GIBSON ENERGY

MANAGEMENT'S DISCUSSION & ANALYSIS

2025 YEAR END REPORT

TSX:GEI

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Basis of Presentation

The following MD&A was approved by the Board of Gibson Energy Inc. ("we", "our", "us", "Gibson", "Gibson Energy" or the "Company") as of February 17, 2026, and should be read in conjunction with the audited consolidated financial statements and related notes of the Company for the years ended December 31, 2025, and 2024 prepared under IFRS Accounting Standards. Amounts are stated in thousands of Canadian dollars except volumes and per share data, unless otherwise noted. Additional information about Gibson, including the AIF, is available on SEDAR+ at www.sedarplus.ca and at www.gibsonenergy.com. This MD&A contains forward-looking statements and specified financial measures and readers are cautioned that this MD&A should be read in conjunction with the Company's disclosures under "Forward-Looking Information" and "Specified Financial Measures". For a list of common terms or abbreviations used in this MD&A, refer to "Terms and Abbreviations".

Specified Financial Measures

The Company has identified certain specified financial measures that management believes provide meaningful information in assessing the Company's underlying performance. Readers are cautioned that these measures do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Refer to the "Specified Financial Measures" section of this MD&A for a list and description of each measure, including, where applicable, reconciliations to the most directly comparable GAAP measure.

BUSINESS OVERVIEW

Gibson is a leading liquids infrastructure company with its principal businesses consisting of the storage, optimization, processing, and gathering of liquids and refined products, as well as waterborne vessel loading. Headquartered in Calgary, Alberta, the Company's operations are located across North America, with core terminal assets in Hardisty and Edmonton, Alberta, Ingleside and Wink, Texas, and a facility in Moose Jaw, Saskatchewan.

CONSOLIDATED FINANCIAL RESULTS

	Three months ended December 31,			Years ended December 31,		
($ thousands, except where noted)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Revenue	2,304,995	2,357,775	(52,780)	10,689,246	11,779,949	(1,090,703)
Segment profit	163,320	111,009	52,311	650,471	626,966	23,505
Adjusted EBITDA (1)	145,008	129,682	15,326	580,687	610,142	(29,455)
Net income	41,292	(5,563)	46,855	197,638	152,174	45,464
Cash flow from operating activities	93,355	67,276	26,079	510,159	598,454	(88,295)
Distributable cash flow (1)	79,496	71,152	8,344	337,100	375,270	(38,170)
Growth capital, acquisitions and equity investments (2)	6,441	41,992	(35,551)	110,876	162,018	(51,142)
Basic income per share ($/share)	0.25	(0.03)	0.28	1.21	0.94	0.27
Diluted income per share ($/share)	0.25	(0.03)	0.28	1.20	0.93	0.27
Dividends declared	70,457	66,856	3,601	281,696	266,858	14,838
Dividends ($/share)	0.43	0.41	0.02	1.72	1.64	0.08

	Trailing twelve months - As at December 31,		
	2025	**2024**	**Change**
Ratios			
Net debt to adjusted EBITDA (3)	3.9	3.5	0.4
Infrastructure leverage (3)	4.0	3.9	0.1
Dividend payout (3)	84%	71%	13%
Infrastructure-only payout (3)	78%	77%	1%
Cash flow from operating activities per share ($/share) – basic	3.12	3.68	(0.56)
Distributable cash flow per share ($/share) – basic (3)	2.06	2.31	(0.25)

	Years ended December 31,		
($ thousands, except where noted)	**2025**	**2024**	**2023**
Revenue	10,689,246	11,779,949	11,014,694
Net income	197,638	152,174	214,211
Basic income per share ($/share)	1.21	0.94	1.43
Diluted income per share ($/share)	1.20	0.93	1.41
Dividends ($/share)	1.72	1.64	1.56

	As at December 31,		
	2025	**2024**	**2023**
Total assets	4,630,168	4,971,539	4,946,875
Total non-current liabilities	3,127,992	2,650,175	3,077,832

(1) Adjusted EBITDA and distributable cash flow are non-GAAP financial measures. See the "Specified Financial Measures" section of this MD&A for information on each non-GAAP financial measure.

(2) Growth capital, acquisitions and equity investments is a supplementary financial measure. See the "Specified Financial Measures" section of this MD&A for more information.

(3) Net debt to adjusted EBITDA, Infrastructure leverage, dividend payout, Infrastructure-only payout and distributable cash flow per share are non-GAAP financial ratios. See the "Specified Financial Measures" section of this MD&A for more information on each non-GAAP financial ratio.

- Segment profit of $650.5 million increased by $23.5 million for the year ended December 31, 2025, compared to $627.0 million for the year ended December 31, 2024. The increase was due to an increase in Infrastructure segment profit of $47.3 million, primarily due to lower operating and other costs, partially offset by a decrease in Marketing segment profit of $23.8 million, a result of the relative movement in unrealized gains and losses on financial instruments and a continued challenging market with tighter crude oil differentials and crack spreads.
- Adjusted EBITDA of $580.7 million decreased by $29.4 million for the year ended December 31, 2025, compared to $610.1 million, for the year ended December 31, 2024, primarily due to the impact of unrealized gains and losses on financial instruments recorded in both periods, partially offset by factors impacting segment profit as noted above, including the add back of certain one-time items in the prior year.
- Net income of $197.6 million increased by $45.4 million for the year ended December 31, 2025, compared to $152.2 million for the year ended December 31, 2024. The increase was due to the impact of items affecting segment profit as noted above, lower general and administrative costs, and movement in unrealized gains and losses for corporate financial instruments.
- Cash flow from operating activities of $510.2 million decreased by $88.3 million for the year ended December 31, 2025, compared to $598.5 million for the year ended December 31, 2024. The decrease was primarily due to changes in working capital items.
- Distributable cash flow of $337.1 million decreased by $38.2 million for the year ended December 31, 2025, compared to $375.3 million for the year ended December 31, 2024, primarily due to lower adjusted EBITDA as noted above as well as higher spending on replacement capital in the current year, offset by lower current income taxes and lease payments.
- Net debt to adjusted EBITDA of 3.9x for the year ended December 31, 2025, compared to 3.5x for the year ended December 31, 2024.
- Infrastructure-only leverage of 4.0x for the year ended December 31, 2025, compared to 3.9x for the year ended December 31, 2024.
- Growth capital was $110.9 million for the year ended December 31, 2025, primarily due to the dredging project and Cactus II connection project at the Gateway Terminal, as well as the crude oil infrastructure for the Baytex Energy strategic partnership.
- The Company declared annual dividends of $1.72 per common share for the year ended December 31, 2025, compared to $1.64 per common share for the year ended December 31, 2024. Total dividends declared for the year ended December 31, 2025, were $281.7 million, compared to $266.9 million for the year ended December 31, 2024.
- The Company's cost focus initiative completed with high employee engagement in the identification and implementation of various cost saving measures, realizing $28.1 million of recurring and non-recurring distributable cash flow cost savings in the year ended December 31, 2025. The Company exceeded the overall target of $25.0 million.
- On February 4, 2025, the Company announced that Riley Hicks had been appointed Senior Vice President and Chief Financial Officer.
- On February 26, 2025, the Company announced that it has maintained and enhanced its position as an industry and sustainability leader, as identified by globally recognized ESG rating agencies, due to its continued ESG achievements.
- On March 11, 2025, the Company announced a strategic partnership with Baytex Energy Corp. to develop liquids infrastructure in the Pembina Duvernay backstopped by a long-term take-or-pay agreement.
- On May 5, 2025 the Company announced the appointment of Dave Gosse as Senior Vice President and Chief Operating Officer, effective May 20, 2025.
- On June 19, 2025, the Company amended its revolving credit facility and to extend the maturity date from April 2029 to June 2030, amongst other amendments.
- On July 14, 2025, the Company settled its $325.0 million senior unsecured notes upon maturity.
- On August 20, 2025, the Company closed its offering of $375.0 million of 4.45% senior unsecured medium-term notes with a maturity date of August 20, 2032.
- On September 16, 2025, and commencing on September 18, 2025, the Company's NCIB was renewed for an additional one-year period, enabling the Company to repurchase and cancel up to 7.5% of the public float or 10,182,288 of 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, 2026 and the date on which the maximum number of common shares that can be acquired pursuant to the NCIB have been purchased. The Company did not repurchase any common shares under its NCIB for the year ended December 31, 2025.

- On December 2, 2025, the Company announced major contract extensions of 20 and 10 years at the Edmonton Terminal, and the sanctioning of a new Wink-to-Gateway Integration project.

SUBSEQUENT EVENTS

- On February 10, 2026, the Company announced that it had entered into an agreement for the strategic acquisition of Teine Energy's portfolio of Chauvin crude oil infrastructure assets for $400 million, subject to closing adjustments. Closing of the acquisition is subject to certain conditions, including clearance by the Competition Bureau of Canada. Upon closing, the acquisition will expand the Company's Canadian pipeline network through eastern Alberta. Concurrently, the Company announced it now expects to deploy $100.0 million in organic growth capital in 2026.
- On February 17, 2026, the Company closed its previously announced bought deal common share offering for gross proceeds of $215.0 million, including the exercise in full of the over-allotment options by the underwriters. The Company intends to apply the proceeds from the offering to the acquisition and draw on its revolving credit facility for the remainder.
- On February 17, 2026, the Board declared a quarterly dividend on its outstanding common shares of $0.45 per common share, an increase of 5%, for the first quarter of 2026. The common share dividend is payable on April 17, 2026, to shareholders of record at the close of business on March 30, 2026.

RESULTS OF OPERATIONS AND TRENDS IMPACTING THE BUSINESS

Gibson regularly evaluates its long-range strategic plan in order to assess the implications of emerging macroeconomic, societal, political and industry trends, and how these trends have the potential to affect Gibson's business and prospects over the short-term and the medium to long-term. Management has identified risk factors that could have a material impact on the financial results and operations of the Company. Such risk factors are described in the "Risk Factors" section of this MD&A and the AIF. The Company's financial and operational performance is potentially affected by a number of factors, including, but not limited to, the factors described within the "Forward-Looking Information" section of this MD&A. This MD&A contains forward-looking statements based on the Company's current expectations, estimates, projections and assumptions. This information is provided to assist readers in understanding the Company's future plans and expectations and may not be appropriate for other purposes.

Senior management evaluates segment performance based on a variety of measures depending on the segment being evaluated, including segment profit, segment revenue and volumes. The Company defines segment profit as revenue less cost of sales (excluding depreciation, amortization and impairment charges) and operating expenses. Segment profit also includes the Company's share of equity pick up from equity accounted investees. Segment revenue presented in the tables below includes inter-segment revenue, as this is considered more indicative of the level of each segment's activity. Segment profit excludes depreciation, amortization, accretion, impairment charges, share-based compensation, and corporate expenses such as income taxes, interest, acquisition and integration costs and general and administrative expenses, as senior management looks at each period's earnings before corporate expenses and non-cash items as one of the Company's important measures of segment performance. The exclusion of depreciation, amortization and impairment expense could be viewed as limiting the usefulness of segment profit as a performance measure because it does not take into account, in current periods, the implied reduction in value of the Company's capital assets (primarily storage, pipelines, facilities and equipment) caused by use, aging and wear and tear. Repair and maintenance expenditures that do not extend the useful life, improve the efficiency or expand the operating capacity of the Company's capital assets are charged to operating expense as incurred. Adjusted EBITDA is a non-GAAP financial measure that adjusts for certain one-time or non-cash items that are not reflective of ongoing operations while still being included in segment profit. See the "Specified Financial Measures" section of this MD&A.

The Company's segment analysis involves an element of judgment relating to the allocations between segments. Inter-segment sales, cost of sales and operating expenses are eliminated on consolidation. Transactions between segments and within segments are valued at prevailing market rates. The Company believes that the estimates with respect to these allocations and rates are reasonable.

The following is a discussion of the Company's segmented results of operations for the three months and years ended December 31, 2025, and 2024:

INFRASTRUCTURE

The Infrastructure segment is composed of 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 WCSB; the Gateway Terminal, a liquids export terminal connecting the Permian and Eagle Ford basins to global markets, located in Ingleside, Texas; the DRU which is located adjacent to the Hardisty Terminal; the Moose Jaw Facility, a crude oil processing facility located in Moose Jaw, Saskatchewan; the Wink Terminal, a crude oil aggregating hub, located in Wink, Texas; and gathering pipelines in the U.S. and Canada. Select assets are impacted by maintenance turnarounds typically occurring every few years.

The Company is consistently evaluating strategic opportunities including advancing select projects that enhance the Company's crude oil infrastructure portfolio and investing in new technologies. Shifts in customer demand and the need for incremental egress, alongside heightened competition, may influence the nature of services offered as the Company advances its plans. Geopolitical instability in certain regions of the world and concern regarding energy security may have short and medium term impacts on the desirability of North American oil and gas, impacting the demand for the Company's infrastructure. Recent additions to crude oil pipeline egress to the U.S. and waterborne markets have reduced demand for storage and other services at certain locations, but demand for those services would be expected to recover over time as improved market access supports WCSB crude oil production increases. The Infrastructure segment primarily derives revenue from stable long-term take-or-pay agreements with investment grade counterparties. The trends described above could also impact the Company's ability to renew or renegotiate these contracts and may impact operational and financial results of the Infrastructure segment.

The following table sets forth the operating results from the Company's Infrastructure segment for the three months and years ended December 31, 2025, and 2024:

	Three months ended December 31,			Years ended December 31,		
($ thousands, except volumes)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Volumes (in thousands of bbls)	216,226	185,861	30,365	813,325	718,043	95,282
Revenue	173,963	181,695	(7,732)	700,343	735,486	(35,143)
Operating expenses and other [(1)]	12,462	54,251	(41,789)	79,022	161,476	(82,454)
Segment profit	161,501	127,444	34,057	621,321	574,010	47,311
Unrealized (gain) loss on financial instruments	(2,563)	6,359	(8,922)	(4,740)	10,105	(14,845)
Adjustments to share of profit from equity accounted investees	1,560	1,169	391	5,456	5,240	216
Environmental remediation provision	—	9,287	(9,287)	—	9,287	(9,287)
Post-close purchase price adjustment	—	2,670	(2,670)	—	2,670	(2,670)
Adjusted EBITDA [(2)]	160,498	146,929	13,569	622,037	601,312	20,725

(1) Includes the Company's share of equity pick up from equity accounted investees.
(2) Adjusted EBITDA is a non-GAAP financial measure. See the "Specified Financial Measures" section of this MD&A for more information.

