



ENERGY

GIBSON

TSX:GEI



GIBSON ENERGY
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
(unaudited)
JUNE 30, 2025 & 2024

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

As at	Note	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		41,570	57,069
Trade and other receivables		541,405	678,876
Inventories	4	131,912	220,404
Prepaid and other assets		3,670	19,203
Net investment in finance leases		2,565	2,155
		721,122	977,707
Non-current assets			
Property, plant and equipment	5	3,055,042	3,115,052
Right-of-use assets	6	48,155	38,247
Other assets		163	166
Net investment in finance leases		181,969	183,389
Investment in equity accounted investees	7	134,254	135,465
Intangible assets		86,442	103,836
Goodwill		412,815	417,677
		3,918,840	3,993,832
Total assets		4,639,962	4,971,539
Liabilities and equity			
Current liabilities			
Trade payables and accrued charges		537,967	898,299
Dividends payable		70,394	66,856
Contract liabilities		53,581	38,497
Current portion of long-term debt	8	325,000	325,000
Lease liabilities	9	22,345	20,645
		1,009,287	1,349,297
Non-current liabilities			
Long-term debt	8	2,379,585	2,273,635
Lease liabilities	9	32,775	27,535
Provisions	10	199,323	206,349
Other long-term liabilities		2,678	2,572
Deferred income tax liabilities		161,871	140,084
		2,776,232	2,650,175
Total liabilities		3,785,519	3,999,472
Equity			
Share capital	11	2,385,323	2,371,865
Contributed surplus		54,140	60,780
Accumulated other comprehensive income		102,233	196,541
Accumulated deficit		(1,687,253)	(1,657,119)
		854,443	972,067
Total liabilities and equity		4,639,962	4,971,539

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)*

		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
Revenue	12	2,759,642	3,233,072	5,507,352	6,521,680
Cost of sales		2,640,263	3,094,761	5,268,016	6,266,328
Gross profit		119,379	138,311	239,336	255,352
Share of profit from equity accounted investees	7	(3,444)	(5,865)	(10,316)	(12,279)
General and administrative expenses		20,215	24,583	40,254	55,143
Other gains and losses, net	13	(12,765)	747	(3,630)	5,295
Operating income		115,373	118,846	213,028	207,193
Finance costs, net	8	34,577	36,337	68,235	71,740
Income before income taxes		80,796	82,509	144,793	135,453
Current income tax		7,223	5,739	12,449	13,051
Deferred income tax		12,874	13,438	21,692	18,581
Income tax expense		20,097	19,177	34,141	31,632
Net income		60,699	63,332	110,652	103,821
Earnings per share	11				
Basic earnings per share		0.37	0.39	0.68	0.64
Diluted earnings per share		0.37	0.38	0.67	0.63

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)*

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income	60,699	63,332	110,652	103,821
Other comprehensive (loss) income				
<i>Items that may be reclassified subsequently to statement of operations</i>				
Exchange differences from translating foreign operations	(91,184)	19,248	(94,308)	59,975
Other comprehensive (loss) income, net of tax	(91,184)	19,248	(94,308)	59,975
Comprehensive (loss) income	(30,485)	82,580	16,344	163,796

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
Balance – January 1, 2024	2,341,267	65,113	48,525	(1,542,435)	912,470
Net income	—	—	—	103,821	103,821
Other comprehensive income, net of tax	—	—	59,975	—	59,975
Comprehensive income	—	—	59,975	103,821	163,796
Share-based compensation	—	9,163	—	—	9,163
Tax effect of equity settled awards	109	630	—	—	739
Proceeds from exercise of stock options	5,256	—	—	—	5,256
Reclassification of contributed surplus on issuance of awards under equity incentive plan	15,828	(15,828)	—	—	—
Dividends on common shares (\$0.82 per common share)	—	—	—	(133,272)	(133,272)
Balance – June 30, 2024	2,362,460	59,078	108,500	(1,571,886)	958,152
Balance – January 1, 2025	2,371,865	60,780	196,541	(1,657,119)	972,067
Net income	—	—	—	110,652	110,652
Other comprehensive loss, net of tax	—	—	(94,308)	—	(94,308)
Comprehensive (loss) income	—	—	(94,308)	110,652	16,344
Share-based compensation	—	6,455	—	—	6,455
Tax effect of equity settled awards	280	(210)	—	—	70
Proceeds from exercise of stock options	293	—	—	—	293
Reclassification of contributed surplus on issuance of awards under equity incentive plan	12,885	(12,885)	—	—	—
Dividends on common shares (\$0.86 per common share)	—	—	—	(140,786)	(140,786)
Balance – June 30, 2025	2,385,323	54,140	102,233	(1,687,253)	854,443

