of four years. The compensation expense for these awards is recognized ratably over the applicable vesting period. As of December 31, 2021 and June 30, 2022, the Company has recorded $1.1 million and $0.4 million, respectively, in other liabilities in the condensed consolidated balance sheets related to unvested cash awards.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(10) Cash Dividends

The Company paid cash dividends for the quarter indicated as follows (in thousands, except per share data):

Period	Record Date	Dividend Date	Dividends	Dividends per Share
Q4 2020	February 3, 2021	February 11, 2021	$ 147,194	$ 0.3075
*	February 16, 2021	February 16, 2021	138	*
Q1 2021	April 28, 2021	May 12, 2021	108,799	0.2250
*	May 17, 2021	May 17, 2021	137	*
Q2 2021	July 28, 2021	August 11, 2021	107,719	0.2250
*	August 16, 2021	August 16, 2021	138	*
Q3 2021	October 27, 2021	November 10, 2021	107,459	0.2250
*	November 15, 2021	November 15, 2021	137	*
	Total 2021		$ 471,721	
Q4 2021	January 26, 2022	February 9, 2022	$ 108,149	$ 0.2250
*	February 14, 2022	February 14, 2022	138	*
Q1 2022	April 27, 2022	May 11, 2022	109,296	0.2250
*	May 16, 2022	May 16, 2022	137	*
	Total 2022		$ 217,720	

* Dividends are paid in accordance with the terms of the Series A Preferred Stock (as defined below) as discussed in Note 11—Equity and Earnings Per Common Share.

On July 13, 2022, the Board announced the declaration of a cash dividend on the shares of AM common stock of $0.2250 per share for the quarter ended June 30, 2022. The dividend will be payable on August 10, 2022 to stockholders of record as of July 27, 2022. The Company pays dividends (i) out of surplus or (ii) if there is no surplus, out of the net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, as provided under Delaware law.

The Board also declared a cash dividend of $138 thousand on the shares of Series A Preferred Stock of Antero Midstream to be paid on August 15, 2022 in accordance with the terms of the Series A Preferred Stock, which are discussed in Note 11—Equity and Earnings Per Common Share. As of June 30, 2022, there were dividends in the amount of $69 thousand accumulated in arrears on the Company's Series A Preferred Stock.

(11) Equity and Earnings Per Common Share

(a) Preferred Stock

The Board authorized 100,000,000 shares of preferred stock on March 12, 2019, and issued 10,000 shares of preferred stock designated as "5.5% Series A Non-Voting Perpetual Preferred Stock" (the "Series A Preferred Stock"), to The Antero Foundation on that date. Dividends on the Series A Preferred Stock are cumulative from the date of original issue and payable in cash on the 45th day following the end of each fiscal quarter, or such other dates as the Board will approve, at a rate of 5.5% per annum on (i) the liquidation preference per share of Series A Preferred Stock (as described below) and (ii) the amount of accrued and unpaid dividends for any prior dividend period on such share of Series A Preferred Stock, if any. At any time following the date of issue, in the event of a change of control, or at any time on or after March 12, 2029, the Company may redeem the Series A Preferred Stock at a price equal to $1,000 per share, plus any accrued and unpaid dividends, payable in cash; provided that if any shares of the Series A Preferred Stock are held by The Antero Foundation at the time of such redemption, the price for redemption of each share of Series A Preferred Stock will be the greater of (i) $1,000 per share, plus any accrued but unpaid dividends, and (ii) the fair market value of the Series A Preferred Stock. On or after March 12, 2029, the holder of each share of Series A Preferred Stock (other than The Antero Foundation) may convert such shares, at any time and from time to time, at the option of the holder into a number of shares of AM common stock equal to the conversion ratio in effect on the applicable conversion date, subject to certain limitations. The Series A Preferred Stock ranks senior to the AM common stock as to dividend rights, as well as with respect to rights upon liquidation, winding-up or dissolution of the Company. Holders of the Series A Preferred Stock do not have any voting rights in the Company, except as required by law, or any preemptive rights.

(b) Weighted Average Shares Outstanding

The following is a reconciliation of the Company's basic weighted average shares outstanding to diluted weighted average shares outstanding:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2021**	**2022**	**2021**	**2022**
Basic weighted average number of shares outstanding	477,290	478,317	477,071	477,983
Add: Dilutive effect of RSUs	1,063	794	1,109	1,081
Add: Dilutive effect of PSUs	215	54	240	160
Add: Dilutive effect of Series A Preferred Stock	962	1,105	962	1,105
Diluted weighted average number of shares outstanding	479,530	480,270	479,382	480,329
Weighted average number of outstanding equity awards excluded from calculation of diluted earnings per common share (1):				
RSUs	341	2,457	310	1,170
PSUs	—	744	—	375

(1) The potential dilutive effects of these awards were excluded from the computation of earnings (loss) per common shares—assuming dilution because the inclusion of these awards would have been anti-dilutive.

(c) Earnings Per Common Share

Earnings per common share—basic for each period is computed by dividing the net income or loss attributable to the Company by the basic weighted average number of shares outstanding during the period. Earnings per common share—assuming dilution for each period is computed after giving consideration to the potential dilution from outstanding equity awards, calculated using the treasury stock method. During periods in which the Company incurs a net loss, diluted weighted average shares outstanding are equal to basic weighted average shares outstanding because the effect of all equity awards is anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share amounts)	**2021**	**2022**	**2021**	**2022**
Net income	$ 80,223	79,395	163,664	159,435
Less preferred stock dividends	(137)	(137)	(275)	(275)
Net income available to common shareholders	$ 80,086	79,258	163,389	159,160
Net income per share–basic	$ 0.17	0.17	0.34	0.33
Net income per share–diluted	$ 0.17	0.17	0.34	0.33
Weighted average common shares outstanding–basic	477,290	478,317	477,071	477,983
Weighted average common shares outstanding–diluted	479,530	480,270	479,382	480,329

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(12) Fair Value Measurement

(a) Senior Unsecured Notes

The fair value and carrying value of the Company's Senior Notes is as follows:

	December 31, 2021		(Unaudited) June 30, 2022	
(in thousands)	**Fair Value (1)**	**Carrying Value (2)**	**Fair Value (1)**	**Carrying Value (2)**
2026 Notes	$ 604,450	544,294	548,625	544,844
2027 Notes	672,750	645,970	611,000	646,284
2028 Notes	680,225	643,902	594,750	644,333
2029 Notes	783,750	741,544	670,275	742,005
Total	$ 2,741,175	2,575,710	2,424,650	2,577,466

(1) Fair values are based on Level 2 market data inputs.
(2) Carrying values are presented net of unamortized debt issuance costs and debt premiums.

(b) Other Assets and Liabilities

The carrying values of accounts receivable and accounts payable as of December 31, 2021 and June 30, 2022 approximated fair value because of their short-term nature. The carrying value of the amounts under the Credit Facility as of December 31, 2021 and June 30, 2022 approximated fair value because the variable interest rates are reflective of current market conditions.

(13) Investments in Unconsolidated Affiliates

The Company has a 15% equity interest in a gathering system of Stonewall Gas Gathering LLC ("Stonewall"), which operates a 67-mile pipeline on which Antero Resources is an anchor shipper.

The Company has a 50% equity interest in the joint venture to develop processing and fractionation assets with MarkWest Energy Partners, L.P. ("MarkWest"), a wholly owned subsidiary of MPLX, LP (the "Joint Venture"). The Joint Venture was formed to develop processing and fractionation assets in Appalachia. MarkWest operates the Joint Venture assets, which consist of processing plants in West Virginia and a one-third interest in two MarkWest fractionators in Ohio.

The Company's net income includes its proportionate share of the net income of the Joint Venture and Stonewall. When the Company records its proportionate share of net income, it increases equity income in the unaudited condensed consolidated statements of operations and comprehensive income and the carrying value of that investment on its balance sheet. When distributions on the Company's proportionate share of net income are received, they are recorded as reductions to the carrying value of the investment on the condensed consolidated balance sheet and are classified as cash inflows from operating activities in accordance with the nature of the distribution approach under FASB ASC Topic 230, *Statement of Cash Flows*. The Company uses the equity method of accounting to account for its investments in Stonewall and the Joint Venture because it exercises significant influence, but not control, over the entities. The Company's judgment regarding the level of influence over its equity investments includes considering key factors such as its ownership interest, representation on the applicable Board of Directors and participation in policy-making decisions of Stonewall and the Joint Venture.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

The following table is a reconciliation of the Company's investments in these unconsolidated affiliates:

(in thousands)	Stonewall	MarkWest Joint Venture	Total Investment in Unconsolidated Affiliates
Balance as of December 31, 2021	$ 130,572	565,437	696,009
Equity in earnings of unconsolidated affiliates (1)	3,429	42,627	46,056
Distributions from unconsolidated affiliates	(5,610)	(54,895)	(60,505)
Balance as of June 30, 2022	$ 128,391	553,169	681,560

(1) As adjusted for the amortization of the difference between the cost of the equity investments in Stonewall and the Joint Venture and the amount of the underlying equity in the net assets of Stonewall and the Joint Venture as of March 12, 2019.