Operational Performance

In the three months and year ended December 31, 2025, compared to the three months and year ended December 31, 2024:

Infrastructure volumes increased by 30.4 million barrels or 16% and 95.3 million barrels or 13%, primarily driven by increased throughput at the Edmonton and Gateway Terminals.

Financial Performance

In the three months and year ended December 31, 2025, compared to the three months and year ended December 31, 2024:

Revenue decreased by $7.7 million or 4% and decreased by $35.1 million or 5%, primarily due to lower revenue at the Hardisty Terminal as lower volumes are directed to and stored at Hardisty, partially offset by the contribution from new tanks at the Edmonton Terminal. The revenue decrease also reflects the reduction of certain flow through costs and the disposal of non-core assets in the prior period.

Operating expenses and other decreased by $41.8 million or 77% and $82.5 million or 51%. The decreases in the three month and year ended primarily resulted from a number of one-time items in both periods as well as the impact of cost focus initiatives throughout 2025. One-time items in current and prior periods included items relating to environmental provisions, purchase price adjustment and certain cost recoveries, which increased and decreased expenses in 2024 and 2025 respectively. Further reduction in the current year was caused by elimination of certain flow through costs and disposition of certain non-core assets during 2024, partially offset by reduced equity pickup due to the turnaround at DRU in 2025. Lastly, the impact of change in unrealized gains and losses on financial instruments was more pronounced period over period.

As a result of the factors discussed above, as well as incremental contributions from the Gateway Terminal, adjusted EBITDA and segment profit increased by $13.6 million and $34.1 million for the three months and by $20.7 million and $47.3 million for the year, respectively. Adjusted EBITDA was also impacted by unrealized gains or losses on financial instruments and non-cash adjustments related to the Company's share of profit from equity accounted investees. Unrealized gains or losses on financial instruments relate to foreign currency financial derivatives undertaken primarily in relation to the Gateway Terminal to mitigate the Company's increased exposure to changes in the USD to CAD exchange rates over time.

MARKETING

The Marketing segment involves 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, heavy straight run distillates and gas oils. The Marketing segment sources its hydrocarbon product from North American sources, the majority from Western Canada as well as the Permian basin and markets those products throughout Canada and the U.S.

The Marketing segment is exposed to commodity price fluctuations arising between the time contracted volumes are purchased and the time they are sold, as well as being exposed to pricing differentials between different geographic markets and/or hydrocarbon qualities. These risks are managed by purchasing and selling products at prices based on the same or similar indices or benchmarks, and through physical and financial contracts that include energy-related forward contracts, swaps, futures, options and other hedging instruments. Fair values of these derivative contracts fluctuate depending on the commodity prices and can impact segment profit in the form of realized or unrealized gains and losses, often offset by physical inventories, that can change significantly period over period. For Crude Marketing, the Trans Mountain pipeline expansion entering into service in 2024 without corresponding production growth, has limited available opportunities as Canadian inventories have decreased significantly. The incremental egress and stronger global medium/heavy sour prices has drawn substantial crude oil flows away from certain assets. Production in the WCSB is expected to grow steadily in the longer term and opportunities are expected to return in the foreseeable future. Crack spreads have narrowed for the Refined Products business as WCS differentials have moved tighter to WTI and global prices. Volatile interest rates, geopolitical events including tariffs levels, persistent but weakening inflation levels and other factors may still induce or exacerbate a period of declining economic activity in a number of countries and/or globally and have added uncertainty and volatility to commodity prices. For more information about the risks associated with the Company's use of financial instruments please refer to "Quantitative and Qualitative Disclosures about Market Risks" and "Risk Factors" within this document and the AIF.

Road asphalt activity, related to refined products, is affected by the impact of weather conditions on road construction. Road asphalt demand peaks during the summer months when most of the road construction activity in North America takes place. In the off-peak demand months for road asphalt, the demand for roofing flux continues. Demand for wellsite fluids is dependent on overall well drilling and completion activities, with activity normally the busiest in the winter months. Demand for natural gas liquids is also highest in the colder months of the year.

The following table summarizes average crude oil prices, as well as average foreign exchange rates, for the three months and year ended December 31, 2025 and 2024:

	Three months ended December 31,			**Years ended December 31,**		
($, except where noted)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
WTI average price (USD$/bbl)	59.14	70.27	(11.13)	64.81	75.72	(10.91)
WCS average differential (USD$/bbl)	11.19	12.54	(1.35)	11.11	14.73	(3.62)
Average foreign exchange rates (CAD$/USD$)	1.39	1.41	(0.02)	1.40	1.37	0.03

The following table sets forth operating results from the Company's Marketing segment for the three months and year ended December 31, 2025 and 2024:

($ thousands, except volumes)	Three months ended December 31, 2025	2024	Change	Years ended December 31, 2025	2024	Change
Volumes (in thousands of bbls)	63,202	59,611	3,591	259,773	269,663	(9,890)
Revenue	2,215,230	2,282,821	(67,591)	10,296,086	11,370,328	(1,074,242)
Cost of sales and other expenses	2,213,411	2,299,256	(85,845)	10,266,936	11,317,372	(1,050,436)
Segment profit	1,819	(16,435)	18,254	29,150	52,956	(23,806)
Unrealized (gain) loss on financial instruments	(1,209)	11,662	(12,871)	(14,025)	9,778	(23,803)
Adjusted EBITDA (1)	610	(4,773)	5,383	15,125	62,734	(47,609)

(1) Adjusted EBITDA is a non-GAAP financial measure. See the "Specified Financial Measures" section of this MD&A for more information.

Operational Performance

In the three months and year ended December 31, 2025, compared to the three months and year ended December 31, 2024:

Marketing volumes were increased by 3.6 million barrels or 6% and decreased by 9.9 million barrels or 4%, primarily due to changes in activity within the Crude Marketing business due to the availability and nature of time and location-based opportunities as the Company responded to challenging market dynamics with excess egress and tight commodity differentials.

Financial Performance

In the three months and year ended December 31, 2025, compared to the three months and year ended December 31, 2024:

Revenue decreased by $67.6 million or 3% and cost of sales and other expenses decreased by $85.8 million or 4% in the three month period, due to lower average prices for crude oil, refined and other products offset by the timing of product sales. Revenue decreased by $1,074.2 million or 9% and cost of sales and other expenses decreased by $1,050.4 million or 9% for the year, largely due to lower sales volumes and lower average prices for crude oil, refined and other products.

Adjusted EBITDA increased by $5.4 million or 113% and decreased by $47.6 million or 76% primarily due to variation in the Crude Marketing business' contribution as continued increased demand for Canadian heavy oil has maintained steep backwardation and limited short-term volatility throughout the past two years, resulting from the factors described above, impacting storage, quality and time-based opportunities and compressed refining margins as well as resulting from the turnaround earlier this year at the Moose Jaw Refinery. The Marketing segment also benefited from reduced expenses as part of the Company's cost focus initiative.

Segment profit increased by $18.3 million or 111% and decreased by $23.8 million or 45%, respectively, due to the same factors contributing to the changes in adjusted EBITDA as noted above, as well as unrealized gains of $1.2 million and $14.0 million compared to unrealized losses of $11.7 million and $9.8 million in the comparative periods.

EXPENSES

	Three months ended December 31,			Years ended December 31,		
($ thousands)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
General and administrative	15,370	18,065	(2,695)	56,008	69,985	(13,977)
Acquisition and integration costs	—	—	—	—	1,371	(1,371)
Depreciation and impairment	32,052	41,838	(9,786)	125,233	132,343	(7,110)
Right-of-use depreciation and impairment	5,602	6,189	(587)	21,019	25,702	(4,683)
Amortization and impairment	6,809	7,190	(381)	27,134	28,624	(1,490)
Impairment of finance lease assets	2,222	—	2,222	2,222	—	2,222
Share-based compensation	6,002	6,882	(880)	17,828	22,040	(4,212)
Corporate financial instruments loss / (gain)	4,624	(3,662)	8,286	(2,414)	3,220	(5,634)
Foreign exchange loss (gain)	3,111	(1,538)	4,649	9,658	(591)	10,249
Debt extinguishment costs	—	1,819	(1,819)	—	1,819	(1,819)
Finance costs, net	36,038	32,214	3,824	139,367	136,499	2,868
Income taxes	10,198	7,575	2,623	56,778	53,780	2,998

In the three months and year ended December 31, 2025, compared to the three months and year ended December 31, 2024:

General and administrative, excluding depreciation and amortization

General and administrative expenses decreased by $2.7 million and $14.0 million for the three months and year ended December 31, 2025, primarily due to executive transition costs and restructuring costs incurred in the prior periods, certain savings throughout various corporate groups as a result of the cost focus initiative, partially offset by continued technology investments.

Acquisition and integration costs

Acquisition and integration costs were incurred in relation to the completion of integration activities for the Gateway Terminal in the prior period.

Depreciation and impairment

Depreciation and impairment expenses decreased by $9.8 million and $7.1 million for the three months and year ended December 31, 2025, primarily due to certain impairments recorded in the prior period and the impact of non-core assets divested in the prior period, partially offset by the impact of new assets put in service.

Right-of-use asset depreciation and impairment

Right-of-use asset depreciation and impairment expense decreased by $0.6 million and $4.7 million for the three months and year ended December 31, 2025, primarily due to a reduction in the number of rail cars leased.

Amortization and impairment

Amortization and impairment expenses decreased by $0.4 million and $1.5 million for the three months and year ended December 31, 2025, primarily due to certain assets becoming fully amortized.

Impairment of finance lease assets

Impairment of finance lease assets as a result of certain contract renewals.

Share-based compensation

Share-based compensation expense decreased by $0.9 million and $4.2 million for the three months and year ended December 31, 2025, primarily due to fewer outstanding units, partially offset by the relative movement of the Company's share price in the comparable quarters.

Corporate financial instrument (gain)/loss not affecting segment profit

Corporate financial instrument (gain)/loss not affecting segment profit resulted in a loss of $8.3 million for the three months and a gain of $5.6 million for the year ended December 31, 2025, representing changes in the value of the Company's renewable power purchase agreement, primarily due to changes in power price forecasts over the remaining contract term compared to the prior periods.

Foreign exchange loss not affecting segment profit

Foreign exchange loss not affecting segment profit increased by $4.6 million and $10.2 million for the three months and year ended December 31, 2025, primarily due to CAD$ strengthening against USD$ throughout the year.

Finance costs, net

Finance costs increased by $3.8 million and $2.9 million for the three months and year ended December 31, 2025, primarily due to lower capitalized interest in the current year, as well as higher rates on the Company's senior unsecured notes refinanced in 2025.

Income taxes

Income tax expense increased by $2.6 million and $3.0 million for the three months and year ended December 31, 2025.

The effective tax rate was 19.8% and 22.3% for the three months and year ended December 31, 2025, compared to 376.5% and 26.1% for the three months and year ended December 31, 2024. The changes in effective tax rates for the three and year ended were primarily due to certain true ups relating to prior periods.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a summary of the Company's quarterly results for each of the last eight quarters:

($ thousands, except per share amounts)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	2,304,995	2,876,899	2,759,642	2,747,710	2,357,775	2,900,494	3,233,072	3,288,608
Net income (loss)	41,292	45,694	60,699	49,953	(5,563)	53,916	63,332	40,489
Adjusted EBITDA (1)	145,008	147,077	146,415	142,187	129,682	151,164	159,190	170,106
Earnings per share								
Basic ($/share)	0.25	0.28	0.37	0.31	(0.03)	0.33	0.39	0.25
Diluted ($/share)	0.25	0.28	0.37	0.30	(0.03)	0.33	0.38	0.25

(1) Adjusted EBITDA is a non-GAAP financial measure. See "Specified Financial Measures" section of this MD&A for information on each non-GAAP financial measure.

For more details on the specific factors driving the periodic movements, refer to "Results of Operations and Trends Impacting the Business". The following identifies the key drivers in segment profitability over the last eight quarters:

Since the commencement of the Company's cost focus initiative in the fourth quarter of 2024, we have seen high employee engagement in identification and implementation of various cost saving measures throughout the organization. The Company exceeded the overall target of $25.0 million on a run rate basis.

Infrastructure – The Infrastructure segment has progressively commissioned or acquired new storage capacity and related infrastructure, typically underpinned by long-term, stable fee-based contracts.

Select significant drivers and/or select projects put into service over the past eight quarters include:

- Cactus II pipeline and dredging projects at the Gateway Terminal were completed in 2025
- Turnarounds at the Moose Jaw Facility and DRU were completed in the second quarter of 2025
- Incremental egress from the WCSB to global markets without corresponding production increases have temporarily reduced demand for crude oil storage, primarily in Hardisty
- The contribution from two additional tanks at the Edmonton Terminal with Cenovus Energy in the fourth quarter of 2024
- The contribution from the first Trans Mountain pipeline expansion tank constructed at the Edmonton Terminal in the fourth quarter of 2023

Marketing – The Marketing segment's activities, including its location, quality and time-based strategies as well as the sale of refined products, are highly impacted by various factors that often fluctuate quarter over quarter. While certain of these variables, including exposure to the underlying commodity, are actively managed, the specific profit drivers for the Marketing segment generally vary from period to period. The Trans Mountain pipeline entering commercial operation narrowed certain differentials between liquids products structurally altering markets. Increased egress capacity from western Canada has shifted crude oil markets, limiting arbitrage opportunities for the Marketing business. Refined Products margins narrowed in the second half of 2024 and throughout 2025, as crude oil differentials tightened and the price of refined products further softened. Volatility is expected to continue to impact Canadian crude oil and refined products markets, due to a variety of factors, including the uncertain implementation of tariffs and other geopolitical events disrupting markets.

Corporate – Corporate includes Company-wide general and administrative expenses, financing costs, corporate foreign exchange and financial instruments fluctuation, executive transition and restructuring costs and other corporate expenses.

Over the past eight quarters, the following trends or events have affected the Company's net income and earnings per share:

- The 15-year renewable virtual power purchase agreement, signed in the third quarter of 2023 and commencing in the third quarter of 2024, measured at fair value including non-observable inputs. The value is primarily affected by the price of electricity over the term of the contract, and significant volatility from the electricity forward market will be reflected in the Company's net income.
- Higher general and administrative expenses in 2024, primarily due to executive transition and restructuring costs, as well as certain savings throughout various corporate groups as a result of the cost focus initiative, partially offset by technology initiatives undertaken during the current year.

