



ENERGY

GIBSON

TSX:GEI



**GIBSON ENERGY**  
**CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
(unaudited)  
MARCH 31, 2025 & 2024

**Gibson Energy Inc.**
**Condensed Consolidated Balance Sheet (unaudited)**
*(Amounts in thousands of Canadian dollars, except per share amounts)*

As at	Note	March 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		46,090	57,069
Trade and other receivables		473,904	678,876
Inventories	4	133,411	220,404
Prepaid and other assets		11,236	19,203
Net investment in finance leases		2,360	2,155
		667,001	977,707
<b>Non-current assets</b>			
Property, plant and equipment	5	3,125,303	3,115,052
Right-of-use assets	6	38,543	38,247
Other assets		166	166
Net investment in finance leases		182,667	183,389
Investment in equity accounted investees	7	133,676	135,465
Deferred income tax assets		181	—
Intangible assets		96,956	103,836
Goodwill		417,515	417,677
		3,995,007	3,993,832
<b>Total assets</b>		<b>4,662,008</b>	<b>4,971,539</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade payables and accrued charges		543,089	898,299
Dividends payable		70,392	66,856
Contract liabilities		67,074	38,497
Current portion of long-term debt	8	325,000	325,000
Lease liabilities	9	20,594	20,645
		1,026,149	1,349,297
<b>Non-current liabilities</b>			
Long-term debt	8	2,294,116	2,273,635
Lease liabilities	9	27,158	27,535
Provisions	10	211,375	206,349
Other long-term liabilities		2,625	2,572
Deferred income tax liabilities		148,902	140,084
		2,684,176	2,650,175
<b>Total liabilities</b>		<b>3,710,325</b>	<b>3,999,472</b>
<b>Equity</b>			
Share capital	11	2,385,133	2,371,865
Contributed surplus		50,691	60,780
Accumulated other comprehensive income		193,417	196,541
Accumulated deficit		(1,677,558)	(1,657,119)
		951,683	972,067
<b>Total liabilities and equity</b>		<b>4,662,008</b>	<b>4,971,539</b>

*See accompanying notes to the condensed consolidated financial statements*

**Gibson Energy Inc.****Condensed Consolidated Statements of Operations (unaudited)***(Amounts in thousands of Canadian dollars, except per share amounts)*

		<b>Three months ended March 31,</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
Revenue	12	2,747,710	3,288,608
Cost of sales		2,627,753	3,171,567
<b>Gross profit</b>		119,957	117,041
Share of profit from equity accounted investees	7	(6,872)	(6,414)
General and administrative expenses		20,039	30,560
Other losses, net		9,135	4,548
<b>Operating income</b>		97,655	88,347
Finance costs, net	8	33,658	35,403
<b>Income before income taxes</b>		63,997	52,944
Current income tax		5,226	7,312
Deferred income tax		8,818	5,143
<b>Income tax expense</b>		14,044	12,455
<b>Net income</b>		49,953	40,489
<b>Earnings per share</b>	11		
Basic earnings per share		0.31	0.25
Diluted earnings per share		0.30	0.25

*See accompanying notes to the condensed consolidated financial statements*

**Gibson Energy Inc.****Condensed Consolidated Statements of Comprehensive Income (unaudited)***(Amounts in thousands of Canadian dollars, except per share amounts)*

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Net income</b>	49,953	40,489
<b>Other comprehensive (loss) income</b>		
<i>Items that may be reclassified subsequently to statement of operations</i>		
Exchange differences from translating foreign operations	(3,124)	40,727
<i>Items that will not be reclassified subsequently to statement of operations</i>		
Remeasurement of post-employment benefit obligation, net of tax	—	—
<b>Other comprehensive (loss) income, net of tax</b>	(3,124)	40,727
<b>Comprehensive income</b>	46,829	81,216

*See accompanying notes to the condensed consolidated financial statements*

**Gibson Energy Inc.**
**Condensed Consolidated Statements of Changes in Equity (unaudited)**
*(Amounts in thousands of Canadian dollars, except per share amounts)*