(14) Reportable Segments

(a) Summary of Reportable Segments

The Company's operations, which are located in the United States, are organized into two reportable segments: (i) gathering and processing and (ii) water handling. These segments are monitored separately by management for performance and are consistent with internal financial reporting. These segments have been identified based on the differing products and services, regulatory environment and the expertise required for these operations. Management evaluates the performance of the Company's business segments based on operating income. Interest expense is primarily managed and evaluated on a consolidated basis.

Gathering and Processing

The gathering and processing segment includes a network of gathering pipelines and compressor stations that collect and process production from Antero Resources' wells in West Virginia and Ohio. The gathering and processing segment also includes equity in earnings from the Company's investments in the Joint Venture and Stonewall.

Water Handling

The Company's water handling segment includes two independent systems that deliver water from sources including the Ohio River, local reservoirs and several regional waterways. Portions of these water handling systems are also utilized to transport flowback and produced water. The water handling systems consist of permanent buried pipelines, surface pipelines and water storage facilities, as well as pumping stations, blending facilities and impoundments to transport water throughout the systems used to deliver water for Antero Resources' well completions.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(b) Reportable Segments Financial Information

The summarized operating results of the Company's reportable segments are as follows:

(in thousands)	Three Months Ended June 30, 2021 Gathering and Processing	Water Handling	Unallocated (1)	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 192,667	57,718	—	250,385
Revenue–third-party	—	70	—	70
Amortization of customer relationships	(9,271)	(8,397)	—	(17,668)
Total revenues	183,396	49,391	—	232,787
Operating expenses:				
Direct operating	17,012	22,543	—	39,555
General and administrative	8,734	4,873	644	14,251
Facility idling	—	984	—	984
Depreciation	14,404	12,215	—	26,619
Accretion of asset retirement obligations	—	114	—	114
Gain on asset sale	(135)	—	—	(135)
Total operating expenses	40,015	40,729	644	81,388
Operating income	$ 143,381	8,662	(644)	151,399
Equity in earnings of unconsolidated affiliates	$ 21,515	—	—	21,515
Additions to property and equipment	$ 36,599	9,377	—	45,976

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

(in thousands)	Three Months Ended June 30, 2022 Gathering and Processing	Water Handling	Unallocated (1)	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 184,071	62,262	—	246,333
Revenue–third-party	—	242	—	242
Amortization of customer relationships	(9,272)	(8,396)	—	(17,668)
Total revenues	174,799	54,108	—	228,907
Operating expenses:				
Direct operating	19,343	23,956	—	43,299
General and administrative	10,490	3,849	1,740	16,079
Facility idling	—	1,185	—	1,185
Depreciation	22,854	12,821	—	35,675
Impairment of property and equipment	1,130	2,572	—	3,702
Accretion of asset retirement obligations	—	64	—	64
Loss on settlement of asset retirement obligations	—	539	—	539
Gain on asset sale	(32)	—	—	(32)
Total operating expenses	53,785	44,986	1,740	100,511
Operating income	$ 121,014	9,122	(1,740)	128,396
Equity in earnings of unconsolidated affiliates	$ 22,824	—	—	22,824
Additions to property and equipment, net	$ 60,931	16,836	—	77,767

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

(in thousands)	Six Months Ended June 30, 2021 Gathering and Processing	Water Handling	Unallocated (1)	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 377,828	114,321	—	492,149
Revenue–third-party	—	95	—	95
Amortization of customer relationships	(18,542)	(16,794)	—	(35,336)
Total revenues	359,286	97,622	—	456,908
Operating expenses:				
Direct operating	34,248	44,621	—	78,869
General and administrative	17,383	12,553	2,245	32,181
Facility idling	—	2,163	—	2,163
Depreciation	29,117	24,352	—	53,469
Impairment of property and equipment	1,218	161	—	1,379
Accretion of asset retirement obligations	—	233	—	233
Loss on asset sale	3,628	—	—	3,628
Total operating expenses	85,594	84,083	2,245	171,922
Operating income	$ 273,692	13,539	(2,245)	284,986
Equity in earnings of unconsolidated affiliates	$ 42,259	—	—	42,259
Additions to property and equipment	$ 51,658	22,707	—	74,365

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

(in thousands)	Six Months Ended June 30, 2022 Gathering and Processing	Water Handling	Unallocated (1)	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 366,514	115,583	—	482,097
Revenue–third-party	—	637	—	637
Amortization of customer relationships	(18,543)	(16,793)	—	(35,336)
Total revenues	347,971	99,427	—	447,398
Operating expenses:				
Direct operating	36,525	48,786	—	85,311
General and administrative	20,191	10,590	3,229	34,010
Facility idling	—	2,333	—	2,333
Depreciation	38,661	25,314	—	63,975
Impairment of property and equipment	1,130	2,572	—	3,702
Accretion of asset retirement obligations	—	128	—	128
Loss on settlement of asset retirement obligations	—	539	—	539
Gain on asset sale	(63)	(87)	—	(150)
Total operating expenses	96,444	90,175	3,229	189,848
Operating income	$ 251,527	9,252	(3,229)	257,550
Equity in earnings of unconsolidated affiliates	$ 46,056	—	—	46,056
Additions to property and equipment, net	$ 131,665	30,369	—	162,034

(1) Certain expenses that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

ANTERO MIDSTREAM CORPORATION
Notes to the Unaudited Condensed Consolidated Financial Statements (Continued)

The summarized total assets of the Company's reportable segments are as follows:

(in thousands)	December 31, 2021	(Unaudited) June 30, 2022
Gathering and Processing	$ 4,450,939	4,503,022
Water Handling	1,092,122	1,081,276
Unallocated [1]	940	1,203
Total assets	$ 5,544,001	5,585,501

(1) Certain assets that are not directly attributable to gathering and processing and water handling are managed and evaluated on a consolidated basis.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this report. The information provided below supplements, but does not form part of, our unaudited condensed consolidated financial statements. This discussion contains forward-looking statements that are based on the views and beliefs of our management, as well as assumptions and estimates made by our management. Actual results could differ materially from such forward-looking statements as a result of various risk factors, including those that may not be in the control of management. For further information on items that could impact our future operating performance or financial condition, see "Item 1A. Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements." We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law. In this section, references to "Antero Midstream," "AM," the "Company," "we," "us," and "our" refer to Antero Midstream Corporation and its consolidated subsidiaries, unless otherwise indicated or the context otherwise requires.

Overview

We are a growth-oriented midstream energy company formed to own, operate and develop midstream energy assets to primarily service Antero Resources' production and completion activity. We believe that our strategically located assets and our relationship with Antero Resources have allowed us to become a leading midstream energy company serving the Appalachian Basin and present opportunities to expand our midstream services to other operators in the Appalachian Basin. Our assets consist of gathering pipelines, compressor stations and interests in processing and fractionation plants that collect and process production from Antero Resources' wells in the Appalachian Basin in West Virginia and Ohio. Our assets also include two independent water handling systems that deliver water from the Ohio River and several regional waterways. These water handling systems consist of permanent buried pipelines, surface pipelines and water storage facilities, as well as pumping stations, blending facilities and impoundments. Portions of these water handling systems are also utilized to transport flowback and produced water. These services are provided by us directly or through third-parties with which we contract.

COVID-19 Pandemic

Since the start of the COVID-19 pandemic, governments have tried to slow the spread of the virus by imposing social distancing guidelines, travel restrictions and stay-at-home orders, among other actions, which caused a significant decrease in activity in the global economy and the demand for oil, and to a lesser extent, natural gas and NGLs. As vaccines have become widely available, social distancing guidelines, travel restrictions and stay-at-home orders have eased, activity in the global economy has increased and demand for oil, natural gas and NGLs, and related commodity pricing, has improved. However, new variants of the virus could cause further commodity market volatility and resulting financial market instability, and these are variables beyond our control that may adversely impact our generation of funds from operating cash flows, distributions from unconsolidated affiliates and our ability to access the capital markets.