Liquidity Sources

($ thousands)	Coupon Rate	Maturity	December 31, 2025	December 31, 2024
Unsecured revolving credit facility	floating	2030	169,400	115,002
Senior unsecured notes	2.45 %	2025	—	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	4.45%	2032	375,000	—
Senior unsecured notes	5.75 %	2033	350,000	350,000
Senior unsecured notes	6.20 %	2053	200,000	200,000
Unsecured hybrid notes (1)	5.25 %	2080	250,000	250,000
Unsecured hybrid notes (1)	8.70 %	2083	200,000	200,000
Unamortized issue discount and debt issue costs			(17,058)	(16,367)
Total debt outstanding			2,702,342	2,598,635
Lease liability			79,064	48,180
Cash and cash equivalents			(55,846)	(57,069)
			2,725,560	2,589,746
Total share capital			2,388,151	2,371,865
Total capital			5,113,711	4,961,611

(1) The unsecured hybrid notes are included in the above total capital calculation in accordance with the Company's view of its capital structure which includes shareholders' equity and long-term debt, lease liabilities and working capital. The unsecured hybrid notes and associated interest payments are excluded from the definition of consolidated debt for the purposes of debt to capitalization as well as the consolidated interest coverage covenant ratios.

The Company's primary liquidity and capital resource needs are to fund ongoing capital expenditures, acquisitions, its working capital needs and its dividend. In addition, the Company must service its debt, including interest payments. The Company expects to source funds required to service its debt from cash and cash equivalents, cash flow from operations, its revolving credit facility and by accessing the capital markets. The Company currently anticipates its cash flow from operations, the majority of which is derived from long-term take-or-pay contracts, to be sufficient to meet its operating obligations, fund capital expenditures and pay its dividend. Where the Company generates cash flow in excess of its dividends and capital investment opportunities, and its financial position is deemed sufficiently strong by the Company, common share repurchases may occur to return cash to shareholders.

The Company remains confident in its ability to refinance its current and long-term debt expiring in the near term, as demonstrated with recent refinancing. With continued changes in the macro environment, and geopolitical volatility the Company's ability to access financing in the capital markets at attractive terms in the future could be adversely impacted. Refer to "Risk Factors" within this MD&A and the AIF for more information. The Company continues to monitor the macro environment and remains satisfied that its disciplined approach employed with respect to its capital structure is appropriate given the characteristics and operations of the underlying asset base. The Company may also adjust its capital structure as a result of changes in current or expected economic and/or market conditions or its underlying business. Adjustments to the capital structure may result in refinancing or renegotiating its existing debt, issuance of new debt, issuance of equity or hybrid securities and the repurchase of common shares.

On September 16, 2025, and commencing on September 18, 2025, the Company's NCIB was renewed for an additional one-year period, enabling the Company to repurchase and cancel up to 7.5% of the public float or 10,182,288 of 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, 2026, 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 year ended December 31, 2025.

Unsecured revolving credit facility

The revolving credit facility permits borrowings in Canadian dollars and U.S. dollars (including by way of letters of credit and swingline loans). Borrowings under the revolving credit facility bear interest at a rate equal to Canadian Prime Rate or U.S. Base Rate, CORRA or SOFR, as the case may be, plus, in each case, an applicable margin. Letters of credit are subject to customary letter of credit fees equal to the applicable margins. The applicable margins for borrowings under the revolving credit facility are subject to step up and step down based on the Company's credit rating and relative performance to selected sustainability targets. The Company must pay standby fees on the unused portion of the revolving credit facility.

On June 19, 2025, the Company amended its revolving credit facility to extend the maturity date from April 2029 to June 2030, amongst other amendments.

As at December 31, 2025, the Company had a cash balance of $55.8 million and had the ability to utilize borrowings under the revolving credit facility of $830.6 million. The Company also has two bilateral demand facilities which total $150.0 million and are available for general corporate purposes. The Company had issued letters of credit totaling $36.9 million (December 31, 2024 - $37.5 million) under the bilateral demand facilities as at December 31, 2025 . See "Liquidity Sources".

Senior unsecured notes

On July 14, 2025, the Company repaid the $325.0 million senior unsecured notes carrying a fixed 2.45% coupon rate, plus accrued and unpaid interest.

On August 20, 2025 the Company closed its offering of $375.0 million senior unsecured notes carrying a fixed 4.45% coupon rate and a maturity date of August 20, 2032, with a semi-annual interest payment dates of February 20 and August 20.

The following represents the senior unsecured notes as of December 31, 2025:

- The senior unsecured notes carrying a fixed 2.85% per annum coupon rate have semi-annual interest payment dates of January and July 14 and a maturity date of July 14, 2027;
- The senior unsecured notes carrying a fixed 3.60% per annum coupon rate have semi-annual interest payment dates of March and September 17 and a maturity date of September 17, 2029;
- The senior unsecured notes carrying a fixed 4.45% per annum coupon rate have semi-annual interest payment dates of May 12 and November 12 and a maturity date of November 12, 2031;
- The senior unsecured notes carrying a fixed 4.45% per annum coupon rate have semi-annual interest payment dates of February 20 and August 20 and a maturity date of August 20, 2032;
- The senior unsecured notes carrying a fixed 5.75% per annum coupon rate have semi-annual interest payment dates of January and July 12 and a maturity date of July 12, 2033; and
- The senior unsecured notes carrying a fixed 6.20% per annum coupon rate have semi-annual interest payment dates of January and July 12 and a maturity date of July 12, 2053.

The indenture(s) governing the terms of the Company's senior unsecured notes, as supplemented, contains certain redemption options whereby the Company can redeem all or part of the senior unsecured notes at such prices and on such dates as set forth therein. In addition, the holders of the notes have the right to require the Company to repurchase the notes at the purchase prices set forth in the applicable indenture in the event of a change of control triggering event, being both a change in control of the Company and ratings decline of the applicable notes to below an investment grade rating, as such terms are defined in the applicable indenture. See "Liquidity Sources".

Unsecured hybrid notes

The unsecured hybrid notes currently carrying a 5.25% per annum coupon rate have a maturity date of December 22, 2080. Interest is payable semi-annually on June 22 and December 22 of each year the notes are outstanding from December 22, 2020 to, but excluding, December 22, 2030. From, and including, December 22, 2030, during each Interest Reset Period (as defined in the applicable indenture) during which the notes are outstanding, the interest rate on the unsecured hybrid notes will be reset at a fixed rate per annum equal to the 5-Year Government of Canada Yield on the business day prior to such Interest Reset Date (as defined in the applicable indenture) plus, (i) for the period from, and including, December 22, 2030 to, but not including, December 22, 2050, 4.715% and (ii) for the period from, and including, December 22, 2050 to, but not including, the maturity date, 5.465% in each case, to be reset by the Calculation Agent (as defined in the applicable indenture) on each Interest Reset Date and with the interest during such period payable in arrears, in equal semi-annual payments on June 22 and December 22 in each year.

The unsecured hybrid notes currently carrying an 8.70% per annum coupon rate have a maturity date of July 12, 2083. Interest is payable semi-annually on January 12 and July 12 of each year the notes are outstanding from July 12, 2023, to, but excluding, July 12, 2028. From, and including, July 12, 2028, during each Interest Reset Period (as defined in the applicable indenture) during which the notes are outstanding, the interest rate on the unsecured hybrid notes will be reset at a fixed rate per annum equal to the 5-Year Government of Canada Yield on the business day prior to such Interest Reset Date (as defined in the applicable indenture) plus, (i) for the period from, and including, July 12, 2028 to, but not including, July 12, 2033, 5.041% and (ii) for the period from, and including, July 12, 2033, to, but not including, July 12, 2048, 5.291% and (iii) for the period from, and including, July 12, 2048 to, but not including, the maturity date, 6.041% in each case, to be reset by the Calculation Agent (as defined in the applicable indenture) on each Interest Reset Date and with the interest during such period payable in arrears, in equal semi-annual payments on January 12 and July 12 in each year. See "Liquidity Sources".

The indenture governing the terms of the unsecured hybrid notes, as supplemented, contains certain redemption options whereby the Company can redeem all or part of the unsecured hybrid notes at such prices and on such dates as set forth therein. In addition, the holders of the unsecured hybrid notes have the right to require the Company to repurchase the unsecured hybrid notes at the purchase prices set forth in the applicable indenture in the event of a change in control triggering event, being both a change of control of the Company and ratings decline of the applicable notes to below an investment grade rating, as such terms are defined in the applicable indenture.

The unsecured hybrid notes receive a 50% equity treatment by the Company's rating agencies, under certain conditions.

Cash Flow Summary

The Company's operating cash flow is generally impacted by the overall profitability and working capital requirements within the Company's segments, the Company's ability to invoice and collect from customers in a timely manner and the Company's ability to efficiently implement the Company's growth strategy and manage costs.

The following table summarizes the Company's sources and uses of funds for the years ended December 31, 2025, and 2024:

Statement of cash flows	**Years ended December 31,**		
($ thousands)	**2025**	**2024**	**Change**
Cash inflow (outflow)			
Operating activities	510,159	598,454	(88,295)
Investing activities	(179,757)	(142,275)	(37,482)
Financing activities	(328,274)	(543,998)	215,724
Net increase (decrease) in cash and cash equivalents	2,128	(87,819)	89,947

Cash Inflow from Operating Activities

Cash inflow from operating activities was $510.2 million for the year ended December 31, 2025, compared to $598.5 million for the year ended December 31, 2024. The changes were primarily driven by the following:

- Cash inflow from operations before income taxes and working capital changes of $563.1 million, compared to $587.8 million, primarily due to lower adjusted EBITDA;
- Cash outflow from changes in working capital of $36.2 million, compared to a cash inflow of $44.2 million, primarily driven by the timing of the related settlements and volatility in the commodity prices; and
- Taxes paid of $16.7 million, compared to $33.5 million, primarily reflecting excess installment payments throughout 2024.

Cash inflow and outflow from operating activities and working capital requirements for the Marketing segment are strongly influenced by the amount of inventory purchased and subsequently held in storage, as well as by the commodity prices at which inventory is bought and sold. Commodity prices and inventory demand fluctuate over the course of the year in relation to general market forces and seasonal demand for certain products, and, accordingly, working capital requirements related to inventory also fluctuate with changes in commodity prices and demand. The primary drivers of working capital requirements are the collection of amounts related to sales of products such as crude oil, asphalt and other products and fees for services associated with the Company's Infrastructure segment. Offsetting these collections are payments for purchases of crude oil and other products, primarily within the Marketing segment, and other expenses. Historically, the Marketing segment has been the most variable with respect to generating cash flows and working capital due to the impact of crude oil price levels and the volatility that price changes and crude oil grade basis changes have on the cash flows and working capital requirements of this segment (refer to "Results of Operations and Trends Impacting the Business" for more details).

Cash Outflow from Investing Activities

Cash outflow from investing activities was $179.8 million for the year ended December 31, 2025, compared to a $142.3 million for the year ended December 31, 2024, and consists primarily of capital expenditures related to the dredging and Cactus II pipeline connection at the Gateway Terminal and expenditures related to the Baytex strategic partnership, as well as the impact of asset dispositions in the prior period offsetting the additions. For a summary of capital expenditures, see the "Capital Expenditures and Equity Investments" discussion included in this MD&A.

Cash Outflow from Financing Activities

Cash outflow from financing activities was $328.3 million for the year ended December 31, 2025, compared to a cash outflow of $544.0 million for the year ended December 31, 2024. The changes are primarily due to net draw on the Company's revolving credit facility of $54.2 million compared to a net repayment of $115.0 million, payment of finance costs of $126.9 million compared to $138.9 million, increased dividends paid to shareholders of $278.1 million, compared to $263.1 million and higher net proceeds from the issuance of long-term debts.

Credit Risk

The Company actively monitors the financial strength of its customers and, in select cases, has tightened credit terms to minimize the risk of default on trade receivables. A significant portion of the Company's trade receivables are due from entities in the oil and gas industry. Concentration of credit risk is mitigated by having a broad customer base and by dealing with credit-worthy counterparties in accordance with established credit approval practices. The Company assesses all counterparties before entering into agreements, and actively monitors exposure and credit limits across the business. The Company establishes guidelines for customer credit limits and terms. The Company review includes financial statements and external ratings when available. The carrying amount of the Company's net trade and other receivables represents the maximum counterparty credit exposure, without taking into account any security held.

Credit Ratings and Covenants

The Company's ability to access debt in the capital markets depends, in part, on the credit ratings determined by rating agencies for the Company's debt. A downgrade could increase the interest rates applicable to borrowings under the revolving credit facility or increase the interest rate applicable on any new or restructured debt issuances. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor.

There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

Rating agencies will regularly evaluate the Company's financial strength. A credit rating downgrade could impair the Company's ability to enter into arrangements with suppliers or counterparties and could limit its access to private and public credit markets in the future and increase the cost of borrowing. The Company's senior unsecured notes are rated by DBRS Limited as 'BBB (low)' and by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, as 'BBB-'. For a fulsome discussion of credit ratings and their impact on the Company, refer to the AIF.

The Company is also required to meet certain specific and customary affirmative and negative financial covenants under its revolving credit facility, including the maintenance of certain financial ratios. The consolidated total debt to capitalization ratio represents the ratio of all debt obligations on the financial statements to total capitalization (total debt plus total shareholders' equity, including certain adjustments). The consolidated interest coverage ratio represents the ratio of Consolidated EBITDA (as defined by the revolving credit facility) to consolidated cash interest expense calculated in accordance with the revolving credit facility. The covenant tests exclude all of the unsecured hybrid notes, and the interest thereon, in the calculations. An event of default resulting from a breach of a financial covenant may result, at the option of the lenders holding a majority of the indebtedness, in an acceleration of the repayment of the principal and interest outstanding and a termination of the revolving credit facility.

