GIBSON ENERGY

# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 & 2024

TSX:GEI

# Independent auditor's report

To the Shareholders of Gibson Energy Inc.

## Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gibson Energy Inc. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2025 and 2024;
- the consolidated statements of operations for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of goodwill** | |
| Refer to note 3 – Material accounting policies and note 12 – Goodwill to the consolidated financial statements.<br><br>The Company had goodwill of $413.4 million as at December 31, 2025. Management performs an impairment assessment annually or more frequently if events or circumstances indicate that the carrying value may be impaired. An impairment assessment is conducted over a group of assets that generate independent cash inflows.<br><br>Management has grouped these cash generating units (CGUs) at the operating segment level for the purpose of the goodwill impairment assessment. An impairment loss is recognized if the carrying amount of an operating segment to which the | Our approach to addressing the matter included the following procedures, among others:<br><br>• Tested the operating effectiveness of internal controls related to the impairment assessment of goodwill.<br><br>• Evaluated how management determined the recoverable amounts of the Terminals, Moose Jaw Facility and Marketing Canada operating segments, which included the following:<br><br>– tested the appropriateness of the method and approach used and the mathematical accuracy of the calculations; |

| Key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| goodwill relates exceeds its recoverable amount. The recoverable amounts for the goodwill balances of the Terminals, Moose Jaw Facility and Marketing Canada operating segments were based on a fair value less cost of disposal method using an earnings multiple approach.<br><br>Key assumptions used in the earnings multiple approach were budgeted earnings before interest, taxes, depreciation and amortization less corporate expenses (EBITDA) and earnings multiples.<br><br>We considered this a key audit matter due to (i) the significance of the goodwill balance and (ii) the significant judgment made by management in determining the recoverable amounts of the Terminals, Moose Jaw Facility and Marketing Canada operating segments, including the use of key assumptions. This has resulted in a high degree of subjectivity and audit effort in performing the audit procedures. Professionals with skill and knowledge in the field of valuation assisted us in performing our procedures. | – tested the underlying data used by management;<br><br>– evaluated the reasonableness of the budgeted EBITDA by considering (i) the current and past performance of the operating segments; (ii) external market and industry data; and (iii) evidence obtained in other areas of the audit; and<br><br>– professionals with specialized skill and knowledge in the field of valuation assisted in testing the reasonability of the earnings multiples. |

## Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Reynold Tetzlaff.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants
Calgary, Alberta
February 17, 2026

**Gibson Energy Inc.**

Consolidated Balance Sheets

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

| | *Note* | 2025 | As at December 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 55,846 | 57,069 |
| Trade and other receivables | *5* | 496,111 | 678,876 |
| Inventories | *6* | 144,817 | 220,404 |
| Prepaid and other assets | | 13,711 | 19,203 |
| Net investment in finance leases | *7* | 3,414 | 2,155 |
| | | 713,899 | 977,707 |
| **Non-current assets** | | | |
| Property, plant and equipment | *8* | 3,042,169 | 3,115,052 |
| Right-of-use assets | *9* | 72,053 | 38,247 |
| Other assets | | 170 | 166 |
| Net investment in finance leases | *7* | 177,753 | 183,389 |
| Investment in equity accounted investees | *10* | 133,083 | 135,465 |
| Intangible assets | *11* | 77,649 | 103,836 |
| Goodwill | *12* | 413,392 | 417,677 |
| | | 3,916,269 | 3,993,832 |
| **Total assets** | | 4,630,168 | 4,971,539 |
| **Liabilities and equity** | | | |
| **Current liabilities** | | | |
| Trade payables and accrued charges | *15* | 526,519 | 898,299 |
| Dividends payable | *17* | 70,457 | 66,856 |
| Contract liabilities | | 66,081 | 38,497 |
| Current portion of long-term debt | *13* | — | 325,000 |
| Lease liabilities | *14* | 18,103 | 20,645 |
| | | 681,160 | 1,349,297 |
| **Non-current liabilities** | | | |
| Long-term debt | *13* | 2,702,342 | 2,273,635 |
| Lease liabilities | *14* | 60,961 | 27,535 |
| Provisions | *16* | 189,289 | 206,349 |
| Other long-term liabilities | | 2,594 | 2,572 |
| Deferred income tax liabilities | *18* | 172,806 | 140,084 |
| | | 3,127,992 | 2,650,175 |
| **Total liabilities** | | 3,809,152 | 3,999,472 |
| **Equity** | | | |
| Share capital | *17* | 2,388,151 | 2,371,865 |
| Contributed surplus | | 60,791 | 60,780 |
| Accumulated other comprehensive income | | 113,251 | 196,541 |
| Accumulated deficit | | (1,741,177) | (1,657,119) |
| | | 821,016 | 972,067 |
| **Total liabilities and equity** | | 4,630,168 | 4,971,539 |