	Share Capital (Note 11)	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Equity
<b>Balance – January 1, 2024</b>	2,341,267	65,113	48,525	(1,542,435)	912,470
Net income	—	—	—	40,489	40,489
Other comprehensive income, net of tax	—	—	40,727	—	40,727
Comprehensive income	—	—	40,727	40,489	81,216
Share-based compensation	—	4,423	—	—	4,423
Tax effect of equity settled awards	97	560	—	—	657
Proceeds from exercise of stock options	5,167	—	—	—	5,167
Reclassification of contributed surplus on issuance of awards under equity incentive plan	14,260	(14,260)	—	—	—
Dividends on common shares (\$0.41 per common share)	—	—	—	(66,620)	(66,620)
<b>Balance – March 31, 2024</b>	2,360,791	55,836	89,252	(1,568,566)	937,313
<b>Balance – January 1, 2025</b>	2,371,865	60,780	196,541	(1,657,119)	972,067
Net income	—	—	—	49,953	49,953
Other comprehensive loss, net of tax	—	—	(3,124)	—	(3,124)
Comprehensive (loss) income	—	—	(3,124)	49,953	46,829
Share-based compensation	—	2,491	—	—	2,491
Tax effect of equity settled awards	263	177	—	—	440
Proceeds from exercise of stock options	248	—	—	—	248
Reclassification of contributed surplus on issuance of awards under equity incentive plan	12,757	(12,757)	—	—	—
Dividends on common shares (\$0.43 per common share)	—	—	—	(70,392)	(70,392)
<b>Balance – March 31, 2025</b>	2,385,133	50,691	193,417	(1,677,558)	951,683

*See accompanying notes to the condensed consolidated financial statements*

**Gibson Energy Inc.****Condensed Consolidated Statements of Cash Flows (unaudited)***(Amounts in thousands of Canadian dollars, except per share amounts)*

		<b>Three months ended March 31,</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>			
Net income		49,953	40,489
Adjustments	16	87,316	126,266
Changes in items of working capital	16	(8,014)	33,878
Income tax payment, net	16	(7,403)	(7,800)
<b>Net cash inflow from operating activities</b>		<b>121,852</b>	<b>192,833</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	5	(34,331)	(44,320)
Proceeds from sale of assets		—	7,304
<b>Net cash outflow from investing activities</b>		<b>(34,331)</b>	<b>(37,016)</b>
<b>Cash flows from financing activities</b>			
Payment of shareholder dividends		(66,856)	(63,047)
Finance costs paid, net	13	(45,462)	(56,808)
Proceeds from exercise of stock options		248	5,167
Lease payments	9	(6,317)	(8,034)
Draws on (repayment of) credit facility, net	8	19,995	(68,708)
<b>Net cash outflow from financing activities</b>		<b>(98,392)</b>	<b>(191,430)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(10,871)</b>	<b>(35,613)</b>
Effect of exchange rate on cash and cash equivalents		(108)	713
Cash and cash equivalents – beginning of year		57,069	143,758
<b>Cash and cash equivalents – end of quarter</b>		<b>46,090</b>	<b>108,858</b>

*See accompanying notes to the condensed consolidated financial statements**See note 16 for supplemental disclosures.*



## **Note 1 Description of Business and Segmented Disclosure**

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Gibson Energy Inc. (the "Company") was incorporated pursuant to the Business Corporations Act (Alberta) on April 11, 2011. The Company is incorporated in Alberta and domiciled in Canada. The address of the Company's principal place of business is 1700, 440 Second Avenue S.W., Calgary, Alberta, Canada. The Company's common shares are traded on the Toronto Stock Exchange under the symbol "GEI".

The Company is a leading liquids infrastructure company with its principal businesses consisting of storage, optimization, processing, and gathering of liquids and refined products, as well as waterborne vessel loading.

The Company's reportable segments are:

**Infrastructure**, which includes a network of liquids infrastructure assets that include terminals, rail loading and unloading facilities, gathering pipelines and a crude oil processing facility. The primary facilities within this segment include the Hardisty and Edmonton Terminals, which are the principal hubs for aggregating and exporting crude oil and refined products out of the Western Canadian Sedimentary Basin; the Gateway Terminal, a liquids export terminal located in Ingleside, Texas, in the United States ("U.S."), which connects the Permian and Eagle Ford basins to global exports; the diluent recovery unit which is located adjacent to the Hardisty Terminal; a crude oil processing facility in Moose Jaw, Saskatchewan (the "Moose Jaw Facility"); the Wink Terminal, a crude oil aggregating hub, located in Wink, Texas; and gathering pipelines in Canada and U.S. The Infrastructure segment also includes the Company's share of equity pickup from equity accounted investees. Select assets are impacted by maintenance turnarounds typically occurring every few years.