The following table outlines each financial covenant requirement and its current value:

	Covenant	As at December 31, 2025
Consolidated debt to capitalization ratio	No greater than 65%	56%
Consolidated interest coverage ratio	No less than 2.5 to 1.0	5.3 to 1.0

The senior unsecured notes, unsecured hybrid notes and revolving credit facility contain non-financial covenants that restrict, subject to certain thresholds, some of the Company's activities, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments and engage in specified transactions with affiliates. They also contain customary events of default, including defaults based on bankruptcy and insolvency, non-payment of principal, interest and fees when due, breach of covenants, change in control and material inaccuracy of representations and warranties, subject to specified grace periods.

As at December 31, 2025, the Company was in compliance with all existing covenants under the senior unsecured notes, unsecured hybrid notes and revolving credit facility. For additional information regarding these financial covenants, refer to the Company's various debt agreements available on SEDAR+ at www.sedarplus.ca.

Dividends

The Company is currently paying quarterly dividends to holders of common shares. The amount and timing of any future dividends payable by the Company will be at the discretion of the Board and established on the basis of, among other items, the Company's earnings, funding requirements for operations, the satisfaction of a solvency calculation, and the terms of the Company's debt agreements and indentures. In addition, in connection with Company's dividend policy, after each fiscal year end the Board will formally review the annual dividend amount. During the year ended December 31, 2025, the Board declared dividends of $1.72 per common share.

Contractual Obligations and Contingencies

The following table presents, as at December 31, 2025, the Company's obligations, and commitments to make future payments under contracts and contingent commitments:

		Payments due by period			
($ thousands)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term debt	2,719,400	—	325,000	669,400	1,725,000
Interest payments on long-term debt	2,504,042	122,576	232,028	204,125	1,945,313
Lease and other commitments (1)	137,826	27,200	29,414	22,586	58,626
Total contractual obligations	5,361,268	149,776	586,442	896,111	3,728,939

(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.

The Company had undiscounted provisions of $546.0 million (December 31, 2024 — $549.1 million) associated with site restoration on the retirement of assets and environmental costs, however the timing of such payments is uncertain due to the estimates used to calculate these amounts and the long-term nature of these balances. The Company also has commitments relating to its risk management contracts which are discussed further in "Quantitative and Qualitative Disclosures about Market Risks".

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. 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 provisions for such legal claims. Although the outcome of these claims is 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. 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, result in the recognition of estimated decommissioning obligations and environmental remediation. Estimates of decommissioning obligations and environmental remediation costs can change significantly based on such factors as operating experience and changes in legislation and regulations.

CAPITAL EXPENDITURES AND EQUITY INVESTMENTS

($ thousands)	**Year ended December 31, 2025**
Infrastructure	102,742
Marketing	279
Corporate and other projects	4,005
Growth capital (1)	107,026
Equity investments	3,850
Replacement capital (1)	47,840
Total capital expenditures and equity investments	158,716

(1) Growth capital and replacement capital are supplementary financial measures. See the "Specified Financial Measures" section of this MD&A for information on each supplementary financial measure.

The Company primarily invests capital in constructing or acquiring infrastructure for the storage, transportation and optimization of liquids. The strategy has been focused on expanding and augmenting existing terminals and associated infrastructure at the Hardisty Terminal, the Edmonton Terminal, the Gateway Terminal and the Moose Jaw Facility and also looking for growth opportunities that align with the Company's strategy, such as the strategic partnership with Baytex Energy to develop liquids gathering infrastructure. Expansion and improvement of existing terminals and facilities continues, especially when underpinned by long-term take-or-pay contracts with investment grade or secured counterparties.

The following represents key activities with respect to major growth projects during the year ended December 31, 2025:

- The Company completed construction of a connection from the Cactus II pipeline to the Gateway Terminal, providing access to approximately 700,000 barrels per day of incremental supply.
- The Company completed the dredging project at the Gateway Terminal which increased average throughput by approximately 20%.
- The liquids gathering infrastructure with Baytex Energy, which will result in incremental volumes being delivered to the Company's Edmonton Terminal were placed in service.

Marketing growth capital represents the capitalization of line fill and tank bottoms for operational requirements of the Marketing business. Corporate and other projects represent spending on information technology initiatives at the corporate and business unit level.

Replacement capital expenditures are intended to keep the Company's existing infrastructure operating safely and reliably. These expenditures include replacement of existing infrastructure, maintenance work which extends the economic life, and scheduled tank and pipeline inspections.

Significant turnarounds completed in 2025 are presented in the table below:

Turnarounds at	**Status**
Moose Jaw Facility	Completed on time and under budget
DRU	Completed on time and under budget
Select Terminal assets	Completed on time and budget

<u>2026 Planned Capital Expenditures</u>

On December 2, 2025, the Company announced its 2026 growth capital expenditure target of $150.0 million, including $50.0 million relating to the Wink-to-Gateway integration project and replacement capital expenditure allocation of $50.0 million to $60.0 million. With the deployment of $400 million of inorganic growth capital for the acquisition of the Chauvin Infrastructure Assets, associated growth projects, as well as the previously sanctioned Wink-to-Gateway Integration Project, the Company now expects to deploy approximately $100 million of organic growth capital in 2026. While the Company anticipates that these planned capital expenditures will occur, certain capital projects are subject to general economic, financial, competitive, legislative, regulatory and other factors, some of which are beyond the Company's control and could impact the Company's ability to complete such activities as planned or within the expected timelines as indicated.

Planned Turnarounds	**Status**
Select Terminal assets	Q2 - Q4

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial performance or financial condition.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares and preferred shares issuable in series. No preferred shares of any series may be issued if, after giving effect to the issuance: (i) the number of preferred shares outstanding would exceed 50% of the number of common shares outstanding; (ii) the maximum number of common shares issuable upon conversion of all outstanding preferred shares would exceed 20% of the common shares outstanding; or (iii) the aggregate number of votes attached to outstanding preferred shares would exceed 20% of the number of votes attached to outstanding common shares.

As at December 31, 2025, there were 163.9 million common shares outstanding and no preferred shares outstanding. In addition, under the Company's equity incentive plan, there were an aggregate of 2.1 million restricted share units, performance share units, deferred share units and stock options outstanding as at December 31, 2025.

As at December 31, 2025, awards available to grant under the equity incentive plan were approximately 4.4 million.

As at February 17, 2026, 172.0 million common shares and an aggregate of $2.1 million restricted share units, performance share units, deferred share units and stock options were outstanding.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is involved in various commodity related marketing activities that are intended to enhance the Company's operations and increase profitability. These activities often create exposure to price risk between the time contracted volumes are purchased and sold and to foreign exchange risk when contracts are in different currencies (Canadian dollar versus U.S. dollar). The Company is also exposed to various market risks, including volatility in (i) crude oil, refined products, natural gas and NGL prices, (ii) interest rates, and (iii) currency exchange rates. The Company utilizes various derivative instruments from time to time to manage commodity price, interest rate, currency exchange rate, and, in certain circumstances, to realize incremental margin during volatile market conditions. The Company's commodity trading and risk management policies and procedures are designed to establish and manage to an approved level of risk. The Company has a Commodity Risk Management Committee that has direct responsibility to establish and oversee the Company's risk policies, trading controls and procedures. The Company's risk policies, trading controls and procedures are intended to mitigate risks that are inherent in the Company's marketing business. To manage these risks, the Company engages in risk management activities, which it categorizes by type or activity. The following discussion addresses each category of risk.

Commodity Price Risk. The Company typically hedges its exposure to price fluctuations with respect to crude oil, refined products, natural gas, differentials and NGLs, and expected purchases and sales of these commodities (relating primarily to crude oil, roofing flux and NGLs). The derivative instruments utilized consist primarily of futures and option contracts traded on the New York Mercantile Exchange, the Intercontinental Exchange and over-the-counter transactions. The Company's policy is to transact only in commodity derivative products for which the Company physically transacts, and to structure the Company's hedging activities so that price fluctuations for those products do not materially affect the net cash the Company ultimately receives from its commodity related marketing activities.

Although the Company generally seeks to maintain a position that is substantially balanced within the Company's various commodity purchase and sales activities, the Company may experience net unbalanced positions as a result of a strategy to take advantage of anticipated market opportunities and/or production, transportation and delivery variances as well as logistical issues associated with inclement weather conditions.

The intent of the Company's risk management strategy is to hedge the Company's margin. However, the Company has not applied nor attempted to qualify for hedge accounting. Thus, changes in the fair values of the Company's derivatives are recognized in earnings and result in greater potential for earnings volatility.

The fair value of futures contracts is based on quoted market prices obtained from the Intercontinental Exchange (ICE) and Chicago Mercantile Exchange (CME). For positions where independent quotations are not available, an estimate is provided, or the prevailing market price at which the positions could be liquidated is used. All derivative positions offset existing or anticipated physical exposures. Price-risk sensitivities were calculated by assuming 15% volatility in crude oil, differentials and NGL related prices, regardless of term or historical relationships between the contractual price of the instruments and the underlying commodity price. In the event of an increase or decrease in prices, the fair value of the Company's derivative portfolio would typically increase or decrease, offsetting changes in the Company's physical positions. A 15% favorable change in crude oil and NGL prices would increase the Company's net income by $9.9 million and $20.5 million as of December 31, 2025, and 2024. A 15%

unfavorable change in crude oil and NGL prices would decrease the Company's net income by $9.9 million and $20.5 million as of December 31, 2025, and 2024. However, these changes may be offset by the use of one or more risk management strategies.

Power price risk. The Company has a renewable virtual power purchase agreement, which requires the Company to purchase renewable electricity produced at a fixed rate over a 15-year period, resulting in a derivative financial instrument. Pursuant to the agreement, the Company will purchase power and receive environmental attributes. The contract's power component represents an embedded derivative, assessed at fair value, in accordance with the requirements of IFRS Accounting Standards. Valuing an embedded derivative, without observable inputs, involves judgment including the estimation of future power prices, and is subject to significant volatility as power price forecasts vary. Spot and forward prices for power vary over time, and as forward prices for the entire contract period are not actively traded, extrapolation is required. The value has been primarily based on the comparative contracted prices relative to both current and expected future pricing of electricity in the Province of Alberta. A 15% increase in the expected future price of power would increase the Company's net income by $4.9 million and $9.7 million as of December 31, 2025, and 2024. A 15% decrease in the expected future price of electricity would decrease the Company's net income by $4.9 million and $9.7 million as of December 31, 2025, and 2024.

Interest rate risk. The Company's long-term debt, excluding the revolving credit facility, accrues interest at fixed interest rates and accordingly, changes in market interest rates do not expose the Company to future interest cash outflow variability. At December 31, 2025, the Company had $169.4 million (December 31, 2024 – $115.0 million) drawn under the revolving credit facility which is subject to interest rate risk, as borrowings bear interest at a rate equal to, at the Company's option, either the Canadian Prime Rate, U.S. Secured Overnight Financing Rate, U.S. Base Rate or Canadian Bankers' Acceptance Rate, plus an applicable margin based on the Company's total leverage ratio. A 1% increase or decrease in interest rates would, based on current rates and balances, decrease or increase the Company's net income by $1.7 million (as at December 31, 2024 – $1.2 million).

Currency exchange risks. The Company's monetary assets and liabilities in foreign currencies are translated at the period-end rate. Exchange differences arising from this translation are recorded in the Company's statement of operations. In addition, currency exposures can arise from revenue and purchase transactions denominated in foreign currencies. Generally, transactional currency exposures are naturally hedged for the Company's Canadian operations (i.e. revenue and expenses are approximately matched), but, where appropriate, are covered using forward exchange contracts or currency swaps. The foreign currency forward exchange contracts including currency swaps entered into by the Company, although effective hedges from an economic perspective, have not been designated as hedges for accounting purposes, and therefore any gains and losses on such forward exchange contracts impact the Company's earnings. The Company has several derivative contracts intended to economically hedge its exposure to USD$ generated by the Gateway Terminal over the next several years. A 5% increase or decrease in foreign exchange rates between USD$ and CAD$, based on current balances, would increase or decrease the Company's net income by $14.0 million (December 31, 2024 – $12.2 million).

As at December 31, 2025, the Company had no U.S. dollar denominated debt as part of its draw on its revolving credit facility.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions. Predicting future events is inherently an imprecise activity and, as such, requires the use of judgment especially in times of increased volatility and uncertainty. Actual results may vary from estimates in amounts that may be material. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the Company's consolidated financial statements or the Infrastructure or Marketing segments individually. Further details on the basis of preparation and our material accounting estimates and judgments can be found in the notes to the audited consolidated financial statements of the Company for the years ended December 31, 2025, and 2024.

The Company's critical accounting judgments and estimates are as follows:

Recoverability of asset carrying values: The Company tests annually whether goodwill of an operating segment has suffered any impairment, in accordance with the Company's accounting policy. The recoverable amounts of the operating segments are determined based on the higher of value in use and fair value less cost of disposal calculations that require the use of estimates. The Company also assesses whether there have been any events or changes in circumstances that indicate that property, plant and equipment and other intangible assets may be impaired and an impairment review is carried out whenever such an assessment indicates that the carrying amount may not be recoverable. Any impairment charges booked against goodwill or other assets are recorded outside the segment profit measure and therefore do not impact either Infrastructure segment profit or Marketing segment profit.

In the impairment analysis of the Company's assets, some of the key assumptions used are budgeted adjusted EBITDA which involves estimating revenue growth rates, future commodity prices, expected margins, expected sales volumes, cost structures, multiples of comparable public companies of the operating segment, terminal value and discount rates.

These assumptions and estimates are uncertain and are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates or are reflected within other key assumptions.

Deferred Income tax assets and liabilities: Deferred income tax is provided for using the liability method of accounting. Deferred income tax assets and liabilities are determined based on differences between financial reporting and income tax basis of assets and liabilities. These differences are then measured income tax rates and laws that the Company expects will be in effect when these differences are expected to reverse. In addition, the Company has carry-forward tax losses in certain taxing jurisdictions that are available to offset against future taxable profit. However, deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilized. Judgment is exercised in assessing whether this is the case.

Joint arrangements: The determination of joint control requires judgment about the influence the Company has over the financial and operating decisions of an arrangement and the extent of the benefits it obtains based on the facts and circumstances of the arrangement during the reporting period. Joint control exists when decisions about the relevant activities require the unanimous consent of the parties that control the arrangement collectively. Ownership percentage alone may not be a determinant of joint control. The Company's joint arrangements are primarily within the Infrastructure business and therefore impacts the Infrastructure segment. Once joint control has been determined, the arrangement is classified as a joint venture or a joint operation, depending on the rights and obligations of the parties to the agreement.