We have continued to operate throughout the pandemic, in some cases subject to federal, state and local regulations, and we are taking steps to protect the health and safety of our workers. We have implemented protocols to reduce the risk of an outbreak within our field operations, and these protocols have not reduced Antero Resources' production and our throughput in a significant manner. A substantial portion of our non-field level employees currently operate in a hybrid working arrangement that involves a combination of in-office and remote work-from-home arrangements. We have been able to maintain a consistent level of effectiveness through these arrangements, including maintaining our day-to-day operations, our financial reporting systems and our internal control over financial reporting. We continue to monitor the COVID-19 environment in order to protect the health and safety of our employees and contract workers.

Neither our nor Antero Resources' supply chain has experienced any significant interruptions due to the COVID-19 pandemic. Prior to the COVID-19 pandemic, Antero Resources had developed a diverse set of buyers and destinations, as well as in-field and off-site storage capacity for its condensate volumes, and as a result of the pandemic, Antero Resources has expanded its customer base and its condensate storage capacity within the Appalachian Basin. However, if Antero Resources or our other customers were to experience any production curtailments or shut-ins it would reduce throughput for our gathering and processing systems. In addition, if our customers were to delay or discontinue drilling or completion activities, it would reduce the volumes of water that we handle and therefore revenues for our water distribution and handling business.

The global economy continues to be impacted by the effects of the COVID-19 pandemic and global events, among other factors. Employment activity has strengthened as demonstrated by the United States Bureau of Labor and Statistics ("BLS") unemployment rate declining from a high of 15% in April 2020 to 4% in June 2022. However, the economy is also experiencing elevated inflation levels as a result of global supply and demand imbalances. For example, the BLS Consumer Price Index ("CPI") for all urban consumers increased 9% from June 2021 to June 2022 as compared to the average annual increase of 3% over the previous 10 years. Inflationary pressures and labor shortages could result in increases to our operating and capital costs that are not fixed, renegotiation of contracts and/or supply agreements and higher labor costs, among others. These economic variables are beyond our control and may adversely impact our business, financial condition, results of operations and future cash flows.

Growth Incentive Fee Program with Antero Resources

Our gathering and compression agreement with Antero Resources includes a growth incentive fee program whereby we agreed to provide quarterly fee reductions to Antero Resources through 2023, contingent upon Antero Resources achieving volumetric growth targets on low pressure gathering. The compression, high pressure gathering and fresh water delivery fees payable to us were unchanged. If actual low pressure volumes are below the lowest threshold for the respective period, Antero Resources will not earn a reduction in low pressure gathering fees. The following table summarizes the remaining low pressure gathering growth incentive targets through 2023:

	Low Pressure Gathering Volume Growth Incentive Targets (MMcf/d)	Quarterly Fee Reduction (in millions)
Threshold 1	>2,900 and <3,150	$12.0
Threshold 2	>3,150 and <3,400	$15.5
Threshold 3	>3,400	$19.0

During the three months ended June 30, 2022, Antero Resources delivered low pressure gathering volumes of 2,970 and as a result, earned a quarterly fee reduction of $12 million during the period. During the six months ended June 30, 2022, Antero Resources earned an aggregate of $24 million in fee reductions. Antero Resources did not earn any quarterly fee reductions during the three and six months ended June 30, 2021.

Results of Operations

We have two operating segments: (i) gathering and processing and (ii) water handling. The gathering and processing segment includes a network of gathering pipelines and compressor stations that collect and process production from Antero Resources' wells in the Appalachian Basin, as well as equity in earnings from our investments in the joint venture to develop processing and fractionation assets with MarkWest Energy Partners, L.P., a wholly owned subsidiary of MPLX, LP (the "Joint Venture") and Stonewall Gas Gathering LLC. The water handling segment includes (i) two independent systems that deliver water from sources including the Ohio River, local reservoirs and several regional waterways and (ii) other fluid handling services, which include high rate transfer, wastewater transportation, disposal and blending.

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2022

The operating results of our reportable segments are as follows:

	Three Months Ended June 30, 2021			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 192,667	57,718	—	250,385
Revenue–third-party	—	70	—	70
Amortization of customer relationships	(9,271)	(8,397)	—	(17,668)
Total revenues	183,396	49,391	—	232,787
Operating expenses:				
Direct operating	17,012	22,543	—	39,555
General and administrative (excluding equity-based compensation)	6,412	4,364	416	11,192
Equity-based compensation	2,322	509	228	3,059
Facility idling	—	984	—	984
Depreciation	14,404	12,215	—	26,619
Accretion of asset retirement obligations	—	114	—	114
Gain on asset sale	(135)	—	—	(135)
Total operating expenses	40,015	40,729	644	81,388
Operating income	143,381	8,662	(644)	151,399
Other income (expense):				
Interest expense, net	—	—	(43,505)	(43,505)
Equity in earnings of unconsolidated affiliates	21,515	—	—	21,515
Loss on early extinguishment of debt	—	—	(20,701)	(20,701)
Total other income (expense)	21,515	—	(64,206)	(42,691)
Income before income taxes	164,896	8,662	(64,850)	108,708
Income tax expense	—	—	(28,485)	(28,485)
Net income and comprehensive income	$ 164,896	8,662	(93,335)	80,223
Adjusted EBITDA (2)				$ 224,999

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

(in thousands)	Three Months Ended June 30, 2022 Gathering and Processing	Water Handling	Unallocated [1]	Consolidated Total
Revenues:				
Revenue–Antero Resources	$ 196,071	62,262	—	258,333
Revenue–third-party	—	242	—	242
Gathering—low pressure rebate	(12,000)	—	—	(12,000)
Amortization of customer relationships	(9,272)	(8,396)	—	(17,668)
Total revenues	174,799	54,108	—	228,907
Operating expenses:				
Direct operating	19,343	23,956	—	43,299
General and administrative (excluding equity-based compensation)	6,268	2,658	1,512	10,438
Equity-based compensation	4,222	1,191	228	5,641
Facility idling	—	1,185	—	1,185
Depreciation	22,854	12,821	—	35,675
Impairment of property and equipment	1,130	2,572	—	3,702
Accretion of asset retirement obligations	—	64	—	64
Loss on settlement of asset retirement obligations	—	539	—	539
Gain on asset sale	(32)	—	—	(32)
Total operating expenses	53,785	44,986	1,740	100,511
Operating income	121,014	9,122	(1,740)	128,396
Other income (expense):				
Interest expense, net	—	—	(45,426)	(45,426)
Equity in earnings of unconsolidated affiliates	22,824	—	—	22,824
Total other income (expense)	22,824	—	(45,426)	(22,602)
Income before income taxes	143,838	9,122	(47,166)	105,794
Income tax expense	—	—	(26,399)	(26,399)
Net income and comprehensive income	$ 143,838	9,122	(73,565)	79,395
Adjusted EBITDA [2]				$ 221,028

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

The operating data for Antero Midstream is as follows:

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2022	Amount of Increase or Decrease	Percentage Change
Operating Data:				
Gathering—low pressure (MMcf)	263,640	270,302	6,662	3 %
Compression (MMcf)	249,681	252,644	2,963	1 %
Gathering—high pressure (MMcf)	257,193	256,537	(656)	*
Fresh water delivery (MBbl)	9,499	10,048	549	6 %
Other fluid handling (MBbl)	4,381	4,128	(253)	(6)%
Wells serviced by fresh water delivery	17	15	(2)	(12)%
Gathering—low pressure (MMcf/d)	2,897	2,970	73	3 %
Compression (MMcf/d)	2,744	2,776	32	1 %
Gathering—high pressure (MMcf/d)	2,826	2,819	(7)	*
Fresh water delivery (MBbl/d)	104	110	6	6 %
Other fluid handling (MBbl/d)	48	45	(3)	(6)%
Average Realized Fees:				
Average gathering—low pressure fee ($/Mcf)	$ 0.33	0.34	0.01	3 %
Average compression fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average gathering—high pressure fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average fresh water delivery fee ($/Bbl)	$ 3.97	4.09	0.12	3 %
Joint Venture Operating Data:				
Processing—Joint Venture (MMcf)	131,912	132,664	752	1 %
Fractionation—Joint Venture (MBbl)	3,417	3,368	(49)	(1)%
Processing—Joint Venture (MMcf/d)	1,450	1,458	8	1 %
Fractionation—Joint Venture (MBbl/d)	38	37	(1)	(3)%

* Not meaningful or applicable.

Revenues. Total revenues decreased by 2%, from $233 million, including amortization of customer relationships of $18 million, for the three months ended June 30, 2021, to $229 million, including amortization of customer relationships of $18 million, for the three months ended June 30, 2022. Gathering and processing revenues decreased by 5%, from $184 million for the three months ended June 30, 2021 to $175 million for the three months ended June 30, 2022. Water handling revenues increased by 10%, from $49 million for the three months ended June 30, 2021 to $54 million for the three months ended June 30, 2022. These fluctuations primarily resulted from the following:

Gathering and Processing

- Low pressure gathering revenue decreased $12 million period over period primarily due to $12 million in higher rebates to Antero Resources during the three months ended June 30, 2022. Low pressure gathering volumes increased period over period primarily as a result of 66 additional wells being connected to our system since June 30, 2021.