***Commitments and contingencies*** *(note* 24)

*See accompanying notes to the consolidated financial statements*

Approved by the Board of Directors:

*(signed) "James M. Estey"*
James M. Estey (Director)

*(signed) "Diane A. Kazarian"*
Diane A. Kazarian (Director)

**Gibson Energy Inc.**

Consolidated Statements of Operations

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

| | | Year ended December 31, | |
|---|---|---|---|
| | *Note* | **2025** | **2024** |
| Revenue | *19* | 10,689,246 | 11,779,949 |
| Cost of sales | *20, 21* | 10,232,923 | 11,356,311 |
| **Gross profit** | | 456,323 | 423,638 |
| Share of profit from equity accounted investees | *10* | (23,317) | (26,163) |
| General and administrative expenses | *20, 21, 22* | 84,582 | 103,847 |
| Other losses, net | *23* | 1,275 | 1,682 |
| **Operating income** | | 393,783 | 344,272 |
| Finance costs, net | *13* | 139,367 | 138,318 |
| **Income before income taxes** | | 254,416 | 205,954 |
| Current income tax | | 23,266 | 30,318 |
| Deferred income tax | | 33,512 | 23,462 |
| Income tax expense | *18* | 56,778 | 53,780 |
| Net income | | 197,638 | 152,174 |
| **Earnings per share** | *17* | | |
| Basic earnings per share | | 1.21 | 0.94 |
| Diluted earnings per share | | 1.20 | 0.93 |

*See accompanying notes to the consolidated financial statements*

**Gibson Energy Inc.**

Consolidated Statements of Comprehensive Income

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

| | Year ended December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **Net income** | 197,638 | 152,174 |
| **Other comprehensive (loss) income** | | |
| *Items that may be reclassified subsequently to statement of operations* | | |
| Exchange differences from translating foreign operations | (83,290) | 148,068 |
| Remeasurement of post-employment benefit obligation, net of tax | — | (52) |
| **Other comprehensive (loss) income, net of tax** | (83,290) | 148,016 |
| **Comprehensive income** | 114,348 | 300,190 |

*See accompanying notes to the consolidated financial statements*

**Gibson Energy Inc.**

Consolidated Statements of Changes in Equity

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

| | Share Capital (Note 17) | Contributed Surplus | Accumulated Other Comprehensive Income | Accumulated Deficit | Total Equity |
|---|---|---|---|---|---|
| **Balance – January 1, 2024** | 2,341,267 | 65,113 | 48,525 | (1,542,435) | 912,470 |
| Net income | — | — | — | 152,174 | 152,174 |
| Other comprehensive income, net of tax | — | — | 148,016 | — | 148,016 |
| Comprehensive income | — | — | 148,016 | 152,174 | 300,190 |
| Share-based compensation | — | 19,712 | — | — | 19,712 |
| Tax effect of equity settled awards | 343 | 818 | — | — | 1,161 |
| Proceeds from exercise of stock options | 5,392 | — | — | — | 5,392 |
| Reclassification of contributed surplus on issuance of awards under equity incentive plan | 24,863 | (24,863) | — | — | — |
| Dividends on common shares ($1.64 per common share) | — | — | — | (266,858) | (266,858) |
| **Balance – December 31, 2024** | 2,371,865 | 60,780 | 196,541 | (1,657,119) | 972,067 |
| Net income | — | — | — | 197,638 | 197,638 |
| Other comprehensive loss, net of tax | — | — | (83,290) | — | (83,290) |
| Comprehensive (loss) income | — | — | (83,290) | 197,638 | 114,348 |
| Share-based compensation | — | 15,309 | — | — | 15,309 |
| Tax effect of equity settled awards | 405 | 113 | — | — | 518 |
| Proceeds from exercise of stock options | 470 | — | — | — | 470 |
| Reclassification of contributed surplus on issuance of awards under equity incentive plan | 15,411 | (15,411) | — | — | — |
| Dividends on common shares ($1.72 per common share) | — | — | — | (281,696) | (281,696) |
| **Balance – December 31, 2025** | 2,388,151 | 60,791 | 113,251 | (1,741,177) | 821,016 |