Decommissioning Costs: Provisions are recorded for the future decommissioning and restoration of the Company’s infrastructure assets at the end of their economic lives. The Company uses judgment to assess the existence of liabilities and estimate the future value. The actual cost of decommissioning and restoration is uncertain and cost estimates may change in response to numerous factors including changes in legal requirements, technological advances, inflation and the timing of expected decommissioning and restoration. Additionally, a risk free discount rate is used to determine the present value of the estimated future cash outflows required to settle the obligation and may change in response to numerous market factors.

Provisions: Provisions are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which are subject to change. Actual cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Financial instruments: In situations where the Company is required to mark financial instruments to market, the estimates of gains or losses at a particular period-end do not reflect the end results of particular transactions and will most likely not reflect the actual gain or loss at the conclusion of the underlying transactions. The Company reflects the fair value estimates for financial instruments based on valuation information from third parties. The calculation of the fair value of certain of these financial instruments is based on proprietary models and assumptions of third parties because such instruments are not quoted on an active market. Additionally, estimates of fair value for such financial instruments may vary among different models due to a difference in assumptions applied, such as the estimate of prevailing market prices, volatility, correlations and other factors, and may not be reflective of the price at which they can be settled due to the lack of a liquid market. Although the resolution of these uncertainties has not historically had a material impact on the Company's results of operations or financial condition, the actual amounts may vary significantly from estimated amounts.

ACCOUNTING POLICIES

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

- 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 statements. The standard is effective for financial statements beginning on January 1, 2027, including interim financial statements and requires retrospective application. The Company acknowledges the pervasive presentation and disclosure impact the new standard will have on the Consolidated Statement of Operations, while not affecting net income, enhanced disclosures to meet disaggregation requirements, as well as new disclosures related to management-defined performance measures. The Company continues to make progress in accordance with its implementation plan.
- Certain amendments to IFRS 9 – *Financial Instruments ("IFRS 9")* and IFRS 7 – *Financial Instruments: Disclosures ("IFRS 7")* were made for the classification and measurement of financial instruments. These amendments are effective for annual periods starting on or after January 1, 2026. The following are the key impacts and the Company's assessments:
  - For contracts referencing nature-dependent electricity, the amendment 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 in certain circumstances. The Company has concluded there will be no material effect on the Company's consolidated financial statements upon adoption.
  - For the amendment relating to the recognition and derecognition of financial assets and liabilities, and whether cash flows relate to solely payments of principal and interest, the Company has concluded there will be no material effect on the Company's consolidated financial statements upon adoption.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

As part of the requirements mandated by the Canadian securities regulatory authorities under NI 52-109, the Company's Chief Executive Officer and Chief Financial Officer have evaluated the design and operation of the Company's DC&P, as such term is defined in NI 52-109, as at December 31, 2025. The Chief Executive Officer and Chief Financial Officer are also responsible for establishing and maintaining the Company's ICFR, as such term is defined in NI 52-109. In making its assessment, management used the Committee of Sponsoring Organizations of the Treadway Commission framework in Internal Control – Integrated Framework (2013) to evaluate the design and effectiveness of internal control over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and compliance with IFRS Accounting Standards. The Company's Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the design and operational effectiveness of such controls as at December 31, 2025.

Based on the evaluation of the design and operating effectiveness of the Company's DC&P and ICFR, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's DC&P and ICFR were effective as at December 31, 2025. There have been no other changes in ICFR that occurred during the period beginning January 1, 2025, and ending on December 31, 2025, that has materially affected or is reasonably likely to materially affect the Company's ICFR.

SPECIFIED FINANCIAL MEASURES

The Company uses several financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with GAAP. NI 52-112 prescribes disclosure requirements that apply to non-GAAP financial measures, non-GAAP ratios, supplementary financial measures, capital management measures, and total of segments measures.

NON-GAAP FINANCIAL MEASURES

The Company uses non-GAAP financial measures that do not have standardized meanings under GAAP and that therefore may not be comparable to similar measures used by other companies. Presenting non-GAAP financial measures helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Company's operations. The non-GAAP financial measures used by the Company are adjusted EBITDA and distributable cash flow. Management considers these to be important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. Readers are encouraged to evaluate each adjustment and the reasons the Company considers it appropriate for supplemental analysis. Readers are cautioned, however, that these measures should not be construed as an alternative to net income, cash flow from operating activities, segment profit, gross profit or other measures of financial results determined in accordance with GAAP as an indication of the Company's performance.

Noted below is the additional information about the composition of these non-GAAP financial measures, including the quantitative reconciliation, as required by NI 52-112:

a) Adjusted EBITDA

Adjusted EBITDA helps readers to better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods, and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Company's operations. Adjusted EBITDA is defined as earnings before net interest, tax, depreciation, amortization and impairment charges, acquisition and integration costs related to acquired businesses, reorganization, executive transition and specific non-cash charges, including but not limited to unrealized gain/loss on derivative financial instruments, non-operating non-cash provision charges, share-based compensation, adjustment for equity accounted investees (to remove non-cash charges), and corporate foreign exchange gain/loss. These adjustments are made to exclude non-cash charges and other items that are not reflective of ongoing earning capacity of the operations.

Noted below is the reconciliation to the most directly comparable GAAP measures of the Company's segmented and consolidated adjusted EBITDA for the three and twelve months ended December 31, 2025, and 2024:

Three months ended December 31,	**Infrastructure**		**Marketing**		**Corporate and Adjustments**		**Total**	
($ thousands)	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Segment profit	161,501	127,444	1,819	(16,435)	—	—	163,320	111,009
Unrealized loss (gain) on derivative financial instruments	(2,563)	6,359	(1,209)	11,662	—	—	(3,772)	18,021
General and administrative	—	—	—	—	(15,370)	(18,065)	(15,370)	(18,065)
Adjustments to share of profit from equity accounted investees	1,560	1,169	—	—	—	—	1,560	1,169
Executive transition and restructuring costs	—	—	—	—	—	6,304	—	6,304
Environmental remediation provision	—	9,287	—	—	—	—	—	9,287
Post-close purchase price adjustment	—	2,670	—	—	—	—	—	2,670
Renewable power purchase agreement	—	—	—	—	(730)	(713)	(730)	(713)
Adjusted EBITDA	160,498	146,929	610	(4,773)	(16,100)	(12,474)	145,008	129,682

Years ended December 31, ($ thousands)	Infrastructure 2025	Infrastructure 2024	Marketing 2025	Marketing 2024	Corporate and Adjustments 2025	Corporate and Adjustments 2024	Total 2025	Total 2024
Segment profit	621,321	574,010	29,150	52,956	—	—	650,471	626,966
Unrealized (gain) loss on derivative financial instruments	(4,740)	10,105	(14,025)	9,778	—	—	(18,765)	19,883
General and administrative	—	—	—	—	(56,008)	(69,985)	(56,008)	(69,985)
Adjustments to share of profit from equity accounted investees	5,456	5,240	—	—	—	—	5,456	5,240
Executive transition and restructuring costs	—	—	—	—	2,405	16,969	2,405	16,969
Environmental remediation provision	—	9,287	—	—	—	—	—	9,287
Post-close purchase price adjustment	—	2,670	—	—	—	—	—	2,670
Renewable power purchase agreement	—	—	—	—	(2,872)	(888)	(2,872)	(888)
Adjusted EBITDA	622,037	601,312	15,125	62,734	(56,475)	(53,904)	580,687	610,142

($ thousands)	Three months ended December 31, 2025	Three months ended December 31, 2024
Net Income (Loss)	41,292	(5,563)
Income tax expense	10,198	7,575
Depreciation, amortization, and impairment charges	46,685	55,217
Finance costs, net	36,038	34,033
Unrealized (gain) loss on financial instruments	(3,772)	18,021
Unrealized loss (gain) on power purchase agreement	3,894	(4,375)
Share-based compensation	6,002	6,882
Adjustments to share of profit from equity accounted investees	1,560	1,169
Corporate foreign exchange loss (gain) and other	3,111	(1,538)
Environmental remediation provision	—	9,287
Post-close purchase price adjustment	—	2,670
Executive transition and restructuring costs	—	6,304
Adjusted EBITDA	145,008	129,682

($ thousands)	Years ended December 31, 2025	2024
Net Income	197,638	152,174
Income tax expense	56,778	53,780
Depreciation, amortization, and impairment charges	175,608	186,669
Finance costs, net	139,367	138,318
Unrealized (gain) loss on derivative financial instruments	(18,765)	19,883
Unrealized (gain) loss on renewable power purchase agreement	(5,286)	2,332
Share-based compensation	17,828	22,040
Acquisition and integration costs	—	1,371
Adjustments to share of profit from equity accounted investees	5,456	5,240
Corporate foreign exchange loss (gain) and other	9,658	(591)
Environmental remediation provision	—	9,287
Post-close purchase price adjustment	—	2,670
Executive transition and restructuring costs	2,405	16,969
Adjusted EBITDA	580,687	610,142

b) *Distributable Cash Flow*

Distributable cash flow is used to assess the level of cash flow generated and to evaluate the adequacy of internally generated cash flow to fund dividends and is frequently used by securities analysts, investors, and other interested parties. Changes in non-cash working capital are excluded from the determination of distributable cash flow because they are primarily the result of fluctuations in product inventories or other temporary changes. Replacement capital expenditures and lease payments are deducted from distributable cash flow as there is an ongoing requirement to incur these types of expenditures. The Company may deduct or include additional items in its calculation of distributable cash flow. These items would generally, but not necessarily, be items of an unusual, non-recurring, or non-operating in nature. The Company has excluded acquisition and integration costs relating to the Gateway Terminal acquisition as those costs are non-operating in nature. The following is a reconciliation of distributable cash flow from operations to its most directly comparable GAAP measure, cash flow from operating activities:

	Three months ended December 31,		Years ended December 31,	
($ thousands)	2025	2024	2025	2024
Cash flow from operating activities	93,355	67,276	510,159	598,454
Adjustments:				
Changes in non-cash working capital and taxes paid	45,406	53,978	52,932	(10,642)
Replacement capital	(14,514)	(11,727)	(47,840)	(35,987)
Cash interest expense, including capitalized interest	(34,331)	(31,931)	(131,672)	(134,336)
Acquisition and integration costs [1]	—	—	—	1,371
Executive transition and restructuring costs [1]	—	6,304	2,405	16,969
Lease payments	(7,170)	(6,063)	(25,618)	(30,241)
Current income tax	(3,250)	(6,685)	(23,266)	(30,318)
Distributable cash flow	79,496	71,152	337,100	375,270

(1) Costs adjusted on an incurred basis.

NON-GAAP FINANCIAL RATIOS

The Company uses non-GAAP ratios that do not have standardized meanings under GAAP and that therefore may not be comparable to similar measures used by other companies. A non-GAAP ratio is a ratio in which at least one component is a non-GAAP financial measure. The Company uses non-GAAP ratios to present aspects of its financial performance or financial position, including dividend payout ratio, net debt to adjusted EBITDA ratio and distributable cash flow per share ratio. Noted below is additional information about the composition of these ratios.

a) Dividend Payout and Infrastructure-only payout

Dividend payout is a non-GAAP ratio defined as dividends declared divided by distributable cash flow, on a rolling 12-month basis. This measure is used by securities analysts, investors and others as an indication of the Company's ability to generate cash flows to continue to pay dividends, and the proportion of cash generated that is used to pay dividends to shareholders.

	Years ended December 31,	
($ thousands)	**2025**	**2024**
Distributable cash flow	337,100	375,270
Dividends declared	281,696	266,858
Dividend payout ratio	84%	71%

Infrastructure-only payout is a non-GAAP ratio defined as dividends declared divided by Infrastructure segment EBITDA less general & administrative expenses and adjustments, replacement capital, cash interest expense, and current income tax, on a rolling 12-month basis. This measure is used by the Company, securities analysts, investors and others as an indication of the Infrastructure segments ability to generate cash flows to continue to pay dividends, and the proportion of cash generated that is used to pay dividends to shareholders.

	Years ended December 31,	
($ thousands)	**2025**	**2024**
Infrastructure segment EBITDA	622,037	601,312
Less:		
General and administrative	(56,008)	(69,985)
Executive transition and restructuring costs	2,405	16,969
Renewable power purchase agreement	(2,872)	(888)
Replacement capital	(47,840)	(35,987)
Cash interest expense, including capitalized interest	(131,672)	(134,336)
Current income tax	(23,266)	(30,318)
	362,784	346,767
Dividends declared	281,696	266,858
Infrastructure-only payout	78%	77%

b) Net Debt to Adjusted EBITDA and Infrastructure leverage

Net debt to adjusted EBITDA and Infrastructure leverage are non-GAAP ratios, which use net debt divided by adjusted EBITDA or Infrastructure adjusted EBITDA less general & administrative expenses and adjustments. The Company, lenders, investors and analysts use these ratios to monitor the Company's capital structure, financing requirements and measuring its ability, or the ability of the Infrastructure segment alone, to cover debt obligations over time. Net debt is not a standardized financial measure under GAAP and may not be comparable with measures disclosed by other companies and is a capital management measure.

Net debt is total borrowings (including current and non-current borrowings and lease liabilities), less unsecured hybrid notes and cash and cash equivalents. Unsecured hybrid notes are considered by the Company as equity and therefore excluded.

($ thousands)	Years ended December 31, 2025	2024
Current and long-term debt	2,702,342	2,598,635
Lease liabilities	79,064	48,180
Less: unsecured hybrid notes	(450,000)	(450,000)
Less: cash and cash equivalents	(55,846)	(57,069)
Net debt	2,275,560	2,139,746
Adjusted EBITDA	580,687	610,142
Net debt to adjusted EBITDA ratio	3.9	3.5
Infrastructure segment EBITDA	622,037	601,312
Less:		
General and administrative	(56,008)	(69,985)
Executive transition and restructuring costs	2,405	16,969
Renewable power purchase agreement	(2,872)	(888)
	565,562	547,408
Infrastructure leverage	4.0	3.9

c) Distributable Cash Flow per share

Distributable cash flow per share is a non-GAAP financial ratio, which is not a standardized financial measure under GAAP and may not be comparable with measures disclosed by other companies. Distributable cash flow per share is calculated by dividing distributable cash flow by the weighted average number of shares outstanding on a rolling 12-month basis. The Company believes that investment analysts, investors and other interested parties use distributable cash flow per share to evaluate the Company's ability to grow its distributable cash flow on a non-diluted basis.