**Marketing**, which is involved in the purchasing, selling, storing and optimizing of hydrocarbon products as part of supplying the Moose Jaw Facility and marketing its refined products as well as helping to drive volumes through the Company's key infrastructure assets, primarily in the province of Alberta and the state of Texas. The Marketing segment also engages in optimization opportunities which are typically location, quality and/or time-based. The hydrocarbon products include crude oil, natural gas liquids, road asphalt, roofing flux, light and heavy straight run distillates. The Marketing segment sources the majority of its hydrocarbon products from Western Canada as well as the Permian basin and markets those products throughout Canada and the U.S. The Moose Jaw Facility business is impacted by certain seasonality of operations specific to the oil and gas industry and asphalt product demand.

This reporting structure provides a direct connection between the Company's operations, the services it provides to customers and the ongoing strategic direction of the Company. These reportable segments of the Company have been derived because they are the segments: (a) that engage in business activities from which revenues are earned and expenses are incurred; (b) whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to each segment and assess its performance; and (c) for which discrete financial information is available. The Company has aggregated certain operating segments into the above noted reportable segments through examination of the Company's performance which is based on the similarity of the goods and services provided and economic characteristics exhibited by these operating segments.

Accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Company's consolidated financial statements. Inter-segmental transactions are eliminated upon consolidation and the Company does not recognize margins on inter-segmental transactions.

**Gibson Energy Inc.****Notes to Condensed Consolidated Financial Statements (unaudited)***(Amounts in thousands of Canadian dollars, except per share amounts)***a) Statement of operations**

<b>Three months ended March 31, 2025</b>	<b>Infrastructure</b>	<b>Marketing</b>	<b>Total</b>
Revenue			
External	126,909	2,620,801	2,747,710
Inter-segmental	49,773	41,138	90,911
External and inter-segmental	176,682	2,661,939	2,838,621
Cost of sales, operating costs and other	22,603	2,648,079	2,670,682
Segment profit	154,079	13,860	167,939
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			30,578
Depreciation and impairment of right-of-use assets			5,015
Amortization and impairment of intangible assets			6,939
General and administrative			14,323
Share-based compensation			3,128
Corporate financial instrument loss			7,593
Corporate foreign exchange loss			2,708
Finance costs, net			33,658
Net income before income tax			63,997
Income tax expense			14,044
Net income			49,953

<b>Three months ended March 31, 2024</b>	<b>Infrastructure</b>	<b>Marketing</b>	<b>Total</b>
Revenue			
External	132,472	3,156,136	3,288,608
Inter-segmental	53,512	30,691	84,203
External and inter-segmental	185,984	3,186,827	3,372,811
Cost of sales, operating costs and other	40,321	3,167,446	3,207,767
Segment profit	145,663	19,381	165,044
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			29,228
Depreciation and impairment of right-of-use assets			7,126
Amortization and impairment of intangible assets			7,077
General and administrative			21,920
Acquisition and integration costs			1,305
Share-based compensation			5,064
Corporate financial instrument loss			9,476
Corporate foreign exchange gain			(4,499)
Finance costs, net			35,403
Net income before income tax			52,944
Income tax expense			12,455
Net income			40,489



## Gibson Energy Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited)

(Amounts in thousands of Canadian dollars, except per share amounts)

The breakdown of additions to property, plant and equipment, investment in equity accounted investees, goodwill and intangible assets by reportable segment is as follows:

Additions	Three months ended March 31,	
	2025	2024
Infrastructure	38,863	31,451
Marketing	163	3,806
Corporate	716	537
	39,742	35,794

#### b) Geographic Data

Revenue	Three months ended March 31,	
	2025	2024
Canada	2,141,341	2,944,325
United States	606,370	344,283
<b>Total revenue</b>	<b>2,747,711</b>	<b>3,288,608</b>

Non-current assets	As at March 31,	
	2025	2024
Canada	1,892,130	1,831,726
United States	1,786,353	1,700,508
<b>Total non-current assets <sup>(1)</sup></b>	<b>3,678,483</b>	<b>3,532,234</b>

(1) Excludes investment in finance leases, investments in equity accounted investees and deferred tax assets.