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)

		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
Cash flows from operating activities					
Net income		60,699	63,332	110,652	103,821
Adjustments	16	81,616	89,941	168,932	216,207
Changes in items of working capital	16	(37,345)	(210,043)	(45,359)	(176,165)
Income tax payment, net	16	(5,590)	(9,679)	(12,993)	(17,479)
Net cash inflow (outflow) from operating activities		99,380	(66,449)	221,232	126,384
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	5	(88,396)	(31,344)	(122,727)	(75,664)
Investment in equity accounted investees	7	(3,850)	—	(3,850)	—
Proceeds from sale of equity investment	7	—	23,258	—	23,258
Proceeds from sale of assets		—	—	—	7,304
Net cash outflow from investing activities		(92,246)	(8,086)	(126,577)	(45,102)
Cash flows from financing activities					
Payment of shareholder dividends		(70,391)	(66,620)	(137,247)	(129,667)
Finance costs paid, net	8	(17,160)	(10,432)	(62,622)	(67,240)
Proceeds from exercise of stock options		45	89	293	5,256
Lease payments	9	(6,778)	(8,000)	(13,095)	(16,034)
Draws on credit facility, net	8	84,999	98,448	104,994	29,740
Net cash (outflow) inflow from financing activities		(9,285)	13,485	(107,677)	(177,945)
Net decrease in cash and cash equivalents		(2,151)	(61,050)	(13,022)	(96,663)
Effect of exchange rate on cash and cash equivalents		(2,369)	1,186	(2,477)	1,899
Cash and cash equivalents – beginning of the period		46,090	108,858	57,069	143,758
Cash and cash equivalents – end of the period		41,570	48,994	41,570	48,994

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

Note 1 Description of Business and Segmented Disclosure

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**

Three months ended June 30, 2025	Infrastructure	Marketing	Total
Revenue			
External	123,716	2,635,926	2,759,642
Inter-segmental	49,347	18,731	68,078
External and inter-segmental	173,063	2,654,657	2,827,720
Cost of sales, operating costs and other	16,423	2,645,589	2,662,012
Segment profit	156,640	9,068	165,708
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			30,971
Depreciation and impairment of right-of-use assets			5,269
Amortization and impairment of intangible assets			6,753
General and administrative			13,017
Share based compensation			4,594
Corporate financial instrument gain			(13,715)
Corporate foreign exchange loss			3,446
Finance cost, net			34,577
Net income before income tax			80,796
Income tax expense			20,097
Net income			60,699
Three months ended June 30, 2024	Infrastructure	Marketing	Total
Revenue			
External	134,941	3,098,131	3,233,072
Inter-segmental	51,487	9,700	61,187
External and inter-segmental	186,428	3,107,831	3,294,259
Cost of sales, operating costs and other	35,796	3,072,004	3,107,800
Segment profit	150,632	35,827	186,459
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			29,834
Depreciation and impairment of right-of-use assets			6,726
Amortization and impairment of intangible assets			7,172
General and administrative			16,996
Acquisition and integration costs			66
Share based compensation			5,347
Corporate financial instrument gain			(835)
Corporate foreign exchange loss			2,307
Finance cost, net			36,337
Net income before income tax			82,509
Income tax expense			19,177
Net income			63,332

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

Six months ended June 30, 2025	Infrastructure	Marketing	Total
Revenue			
External	250,625	5,256,727	5,507,352
Inter-segmental	99,120	59,869	158,989
External and inter-segmental	349,745	5,316,596	5,666,341
Cost of sales, operating costs and other	39,026	5,293,668	5,332,694
Segment profit	310,719	22,928	333,647
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			61,549
Depreciation and impairment of right-of-use assets			10,284
Amortization and impairment of intangible assets			13,692
General and administrative			27,340
Share-based compensation			7,722
Corporate financial instrument gain (note 13)			(6,122)
Corporate foreign exchange loss			6,154
Finance costs, net			68,235
Net income before income tax			144,793
Income tax expense			34,141
Net income			110,652