($ thousands)	Years ended December 31, 2025	2024
Cash flow from operating activities	510,159	598,454
Distributable cash flow	337,100	375,270
Weighted average common shares outstanding - basic (*thousands of shares*)	163,648	162,484
Cash flow from operating activities per share ($/share)	3.12	3.68
Distributable Cash Flow per share ($/share)	2.06	2.31

d) Adjusted EBITDA per share

Adjusted EBITDA per share is a non-GAAP financial ratio, which is not a standardized financial measure under GAAP and may not be comparable with measures disclosed by other companies. Adjusted EBITDA per share is calculated by dividing adjusted EBITDA by the weighted average number of shares outstanding on a rolling 12-month basis. The Company believes that investment analysts, investors and other interested parties use adjusted EBITDA per share to evaluate the Company's ability to grow its adjusted EBITDA on a non-diluted basis.

($ thousands)	Years ended December 31, 2025	2024
Adjusted EBITDA	580,687	610,142
Weighted average common shares outstanding - basic (*thousands of shares*)	163,648	162,484
Adjusted EBITDA per share ($/share)	3.55	3.76

Supplementary Financial Measures

A supplementary financial measure is a financial measure that: (a) is not reported in the Company's consolidated financial statements, and (b) is, or is intended to be, reported periodically to represent historical or expected financial performance, financial position, or cash flows. The supplementary financial measures the Company uses are identified below:

- Growth capital expenditures reflect projects intended to improve the Company's profitability directly or indirectly.
- Growth capital, acquisitions and equity investments includes growth capital expenditures, mergers and acquisitions, and amounts invested in the Company's equity investments intended to improve the investments profitability directly or indirectly.
- Replacement capital expenditures intend to keep the Company's existing infrastructure operating safely and reliably. These expenditures include scheduled tank and pipeline inspections, replacement of existing infrastructure, maintenance work which extends the economic life and safe operation of the assets.

Capital Management Measures

The financial reporting framework used to prepare the financial statements requires disclosure that help readers assess the Company's capital management objectives, policies, and processes, as set out in IFRS Accounting Standards IAS 1 – Presentation of Financial Statements. The Company has its own methods for managing capital and liquidity, and IFRS Accounting Standards do not prescribe any particular calculation method. In addition to GAAP measures, the Company uses capital management measures of net debt and total capital.

The composition, usefulness and quantitative reconciliation of capital management measures are presented in "Liquidity and Capital Resources" section of this MD&A and within note 23 of the consolidated financial statements.

Total of Segments Measures

The Company uses the sum of the total segment revenue and the segment profit of its business segments (namely, Infrastructure and Marketing) in the analysis performed under the "Results of Operations and Trends Impacting the Business" section within this MD&A. Using this method to analyze results, that is, by reflecting inter-segment revenue and profit within segment metrics, the Company can evaluate the relative performance of each segment on a standalone basis.

The Company defines segment profit as revenue less cost of sales (excluding depreciation, amortization and impairment charges) and operating expenses. Segment profit also includes the Company's share of equity pick up from equity accounted investees. Segment profit excludes depreciation, amortization, accretion, impairment charges, share-based compensation, and corporate expenses such as income taxes, interest and general and administrative expenses, as senior management looks at each period's earnings before corporate expenses and non-cash items, as one of the Company's important measures of segment performance. The exclusion of depreciation, amortization and impairment expense could be viewed as limiting the usefulness of segment profit as a performance measure because it does not take into account, in current periods, the implied reduction in value of the Company's capital assets (such as, tanks, pipelines and connections, and plant, equipment and other assets) caused by use, aging and wear and tear. Repair and maintenance expenditures that do not extend the useful life, improve efficiency or expand the operating capacity of the Company's capital assets are charged to operating expenses as incurred.

	Three months ended December 31,		Years ended December 31,	
($ thousands)	**2025**	**2024**	**2025**	**2024**
Segment revenue				
Infrastructure	173,963	181,695	700,343	735,486
Marketing	2,215,230	2,282,821	10,296,086	11,370,328
Total segment revenue	2,389,193	2,464,516	10,996,429	12,105,814
Revenue – inter-segmental	(84,198)	(106,741)	(307,183)	(325,865)
Total revenue – external	2,304,995	2,357,775	10,689,246	11,779,949
Segment profit				
Infrastructure	161,501	127,444	621,321	574,010
Marketing	1,819	(16,435)	29,150	52,956
Segment profit	163,320	111,009	650,471	626,966

($ thousands)	Three months ended December 31, 2025	2024	Years ended December 31, 2025	2024
Gross profit	112,026	53,911	456,323	423,638
Share of profit from equity accounted investees	6,260	7,370	23,317	26,163
Depreciation, amortization and impairment	43,799	51,629	165,488	176,748
Gain (loss) on sale of assets	1	(1,164)	3	(2,219)
Other income	2	578	1,991	5,514
Foreign exchange gain (loss)	1,232	(1,315)	3,349	(2,878)
Segment profit	163,320	111,009	650,471	626,966

RISK FACTORS

Shareholders and prospective investors should carefully evaluate risk factors noted by the Company before investing in the Company's securities, as each of these risks may negatively affect the trading price of the Company's securities, the amount of dividends paid to shareholders and the ability of the Company to fund its debt obligations, including debt obligations under its outstanding notes and any other debt securities that the Company may issue from time to time. For a further discussion of the risks identified in this MD&A, other risks and trends that could affect the Company's performance and steps the Company takes to mitigate these risks, readers are referred to the AIF, which is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.gibsonenergy.com.

Risks Relating to the Company's Business

Demand for Crude Oil and Petroleum Products

The Company's business is dependent on sustained demand for crude oil and petroleum products in the markets it serves. A material or prolonged decline in demand could result in reduced utilization of the Company's infrastructure and services, lower throughput volumes, and a corresponding reduction in revenue, cash flow and profitability.

Demand for crude oil and petroleum products is influenced by factors largely beyond the Company's control, including global and regional economic conditions, inflation and interest rates, changes in consumer behavior, and volatility in commodity prices. Demand may also be adversely affected by refinery downtime or shutdowns, supply chain disruptions, or other events that reduce crude oil production or refined product consumption.

Structural changes in energy markets may further reduce demand over the medium to long term. These changes include improvements in energy technology, including the fuel efficiency of internal combustion engines, increased adoption of electric technology including electric vehicles, the availability and affordability of low-carbon energy sources, and the implementation of government policies, legislation and regulations aimed at reducing greenhouse gas emissions. In addition, ESG-related targets and initiatives adopted by governments, financial institutions, customers and other stakeholders may accelerate the energy transition and reduce investment in, or demand for, crude oil and petroleum products.

As certain of the Company's costs are fixed or semi-fixed, decreases in demand and throughput volumes may disproportionately reduce margins and profitability. Any such decline could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Market and Commodity Price Risk

Certain of the Company's activities, including crude, condensate and NGL marketing, storage and terminalling services, expose it to fluctuations in the prices for such commodities. Volatility in commodity prices, price differentials and market spreads may result in variability in revenue, operating income, cash flow and the value of inventory held by the Company.

Commodity prices are influenced by factors beyond the Company's control, including supply and demand dynamics, general economic conditions, inflation and interest rates, weather events, refinery outages, geopolitical developments and changes in market inventories. The Company may experience unbalanced purchase and sale positions due to customer or supplier actions, contractual arrangements or market conditions.

Although the Company may use derivative instruments to manage certain exposures, including commodity prices, interest rates and foreign exchange rates, these strategies may not fully offset price movements due to basis risk, volume mismatches or other factors, and may limit the Company's ability to benefit from favorable price movements. Periods of heightened price volatility or unfavorable differentials could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Competition

The Company operates in a highly competitive environment and faces competition from other terminal operators, export facilities, pipeline companies, refiners and marketers. Many competitors are larger, have greater financial resources, control greater infrastructure capacity, or are vertically integrated, which may allow them to offer services on more competitive terms or bundle services in a manner that is more attractive to customers.

The Company also competes with alternative modes of transportation, storage and distribution, including infrastructure owned or controlled by customers or integrated competitors. Competitive pressures may limit the Company's ability to secure new customers, renew contracts on favorable terms, or maintain utilization levels. In addition, the development of new or underutilized midstream infrastructure by competitors, or an oversupply of storage, terminalling or transportation capacity in the markets the Company serves, may reduce utilization of the Company's assets and result in pricing pressure or lower margins.

Consolidation among customers may also increase their negotiating leverage, reduce the number of potential counterparties, or lead customers to consolidate services with fewer providers, which could intensify competitive pressures and adversely affect pricing, utilization or contract terms. Any inability to compete effectively could materially adversely affect the Company's business, financial condition and results of operations.

Pipeline Egress

Changes in the availability of pipeline egress from the Western Canadian Sedimentary Basin ("WCSB") may affect demand for the Company's storage, terminalling and related services. The addition of new pipeline capacity or expansions to existing pipelines could reduce customers' reliance on storage and other midstream services used to manage short-term supply and demand imbalances, which could adversely affect utilization of the Company's assets.

Conversely, delays, cancellations or regulatory challenges affecting existing or proposed pipeline projects may increase volatility in crude oil markets and create uncertainty for producers and midstream service providers. Pipeline egress may be affected by delays, conditions or denials of regulatory approvals, legal challenges, consultation requirements or changes in government policy, any of which could alter the timing, scope or availability of pipeline capacity and, in turn, demand for the Company's services.

The impact of changes in pipeline egress on the Company will depend on a number of factors, including overall crude oil production levels, market access conditions, customer behavior and the extent to which additional pipeline capacity alters transportation and storage dynamics. If increased pipeline egress reduces the demand for the Company's services, or if uncertainty surrounding pipeline development adversely affects customer activity levels, the Company's business, financial condition, results of operations and cash flows could be materially adversely affected.

Contract Renegotiation

A portion of the Company's revenues is generated under contracts that are subject to expiration, renewal or renegotiation. There can be no assurance that existing contracts will be renewed on comparable terms or at all, or that they will be replaced with new contracts.

As contracts expire, the Company may be exposed to pricing pressure, reduced committed volumes or less favorable commercial terms due to competitive market conditions or alternative infrastructure availability. Certain contracts also permit customers to suspend or reduce performance under specified circumstances. If the Company is unable to renew or replace significant contracts on similar commercial terms, or incurs material costs to attract replacement customers, its business, financial condition and results of operations could be materially adversely affected.

Cyber-Attacks or Security Breaches

The Company's business is dependent on digital technologies and information systems to control its facilities and operations, and on third-party service providers to support and maintain those systems. Such systems are subject to a variety of cyber-related risks, including hacking, phishing, ransomware, malware, cyber fraud, system failures and unauthorized access. A failure of the Company's systems or those of third parties could result in disruptions to operations and the delivery of services.

The Company collects, uses and stores sensitive information in the ordinary course of its business, including personal information of employees and confidential business information of customers, suppliers and other stakeholders. A cyber-attack, security breach or other compromise of the Company's systems, or those of third parties on which the Company relies, could result in the improper operation of assets, delays or interruptions in services, contamination or degradation of products, releases of hydrocarbons, or the loss, theft, corruption or unauthorized disclosure of confidential or proprietary information. The Company may be exposed to regulatory enforcement, litigation, financial loss, reputational harm and increased costs associated with responding to and remediating any such incident.

Cyber incidents may also take the form of ransomware or other cyber extortion, which can involve the encryption of systems and/or the theft of data accompanied by demands for payment or threats to publish or misuse stolen information. Any such event could result in prolonged operational disruption, loss of data, increased remediation and recovery costs (including the engagement of external specialists), and reputational harm. In certain circumstances, the Company's ability or decision to make any such payment may be constrained by applicable law, regulatory guidance, sanctions or other considerations, and there can be no assurance that any payment would prevent further disruption or the misuse or disclosure of information.

The risk of cyber-attacks may be heightened as a result of factors such as increased digitalization, remote access to systems, the integration of acquired businesses and systems, and the evolving sophistication and frequency of cyber threats. The increasing use of artificial intelligence by threat actors may further increase the scale, speed or effectiveness of cyber-attacks, including social engineering, phishing and malware-based incidents. In addition, energy infrastructure, such as that owned and operated by the Company, has been identified by governments as a potential target for cyber sabotage or other malicious activity, which may increase the likelihood or severity of a cyber incident.

Although the Company has implemented measures designed to protect its information systems and data, there can be no assurance that such measures will be effective in preventing all cyber incidents or mitigating their impacts. Any significant cyber-attack, security breach or prolonged system outage could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

International Conflict and Geopolitical Risk

International conflict, geopolitical tensions and related events, including war, military action, terrorism, sanctions, trade disputes and other international responses, may adversely affect global energy markets and the broader economy. Such events have historically resulted in, and may continue to result in, heightened volatility in crude oil and refined product prices, disruptions to global supply chains, inflationary pressures, financial market instability and increased cybersecurity risks.

Geopolitical events may disrupt the production, transportation or export of crude oil and refined products, whether as a result of sanctions, damage to infrastructure, changes in trade flows, market access restrictions or shifts in government policy. These disruptions may lead to volatility in crude oil and refined product markets, which could increase operating costs, reduce margins or negatively affect customer activity levels. Conversely, sustained declines in commodity prices resulting from geopolitical developments could reduce upstream activity and demand for the Company's services.

International conflicts and geopolitical tensions may also increase the risk of cyber-attacks, sabotage or other malicious activity targeting energy infrastructure and related supply chains. In addition, sanctions regimes, export controls or other international measures may limit the ability of certain counterparties to perform under existing arrangements or may restrict market access, logistics or financing, potentially increasing counterparty risk and compliance costs. Recent geopolitical developments in certain oil-producing regions, including Venezuela, illustrate the uncertainty associated with changes in international engagement, sanctions regimes, political stability and the sustainability of production and export capacity. Such developments may contribute to unpredictable shifts in global crude oil supply and pricing, further increasing market volatility.