- Compression revenue increased $2 million period over period primarily due to a 3% increase in the compression rate as a result of the annual CPI-based adjustment and increased throughput volumes of 3 Bcf, or 32 MMcf/d. Compression volumes increased between periods primarily due to (i) 66 additional wells being connected to our system since June 30, 2021, (ii) one compressor that came online in the fourth quarter of 2021 and (iii) one compressor that came online during the second quarter of 2022.

- High pressure gathering revenue increased $1 million period over period primarily due to a 3% increase in the high pressure gathering rate as a result of the annual CPI-based adjustment. High pressure gathering volumes decreased slightly period over period by 1 Bcf, or 7 MMcf/d due to higher production from Antero Resources that was attributable to third-party high pressure gathering acreage dedications, offset by 66 additional wells being connected to our system since June 30, 2021.

Water Handling

- Fresh water delivery revenue increased $3 million period over period primarily due to (i) increased fresh water volumes of 1 MMBbl or 6 MBbl/d and (ii) a 3% increase to the fresh water delivery rate as a result of the annual CPI-based adjustment.

- Other fluid handling services revenue increased $1 million period over period primarily due to increased water blending services between periods.

Direct operating expenses. Total direct operating expenses increased by 9%, from $40 million for the three months ended June 30, 2021 to $43 million for the three months ended June 30, 2022. Gathering and processing direct operating expenses increased by 14%, from $17 million for the three months ended June 30, 2021 to $19 million for the three months ended June 30, 2022 primarily due to higher throughput volumes between periods and the two compressors that came online between periods . Water handling direct operating expenses increased by 6%, from $23 million for the three months ended June 30, 2021 to $24 million for the three months ended June 30, 2022 primarily due to the increase in fresh water volumes between periods.

General and administrative (excluding equity-based compensation) expenses. General and administrative expenses (excluding equity-based compensation expense) decreased by 7%, from $11 million for the three months ended June 30, 2021 to $10 million for three months ended June 30, 2022 primarily due to lower legal costs associated with the Veolia legal matter between periods. See "Item 1. Legal Proceedings" below for additional information.

Equity-based compensation expenses. Equity-based compensation expenses increased by 84%, from $3 million for the three months ended June 30, 2021 to $6 million for the three months ended June 30, 2022 primarily due to an increase in the annual equity awards granted during the second quarter of 2022 as compared to prior years.

Facility idling expenses. Facility idling expenses remained consistent at $1 million for the three months ended June 30, 2021 and 2022.

Depreciation expense. Total depreciation expense increased by 34% from $27 million for the three months ended June 30, 2021 to $36 million for the three months ended June 30, 2022. This increase is primarily a result of a phased early retirement of an underutilized compressor station beginning in the second quarter of 2022 through the first half of 2023, which allows us to relocate and reuse the compressor units and equipment to (i) expand an existing compressor station and (ii) contribute to a new compressor station. There are certain costs associated with the underutilized compressor station that cannot be relocated or reused that will be depreciated over the remaining period of use. During the three months ended June 30, 2022, we recognized depreciation expense associated with assets that were retired early during the quarter and assets that are subject to early retirement in the future of $5 million and $2 million, respectively.

Impairment of property and equipment expense. There were no impairments of property and equipment during the three months ended June 30, 2021. Impairment of property and equipment expense of $4 million for the three months ended June 30, 2022 was primarily due to (i) a write-down of the Clearwater Facility related to the retirement obligation for the facility and (ii) cancelled projects.

Interest expense. Interest expense increased by 4%, from $44 million for the three months ended June 30, 2021 to $45 million for the three months ended June 30, 2022 primarily due to the (i) issuance of $750 million of 5.375% senior notes due 2029 ("2029 Notes") on June 8, 2021 and (ii) increased interest rates on our senior secured revolving credit facility ("Credit Facility") due to higher benchmark rates during the three months ended June 30, 2022, partially offset by the redemption of all $650 million of the 5.375% senior notes due 2024 ("2024 Notes") on June 8, 2021.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates increased by 6%, from $22 million for the three months ended June 30, 2021 to $23 million for the three months ended June 30, 2022 primarily due to an increase in processed volumes at the Joint Venture between periods, including one new Joint Venture processing plant with nameplate capacity of 200 MMcf/d being placed in service during July 2021.

Loss on early extinguishment of debt. Loss on early extinguishment of debt for the three months ended June 30, 2021 of $21 million relates to the redemption of all $650 million principal amount of the 2024 Notes at a premium to par of $17 million as well as the write-off of $6 million of unamortized deferred financing costs, partially offset by $2 million of unamortized premium. There was no loss on early extinguishment of debt for the three months ended June 30, 2022.

Income tax expense. Income tax expense for the three months ended June 30, 2021 and 2022 was $28 million and $26 million, respectively, which reflects effective tax rates of 26.2% and 25.0%, respectively. The decrease in the effective tax rate between periods is primarily due to an income tax benefit for the equity-based awards that vested during the three months ended June 30, 2022, partially offset by a higher amount of taxable income being apportioned to West Virginia.

Net income. Net income remained relatively consistent at $80 million and $79 million for three months ended June 30, 2021 and 2022, respectively.

Adjusted EBITDA. Adjusted EBITDA decreased by 2%, from $225 million for the three months ended June 30, 2021 to $221 million for the three months ended June 30, 2022. The decrease was primarily due to decreased low pressure gathering revenues and higher direct operating costs between periods, partially offset by higher water handling revenues between periods. For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, read "—Non-GAAP Financial Measures" below.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2022

The operating results of our reportable segments are as follows:

	Six Months Ended June 30, 2021			
(in thousands)	**Gathering and Processing**	**Water Handling**	**Unallocated (1)**	**Consolidated Total**
Revenues:				
Revenue–Antero Resources	$ 377,828	114,321	—	492,149
Revenue–third-party	—	95	—	95
Amortization of customer relationships	(18,542)	(16,794)	—	(35,336)
Total revenues	359,286	97,622	—	456,908
Operating expenses:				
Direct operating	34,248	44,621	—	78,869
General and administrative (excluding equity-based compensation)	12,336	10,984	1,790	25,110
Equity-based compensation	5,047	1,569	455	7,071
Facility idling	—	2,163	—	2,163
Depreciation	29,117	24,352	—	53,469
Impairment of property and equipment	1,218	161	—	1,379
Accretion of asset retirement obligations	—	233	—	233
Loss on asset sale	3,628	—	—	3,628
Total operating expenses	85,594	84,083	2,245	171,922
Operating income	273,692	13,539	(2,245)	284,986
Other income (expense):				
Interest expense, net	—	—	(86,371)	(86,371)
Equity in earnings of unconsolidated affiliates	42,259	—	—	42,259
Loss on early extinguishment of debt	—	—	(20,701)	(20,701)
Total other income (expense)	42,259	—	(107,072)	(64,813)
Income before income taxes	315,951	13,539	(109,317)	220,173
Income tax expense	—	—	(56,509)	(56,509)
Net income and comprehensive income	$ 315,951	13,539	(165,826)	163,664
Adjusted EBITDA (2)				$ 444,287

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

(in thousands)	Gathering and Processing	Water Handling	Unallocated [1]	Consolidated Total
	Six Months Ended June 30, 2022			
Revenues:				
Revenue–Antero Resources	$ 390,514	115,583	—	506,097
Revenue–third-party	—	637	—	637
Gathering—low pressure rebate	(24,000)	—	—	(24,000)
Amortization of customer relationships	(18,543)	(16,793)	—	(35,336)
Total revenues	347,971	99,427	—	447,398
Operating expenses:				
Direct operating	36,525	48,786	—	85,311
General and administrative (excluding equity-based compensation)	13,833	8,930	2,774	25,537
Equity-based compensation	6,358	1,660	455	8,473
Facility idling	—	2,333	—	2,333
Depreciation	38,661	25,314	—	63,975
Impairment of property and equipment	1,130	2,572	—	3,702
Accretion of asset retirement obligations	—	128	—	128
Loss on settlement of asset retirement obligations	—	539	—	539
Gain on asset sale	(63)	(87)	—	(150)
Total operating expenses	96,444	90,175	3,229	189,848
Operating income	251,527	9,252	(3,229)	257,550
Other income (expense):				
Interest expense, net	—	—	(89,705)	(89,705)
Equity in earnings of unconsolidated affiliates	46,056	—	—	46,056
Total other income (expense)	46,056	—	(89,705)	(43,649)
Income before income taxes	297,583	9,252	(92,934)	213,901
Income tax expense	—	—	(54,466)	(54,466)
Net income and comprehensive income	$ 297,583	9,252	(147,400)	159,435
Adjusted EBITDA [2]				$ 430,058

(1) Corporate expenses that are not directly attributable to either the gathering and processing or water handling segments.
(2) Adjusted EBITDA is a non-GAAP financial measure. For a discussion of this measure, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, see "—Non-GAAP Financial Measures."