*See accompanying notes to the consolidated financial statements*

**Gibson Energy Inc.**

Consolidated Statements of Cash Flows

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

| | | Year ended | December 31, |
|---|---|---|---|
| | ***Note*** | **2025** | **2024** |
| **Cash flows from operating activities** | | | |
| Net income | | 197,638 | 152,174 |
| Adjustments | *26* | 365,453 | 435,638 |
| Changes in items of working capital | *26* | (36,237) | 44,187 |
| Income tax payment, net | *26* | (16,695) | (33,545) |
| **Net cash inflow from operating activities** | | 510,159 | 598,454 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and intangible assets | *8* | (175,907) | (175,246) |
| Investment in equity accounted investees | 10 | (3,850) | — |
| Proceeds from sale of equity investment | 10 | — | 23,258 |
| Proceeds from sale of assets | | — | 9,713 |
| **Net cash outflow from investing activities** | | (179,757) | (142,275) |
| **Cash flows from financing activities** | | | |
| Payment of shareholder dividends | *17* | (278,094) | (263,050) |
| Finance costs paid, net | *13* | (126,948) | (138,896) |
| Proceeds from exercise of stock options | | 470 | 5,392 |
| Lease payments | *14* | (25,618) | (30,241) |
| Draws on (repayment of) credit facility, net | *13* | 54,247 | (115,000) |
| Proceeds from issuance of long-debt, net of issuance costs | *13* | 372,669 | 347,797 |
| Repayment of long-term debt | *13* | (325,000) | (350,000) |
| **Net cash outflow from financing activities** | | (328,274) | (543,998) |
| **Net increase (decrease) in cash and cash equivalents** | | 2,128 | (87,819) |
| Effect of exchange rate on cash and cash equivalents | | (3,351) | 1,130 |
| Cash and cash equivalents – beginning of year | | 57,069 | 143,758 |
| **Cash and cash equivalents – end of year** | | 55,846 | 57,069 |

*See accompanying notes to the consolidated financial statements*

*See notes 13, 14 and 17 for reconciliation of movement of financial liabilities and equity.*

## Note 1 Description of Business and Segmented Disclosure

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

The Company had the following principal subsidiaries as at December 31, 2025:

| Name | Place of business / Country of Incorporation | Nature of business |
|---|---|---|
| Gibson Energy Infrastructure Partnership | Canada | Marketing and Infrastructure |
| Moose Jaw Refinery Partnership | Canada | Crude oil processing |
| South Texas Gateway Terminal LLC | U.S. | Infrastructure |

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

The Company's reportable segments are:

> **Infrastructure**, which includes a network of liquids infrastructure assets that include terminals, rail loading and unloading facilities, gathering pipelines and a crude oil processing facility. The primary facilities within this segment include the Hardisty and Edmonton Terminals, which are the principal hubs for aggregating and exporting crude oil and refined products out of the Western Canadian Sedimentary Basin; the Gateway Terminal, a liquids export terminal located in Ingleside, Texas, in the United States ("U.S."), which connects the Permian Basin and Eagle Ford Shale crude oil plays to global exports; the diluent recovery unit which is located adjacent to the Hardisty Terminal; a crude oil processing facility in Moose Jaw, Saskatchewan (the "Moose Jaw Facility"); the Wink Terminal, a crude oil aggregating hub, located in Wink, Texas; and gathering pipelines in Canada and U.S. The Infrastructure segment also includes the Company's share of equity pickup from equity accounted investees. Select assets are impacted by maintenance turnarounds typically occurring every few years.
>
> **Marketing**, which is involved in the purchasing, selling, storing and optimizing of hydrocarbon products as part of supplying the Moose Jaw Facility and marketing its refined products as well as helping to drive volumes through the Company's key infrastructure assets, primarily in the province of Alberta and the state of Texas. The Marketing segment also engages in optimization opportunities which are typically location, quality and/or time-based. The hydrocarbon products include crude oil, natural gas liquids, road asphalt, roofing flux, light and heavy straight run distillates. The Marketing segment sources the majority of its hydrocarbon products from Western Canada as well as the Permian Basin and markets those products throughout Canada and the U.S. The Moose Jaw Facility business is impacted by certain seasonality of operations specific to the oil and gas industry and asphalt product demand.

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

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

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

**a) Statement of operations**

| **Year ended December 31, 2025** | **Infrastructure** | **Marketing** | **Total** |
|---|---:|---:|---:|
| Revenue | | | |
| External | 504,401 | 10,184,845 | 10,689,246 |
| Inter-segmental | 195,942 | 111,241 | 307,183 |
| External and inter-segmental | 700,343 | 10,296,086 | 10,996,429 |
| Cost of sales, operating costs and other | 79,022 | 10,266,936 | 10,345,958 |
| Segment profit | 621,321 | 29,150 | 650,471 |
| Corporate and other reconciling items: | | | |
| Depreciation and impairment of property, plant and equipment | | | 125,233 |
| Depreciation and impairment of right-of-use assets | | | 21,019 |
| Amortization and impairment of intangible assets | | | 27,134 |
| Impairment of finance lease assets | | | 2,222 |
| General and administrative | | | 56,008 |
| Share-based compensation | | | 17,828 |
| Corporate financial instrument gain *(note 23)* | | | (2,414) |
| Corporate foreign exchange loss | | | 9,658 |
| Finance costs, net | | | 139,367 |
| Net income before income tax | | | 254,416 |
| Income tax expense | | | 56,778 |
| Net income | | | 197,638 |

| **Year ended December 31, 2024** | **Infrastructure** | **Marketing** | **Total** |
|---|---:|---:|---:|
| Revenue | | | |
| External | 522,436 | 11,257,513 | 11,779,949 |
| Inter-segmental | 213,050 | 112,815 | 325,865 |
| External and inter-segmental | 735,486 | 11,370,328 | 12,105,814 |
| Cost of sales, operating costs and other | 161,476 | 11,317,372 | 11,478,848 |
| Segment profit | 574,010 | 52,956 | 626,966 |
| Corporate and other reconciling items: | | | |
| Depreciation and impairment of property, plant and equipment | | | 132,343 |
| Depreciation and impairment of right-of-use assets | | | 25,702 |
| Amortization and impairment of intangible assets | | | 28,624 |
| General and administrative | | | 69,985 |
| Acquisition and integration costs | | | 1,371 |
| Share-based compensation | | | 22,040 |
| Corporate financial instrument loss *(note 23)* | | | 3,220 |
| Corporate foreign exchange gain | | | (591) |
| Debt extinguishment costs | | | 1,819 |
| Finance costs, net | | | 136,499 |
| Net income before income tax | | | 205,954 |
| Income tax expense | | | 53,780 |
| Net income | | | 152,174 |

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

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

| | Year ended December 31, | |
|---|---|---|
| **Additions** | **2025** | **2024** |
| Infrastructure | 153,208 | 164,931 |
| Marketing | 279 | 25,028 |
| Corporate | 5,229 | 8,046 |
| | 158,716 | 198,005 |

**b) Geographic Data**

| | Year ended December 31, | |
|---|---|---|
| **Revenue** | **2025** | **2024** |
| Canada | 8,502,432 | 10,124,206 |
| United States | 2,186,814 | 1,655,743 |
| **Total revenue** | 10,689,246 | 11,779,949 |

| | As at December 31, | |
|---|---|---|
| **Non-current assets** | **2025** | **2024** |
| Canada | 1,931,817 | 1,900,089 |
| United States | 1,673,616 | 1,774,889 |
| **Total non-current assets** [(1)] | 3,605,433 | 3,674,978 |

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

**c) Major Customers**

For the years ended December 31, 2025 and 2024, the Company had one customer, primarily in connection with the marketing business, which accounted for more than 10% of consolidated revenue or $1,288.5 million and $1,254.8 million, respectively.