The extent, duration and ultimate impact of international conflict and geopolitical events are uncertain and largely beyond the Company's control. These events may exacerbate or magnify other risks to which the Company is exposed, including commodity price volatility, capital market disruption, supply chain constraints and counterparty risk. Any of these impacts could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Capital Project Delivery and Success

The Company undertakes and may continue to undertake capital projects that require significant expenditures of capital and management resources. The development, construction and completion of these projects are subject to numerous risks and uncertainties, many of which are beyond the Company's control, including the ability to obtain required regulatory approvals, permits and consents, environmental and stakeholder considerations, supply chain constraints, labour availability, inflationary pressures, adverse weather conditions, changes in market conditions and legal or political developments. Capital projects may be delayed, modified or cancelled as a result of regulatory or permitting delays, changes in applicable laws or conditions of approval, stakeholder opposition, cost escalation, shortages of materials or construction services, or other unforeseen events. In addition, the Company may incur financing and carrying costs during the planning and construction phases before projects generate operating cash flow, and anticipated returns may be reduced or delayed. The Company may also develop or expand facilities in anticipation of market demand that does not materialize, declines prior to project completion, or is redirected to competing infrastructure. Cost overruns, schedule delays, changes in project scope or lower-than-expected utilization following completion may adversely affect returns on invested capital, reduce liquidity, or result in assets that do not perform as expected. If the Company is unable to deliver capital projects on time, within budget or at expected utilization levels, or if the anticipated benefits of such projects fail to materialize, the Company's business, financial condition, results of operations and cash flows could be materially adversely affected.

Hazards and Operational Risks

The Company's operations involve inherent hazards, including fires, explosions, mechanical failures, spills, releases of hydrocarbons, marine, rail and roadway incidents, adverse weather, natural disasters, protests or acts of vandalism or terrorism. Operational incidents may result in personal injury, environmental damage, regulatory enforcement, fines, litigation, reputational harm and curtailment or suspension of operations. Certain costs are fixed or semi-fixed, and operational disruptions or unplanned outages may disproportionately affect profitability. Any significant operational incident could materially adversely affect the Company's business, financial condition and results of operations.

Changes in Tax Legislation and Additional Tax Liabilities

The Company is subject to tax laws, regulations and administrative practices at the municipal, provincial, state, federal and international levels. Changes in tax legislation, regulations, government policy, administrative interpretation or enforcement practices, including changes that may be applied retroactively, could adversely affect the Company's tax position, increase its tax liabilities, reduce cash flows, or otherwise negatively affect the Company's financial condition and results of operations.

In addition, tax authorities may reassess the Company's tax filings, challenge the Company's interpretation or application of tax laws, or disagree with the Company's tax positions, including those related to internal reorganizations, cross-border transactions, transfer pricing, deductions, credits or other matters. Any such reassessment, dispute or change in tax law or interpretation could result in additional taxes, interest or penalties, increase compliance costs, or create uncertainty with respect to the Company's future tax obligations. Any of these outcomes could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Decommissioning, Abandonment and Reclamation Costs

The Company is subject to laws and regulations requiring the decommissioning, abandonment and reclamation of facilities and pipelines at the end of their useful lives. These costs may be substantial and are subject to uncertainty based on regulatory requirements and environmental conditions at the time of decommissioning.

The Company may be required to post financial security or meet minimum annual spending requirements, which could affect liquidity and capital allocation. If decommissioning costs exceed estimates or increase materially, the Company's business, financial condition and results of operations could be adversely affected.

Inflation and Interest Rates

The Company's business and results of operations may be adversely affected by inflationary pressures. Sustained inflation may increase operating, maintenance, labour and capital costs, including costs associated with materials, equipment, construction services and contractors, and there can be no assurance that such increases can be fully recovered through pricing, contractual mechanisms or other means, particularly where revenues are subject to fixed or semi-fixed contractual arrangements. Inflation may also increase the cost and complexity of executing capital projects, contribute to cost overruns or delays, reduce expected returns on invested capital, and increase costs for the Company's customers, which could reduce activity levels and demand for the Company's services.

Changes in interest rates may further impact the Company's financial condition and cash flows. A portion of the Company's indebtedness bears interest at variable rates, and increases in interest rates would increase debt service costs and reduce cash available for operations, capital expenditures, debt repayment or dividends, and may also adversely affect the Company's cost of borrowing and overall cost of capital. Sustained inflation or higher interest rates could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and the market value of its securities.

ESG Targets and Commitments

The Company has established ESG targets and commitments, including emissions-related and other sustainability objectives, in response to evolving stakeholder expectations, regulatory developments and market practices. Achieving these targets may require the Company to incur additional operating and capital costs, invest in new technologies or processes, and adjust aspects of its business strategy. There can be no assurance that such investments will achieve the intended outcomes, generate anticipated returns, or be completed within expected timeframes.

Failure to achieve ESG targets, changes in the interpretation or measurement of ESG performance, or perceptions among investors, lenders, customers or other stakeholders that the Company's ESG commitments are insufficient or not credible could adversely affect the Company's reputation, access to capital, cost of capital and competitive position. In addition, changes in government policy, regulatory frameworks or market standards relating to ESG matters may increase compliance costs or alter the assumptions underlying the Company's ESG strategy, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Climate Change - Physical and Transition Risks

Climate change may give rise to physical risks, including an increased frequency or severity of extreme weather events, such as flooding, wildfires, storms or prolonged temperature extremes, which could cause physical damage to the Company's assets, including terminals, storage tanks, pipelines and related infrastructure. Physical impacts may also include soil erosion, earth movement, slope instability, subsidence and the effects of freezing and thawing conditions on pipelines and other infrastructure, which could impair asset integrity, reduce operating reliability, disrupt operations, or require unplanned repairs, maintenance or capital expenditures. Such events may also result in business interruption and may adversely affect the Company's customers and supply chains.

Transition risks associated with climate change, including changes in government policy, regulation, carbon pricing regimes, emissions standards, market preferences and technological developments, may reduce demand for crude oil and refined products or increase the cost of operating and maintaining the Company's assets. Uncertainty regarding the timing, scope and implementation of climate-related policies may complicate long-term planning and capital allocation decisions. Any of these physical or transition risks could materially adversely affect the Company's business, financial condition, results of operations and cash flows.

Legislative and Regulatory Changes

The Company operates in a highly regulated environment and is subject to laws, regulations, government policies and trade measures at municipal, provincial, federal and international levels. Changes in legislation, regulation, regulatory interpretation or enforcement practices may adversely affect the Company's business by increasing operating or capital costs, imposing additional compliance or reporting obligations, changing permitting requirements, restricting or conditioning operations, or delaying or preventing the development, expansion or operation of assets. Regulatory changes affecting the Company's customers — including those impacting crude oil production, transportation, storage, market access or trade — may also reduce activity levels, investment or demand for the Company's services.

In addition, changes in trade policy, including tariffs, duties or other trade measures adopted by governments or authorities, may create uncertainty for the Company and its customers. Recent developments in tariffs between the United States and Canada, including U.S. duties on certain imports and energy products and reciprocal Canadian measures, have contributed to trade uncertainty and shifts in export markets, trade flows and supply chain behaviour, and have led to reassessments of reliance on traditional trading relationships and diversification strategies.

Regulatory approval and permitting processes may also involve evolving policy objectives, stakeholder engagement and, in some cases, legal or administrative challenges, any of which may affect the timing, scope, cost or conditions of approvals. Uncertainty regarding future regulatory requirements, tariff measures or government policy direction may complicate long-term planning, capital allocation and investment decisions. Any such changes or uncertainty could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Environmental and Health and Safety Regulations

The Company's operations are subject to extensive environmental, health and safety ("EHS") laws, regulations, permit requirements and standards at the municipal, provincial, state, federal and international levels. These laws and regulations govern, among other things, the handling, storage, transportation, treatment and disposal of hazardous materials; emissions and discharges to air, land and water; spill prevention, reporting and response; worker health and safety; and the construction, operation, maintenance, abandonment and reclamation of pipelines, terminals, storage tanks and other facilities. Compliance with applicable EHS requirements may result in significant operating and capital costs, and changes in EHS laws, regulations, standards, policies or enforcement practices may further increase those costs or impose additional operational constraints.

Failure to comply with applicable EHS laws, regulations or permit conditions, or the occurrence of spills, releases, emissions exceedances or other environmental or safety incidents, may result in regulatory inspections, investigations or enforcement actions; the assessment of administrative, civil or criminal penalties; remediation or clean-up obligations; the payment of damages; civil litigation; reputational harm; or the suspension, curtailment or revocation of permits or operations. Certain environmental laws impose strict, joint and several liability for contamination or releases of hazardous substances, which may apply regardless of fault or the legality of the conduct at the time, and may include liability for contamination caused by third parties or historical operations at or near sites owned, leased or operated by the Company. In addition, certain of the Company's U.S. operations are subject to laws and regulations governing oil spill prevention and liability in navigable waters, including requirements to maintain spill response plans and evidence of financial responsibility, and imposing strict liability for oil removal costs and a range of public and private damages arising from spills. Compliance with such requirements, or the occurrence of a spill or release, could result in significant costs, penalties, remediation obligations or other liabilities.

Some of the Company's facilities have been operated for many years, and contamination may exist at, on or near such sites, or may migrate from adjacent or nearby properties. The Company may be required to investigate, monitor, remediate or otherwise manage such contamination, including at sites formerly owned or operated by the Company or at off-site locations where hazardous materials were transported, handled or disposed of. Environmental remediation obligations can be difficult to estimate, may be subject to change over time based on evolving regulatory standards or site conditions, and may require substantial expenditures.

Uncertainty regarding future EHS regulatory requirements, enforcement priorities, environmental standards or health and safety expectations may complicate long-term planning, permitting, capital allocation and operational decision-making. Any increase in compliance costs, liabilities, enforcement actions, remediation obligations, operational restrictions or reputational impacts arising from EHS matters could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Federal Review of Environmental and Regulatory Processes

Certain of the Company's projects and activities may be subject to federal environmental assessment, permitting and regulatory review processes. Federal review frameworks, including impact assessment, fisheries protection and navigable waters regimes, may impose additional requirements related to environmental, social, economic and cumulative effects, Indigenous consultation and accommodation, and sustainability considerations. These requirements may increase the complexity, cost and duration of regulatory reviews and approvals and may affect the scope, timing or viability of proposed projects or modifications to existing assets.

The federal environmental and regulatory review framework has been subject to significant legal, policy and legislative developments in recent years, and further amendments, reinterpretations or changes in implementation or enforcement may occur. Uncertainty regarding the application, scope and constitutionality of certain federal review processes, as well as their interaction with provincial and state regulatory regimes, may create delays, additional conditions or increased costs for projects and may limit the Company's ability to efficiently obtain, amend or renew required approvals. Any such uncertainty, delay or adverse outcome could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Climate Change Legislation

The Company is subject to existing and evolving climate change–related laws, regulations and government policies at the municipal, provincial, state, federal and international levels. These may include carbon pricing mechanisms, emissions limits, fuel standards, reporting requirements and other measures intended to address greenhouse gas emissions and climate change. Compliance with current or future climate change legislation may increase the Company's operating and capital costs, require changes to operations or business practices, or adversely affect the economics of certain assets or projects.

The scope, timing, implementation and enforcement of climate change legislation and related policies remain subject to uncertainty and may change over time. Changes in government priorities, regulatory approaches or market expectations, or the introduction of new or more stringent climate-related requirements, may complicate long-term planning, capital allocation and investment decisions, and may reduce demand for crude oil and refined products. Any such changes or uncertainty could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Capital Markets and Availability of Future Financing

The Company's ability to fund operations, capital expenditures and growth initiatives depends on continued access to capital markets and other sources of financing on acceptable terms. Market volatility, economic conditions, changes in interest rates, shifts in investor sentiment, or evolving ESG-related investment criteria may limit the availability of financing or increase borrowing costs.

Changes in government policy, regulation or market practices affecting the energy sector or ESG-related financing may further influence investor appetite and lending conditions. If the Company is unable to access capital on reasonable terms, it may be required to defer or scale back capital projects, reduce expenditures, or rely more heavily on internally generated cash flow, any of which could materially adversely affect the Company's business, financial condition, results of operations and cash flows.

Reputation

The Company's reputation is important to maintaining relationships with investors, lenders, customers, regulators, employees and other stakeholders. Adverse publicity, whether arising from operational incidents, regulatory or legal matters, environmental or safety issues, cybersecurity events, ESG-related concerns, misinformation, inaccurate public narratives, or the misuse or mischaracterization of information relating to the Company or its operations, could negatively affect stakeholder confidence in the Company.

Damage to the Company's reputation may result in reduced access to capital, increased cost of capital, loss of customers or business opportunities, difficulty attracting or retaining employees, or volatility in the market price of the Company's securities. Any deterioration of the Company's reputation could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Jointly Owned Facilities

Certain of the Company's facilities are jointly owned with third parties, and capital expenditures, operational decisions or changes to such facilities may require the consent of co-owners. The Company may not be able to obtain required approvals from co-owners on acceptable terms or in a timely manner. Joint ownership arrangements may also restrict the Company's ability to transfer interests in facilities, acquire co-owners' interests, or otherwise optimize or monetize such assets. If a joint owner becomes insolvent or fails to meet its obligations, the Company may be required to assume additional responsibilities or costs. Any such limitations or disputes could adversely affect the Company's operations, financial condition and results of operations.

Major Customers and Collection Risk

The Company relies on certain key customers and contractual arrangements to generate a significant portion of its revenues. The loss of a major customer, a material reduction in volumes or services provided, or a failure by a customer to perform its contractual obligations could adversely affect the Company's revenues, cash flows and profitability.

Consolidation among the Company's customers, including through mergers, acquisitions or asset rationalization, may reduce the number of customers, increase customer concentration or shift bargaining power to a smaller number of counterparties. Customer consolidation may result in customers seeking to renegotiate contract terms, reduce committed volumes, shorten contract durations, consolidate services across fewer service providers, or delay or forego capital commitments. In addition, consolidation may reduce overall demand for certain services if customers rationalize infrastructure or optimize their use of existing assets.

Customers may also experience financial distress, seek to renegotiate contractual terms, delay payments or default on obligations. Any deterioration in customer credit quality, increase in customer concentration, or increase in collection risk could result in reduced cash flows, increased bad debt expense or the suspension or cancellation of capital projects, which could materially adversely affect the Company's financial condition and results of operations.