The operating data for Antero Midstream is as follows:

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2022	Amount of Increase or Decrease	Percentage Change
Operating Data:				
Gathering—low pressure (MMcf)	522,994	534,029	11,035	2 %
Compression (MMcf)	493,243	506,118	12,875	3 %
Gathering—high pressure (MMcf)	510,284	515,579	5,295	1 %
Fresh water delivery (MBbl)	18,899	17,922	(977)	(5)%
Other fluid handling (MBbl)	8,332	8,331	(1)	*
Wells serviced by fresh water delivery	41	36	(5)	(12)%
Gathering—low pressure (MMcf/d)	2,889	2,950	61	2 %
Compression (MMcf/d)	2,725	2,796	71	3 %
Gathering—high pressure (MMcf/d)	2,819	2,849	30	1 %
Fresh water delivery (MBbl/d)	104	99	(5)	(5)%
Other fluid handling (MBbl/d)	46	46	—	*
Average Realized Fees:				
Average gathering—low pressure fee ($/Mcf)	$ 0.33	0.34	0.01	3 %
Average compression fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average gathering—high pressure fee ($/Mcf)	$ 0.20	0.21	0.01	3 %
Average fresh water delivery fee ($/Bbl)	$ 3.97	4.08	0.11	3 %
Joint Venture Operating Data:				
Processing—Joint Venture (MMcf)	260,450	268,906	8,456	3 %
Fractionation—Joint Venture (MBbl)	6,848	6,445	(403)	(6)%
Processing—Joint Venture (MMcf/d)	1,439	1,486	47	3 %
Fractionation—Joint Venture (MBbl/d)	38	36	(2)	(5)%

* Not meaningful or applicable.

Revenues. Total revenues decreased by 2%, from $457 million, including amortization of customer relationships of $35 million, for the six months ended June 30, 2021, to $447 million, including amortization of customer relationships of $35 million, for the six months ended June 30, 2022. Gathering and processing revenues decreased by 3%, from $360 million for the six months ended June 30, 2021 to $348 million for the six months ended June 30, 2022. Water handling revenues increased by 2%, from $97 million for the six months ended June 30, 2021 to $99 million for the six months ended June 30, 2022. These fluctuations primarily resulted from the following:

Gathering and Processing

- Low pressure gathering revenue decreased $21 million period over period due to the $24 million rebate earned by Antero Resources during the six months ended June 30, 2022, partially offset by increased throughput volumes of 11 Bcf, or 61 MMcf/d, and a 3% increase in the low pressure gathering rate as a result of the annual CPI-based adjustment. Low pressure gathering volumes increased between periods primarily due to 66 additional wells being connected to our system since June 30, 2021.

- Compression revenue increased $5 million period over period primarily due to increased throughput volumes of 13 Bcf, or 71 MMcf/d, and a 3% increase in the compression rate as a result of the annual CPI-based adjustment. Compression volumes increased between periods primarily due to (i) 66 additional wells being connected to our system since June 30, 2021, (ii) one compressor that came online in the fourth quarter of 2021 and (iii) one compressor that came online during the second quarter of 2022.

- High pressure gathering revenue increased $4 million period over period due to increased throughput volumes of 5 Bcf, or 30 MMcf/d, and a 3% increase to the high pressure gathering rate as a result of the annual CPI-based adjustment. The high pressure gathering volumes increased period over period primarily due to 66 additional wells being connected to our system since June 30, 2021.

Water Handling

- Fresh water delivery revenue decreased $2 million period over period primarily due to decreased fresh water delivery volumes of 1 MMBbl, or 5 MBbl/d, as a result of a decrease in the number of wells completed, partially offset by a 3% increase to the fresh water delivery rate as a result of the annual CPI-based adjustment.

- Other fluid handling services revenue increased $4 million period over period primarily due to increased water blending services between periods.

Direct operating expenses. Total direct operating expenses increased by 8%, from $79 million for the six months ended June 30, 2021 to $85 million for the six months ended June 30, 2022. Gathering and processing direct operating expenses increased by 7%, from $34 million for the six months ended June 30, 2021 to $36 million for the six months ended June 30, 2022 primarily due to higher throughput volumes between periods and the two compressors that came online between periods. Water handling direct operating expenses increased by 9%, from $45 million for the six months ended June 30, 2021 to $49 million for the six months ended June 30, 2022 primarily due to the increase in fresh water volumes between periods and resuming fresh water deliveries in the Utica for Antero Resources' development program during the first quarter of 2022.

General and administrative (excluding equity-based compensation) expenses. General and administrative expenses (excluding equity-based compensation expense) remained consistent at $25 million and $26 million for the six months ended June 30, 2021 and 2022, respectively.

Equity-based compensation expenses. Equity-based compensation expenses increased by 20%, from $7 million for the six months ended June 30, 2021 to $8 million for the six months ended June 30, 2022 primarily due to an increase in the annual equity awards granted during the second quarter of 2022 as compared to prior years.

Facility idling expenses. Facility idling expenses remained consistent at $2 million for the six months ended June 30, 2021 and 2022.

Depreciation expense. Total depreciation expense increased by 20%, from $53 million for the six months ended June 30, 2021 to $64 million for the six months ended June 30, 2022. This increase is primarily a result of a phased early retirement of an underutilized compressor station beginning in the second quarter of 2022 through the first half of 2023, which allows us to relocate and reuse the compressor units and equipment to (i) expand an existing compressor station and (ii) contribute to a new compressor station. There are certain costs associated with the underutilized compressor station that cannot be relocated or reused that will be depreciated over the remaining period of use. During the six months ended June 30, 2022, we recognized depreciation expense associated with assets that were retired early during the period and assets that are subject to early retirement in the future of $5 million and $2 million, respectively.

Impairment of property and equipment expense. Impairment of property and equipment expense of $1 million for the six months ended June 30, 2021 was primarily a lower of cost or market adjustment for pipe inventory. Impairments of property and equipment expense of $4 million during the six months ended June 30, 2022 was primarily due to (i) a write-down of the Clearwater Facility related to the retirement obligation for the facility and (ii) cancelled projects.

Loss (gain) on asset sale. Loss on asset sale of $4 million for the six months ended June 30, 2021 primarily relates to the sale of excess pipe inventory during the period. Gain on asset sale for the six months ended June 30, 2022 primarily relates to the sale of miscellaneous equipment and excess pipe inventory during the period.

Interest expense. Interest expense increased by 4%, from $86 million for the six months ended June 30, 2021 to $90 million for the six months ended June 30, 2022 primarily due to the issuance of $750 million of 2029 Notes on June 8, 2021, partially offset by the redemption of all $650 million of the 2024 Notes on June 8, 2021.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates increased by 9%, from $42 million for the six months ended June 30, 2021 to $46 million for the six months ended June 30, 2022 primarily due to an increase in processed volumes at the Joint Venture between periods, including one new Joint Venture processing plant with nameplate capacity of 200 MMcf/d being placed in service during July 2021.

Loss on early extinguishment of debt. Loss on early extinguishment of debt for the six months ended June 30, 2021 of $21 million relates to the redemption of all $650 million principal amount of the 2024 Notes at a premium to par of $17 million as well as the write-off of $6 million of unamortized deferred financing costs, partially offset by $2 million of unamortized premium. There was no loss on early extinguishment of debt for the six months ended June 30, 2022.

Income tax expense. Income tax expense remained relatively consistent for the six months ended June 30, 2021 and 2022 at $57 million and $54 million, respectively, which reflects effective tax rates of 25.7% and 25.5%, respectively.

Net income. Net income decreased by 3%, from $164 million for the six months ended June 30, 2021 to $159 million for the six months ended June 30, 2022 primarily due to (i) a decrease in low pressure gathering revenues, (ii) lower fresh water delivery revenues, (iii) higher direct operating expenses, (iv) higher depreciation expense, (v) higher general and administrative costs and (vi) higher interest expense, partially offset by higher equity in earnings of unconsolidated affiliates and increased other fluid handling revenues. In addition, the six months ended June 30, 2021 included a loss on early extinguishment of debt for the redemption of the 2024 Notes, and there was no loss on early extinguishment of debt during the six months ended June 30, 2022.