## Note 2 Basis of Preparation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements are presented in Canadian dollars, the Company's functional currency, and all values are rounded to the nearest thousands of dollars, except where indicated otherwise. All references to $ are to Canadian dollars and references to US$ are to U.S. dollars.

These consolidated financial statements were approved for issuance by the Company's board of directors ("Board") on February 17, 2026.

## Note 3 Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the applicable years presented.

**a) Basis of measurement**

These consolidated financial statements have been prepared under the historical cost convention except for certain items that are recorded at fair value on a recurring basis as required by the respective accounting standards.

**b) Basis of consolidation**

These consolidated financial statements include the results of the Company and its subsidiaries together with its interest in joint arrangements.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and continue to be consolidated until the date control ceases.

Joint arrangements represent activities where the Company has joint control established by a contractual agreement. Joint control requires unanimous consent for the relevant financial and operational decisions. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets. Where the Company has assessed the nature of its joint arrangements to be joint operations, it has recognized its proportionate share of revenue, expenses, assets and liabilities relating to these joint operations. The Company's joint ventures are accounted for using the equity method of accounting and are initially recognized at cost. The joint ventures are adjusted thereafter for the post-acquisition change in the Company's share of the equity accounted investment's net assets. The Company's consolidated financial statements include its share of the equity accounted investment's profit or loss and other comprehensive income, until the date that joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee. Distributions from investments in equity accounted investees are recognized when received.

Acquisition of an incremental ownership in a joint arrangement where the Company maintains joint control is recorded at cost or fair value if acquired as part of a business combination. Where the Company has a partial disposal, including a deemed disposal, of a joint arrangement and maintains joint control, the resulting gains or losses are recorded in earnings at the time of disposal.

All intercompany transactions, balances, income and expenses are eliminated in preparing the consolidated financial statements. Gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of Company's interest in the investee. Losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**c) Foreign currency translation**

The financial statements for each of the Company's subsidiaries and joint arrangements are prepared using their functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The presentation and functional currency of the parent company is Canadian dollars. Assets and liabilities of foreign operations are translated into Canadian dollars at the market rates prevailing at the balance sheet date. Operating results are translated at the average rates for the period. Exchange differences arising on the consolidation of the net assets and operating results of foreign operations are recorded in other comprehensive income.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of operations.

**d) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as the cash paid and the fair value of other assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. For acquisitions achieved in stages, previously held equity interests in the acquired company are remeasured at the acquisition date fair value and the resulting gain or loss is recognized in the consolidated statement of operations. Direct costs incurred by the Company in connection with an acquisition, such as finder's fees, advisors, legal, accounting, valuation and other professional or consulting fees, are expensed as general and administrative expenses when incurred. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition plus the amount of any non-controlling interest in the acquiree, and the acquisition date fair value of the acquirer's previously held equity interest, if any, over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to the consolidated statement of operations in the period of acquisition.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be an asset or liability are recognised in the consolidated statement of operations. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

At the acquisition date, any goodwill acquired is allocated to each of the operating segments expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

**e) Intangible assets**

Intangible assets are stated at cost, less accumulated amortization and impairment losses.

An intangible asset acquired as part of a business combination is measured at fair value at the date of acquisition and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Intangible assets with a finite life are amortized on a straight-line basis over their expected useful lives as follows:

| | |
|---|---|
| Long-term customer contracts | 6 – 10 years |
| Customer relationships | 5 – 12 years |
| Technology, software and license | 3 – 10 years |

The expected useful lives and method of amortization of intangible assets are reviewed on an annual basis and, if necessary, changes in expected useful life are accounted for prospectively.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate carrying value may not be recoverable.