#### Note 2 Basis of Preparation

These condensed consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as set out in IAS 34, "Interim Financial Reporting".

These condensed consolidated financial statements are presented in Canadian dollars, the Company's functional currency, and all values are rounded to the nearest thousands of dollars, except where indicated otherwise. All references to \$ are to Canadian dollars and references to US\$ are to U.S. dollars. These statements do not include all disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the years ended December 31, 2024 and 2023.

These condensed consolidated financial statements were approved for issuance by the Company's board of directors ("Board") on May 5, 2025.

**Note 3 Changes in Accounting Policies and Disclosures**

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*New and amended standards adopted by the Company:*

During the three months ended March 31, 2025 there were no new or amended IFRS accounting standards adopted by the Company. The accounting policies applied herein are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024.

*New and amended standards and interpretations issued but not yet adopted:*

- o IFRS 18 – Presentation and Disclosure in Financial Statements ("IFRS 18"), has been issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statement. The standard is effective for financial statements beginning on January 1, 2027, including interim financial statements and requires retrospective application. The Company continues to assess the impact of this standard on its consolidated financial statements.
- o Amendments to IFRS 9 and IFRS 7 - Contracts referencing Nature-dependent Electricity is effective January 1, 2026, with earlier adoption permitted. These amendments provide relief as it relates to accounting for contracts to purchase or sell electricity from nature-dependent sources such as wind and solar power, including clarifying the application of own-use requirements and requiring new disclosure on the effects on the Company. The Company is currently reviewing the impact of these amendments on its consolidated financial statements.

**Note 4 Inventories**

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	As at March 31, 2025	As at December 31, 2024
Crude oil, natural gas liquids and diluent	60,519	158,088
Asphalt	57,556	46,376
Wellsite fluids and distillate	15,336	15,940
	133,411	220,404

The cost of the inventory sold included in cost of sales was \$2,477.2 million and \$3,027.9 million for the three months ended March 31, 2025, and 2024, respectively.

**Gibson Energy Inc.****Notes to Condensed Consolidated Financial Statements (unaudited)***(Amounts in thousands of Canadian dollars, except per share amounts)***Note 5 Property, Plant and Equipment**

	<b>Land and Buildings</b>	<b>Pipelines and Connections</b>	<b>Storage</b>	<b>Facilities and Equipment</b>	<b>Assets under Construction</b>	<b>Total</b>
<b>Cost:</b>						
As at January 1, 2025	328,832	562,603	1,449,306	1,864,465	61,047	4,266,253
Additions and adjustments	—	32,742	8,879	(6,739)	4,634	39,516
Change in decommissioning provision	13	187	2,051	1,937	—	4,188
Effect of movements in exchange rates	(340)	(216)	(827)	(1,654)	(82)	(3,119)
<b>As at March 31, 2025</b>	<b>328,505</b>	<b>595,316</b>	<b>1,459,409</b>	<b>1,858,009</b>	<b>65,599</b>	<b>4,306,838</b>
<b>Accumulated depreciation and impairment:</b>						
As at January 1, 2025	65,589	203,231	302,562	579,819	—	1,151,201
Depreciation and adjustments	1,832	4,265	9,856	14,619	—	30,572
Effect of movements in exchange rates	(9)	(51)	(46)	(132)	—	(238)
<b>As at March 31, 2025</b>	<b>67,412</b>	<b>207,445</b>	<b>312,372</b>	<b>594,306</b>	<b>—</b>	<b>1,181,535</b>
<b>Carrying amounts:</b>						
As at January 1, 2025	263,243	359,372	1,146,744	1,284,646	61,047	3,115,052
As at March 31, 2025	261,093	387,871	1,147,037	1,263,703	65,599	3,125,303

Amounts in relation to infrastructure assets are under operating lease arrangements.