Six months ended June 30, 2024	Infrastructure	Marketing	Total
Revenue			
External	267,413	6,254,267	6,521,680
Inter-segmental	104,999	40,391	145,390
External and inter-segmental	372,412	6,294,658	6,667,070
Cost of sales, operating costs and other	76,117	6,239,450	6,315,567
Segment profit	296,295	55,208	351,503
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			59,062
Depreciation and impairment of right-of-use assets			13,852
Amortization and impairment of intangible assets			14,249
General and administrative			38,916
Acquisition and integration costs			1,371
Share-based compensation			10,411
Corporate financial instrument loss (note 13)			8,641
Corporate foreign exchange gain			(2,192)
Finance costs, net			71,740
Net income before income tax			135,453
Income tax expense			31,632
Net income			103,821

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	Six months ended June 30,	
	2025	2024
Infrastructure	95,974	70,818
Marketing	163	4,075
Corporate	1,651	2,939
	97,788	77,832

b) Geographic Data

Revenue	Six months ended June 30,	
	2025	2024
Canada	4,503,778	5,772,061
United States	1,003,574	749,619
Total revenue	5,507,352	6,521,680

Non-current assets	As at June 30,	
	2025	2024
Canada	1,905,706	1,846,294
United States	1,696,911	1,707,320
Total non-current assets ⁽¹⁾	3,602,617	3,553,614

(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 July 28, 2025.

Note 3 Changes in Accounting Policies and Disclosures*New and amended standards adopted by the Company:*

During the six months ended June 30, 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

	As at June 30, 2025	As at December 31, 2024
Crude oil, natural gas liquids and diluent	88,165	158,088
Asphalt	30,411	46,376
Wellsite fluids and distillate	13,336	15,940
	131,912	220,404

The cost of the inventory sold included in cost of sales was \$4,974.3 million and \$6,041.9 million for the six months ended June 30, 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**

	Land and Buildings	Pipelines and Connections	Storage	Facilities and Equipment	Assets under Construction	Total
Cost:						
As at January 1, 2025	328,832	562,603	1,449,306	1,864,465	61,047	4,266,253
Additions and adjustments	260	35,125	15,956	34,921	7,817	94,079
Change in decommissioning provision	(28)	(538)	(1,204)	(3,156)	—	(4,926)
Effect of movements in exchange rates	(10,227)	(6,537)	(24,997)	(50,939)	(1,821)	(94,521)
As at June 30, 2025	318,837	590,653	1,439,061	1,845,291	67,043	4,260,885
Accumulated depreciation and impairment:						
As at January 1, 2025	65,589	203,231	302,562	579,819	—	1,151,201
Depreciation and adjustments	3,642	8,313	19,805	29,690	—	61,450
Effect of movements in exchange rates	(276)	(1,460)	(1,292)	(3,780)	—	(6,808)
As at June 30, 2025	68,955	210,084	321,075	605,729	—	1,205,843
Carrying amounts:						
As at January 1, 2025	263,243	359,372	1,146,744	1,284,646	61,047	3,115,052
As at June 30, 2025	249,882	380,569	1,117,986	1,239,562	67,043	3,055,042

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
Cost:				
As at January 1, 2025	47,491	68,425	9,363	125,279
Additions and adjustments	—	20,543	52	20,595
Effect of movements in exchange rates	(233)	—	(356)	(589)
As at June 30, 2025	47,258	88,968	9,059	145,285
Accumulated depreciation and impairment:				
As at January 1, 2025	34,704	49,834	2,494	87,032
Depreciation and adjustments	2,474	6,527	1,283	10,284
Effect of movements in exchange rates	(84)	—	(102)	(186)
As at June 30, 2025	37,094	56,361	3,675	97,130
Carrying amounts:				
As at January 1, 2025	12,787	18,591	6,869	38,247
As at June 30, 2025	10,164	32,607	5,384	48,155

Note 7 Investment in Equity Accounted Investees

	Ownership %	Share of Profit for the period ended		Investment in Equity Accounted Investees as at	
		June 30, 2025	June 30, 2024	June 30, 2025	December 31, 2024
Hardisty Energy Terminal Limited Partnership ("HET")	50%	10,316	12,074	134,254	135,465
Zenith Energy Terminals Joliet Holdings LLC ("Zenith")	36%	—	205	—	—
		10,316	12,279	134,254	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. During the six months ended June 30, 2025, the Company contributed \$3.9 million to HET (six months ended June 30, 2024 - \$nil).

The Company received distributions for the three months ended June 30, 2025 of \$6.7 million (three months ended June 30, 2024 - \$7.3 million) and for the six months ended June 30, 2025 of \$15.4 million (six months ended June 30, 2024 - \$14.6 million).