Adjusted EBITDA. Adjusted EBITDA decreased by 3%, from $444 million for the six months ended June 30, 2021 to $430 million for the six months ended June 30, 2022. The decrease between periods was primarily due to (i) a decrease in low pressure gathering revenues, (ii) lower fresh water delivery revenues, (iii) higher direct operating expenses and (iv) higher general and administrative costs, excluding equity-based compensation expense, partially offset by higher other fluid handling revenues. For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation to its most directly comparable financial measure calculated and presented in accordance with GAAP, read "—Non-GAAP Financial Measures" below.

Capital Resources and Liquidity

Sources and Uses of Cash

Capital resources and liquidity are provided by operating cash flow and available borrowings under our Credit Facility and capital market transactions. See Note 7—Long-Term Debt to the unaudited condensed consolidated financial statements. We expect that the combination of these capital resources will be adequate to meet our working capital requirements, capital expenditures program, expected quarterly cash dividends and share repurchases under our share repurchases program for at least the next 12 months.

Our Board of Directors (the "Board") declared a cash dividend on the shares of our common stock of $0.2250 per share for the quarter ended June 30, 2022. The dividend will be payable on August 10, 2022 to stockholders of record as of July 27, 2022. Our Board also declared a cash dividend of $138 thousand on the shares of Series A Preferred Stock, which will be paid on August 15, 2022 in accordance with their terms, which are discussed in Note 11—Equity and Earnings Per Common Share. As of June 30, 2022, there were dividends in the amount of $69 thousand accumulated in arrears on our Series A Preferred Stock.

We expect our future cash requirements relating to working capital, capital expenditures and quarterly cash dividends to our stockholders will be funded from cash flows internally generated from our operations or borrowings under the Credit Facility.

As of June 30, 2022, we did not have any off-balance sheet arrangements.

Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2021 and 2022:

	Six Months Ended June 30,	
(in thousands)	**2021**	**2022**
Net cash provided by operating activities	$ 360,375	354,181
Net cash used in investing activities	(73,704)	(162,692)
Net cash used in financing activities	(286,633)	(191,489)
Net increase in cash and cash equivalents	$ 38	—

Operating Activities. Net cash provided by operating activities was $360 million and $354 million for the six months ended June 30, 2021 and 2022, respectively. The decrease in cash flows provided by operations between periods was primarily the result of decreased low pressure gathering revenues, higher direct operating expenses, partially offset by changes in working capital, excluding income tax receivable, and higher other fluid handling revenues between periods. Additionally, we received income tax refunds during the six months ended June 30, 2021 of $17 million from certain net operating loss carryback provisions included in the Coronavirus Aid, Relief, and Economic Security Act that was enacted in March 2020. We did not receive any income tax refunds during the six months ended June 30, 2022.

Investing Activities. Net cash flows used in investing activities was $74 million and $163 million for the six months ended June 30, 2021 and 2022, respectively. The increase in cash flows used in investing activities between periods was primarily due to an $80 million increase in capital spending for expansion of our gathering system and an $8 million increase in capital spending for expansion of our water handling system.

Financing Activities. Net cash used in financing activities was $287 million and $191 million for the six months ended June 30, 2021 and 2022, respectively. The decrease in cash flows used in financing activities between periods was primarily due to no redemptions of our senior notes or net repayments on our Credit Facility, and reduced dividends to stockholders of $39 million. During the six months ended June 30, 2021, we issued $750 million principal amount of 2029 Notes, redeemed $650 million principal amount of 2024 Notes at 102.688% of par and repaid $100 million on our Credit Facility. During the six months ended June 30, 2022, we incurred net borrowings of $33 million on our Credit Facility.

2022 Capital Investment

The Board approved a 2022 capital budget with a range of $275 million to $300 million, which includes growth capital supporting the increased volumes expected from Antero Resources' drilling partnership. Our capital budgets may be adjusted as business conditions warrant. If natural gas, NGLs and oil prices decline to levels below acceptable levels or costs increase to levels above acceptable levels, Antero Resources could choose to defer a significant portion of its budgeted capital expenditures until later periods. As a result, we may also defer a significant portion of our budgeted capital expenditures to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns. We routinely monitor and adjust our capital expenditures in response to changes in Antero Resources' development plans, changes in prices, availability of financing, acquisition costs, industry conditions, the timing of regulatory approvals, success or lack of success in Antero Resources' drilling activities, contractual obligations, internally generated cash flows and other factors both within and outside our control. Additionally, we monitor our existing assets and look for opportunities to reuse or otherwise repurpose assets in an effort to maintain our capital efficiency.

For the three months ended June 30, 2022, our capital expenditures were $70 million, including $53 million for our gathering and compression system and $17 million for our water handling facilities. For the six months ended June 30, 2022, our capital expenditures were $165 million, including $131 million for our gathering and compression system and $34 million for our water handling facilities.

Debt Agreements

See Note 7—Long-Term Debt to the unaudited condensed consolidated financial statements and to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2021 Form 10-K for information on our debt agreements.

Non-GAAP Financial Measures

We use Adjusted EBITDA as an important indicator of our performance. We define Adjusted EBITDA as net income before net interest expense, income tax expense, depreciation, impairment, accretion of asset retirement obligations, equity-based compensation, excluding equity in earnings of unconsolidated affiliates, amortization of customer relationships, loss on settlement of asset retirement obligations, loss (gain) on asset sale and including cash distributions from unconsolidated affiliates.

We use Adjusted EBITDA to assess:

- the financial performance of our assets, without regard to financing methods, capital structure or historical cost basis;
- our operating performance and return on capital as compared to other publicly traded companies in the midstream energy sector, without regard to financing or capital structure; and
- the viability of acquisitions and other capital expenditure projects.

Adjusted EBITDA is a non-GAAP financial measure. The GAAP measure most directly comparable to Adjusted EBITDA is net income. The non-GAAP financial measure of Adjusted EBITDA should not be considered as an alternative to the GAAP measure of net income. Adjusted EBITDA presentations are not made in accordance with GAAP and have important limitations as an analytical tool because they include some, but not all, items that affect net income. You should not consider Adjusted EBITDA in isolation or as a substitute for analyses of results as reported under GAAP. Our definition of Adjusted EBITDA may not be comparable to similarly titled measures of other corporations.

The following table represents a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP financial measure for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2021**	**2022**	**2021**	**2022**
Net income	$ 80,223	79,395	163,664	159,435
Interest expense, net	43,505	45,426	86,371	89,705
Income tax expense	28,485	26,399	56,509	54,466
Depreciation expense	26,619	35,675	53,469	63,975
Amortization of customer relationships	17,668	17,668	35,336	35,336
Equity-based compensation	3,059	5,641	7,071	8,473
Impairment	—	3,702	1,379	3,702
Accretion of asset retirement obligations	114	64	233	128
Equity in earnings of unconsolidated affiliates	(21,515)	(22,824)	(42,259)	(46,056)
Distributions from unconsolidated affiliates	26,275	29,375	58,185	60,505
Loss on early extinguishment of debt	20,701	—	20,701	—
Loss on settlement of asset retirement obligations	—	539	—	539
Loss (gain) on asset sale	(135)	(32)	3,628	(150)
Adjusted EBITDA	$ 224,999	221,028	444,287	430,058

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of our unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. We provide expanded discussion of our more significant accounting policies, estimates and judgments in the 2021 Form 10-K. We believe these accounting policies reflect our more significant estimates and assumptions used in preparation of our financial statements.

New Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies to the unaudited condensed consolidated financial statements for information on new accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risk. The term “market risk” refers to the risk of loss arising from adverse changes in commodity prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

Commodity Price Risk

Our gathering and compression and water services agreements with Antero Resources provide for fixed-fee and cost of service fee structures, and we intend to continue to pursue additional fixed-fee or cost of service fee opportunities with Antero Resources and third parties in order to avoid direct commodity price exposure. However, to the extent that our future contractual arrangements with Antero Resources or third parties do not provide for fixed-fee or cost of service fee structures, we may become subject to commodity price risk. We are subject to commodity price risks to the extent that they impact Antero Resources' development program and production and therefore our gathering, compression, and water handling volumes. We cannot predict to what extent our business would be impacted by lower commodity prices and any resulting impact on Antero Resources' operations.

Interest Rate Risk

Our primary exposure to interest rate risk results from outstanding borrowings under the Credit Facility, which has a floating interest rate. We do not currently, but may in the future, hedge the interest on portions of our borrowings under the Credit Facility from time-to-time in order to manage risks associated with floating interest rates. At June 30, 2022, we had $581 million of borrowings and no letters of credit outstanding under the Credit Facility. A 1.0% increase in the Credit Facility interest rate would have resulted in an estimated $3 million increase in interest expense for the six months ended June 30, 2022.