## Gibson Energy Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited)

(Amounts in thousands of Canadian dollars, except per share amounts)

#### Note 6 Right-of-use Assets

	Buildings	Rail Cars	Other	Total
<b>Cost:</b>				
As at January 1, 2025	47,491	68,425	9,363	125,279
Additions and adjustments	—	5,293	34	5,327
Effect of movements in exchange rates	(7)	—	(13)	(20)
<b>As at March 31, 2025</b>	<b>47,484</b>	<b>73,718</b>	<b>9,384</b>	<b>130,586</b>
<b>Accumulated depreciation and impairment:</b>				
As at January 1, 2025	34,704	49,834	2,494	87,032
Depreciation and adjustments	1,239	3,127	649	5,015
Effect of movements in exchange rates	(3)	—	(1)	(4)
<b>As at March 31, 2025</b>	<b>35,940</b>	<b>52,961</b>	<b>3,142</b>	<b>92,043</b>
<b>Carrying amounts:</b>				
As at January 1, 2025	12,787	18,591	6,869	38,247
As at March 31, 2025	11,544	20,757	6,242	38,543

#### Note 7 Investment in Equity Accounted Investees

	Ownership %	Share of Profit for the period ended		Investment in Equity Accounted Investees as at	
		March 31, 2025	March 31, 2024	March 31, 2025	December 31, 2024
Hardisty Energy Terminal Limited Partnership ("HET")	50%	6,872	6,196	133,676	135,465
Zenith Energy Terminals Joliet Holdings LLC ("Zenith")	36%	—	218	—	—
		6,872	6,414	133,676	135,465

The Company, as the operator, holds a 50 percent interest in HET, operating a Diluent Recovery Unit adjacent to the Company's Hardisty Terminal.

On June 17, 2024, the Company sold its 36 percent interest in Zenith, which owns and operates a crude-by-rail and storage terminal and a pipeline connection to a common carrier crude oil pipeline in Joliet, Illinois for proceeds of \$23.4 million.

The Company's share of profit or loss from these investments is included within the Infrastructure segment's profit.

The Company received distributions for the three months ended March 31, 2025, of \$8.7 million (three months ended March 31, 2024 – \$7.4 million).

## Gibson Energy Inc.

### Notes to Condensed Consolidated Financial Statements (unaudited)

(Amounts in thousands of Canadian dollars, except per share amounts)

#### Note 8 Long-Term Debt

	Coupon Rate	Year of Maturity	March 31, 2025	December 31, 2024
Unsecured revolving credit facility	floating	2029	135,002	115,002
Senior unsecured notes	2.45%	2025	325,000	325,000
Senior unsecured notes	2.85%	2027	325,000	325,000
Senior unsecured notes	3.60%	2029	500,000	500,000
Senior unsecured notes	4.45%	2031	350,000	350,000
Senior unsecured notes	5.75%	2033	350,000	350,000
Senior unsecured notes	6.20%	2053	200,000	200,000
Unsecured hybrid notes	5.25%	2080	250,000	250,000
Unsecured hybrid notes	8.70%	2083	200,000	200,000
Unamortized issue discount and debt issue costs			(15,886)	(16,367)
			2,619,116	2,598,635
<b>Less: current portion</b>			(325,000)	(325,000)
<b>Long-term debt</b>			2,294,116	2,273,635

The senior unsecured notes with a 2.45% coupon rate are due for repayment in 2025 and hence presented as a current liability as at March 31, 2025.

The Company had \$135.0 million drawn on its \$1,000.0 million unsecured revolving credit facility as of March 31, 2025 (December 31, 2024 – \$115.0 million). In addition, the Company has two bilateral demand facilities, which are available for use for general corporate purposes or letters of credit, totaling \$150.0 million under which it had issued letters of credit totaling \$37.5 million as at March 31, 2025 (December 31, 2024 – \$37.5 million).

#### Covenants

The Company is required to meet certain specific and customary affirmative and negative financial covenants under various debt agreements. As at March 31, 2025, the Company classified the Revolving Credit Agreement as long-term as it is in compliance with all of its covenants.