**f) Property, plant and equipment**

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Expenditures on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the Company, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programs are capitalized and amortized over the period to the next inspection. All other maintenance costs are expensed as incurred.

Depreciation is charged to write off the cost of assets, other than assets that are work in progress, using the straight-line method over their expected useful lives.

The useful lives of the Company's property, plant and equipment are as follows:

| | |
|---|---|
| Buildings | 10 – 43 years |
| Pipelines and Connections | 8 – 50 years |
| Storage | 20 – 43 years |
| Facilities | 10 – 43 years |
| Equipment | 5 – 40 years |

The expected useful lives, method of depreciation and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes are accounted for prospectively.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of operations in the period the item is derecognized.

**g) Impairments**

The Company carries out impairment reviews in respect of goodwill at least annually or if indicators of possible impairment exist. Goodwill is monitored for impairment by the Company at the operating segment level. The Company also assesses during each reporting period whether there have been any events or changes in circumstances that indicate that property, plant and equipment and 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. Such indicators include, but are not limited to, changes in the Company's business plans, economic performance of the assets, reduced operational activity, an increase in the discount rate and evidence of physical damage. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. Where impairment exists, the asset is written down to its recoverable amount, which is the higher of the fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). Impairments are recognized immediately in the consolidated statement of operations.

The assessment for impairment entails comparing the carrying value of the asset or cash generating unit with its recoverable amount, that is, the higher of FVLCD and VIU. VIU is usually determined on the basis of discounted estimated future net cash flows. In determining FVLCD, recent market transactions are taken into account, if available. In the absence of such transactions, an appropriate valuation model is used.

An impairment loss in respect of goodwill is not reversible after it has been recognized. Otherwise, an impairment loss may be reversed if a triggering event occurs indicating a change in the recoverable amount. If there is an indication that impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased, the impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognized.

**h) Inventories**

Inventories are carried at the lower of cost and net realizable value, with cost determined using a weighted average cost method. Net realizable value is the estimated selling price less applicable selling expenses. If carrying value exceeds net realizable amount, a write down is recognized. The write down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

**i) Leases - lessee**

All leases are recognized as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of operations over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company uses a single discount rate for a portfolio of leases with reasonably similar characteristics. Lease payments on short term leases with lease terms of less than twelve months or leases on which the underlying asset is of low value are accounted for as expenses in the consolidated statement of operations.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects exercising that option. These lease payments are discounted using the Company's incremental borrowing rate where the rate implicit in the lease is not readily determinable.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date, any initial direct costs, and restoration costs.

**j) Leases - lessor**

Leases in contractual arrangements which transfer substantially all the risks and benefits of ownership of property to the lessee are accounted for as finance leases, while all other leases are accounted for as operating leases.

Finance leases are recorded as a net investment in a finance lease. The present value of minimum lease receivable under such arrangements are recorded as an investment in finance lease and the finance income is recognized in a manner that produces a consistent rate of return on the investment in the finance lease and is included in revenue.

Operating lease income is recognized in the consolidated statement of operations as it is earned over the lease term.

**k) Provisions and contingencies**

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where appropriate, the future cash flow estimates are adjusted to reflect risks specific to the liability.

If the effect of the time value of money is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized within finance costs.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably and outflow of cash is less than remote. Contingent assets are not recognized but are disclosed when an inflow of economic benefits is probable.

*Decommissioning liabilities*

Liabilities for site restoration on the retirement of assets are recognized when the Company has an obligation to restore the site, and when a reliable estimate of that liability can be made. An obligation may also crystallize during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. The present value is determined by discounting the expenditures expected to be required to settle the obligation using a risk-free discount rate. Actual expenditures incurred are charged against the accumulated liability.

A corresponding item of property, plant and equipment of an amount equivalent to the provision is also created. The amount capitalized in property, plant and equipment is depreciated over the useful life of the related asset. Increases in the decommissioning liabilities resulting from the passage of time are recognized as a finance cost in the consolidated statement of operations. Other than the unwinding of the discount on the provision, any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding item of property, plant and equipment.