Note 8 Long-Term Debt

	Coupon Rate	Year of Maturity	June 30, 2025	December 31, 2024
Unsecured revolving credit facility	floating	2030	220,002	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			(15,417)	(16,367)
			2,704,585	2,598,635
Less: current portion			(325,000)	(325,000)
Long-term debt			2,379,585	2,273,635

On July 14, 2025, the Company settled its \$325.0 million senior unsecured notes upon maturity (*note 15*).

The Company had \$220.0 million drawn on its \$1,000.0 million unsecured revolving credit facility as of June 30, 2025 (December 31, 2024 – \$115.0 million). 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 \$36.8 million as at June 30, 2025 (December 31, 2024 – \$37.5 million).

During the second quarter of 2025, the Company amended its revolving credit facility and extended the maturity date from April 2029 to June 2030, amongst other amendments.

Covenants

The Company is required to meet certain specific and customary affirmative and negative financial covenants under various debt agreements. As at June 30, 2025, the Company is in compliance with 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 June 30,		Six months Ended June 30,	
	2025	2024	2025	2024
Interest expense	34,392	36,564	67,923	72,448
Capitalized interest	(42)	(260)	(42)	(845)
Interest expense, finance lease	749	694	1,400	1,410
Interest income	(522)	(661)	(1,046)	(1,273)
	34,577	36,337	68,235	71,740

Gibson Energy Inc.

Notes to Condensed Consolidated Financial Statements (unaudited)

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

Note 9 Lease Liabilities

	June 30, 2025
Opening balance	48,180
Additions	20,595
Interest expense	1,400
Lease payments	(13,095)
Effect of movements in exchange rates	(1,960)
Closing balance	55,120
Less: current portion	22,345
Closing balance – non-current portion	32,775

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:

	Note	June 30, 2025
Opening balance		206,349
Settlements		(1,562)
Change in estimated future cash flows		3,656
Change in discount rate	5	(8,806)
Unwind of discount		2,739
Effect of movements in exchange rates		(3,053)
Closing balance		199,323

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 3.6% at June 30, 2025 (3.3% - June 30, 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
At January 1, 2025	163,061,498	2,371,865
Issuance in connection with the exercise of stock options	16,642	293
Tax effect of equity settled awards	—	280
Reclassification of contributed surplus on issuance of awards under equity incentive plans	630,506	12,885
At June 30, 2025	163,708,646	2,385,323

A dividend of \$0.43 per share, declared on May 5, 2025, was paid on July 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 six months ended June 30, 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		
At January 1, 2025	38,100	19.73	757,626	541,969	789,243
Granted	—	—	489,696	333,434	33,182
Exercised and released for common shares	(26,100)	22.18	(324,499)	(101,233)	(199,320)
Forfeited	—	—	(87,102)	(83,146)	—
At June 30, 2025	12,000	22.18	835,721	691,024	623,105
Vested and exercisable at June 30, 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 June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Weighted average common shares outstanding – Basic	163,706,939	162,522,638	163,600,735	162,361,873
Dilutive effect of stock options and other awards	1,080,990	1,477,248	1,181,016	1,496,056
Weighted average common shares – Diluted	164,787,929	163,999,886	164,781,751	163,857,929

Gibson Energy Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)
(Amounts in thousands of Canadian dollars, except per share amounts)
Note 12 Revenue

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue from contracts with customers recognized at a point in time	2,635,925	3,098,130	5,256,726	6,254,265
Revenue from contracts with customers recognized over time	75,042	83,231	152,377	164,052
Total revenue from contracts with customers	2,710,967	3,181,361	5,409,103	6,418,317
Total revenue from lease arrangements	48,675	51,711	98,249	103,363
	2,759,642	3,233,072	5,507,352	6,521,680
Three months ended June 30, 2025	Infrastructure	Marketing	Total	
External Service Revenue				
Terminals storage and throughput / pipeline transportation	72,158	—		72,158
Rail and other	2,884	—		2,884
External Product Revenue				
Crude, diluent and other products	—	2,508,637		2,508,637
Refined products	—	127,288		127,288
Total revenue from contracts with customers	75,042	2,635,925		2,710,967
Three months ended June 30, 2024	Infrastructure	Marketing	Total	
External Service Revenue				
Terminals storage and throughput / pipeline transportation	79,186	—		79,186
Rail and other	4,045	—		4,045
External Product Revenue				
Crude, diluent and other products	—	2,957,134		2,957,134
Refined products	—	140,996		140,996
Total revenue from contracts with customers	83,231	3,098,130	3,181,361	
Six months ended June 30, 2025	Infrastructure	Marketing	Total	
External Service Revenue				
Terminals storage and throughput / pipeline transportation	146,583	—		146,583
Rail and other	5,794	—		5,794
External Product Revenue				
Crude, diluent and other products	—	5,002,280		5,002,280
Refined products	—	254,446		254,446
Total revenue from contracts with customers	152,377	5,256,726		5,409,103