Debt	Financial Covenant	Ratio
Revolving Credit Agreement	Consolidated Senior Debt to Capitalization Ratio	Less than 65%
	Interest Coverage Ratio	Higher than 2.5

The components of finance costs are as follows:

	Note	Three months ended March 31,	
		2025	2024
Interest expense		33,531	35,884
Capitalized interest		—	(585)
Interest expense, finance lease	9	651	716
Interest income		(524)	(612)
		33,658	35,403

**Gibson Energy Inc.****Notes to Condensed Consolidated Financial Statements (unaudited)***(Amounts in thousands of Canadian dollars, except per share amounts)***Note 9 Lease Liabilities**

	<b>March 31, 2025</b>
<b>Opening balance</b>	48,180
Additions	5,327
Interest expense	651
Lease payments	(6,317)
Effect of movements in exchange rates	(89)
<b>Closing balance</b>	47,752
Less: current portion	20,594
<b>Closing balance – non-current portion</b>	27,158

The Company incurs lease payments primarily related to rail cars and buildings. Leases are entered into and exited in coordination with specific business requirements which includes the assessment of the appropriate durations for the related leased assets.



**Note 10 Provisions**

The aggregate carrying amounts of the obligation associated with decommissioning and site restoration on the retirement of assets and environmental costs are as follows:

	<b>Note</b>	<b>Three months ended March 31, 2025</b>
<b>Opening balance</b>		206,349
Settlements		(498)
Change in discount rate	5	4,287
Unwind of discount		1,336
Effect of movements in exchange rates		(99)
<b>Closing balance</b>		<b>211,375</b>

The Company currently estimates the total undiscounted future value amount, including an inflation factor of 2.0% of estimated cash flows to settle the future liability for asset retirement and remediation obligations. In order to determine the current provision related to these future values, the estimated future values were discounted using an average risk-free rate of 3.2% at March 31, 2025 (3.3% - March 31, 2024).

The change in the risk-free rate results in an adjustment in cost to the corresponding asset.

**Note 11 Share Capital and Share-based Compensation**
**Common Shares – Issued and Outstanding**

	Number of Common Shares	Amount
<b>At January 1, 2025</b>	163,061,498	2,371,865
Issuance in connection with the exercise of stock options	14,642	248
Tax effect of equity settled awards	—	263
Reclassification of contributed surplus on issuance of awards under equity incentive plans	625,052	12,757
<b>At March 31, 2025</b>	163,701,192	2,385,133

A dividend of \$0.43 per share, declared on February 18, 2025, was paid on April 17, 2025.

On September 18, 2024, the Company's NCIB was renewed for an additional one-year period, enabling the Company to repurchase and cancel up to 7.5% or 9,958,026 of the public float for the issued and outstanding common shares, in accordance with the applicable rules and policies of the TSX and applicable securities laws. The NCIB expires on the earlier of September 17, 2025, and the date on which the maximum number of common shares permitted to be acquired pursuant to the NCIB have been purchased. The Company did not repurchase any common shares under its NCIB for the three months ended March 31, 2025.

**Share Based Compensation**

A summary activity under the equity incentive plan is as follows:

	Number of Shares	Weighted Average Exercise Price (in dollars)	Restricted Share Units	Performance Share Units	Deferred Share Units
	Stock Options		Number of Shares		
<b>At January 1, 2025</b>	38,100	19.73	757,626	541,969	789,243
Granted	—	—	489,696	333,434	33,182
Exercised and released for common shares	(24,100)	18.30	(324,499)	(101,233)	(199,320)
Forfeited	—	22.18	(87,102)	(83,146)	—
<b>At March 31, 2025</b>	14,000	22.18	835,721	691,024	623,105
Vested and exercisable at March 31, 2025	14,000	22.18	—	—	623,105

**Per Share Amounts**

The following table shows the number of shares used in the calculation of earnings per share:

	Three months ended March 31,	
	2025	2024
Weighted average common shares outstanding – Basic	163,595,932	162,314,928
Dilutive effect of stock options and other awards	1,319,274	1,623,745
Weighted average common shares – Diluted	164,915,206	163,938,673

**Note 12 Revenue**

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers recognized at a point in time	2,620,801	3,156,135
Revenue from contracts with customers recognized over time	77,335	80,821
Total revenue from contracts with customers	2,698,136	3,236,956
Total revenue from lease arrangements	49,574	51,652
	2,747,710	3,288,608

  

<b>Three months ended March 31, 2025</b>	<b>Infrastructure</b>	<b>Marketing</b>	<b>Total</b>
External Service Revenue			
Terminals storage and throughput / pipeline transportation	74,425	—	74,425
Rail and other	2,910	—	2,910
External Product Revenue			
Crude, diluent and other products	—	2,493,643	2,493,643
Refined products	—	127,158	127,158
Total revenue from contracts with customers	77,335	2,620,801	2,698,136