Credit Risk

We are dependent on Antero Resources as our primary customer, and we expect to derive substantially all of our revenues from Antero Resources for the foreseeable future. As a result, any event, whether in our area of operations or otherwise, that adversely affects Antero Resources' production, drilling schedule, financial condition, leverage, market reputation, liquidity, results of operations or cash flows may adversely affect our revenues and operating results.

Further, we are subject to the risk of non-payment or non-performance by Antero Resources, including with respect to our gathering and compression and water handling services agreements. We cannot predict the extent to which Antero Resources' business would be impacted if conditions in the energy industry were to deteriorate, nor can we estimate the impact such conditions would have on Antero Resources' ability to execute its drilling and development program or to perform under our agreements. Any material non-payment or non-performance by Antero Resources could adversely affect our revenues and operating results and our ability to return capital to stockholders.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2022 at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Our operations are subject to a variety of risks and disputes normally incident to our business. As a result, we may, at any given time, be a defendant in various legal proceedings and litigation arising in the ordinary course of business.

We maintain insurance policies with insurers in amounts and with coverage and deductibles that we, with the advice of our insurance advisors and brokers, believe are reasonable and prudent. We cannot, however, assure you that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance will be available in the future at economical prices.

Veolia

The Company is currently involved in a consolidated lawsuit with Veolia Water Technologies, Inc. (“Veolia”) relating to the Clearwater Facility.

On March 13, 2020, Antero Treatment LLC (“Antero Treatment”), a wholly owned subsidiary of the Company, filed suit against Veolia in the district court of Denver County, Colorado, asserting claims of fraud, breach of contract and other related claims. Antero Treatment alleges that Veolia failed to meet its contractual obligations to design and build a “turnkey” wastewater disposal facility under a Design/Build Agreement dated August 18, 2015 (the “DBA”), and that Veolia fraudulently concealed certain miscalculations and design flaws during contract negotiations and continued to conceal and fraudulently misrepresent the impact of certain design changes post-execution of the DBA. On March 13, 2020, Veolia filed a separate suit against the Company, Antero Resources, and certain of the Company’s wholly owned subsidiaries (collectively, the “Antero Defendants”) in Denver County, Colorado. In its lawsuit, Veolia asserted breach of contract and equitable claims against the Antero Defendants for alleged failures under the DBA. Veolia’s suit was consolidated into the action filed by Antero Treatment.

Veolia and the Antero Defendants each filed partial motions to dismiss and motions for summary judgment directed at certain claims asserted by the opposing party. A bench trial on the remaining claims was held from January 24 through February 10, 2022 and concluded on February 24, 2022. At trial, Antero Treatment sought damages from Veolia of approximately $450 million, which represents the Company’s out-of-pocket costs associated with the Clearwater Facility project. In the alternative, Antero Treatment sought damages related to multiple breaches of the DBA, totaling approximately $370 million. Also at trial, Veolia sought monetary damages of approximately $118 million, including alleged delay and extra-contractual costs and a contract balance relating to an allegation that Antero Defendants improperly terminated the DBA. The Antero Defendants vigorously deny Veolia’s claims. A final judgment on the claims has not yet been rendered.

ITEM 1A. RISK FACTORS.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. For a discussion of these risks, see “Item 1A. Risk Factors” in the 2021 Form 10-K. There have been no material changes to the risks described in such report. We may experience additional risks and uncertainties not currently known to us. Furthermore, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Issuer Purchases of Equity Securities

The following table sets forth our common stock share purchase activity for each period presented:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (2)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plan
April 1, 2022 – April 30, 2022	482,274	$ 11.28	—	$ 149,767,409
May 1, 2022 – May 31, 2022	—	—	—	N/A
June 1, 2022 – June 30, 2022	—	—	—	N/A
Total	482,274	$ 11.28	—	$ 149,767,409

(1) The total number of shares purchased includes shares of our common stock transferred to us in order to satisfy tax withholding obligations incurred upon the vesting of restricted stock units and performance share units held by our employees.
(2) In August 2019, the Board authorized a $300 million share repurchase program, which was extended through June 30, 2023 during the first quarter of 2021. During the three months ended June 30, 2022, we did not make any repurchases under this program.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Certificate of Conversion of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
3.2	Certificate of Incorporation of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
3.3	Bylaws of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
3.4	Certificate of Designations of Antero Midstream Corporation, dated March 12, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (Commission File No. 001-38075) filed on March 12, 2019).
10.1*	Form of Performance Share Unit Grant Notice and Performance Share Unit Agreement under the Antero Midstream Corporation Long Term Incentive Plan
31.1*	Certification of the Company's Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241).
31.2*	Certification of the Company's Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241).
32.1*	Certification of the Company's Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
32.2*	Certification of the Company's Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101*	The following financial information from this Quarterly Report on Form 10-Q of Antero Midstream Corporation for the quarter ended June 30, 2022, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

The exhibits marked with the asterisk symbol (*) are filed or furnished with this Quarterly Report on Form 10-Q.

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SIGNATURES

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

ANTERO MIDSTREAM CORPORATION

By: /s/ Brendan E. Krueger
BRENDAN E. KRUEGER
Chief Financial Officer, Treasurer and Vice President of Finance

Date: July 27, 2022

Exhibit 10.1

ANTERO MIDSTREAM CORPORATION
LONG TERM INCENTIVE PLAN

PERFORMANCE SHARE UNIT GRANT NOTICE

Pursuant to the terms and conditions of the Antero Midstream Corporation Long Term Incentive Plan, as amended from time to time (the "Plan"), Antero Midstream Corporation (the "Company") hereby grants to the individual listed below ("you" or the "Participant") an award (this "Award") of Performance Share Units (the "PSUs") subject to the terms and conditions set forth herein and in the Performance Share Unit Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Participant:	[________]
Date of Grant:	[________]
Target PSUs:	[________] PSUs (the "Target Amount of PSUs")
Performance Period:	[________] to [________]
Earning of PSUs:	[________].

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Performance Share Unit Grant Notice (this "Grant Notice"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Remainder of Page Intentionally Blank;
Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

ANTERO MIDSTREAM CORPORATION

By: ______________________________
Yvette K. Schultz
SVP – Legal, Chief Compliance Officer,
General Counsel and Secretary

PARTICIPANT

____
[Name of Employee]

SIGNATURE PAGE TO
PERFORMANCE SHARE UNIT GRANT NOTICE

EXHIBIT A

PERFORMANCE SHARE UNIT AGREEMENT

This Performance Share Unit Agreement (this "Agreement") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached (the "Date of Grant") by and between Antero Midstream Corporation, a Delaware corporation (the "Company"), and [__________] ("Employee"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award**. Effective as of the Date of Grant, the Company hereby grants to Employee the Target Amount of PSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent earned, each PSU represents the right to receive one share of Stock, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan; provided, however, that, depending on the level of performance determined to be attained with respect to the Performance Goals, the number of shares of Stock that may be earned hereunder in respect of this Award may range from 0% to 200% of the Target Amount of PSUs. Unless and until the PSUs have become earned in the manner set forth in the Grant Notice and this Agreement, Employee will have no right to receive any Stock or other payments in respect of the PSUs. Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Earning of PSUs**.

(a) Following [_________], the Committee will determine the level of achievement of the Performance Goals for the Performance Period. The number of PSUs, if any, that actually become earned for the Performance Period will be determined by the Committee in accordance with the Grant Notice (and any PSUs that do not become so earned shall be automatically forfeited). Unless and until the PSUs have become earned and been settled in accordance with Section 3, Employee will have no right to receive any dividends or other distributions with respect to the PSUs. In the event of the termination of Employee's employment prior to [_________], except as otherwise provided in Section 2(b) and 2(c) below, all of the PSUs (and all rights arising from such PSUs and from being a holder thereof), will terminate automatically without any further action by the Company and will be automatically forfeited without further notice and at no cost to the Company.

(b) [________]

(c) [________]

after t

3. **Settlement of PSUs**. As soon as administratively practicable following the Committee's determination of the level of achievement of the Performance Goals for the Performance Period, but in no event later than 60 days following [________], Employee (or Employee's permitted transferee, if applicable) shall be issued a number of shares

of Stock equal to the number of PSUs subject to this Award that become earned based on the level of achievement of the Performance Goals as determined by the Committee in accordance with Section 2. Any fractional PSU that becomes earned hereunder shall be rounded down at the time shares of Stock are issued in settlement of such PSU. No fractional shares of Stock, nor the cash value of any fractional shares of Stock, will be issuable or payable to Employee pursuant to this Agreement. All shares of Stock issued hereunder shall be delivered either by delivering one or more certificates for such shares to Employee or by entering such shares in book-entry form, as determined by the Committee in its sole discretion. The value of shares of Stock shall not bear any interest owing to the passage of time. Neither this Section 3 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

4. **Rights as Stockholder**.