Financial and Operational Forecasts and Projections

The Company's financial and operational forecasts and projections are based on assumptions regarding market conditions, customer behavior, regulatory outcomes and other factors, many of which are outside of the Company's control. Actual results may differ materially from forecasts due to changes in commodity prices, demand, costs, regulatory requirements or other risks described in this AIF. Differences between actual results and forecasts could adversely affect the Company's ability to meet guidance, satisfy stakeholder expectations, comply with financing arrangements or execute its business strategy, which could have a material adverse effect on the Company's business and financial condition.

Insurance

The Company maintains insurance coverage it believes is consistent with industry practice; however, insurance may not be available in all circumstances or on commercially reasonable terms. Insurance policies are subject to limits, deductibles and exclusions and may not fully cover losses arising from certain events. Changes in risk profiles, including those related to climate change, cybersecurity or regulatory developments, may increase premiums, reduce coverage availability or result in more restrictive terms. Uninsured or underinsured losses could require the Company to incur significant costs and could materially adversely affect its business, financial condition and results of operations

Supply Chain Risk

The Company relies on third-party suppliers, contractors and service providers for equipment, materials, construction services and other inputs. Supply chain disruptions, including those caused by labour shortages, transportation constraints, geopolitical events, trade restrictions or supplier insolvency, may increase costs, delay projects or disrupt operations. Prolonged or significant supply chain disruptions could adversely affect the Company's ability to execute capital projects, maintain assets, meet customer commitments or control costs, and could have a material adverse effect on the Company's business and financial condition.

Pandemics, Epidemics and Public Health Events

Pandemics, epidemics or other widespread public health events may adversely affect global and regional economies, supply chains, labour availability and capital markets. Such events may disrupt operations, delay projects, reduce customer activity levels or increase operating costs. Government responses or changes in workplace practices may affect productivity and operational efficiency. The extent and duration of future public health events are uncertain, and any such events could materially adversely affect the Company's business, financial condition and results of operations.

Regulatory Approvals

The Company's operations and growth initiatives require regulatory approvals, permits and licenses. Approval processes may involve uncertainty, stakeholder and Indigenous consultation, evolving regulatory expectations and, in some cases, legal or administrative challenges. Failure to obtain approvals, delays in approval timing, or the imposition of conditions may result in project delays, increased costs, reduced returns or the abandonment of projects, which could materially adversely affect the Company's business, financial condition and cash flows.

FORWARD-LOOKING INFORMATION

Certain statements and information included or referred to in this MD&A constitute forward-looking information (as such term is defined under applicable Canadian securities laws). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking information. The use of any of the words "anticipate", "plan", "continue", "target", "must", "commit", "estimate", "expect", "extend", "growth", "remain", "future", "intend", "may", "can", "will", "project", "should", "could", "would", "believe", "forecast", "long-term", "potential", "possibility", "indicate", "strategy", "opportunity", "focus", "probable" and similar expressions of future outcomes or statements regarding an outlook are intended to identify forward-looking information. Forward-looking information, included or referred to in this MD&A includes, but is not limited to statements with respect to:

- *the Company's plans, targets, timing and the achievement thereof, including but not limited to its cost saving's campaign, growth and replacement capital expenditure and the amount and allocation thereof;*
- *the composition of the Company's leadership team;*
- *the planned maintenance and timing thereof for the Company's assets;*
- *the addition or disposition of assets and changes in the services to be offered by the Company;*
- *fluctuations in the Company's net debt to adjusted EBITDA ratio, interest coverage ratio and other metrics, and the timing and drivers thereof;*
- *the Company's commitment to low-carbon transition and achieving its emission reduction targets;*
- *the anticipated benefits of the Gateway Terminal acquisition and the timing thereof, including the opportunity to expand the Company's asset base;*
- *the potential impact of exchange rate fluctuations on the Company's results and the Company's ability to minimize such impact through the use of financial derivatives;*
- *the impact of macroeconomic conditions, increased interest rates, geopolitical events, inflation, technology and other factors on economic activity, commodity prices and the Company, including its ability to access capital;*
- *the Company's projections relating to target segment profit, distributable cash flow, distributable cash flow per share, total cash flow and the stability thereof;*
- *the Company's investment in new equipment, technology, facilities and personnel;*
- *the Company's continued capital investment and the expansion and augmentation of existing terminals and associated infrastructure and engagement in commercial discussions;*
- *continued expansion and improvement of the Company's facilities;*
- *the Company's growth strategy to expand in existing and new markets;*
- *long-term contracts and the terms, counterparties and impacts thereof;*
- *the Company's ability to execute its current business strategy, related milestones and ability to meet its ESG targets and the associated impacts to the Company;*
- *the Company's response to the energy transition and the strategic opportunities available to the Company and potential changes to the services offered by the Company;*
- *the desirability of Canadian oil and gas and the impact on the demand for the Company's services;*
- *the Company's ability to renew or renegotiate contracts and the effects thereof;*
- *the Company's ability to extend or refinance its long-term debt expiring in the near term;*
- *the Company's current projects supporting shippers on the Trans Mountain pipeline expansion;*
- *the effect of the Company’s credit rating and/or changes to the Company’s credit ratings and impact on its borrowing costs and ability to access private and public credit markets;*
- *the effect of the Company’s performance relative to ESG targets and its ability to meet the ESG requirements of counterparties and impact to borrowing costs under its sustainability-linked revolving credit facility;*
- *the anticipated benefits of the Company's renewable virtual power purchase agreement, and the timing thereof;*
- *the impact of pipeline projects on the Company's business;*
- *the impact of changes in availability of pipelines egress on the Company;*
- *the availability of sufficient capital and liquidity for planned growth;*
- *uncertainty and volatility relating to crude oil prices;*
- *the effect of market volatility on the Company's marketing revenue and activities;*

- *the sufficiency and sources of funding to service the Company's debt and to pay down and retire indebtedness,*
- *the Company's ability to meet its operating obligations, fund capital expenditures and pay dividends;*
- *the appropriateness of the Company's approach to its capital structure, possible changes thereto, the reasons therefore and the effects thereof;*
- *the expected results from major growth projects;*
- *the potential effects of tariffs on markets;*
- *evaluations by credit rating agencies and the results and effects thereof;*
- *the adequacy of the Company's provisions for decommissioning and environmental costs and legal claims or actions, the materiality and timing thereof and anticipated impact on the Company in the event of any such claims or actions were successful;*
- *the Company's plans for additional strategic acquisitions, capital expenditures or other similar transactions, including the costs, timing and completion thereof;*
- *the expected cost relative to budget and in-service dates for new storage capacity and new projects being constructed by the Company;*
- *the Company's planned hedging and risk management activities;*
- *the Company's projections of commodity purchase and sales activities;*
- *the continued safe and reliable operation of the Company's infrastructures and the uses of replacement capital expenditure;*
- *the Company's projections of commodity prices, inflation and currency and interest rate fluctuations and their impact on, among other things, the Company's business, results of operations, and ability to access financing on acceptable terms or at all;*
- *the sources of the Company's cash flows;*
- *the Company's NCIB and share repurchases; and*
- *the Company's projection of dividends, dividend policy and the timing and payment of dividends thereunder.*

With respect to forward-looking information contained in this MD&A, assumptions and estimates have been made regarding, among other things:

- *Gibson's ability to obtain the anticipated benefits from the acquisition of the Gateway Terminal and the renewable power purchase agreement;*
- *the accuracy of historical and forward-looking operational and financial information and estimates, including that provided by the sellers of the Gateway Terminal;*
- *the accuracy of financial and operational projections of Gibson following completion of the acquisition of Gateway Terminal;*
- *general economic and industry conditions, including, without limitation, macroeconomic, societal, political and industry trends;*
- *the impact of international conflict and geopolitical instability in certain regions of the world and concern regarding energy security or international or global events, including government responses related thereto on demand for crude oil and petroleum products and the Company's operations generally;*
- *future growth in world-wide demand for crude oil and petroleum products;*
- *commodity prices;*
- *no material defaults by the counterparties to agreements with the Company;*
- *the Company's ability to obtain qualified and diverse personnel and equipment in a timely and cost-efficient manner or at all;*
- *the regulatory framework governing taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business;*
- *the Company's ability to obtain regulatory approvals, permits and licenses;*
- *the energy transition that is underway as the world shifts towards a lower carbon economy and a maintained industry focus on sustainability and the impact thereof on the Company;*
- *the development and performance of technology and new energy efficient products, services and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets and carbon price outlook;*
- *the Company's relationships with the communities in which it operates;*

- *climate-related estimates and scenarios and the accuracy thereof, including the cost of compliance with climate change legislation and the impact thereof on the Company;*
- *the impact of climate-change related risks, including the increased frequency or severity of extreme weather events;*
- *the Company's ability to maintain and update its information technology systems or infrastructure and the adequacy of security measures to mitigate cyber security risks;*
- *the impact of emerging regulations on the nature of oil and gas operations, expenditures in the oil and gas industry, and demand for products and services;*
- *credit ratings applicable to the Company;*
- *the Company's ability to achieve its sustainability and ESG targets, the timing thereof and the impact thereof on the Company;*
- *the Company's future investments in new technologies and innovation and the return thereon;*
- *operating and borrowing costs, including those related to the Company's sustainability and ESG programs;*
- *future capital expenditures to be made by the Company, and, as applicable, its partner(s), including its ability to place assets into service and the associated costs of such projects;*
- *the effectiveness of the Company's hedging and risk management activities;*
- *the Company's ability to obtain financing on acceptable terms;*
- *the Company's ability to maintain a strong balance sheet and financial position;*
- *the Company's ability to obtain required approvals from co-owners on acceptable terms for the Company's jointly-owned facilities;*
- *the Company's future debt levels;*
- *the Company's decommissioning obligations and environmental remediation costs;*
- *inflation and changes to interest rates and their impact on the Company;*
- *the impact of increasing competition on the Company;*
- *the impact of changes in government policies on the Company;*
- *the Company's ability to generate sufficient cash flow to meet the Company's current and future obligations;*
- *the Company's dividend policy;*
- *product supply and demand;*
- *the impact of supply chain disruptions, including those caused by labour shortages, transportation constraints, geopolitical events, trade restrictions or supplier insolvency;*
- *the impact of pandemics, epidemics or other widespread public health events;*
- *the Company's ability to successfully establish critical accounting judgments and estimates;*
- *demand for the services offered by the Company;*
- *the likelihood of success of any claim or action against the Company and the impact thereof;*
- *the Company's ability to renegotiate contracts for its services on terms favorable to the Company;*
- *the impact of future changes in accounting policies on the Company's consolidated financial statements; and*
- *the Company's ability to successfully implement the plans and programs disclosed in the Company's strategy.*

In addition, this MD&A may contain forward-looking information attributed to third party industry sources. This forward-looking information speaks only as of the date of this MD&A and the Company does not undertake any obligations to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws. Actual results could differ materially from those anticipated in forward-looking information as a result of numerous risks and uncertainties including, but not limited to, the risks and uncertainties described this MD&A, including under the heading "Risk Factors" herein. Readers should also refer to "Forward-Looking Information" and "Risk Factors" in the Company's current AIF, to the risk factors described in other documents the Company files from time to time with securities regulatory authorities, available on the Company's profile at www.sedarplus.ca and on the Company's website at www.gibsonenergy.com. No assurance can be given that these expectations will prove to be correct. As such, forward-looking information included or referred to in this MD&A and the Company's other filings with Canadian securities regulatory authorities should not be unduly relied upon. These statements speak only as of the date of this MD&A.

Information on, or connected to, the Company's website www.gibsonenergy.com does not form part of this MD&A.

The forward-looking information included or referred to in this MD&A are expressly qualified by this cautionary statement.

TERMS AND ABBREVIATIONS

AIF: the Company's Annual Information Form for the year ended December 31, 2025

barrel: one barrel of petroleum, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons

Board: Gibson's Board of Directors

Cactus II pipeline: a 26-inch diameter, 700,000 barrel-per-day oil pipeline that runs from the Delaware basin in West Texas to Corpus Christi, with further connectivity to Ingleside, Texas

CAD: Canadian dollars

Crude Marketing: the aggregated Canadian and U.S. liquids marketing business

DC&P: disclosure controls and procedures as defined in *National instrument 52-109 Certification of disclosure in Issuers' Annual and Interim Filings*

DRU: Diluent Recovery Unit, a facility that separates diluent from heavier petroleum stock, owned by the Company's equity accounted for investee Hardisty Energy Terminal LP

EBITDA: earnings before interest, taxes, depreciation and amortization

Edmonton Terminal: The Company's terminal located in Edmonton, Alberta, with crude oil storage capacity that has receipt and delivery connections to most major pipelines in the area.

ESG: Environmental, Social, Governance

GAAP or IFRS Accounting Standards: International Financial Reporting Standards as set out in the Handbook of the Canadian Institute of Chartered Professional Accountants and as issued by the International Accounting Standards Board, also referred to as IFRS Accounting Standards

Gateway Terminal: the Company's liquids export terminal, located in Ingleside, Texas, acquired on August 1, 2023

Hardisty Terminal: The Company's terminal located at Hardisty, Alberta, with crude oil storage capacity that has receipt and delivery connections to most major pipelines in the area and to the Hardisty Unit Train Facility

ICFR: Internal Controls over Financial Reporting as defined in *National instrument 52-109 Certification of disclosure in Issuers' Annual and Interim Filings*

MD&A: Management Discussion and Analysis

Moose Jaw Facility: Gibson's crude oil processing facility located at Moose Jaw, Saskatchewan, that produces asphaltic and lighter distillate products that are generally sold into specialized markets

Morningstar DBRS: collectively the companies of DBRS Limited, DBRS Inc., DBRS Ratings Limited and DBRS Ratings GmbH

Refined Products: the Company's business which markets the outputs of the Moose Jaw Facility

NCIB: normal course issuer bid

NGL: Natural Gas Liquids, comprised of ethane, propane, butane and natural gasoline

NI 52-112: National instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure

Shareholders: the holders of issued and outstanding common shares from time to time

Turnaround: A planned, temporary shutdown of a facility or unit, to complete work that cannot be conducted while operational.

U.S.: United States of America

USD: United States Dollar

WCS: Western Canadian Select, a type of heavy crude oil commonly produced in the WCSB

WCSB: Western Canadian Sedimentary Basin

Wink Terminal: The Company's terminal located at Wink, Texas, U.S.

WTI: West Texas Intermediate, a type of crude oil used as a benchmark in crude oil pricing

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