  

<b>Three months ended March 31, 2024</b>	<b>Infrastructure</b>	<b>Marketing</b>	<b>Total</b>
External Service Revenue			
Terminals storage and throughput / pipeline transportation	76,351	—	76,351
Rail and other	4,470	—	4,470
External Product Revenue			
Crude, diluent and other products	—	3,011,013	3,011,013
Refined products	—	145,122	145,122
Total revenue from contracts with customers	80,821	3,156,135	3,236,956

**Note 13 Financial Instruments**

Financial assets and financial liabilities consist of cash and cash equivalents, trade and other receivables, net investment in finance leases, risk management assets and liabilities, investments in equity investments, trade payables and accrued charges, lease liabilities, dividends payable, derivative financial instruments, current and long-term debt and other liabilities.

The value of the Company's derivative financial instruments is determined using inputs that are either readily available in public markets or are quoted by counterparties to these contracts. In situations where the Company obtains inputs via quotes from its counterparties, these quotes are verified for reasonableness via similar quotes from another source for each date for which financial statements are presented. The Company has consistently applied these valuation techniques in all periods presented and the Company believes it has obtained the most accurate information available for the types of financial instrument contracts held.

The Company has categorized the inputs for these contracts as Level 1, defined as observable inputs such as quoted prices in active markets; Level 2 defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; or Level 3 defined as unobservable inputs in which little or no market data exists therefore requiring an entity to develop its own assumptions. For the financial instruments categorized in Level 2, the Company used the forward exchange rates at the measurement date, with the resulting value discounted back to present values to determine the fair value of the foreign currency forward contracts.

For the financial instrument categorized in Level 3, the Company based its internal valuation model on broker pricing for the Alberta market some observable market prices, extrapolated market prices, and estimated production discount rates. Some of these assumptions are not directly or indirectly observable and the valuation is considered a Level 3 measurement. The fair value of the renewable power contract is determined internally by the Company's risk management team, experienced in fair value measurements.

The following tables present a summary of derivative financial instrument positions:

<b>As at March 31, 2025</b>	<b>Carrying Amount</b>	<b>Level 1</b>	<b>Fair Value Level 2</b>	<b>Level 3</b>
Commodity futures	402	402	—	—
Commodity swaps	117	—	117	—
WTI differential futures	14,214	14,214	—	—
Foreign currency forwards	286	—	286	—
<b>Financial assets (carried at fair value)</b>	<b>15,019</b>	<b>14,616</b>	<b>403</b>	<b>—</b>
Commodity futures	3,372	3,372	—	—
Commodity swaps	360	302	58	—
WTI differential futures	9,120	9,120	—	—
Foreign currency forwards	2,829	—	2,829	—
Foreign currency options	2,629	—	2,629	—
Renewable power contracts	10,414	—	—	10,414
<b>Financial liabilities (carried at fair value)</b>	<b>28,724</b>	<b>12,794</b>	<b>5,516</b>	<b>10,414</b>
Long-term debt - current and long-term (carried at amortized cost)	2,619,116		2,701,567	

# Gibson Energy Inc.

## Notes to Condensed Consolidated Financial Statements (unaudited)

(Amounts in thousands of Canadian dollars, except per share amounts)

As at December 31, 2024	Carrying Amount	Level 1	Fair Value Level 2	Level 3
Commodity futures	5,116	5,116	—	—
WTI differential futures	933	764	169	—
Foreign currency forwards	916	—	916	—
<b>Financial assets (carried at fair value)</b>	<b>6,965</b>	<b>5,880</b>	<b>1,085</b>	<b>—</b>
Commodity futures	15,452	15,452	—	—
WTI differential futures	1,081	1,081	—	—
Foreign currency forwards	5,384	—	5,384	—
Foreign currency options	2,315	—	2,315	—
Renewable power contracts	3,628	—	—	3,628
<b>Financial liabilities (carried at fair value)</b>	<b>27,860</b>	<b>16,533</b>	<b>7,699</b>	<b>3,628</b>
Long-term debt - current and long-term (carried at amortized cost)	2,598,635		2,677,796	

### Renewable power contract

The fair value of the derivative instrument classified in level 3 has been primarily based on the comparative contracted prices relative to both current and expected future pricing of electricity in the province of Alberta. Changes in the fair value are recorded within other (gains) and losses, net in the condensed consolidated statement of operations and within the financial instrument loss on the statement of operations.