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

Six months ended June 30, 2024	Infrastructure	Marketing	Total
External Service Revenue			
Terminals storage and throughput / pipeline transportation	155,537	—	155,537
Rail and other	8,515	—	8,515
External Product Revenue			
Crude, diluent and other products	—	5,968,147	5,968,147
Refined products	—	286,118	286,118
Total revenue from contracts with customers	164,052	6,254,265	6,418,317

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:

As at June 30, 2025	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Commodity futures	6,779	6,779	—	—
Commodity swaps	1,014	1,014	—	—
WTI differential futures	9,409	9,409	—	—
Foreign currency forwards	956	—	956	—
Foreign currency options	404	—	404	—
Renewable power contracts	4,117	—	—	4,117
Financial assets (carried at fair value)	22,679	17,202	1,360	4,117
Commodity futures	8,792	8,792	—	—
Commodity swaps	188	188	—	—
WTI differential futures	5,758	5,758	—	—
Foreign currency forwards	500	—	500	—
Foreign currency options	42	—	42	—
Financial liabilities (carried at fair value)	15,280	14,738	542	—
Long-term debt - current and long-term (carried at amortized cost)	2,704,585		2,786,150	

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	—
Financial assets (carried at fair value)	6,965	5,880	1,085	—
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
Financial liabilities (carried at fair value)	27,860	16,533	7,699	3,628
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
As at January 1,	(3,628)	(1,296)
Unrealized gain (loss) as a result of changes in fair value	6,407	(8,641)
Settled during the period	1,338	—
	7,745	(8,641)
As at June 30,	4,117	(9,936)

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 June 30, 2025	As at December 31, 2024
Forward power prices		
Favorable 15% change	8,253	9,743
Unfavorable 15% change	(8,253)	(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	2,720,002	325,000	325,000	720,002	1,350,000
Interest payments on long-term debt	2,446,399	106,552	203,284	179,750	1,956,813
Lease and other commitments ⁽¹⁾	106,785	61,113	25,546	11,801	8,325
Total contractual obligations	5,273,186	492,665	553,830	911,553	3,315,138

(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 July 28, 2025, the Board declared a quarterly dividend on its outstanding common shares of \$0.43 per common share for the third quarter of 2025. The common share dividend is payable on October 17, 2025, to shareholders of record at the close of business on September 30, 2025.

On July 14, 2025, the Company settled its \$325.0 million senior unsecured notes upon maturity (note 8).

Note 16 Supplemental Cash Flow Information

		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
Cash flows from operating activities					
Net income		60,699	63,332	110,652	103,821
Adjustments:					
Finance costs, net		34,577	36,337	68,235	71,740
Income tax expense		20,097	19,177	34,141	31,632
Depreciation and impairment of property, plant and equipment	5	30,971	29,834	61,549	59,062
Depreciation and impairment of right-of-use asset	6	5,269	6,726	10,284	13,852
Amortization and impairment of intangible assets		6,753	7,172	13,692	14,249
Share-based compensation	11	4,594	5,347	7,722	10,411
Share of profit from investments in equity accounted investees	7	(3,444)	(5,865)	(10,316)	(12,279)
Distributions from equity accounted investees	7	6,716	7,270	15,377	14,632
Loss on sale of property, plant and equipment	5	—	—	3	1,166
Gain on sale of equity investment		—	(131)	—	(131)
Provisions	10	(306)	(19)	(212)	(322)
Net (gain) loss on fair value movement of financial instruments		(21,164)	(15,812)	(28,579)	12,030
Other		(2,447)	(95)	(2,964)	165
		81,616	89,941	168,932	216,207
Changes in items of working capital:					
Trade and other receivables		(80,759)	10,672	118,842	(162,866)
Inventories	4	(194)	70,055	86,732	(42,750)
Other current assets		7,690	4,452	16,008	9,392
Trade payables and accrued charges		48,694	(218,365)	(282,772)	89,579
Contract liabilities		(12,776)	(76,857)	15,831	(69,520)
		(37,345)	(210,043)	(45,359)	(176,165)
Income tax payment, net		(5,590)	(9,679)	(12,993)	(17,479)
Net cash inflow (outflow) from operating activities		99,380	(66,449)	221,232	126,384



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