(a) Neither Employee nor any person claiming under or through Employee shall have any of the rights or privileges of a holder of shares of Stock in respect of any shares that may become deliverable hereunder unless and until certificates representing such shares have been issued or recorded in book entry form on the records of the Company or its transfer agents or registrars, and delivered in certificate or book entry form to Employee or any person claiming under or through Employee.

(b) Each PSU subject to this Award is hereby granted in tandem with a corresponding Dividend Equivalent ("DER"), which DER shall remain outstanding from the Date of Grant until the earlier of the settlement or forfeiture of the PSU to which it corresponds. Each earned DER shall entitle Employee to receive payments, subject to and in accordance with this Agreement, in an amount equal to any dividends paid by the Company in respect of the shares of Common Stock underlying the PSUs to which such DER relates. The Company shall establish, with respect to each PSU, a separate DER bookkeeping account for such PSU (a "DER Account"), which shall be credited (without interest) on the applicable dividend payment dates with an amount equal to any dividends paid during the period that such PSU remains outstanding with respect to the shares of Common Stock underlying the PSU to which such DER relates. Once a PSU becomes earned, the DER (and the DER Account) with respect to such earned PSU shall also become earned. An earned DER (and the DER Account) shall be settled at the same time the earned PSU to which it relates is settled. Similarly, upon the forfeiture of a PSU, the DER (and the DER Account) with respect to such forfeited PSU shall also be forfeited. DERs shall not entitle Employee to any payments relating to dividends paid after the earlier to occur of the applicable PSU settlement date or the forfeiture of the PSU underlying such DER.

5. **Tax Withholding**. To the extent that the receipt, earning, vesting or settlement of the PSUs results in compensation income or wages to Employee for federal, state, local and/or foreign tax purposes, the Company shall have the authority and the right to deduct or withhold (or cause one of its Affiliates to deduct or withhold), or to require Employee to remit to the Company (or one of its Affiliates), an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to such event. In satisfaction of the foregoing requirement, unless otherwise determined by the Committee, the Company or one of its Affiliates shall withhold, or cause to be surrendered, from any remuneration (including any of the shares of Stock that may be issuable under this Agreement) then or thereafter payable to Employee an

amount equal to the aggregate amount of taxes required to be withheld with respect to such event. If such tax obligations are satisfied through net settlement or the surrender of previously owned shares of Stock, the maximum number of shares of Stock that may be so withheld (or surrendered) shall be the number of shares of Stock that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to the PSUs, as determined by the Committee. Employee acknowledges that there may be adverse tax consequences upon the receipt, earning, vesting or settlement of the PSUs or disposition of the underlying shares of Stock and that Employee has been advised, and hereby is advised, to consult a tax advisor. Employee acknowledges and agrees that none of the Board, the Committee, the Company or any of its Affiliates have made any representation or warranty as to the tax consequences to Employee as a result of the receipt of the PSUs, the earning of the PSUs or the forfeiture of any of the PSUs. Employee represents that Employee is in no manner relying on the Board, the Committee, the Company or any of its Affiliates or any of their respective managers, directors, officers, employees or authorized representatives (including, without limitation, attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

6. **Non-Transferability**. During the lifetime of Employee, the PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Stock underlying the PSUs have been issued, and all restrictions applicable to such shares have lapsed. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of Employee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

7. **Compliance with Securities Law**. Notwithstanding any provision of this Agreement to the contrary, the issuance of shares of Stock hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No shares of Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, shares of Stock will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Stock hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Stock hereunder, the Company may require Employee to satisfy any requirements that may be necessary

or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

8. **Legends**. If a stock certificate is issued with respect to shares of Stock delivered hereunder, such certificate shall bear such legend or legends as the Committee deems appropriate in order to reflect the restrictions set forth in this Agreement and to ensure compliance with the terms and provisions of this Agreement, the rules, regulations and other requirements of the SEC, any applicable laws or the requirements of any stock exchange on which the Stock is then listed. If the shares of Stock issued hereunder are held in book-entry form, then such entry will reflect that the shares are subject to the restrictions set forth in this Agreement.

9. **Execution of Receipts and Releases**. Any issuance or transfer of shares of Stock or other property to Employee or Employee's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder. As a condition precedent to such payment or issuance, the Company may require Employee or Employee's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to earned PSUs.

10. **No Right to Continued Employment or Awards**.

(a) For purposes of this Agreement, Employee shall be considered to be employed by the Company as long as Employee remains an employee of the Company, any Affiliate or Antero Resources Corporation, or an employee of a corporation or other entity (or a parent or subsidiary of such corporation or other entity) assuming or substituting a new award for this Award. Without limiting the scope of the preceding sentence, it is specifically provided that Employee shall be considered to have terminated employment with the Company at the time of the termination of the "Affiliate" status of the entity or other organization that employs Employee. Nothing in the adoption of the Plan, nor the award of the PSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon Employee the right to continued employment by, or a continued service relationship with, the Company or any such Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, Employee's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be terminated at any time by either Employee or the Company, or any such Affiliate, or other entity for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes.

(b) The grant of the PSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Any future Awards will be at the sole discretion of the Company.

11. **Notices**. Any notices or other communications provided for in this Agreement shall be sufficient if in writing. In the case of Employee, such notices or communications shall be effectively delivered if hand delivered to Employee at Employee's principal place of employment or if sent by registered or certified mail to Employee at the last address Employee has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by registered or certified mail to the Company at its principal executive offices.

12. **Consent to Electronic Delivery; Electronic Signature**. In lieu of receiving documents in paper format, Employee agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which Employee has access. Employee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

13. **Agreement to Furnish Information**. Employee agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

14. **Entire Agreement; Amendment**. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; provided¸ however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment and/or severance agreement between the Company (or an Affiliate or other entity) and Employee in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of Employee shall be effective only if it is in writing and signed by both Employee and an authorized officer of the Company.

15. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.

16. **Successors and Assigns**. The Company may assign any of its rights under this Agreement without Employee's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon Employee and Employee's

beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

17. **Clawback**. Notwithstanding any provision in this Agreement, the Grant Notice or the Plan to the contrary, to the extent required by (a) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any SEC rule or any applicable securities exchange listing standards and/or (b) any policy that may be adopted or amended by the Board from time to time, all shares of Stock issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy.

18. **Counterparts**. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or pdf attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

19. **Severability**. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

20. **Nonqualified Deferred Compensation Rules**. If Employee is deemed to be a "specified employee" within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when Employee becomes eligible for settlement of the PSUs upon his "separation from service" within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be delayed until the earlier of: (a) the date that is six months following Employee's separation from service and (b) Employee's death. Notwithstanding the foregoing, the Company makes no representations that the payments provided under this Agreement are exempt from or compliant with the Nonqualified Deferred Compensation Rules and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with the Nonqualified Deferred Compensation Rules.

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EXHIBIT B

PERFORMANCE SHARE UNIT PERFORMANCE GOAL

[________________]

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Paul M. Rady, President and Chief Executive Officer of Antero Midstream Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 of Antero Midstream Corporation (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(s) 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; and

    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; and

    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.

5. The registrant’s other certifying officer(s) 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: July 27, 2022

/s/ Paul M. Rady

Paul M. Rady
President and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Brendan E. Krueger, Chief Financial Officer, Vice President – Finance and Treasurer of Antero Midstream Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 of Antero Midstream Corporation (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(s) 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; and

   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; and

   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.

5. The registrant's other certifying officer(s) 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: July 27, 2022

/s/ Brendan E. Krueger

Brendan E. Krueger
Chief Financial Officer, Vice President – Finance and Treasurer

Exhibit 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF ANTERO MIDSTREAM CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Quarterly Report on Form 10-Q of Antero Midstream Corporation for the quarter ended June 30, 2022, I, Paul M. Rady, President and Chief Executive Officer of Antero Midstream Corporation, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. This Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 fairly presents, in all material respects, the financial condition and results of operations of Antero Midstream Corporation for the periods presented therein.

Date: July 27, 2022

/s/ Paul M. Rady

Paul M. Rady
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF ANTERO MIDSTREAM CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Quarterly Report on Form 10-Q of Antero Midstream Corporation for the quarter ended June 30, 2022, I, Brendan E. Krueger, Chief Financial Officer, Vice President – Finance and Treasurer of Antero Midstream Corporation, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. This Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 fairly presents, in all material respects, the financial condition and results of operations of Antero Midstream Corporation for the periods presented therein.

Date: July 27, 2022

/s/ Brendan E. Krueger

Brendan E. Krueger
Chief Financial Officer, Vice President – Finance and Treasurer