The following table reconciles the movement of risk management assets and liabilities with unobservable inputs (level 3):

	2025	2024
<b>As at January 1,</b>	(3,628)	(1,296)
Unrealized loss as a result of changes in fair value	(7,451)	(9,476)
Realized loss on settlement	665	—
	(6,786)	(9,476)
<b>As at March 31,</b>	<b>(10,414)</b>	<b>(10,772)</b>

The following table summarizes the impact to net income due to a change in the fair value of the power purchase agreement due to changes in forward power prices, leaving all other variables constant:

	As at March 31, 2025	As at December 31, 2024
<b>Forward power prices</b>		
Favorable 15% change	6,197	9,743
Unfavorable 15% change	(6,197)	(9,743)

**Note 14 Commitments and Contingencies**
**a) Commitments**

Minimum payments required under commitments, net of sub-lease income, are as follows:

	Payments due by period				
	Total	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Long-term debt	2,635,002	325,000	325,000	635,002	1,350,000
Interest payments on long-term debt	2,474,860	108,542	205,600	184,250	1,976,468
Lease and other commitments <sup>(1)</sup>	114,885	75,111	24,174	6,704	8,896
Total contractual obligations	5,224,747	508,653	554,774	825,956	3,335,364

(1) Lease and other commitments relate to office leases, rail cars, various equipment leases, terminal services, third party contractual obligations related to assets under construction, and power purchase arrangements.

**b) Contingencies**

The Company is involved in various claims and actions arising in the course of operations and is subject to various legal actions and exposures. Although the outcome of these claims are uncertain, the Company does not expect these matters to have a material adverse effect on the Company's financial position, cash flows or operational results. If an unfavorable outcome were to occur, there exists the possibility of a material adverse impact on the Company's consolidated net income or loss in the period in which the outcome is determined. Accruals for litigation, claims and assessments are recognized if the Company determines that the loss is probable and the amount can be reasonably estimated. The Company believes it has made adequate provision for such legal claims. While fully supportable in the Company's view, some of these positions, if challenged may not be fully sustained on review.

The Company is subject to various regulatory and statutory requirements relating to the protection of the environment. These requirements, in addition to the contractual agreements and management decisions, may result in the recognition of estimated decommissioning and environmental remediation obligations. Estimates of decommissioning and environmental remediation obligations can change significantly based on such factors such as operating experience and changes in legislation and regulations.

**Note 15 Subsequent Events**

On May 5, 2025, the Board declared a quarterly dividend on its outstanding common shares of \$0.43 per common share for the second quarter of 2025. The common share dividend is payable on July 17, 2025, to shareholders of record at the close of business on June 30, 2025.



**Note 16 Supplemental Cash Flow Information**

		<b>Three months ended March 31,</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>			
Net income		49,953	40,489
<b>Adjustments:</b>			
Finance costs, net		33,658	35,403
Income tax expense		14,044	12,455
Depreciation and impairment of property, plant and equipment	5	30,578	29,228
Depreciation and impairment of right-of-use asset	6	5,015	7,126
Amortization and impairment of intangible assets		6,939	7,077
Share-based compensation	11	3,128	5,064
Share of profit from investments in equity accounted investees	7	(6,872)	(6,414)
Distributions from equity accounted investees	7	8,661	7,362
Loss on sale of property, plant and equipment	5	3	1,166
Provisions	10	94	(303)
Net (gain) loss on fair value movement of financial instruments		(7,415)	27,842
Other		(517)	260
		87,316	126,266
<b>Changes in items of working capital:</b>			
Trade and other receivables		199,601	(173,538)
Inventories	4	86,926	(112,805)
Other current assets		8,318	4,940
Trade payables and accrued charges		(331,466)	307,944
Contract liabilities		28,607	7,337
		(8,014)	33,878
<b>Income tax payment, net</b>		<b>(7,403)</b>	<b>(7,800)</b>
<b>Net cash inflow from operating activities</b>		<b>121,852</b>	<b>192,833</b>



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