*Environmental liabilities*

Environmental liabilities are recognized when remediation is probable and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the completion of a feasibility study or a commitment to a formal plan of action. The amount recognized is the best estimate of the expenditure required. Where the liability will not be settled for a number of years, the amount recognized is the present value of the estimated future expenditure using a risk-free discount rate.

**l) Employee benefits**

*Defined contribution pension plans*

The Company's defined contribution plans are funded as specified in the plans and the pension expense is recorded as the benefits are earned by employees and funded by the Company.

*Share-based payments*

The Company's equity incentive plan allows for the granting of stock options, restricted share units with time based vesting (RSUs), performance share units (PSUs) with performance based vesting and deferred share units (DSUs) that vest immediately and are redeemable after their cessation of employment with the Company.

The fair value of grants made under the equity incentive plan is measured at the date of grant of the award. The resulting cost, as adjusted for the expected and actual level of vesting of the awards, is expensed over the period in which the awards vest.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The movement in the cumulative expense since the previous balance sheet date is recognized in the consolidated statement of operations with a corresponding impact to contributed surplus.

The fair value of RSUs, PSUs and DSUs is equal to the Company's five day weighted average share price at the date of grant.

The fair value of options is measured by using the Black-Scholes model. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable and it requires the input of highly subjective assumptions. Expected volatility of the stock is based on a combination of the historical share price of the Company and also of comparable companies in the industry. The expected term of options represents the period of time that options granted are expected to be outstanding. The risk-free rate is based on the Government of Canada's Canadian Bond Yields with a remaining term equal to the expected life of the options used in the Black-Scholes valuation model.

**m) Income taxes**

Income tax expense represents the sum of the income tax currently payable and deferred income tax. Interest and penalties relating to income tax are included in finance costs.

The income tax currently payable is based on the taxable income for the period. Taxable income differs from net income as reported in the consolidated statement of operations because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided for using the liability method of accounting. Deferred income tax assets and liabilities are determined based on differences between the financial reporting and income tax basis of assets and liabilities. These differences are then measured using enacted or substantially enacted income tax rates and laws that will be in effect when these differences are expected to reverse. The effect of a change in income tax rates on deferred tax assets and liabilities is recognized in income in the period that the change occurs. Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

The Company maintains provisions for uncertain income tax positions using the best estimate of the amount expected to be paid in resolution of the uncertainty. To ensure the adequacy of these provisions, the Company reviews uncertain tax positions at the end of each reporting period to give effect to changes in facts and circumstances and the availability of new information.

**n) Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer, either at a point in time or over time. The Company does not have contracts where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year. As such, no adjustments are made to the transaction prices for the time value of money.

Revenue generated through the provision of services charged through long-term fixed-fee contracts related to infrastructure assets and includes a fixed and/or take-or-pay portion for the use of the infrastructure and a variable portion related to the servicing of volume throughput. The Company accounts for individual services separately if they are distinct, indicated by the fact that they are separately identifiable from other services provided and the customer can benefit from these distinct services. The stand-alone prices on services are determined by the rates listed within the individual contracts related to the service. The Company recognizes revenue over time as services are provided on a monthly basis, consistent with when the services are billed and paid. Long-term take-or-pay contracts, under which customers are obligated to pay fixed amounts evenly over the contract period regardless of volumes, may contain breakage rights. Breakage amounts are earned when minimum volume commitments are not utilized during the period but under certain circumstances can be used to offset overages in future periods, subject to expiry periods. The Company recognizes revenue associated with breakage at the earlier of when the breakage volume is shipped or delivered, the rights expires or when it is determined that the likelihood that the customer will utilize the right is remote.

Revenue generated through the purchasing, selling, storing and optimizing of hydrocarbon products as well as by providing aggregation services to producers and/by capturing quality, locational or time-based arbitrage opportunities are typically short to long term in accordance with a customer’s current product demands which are generally grouped as spot sales where no commitment exists prior to the day of the transaction, term sales where a commitment exists over a period of time for negotiated sales, and evergreen sales where contracts are automatically renewed on a month to month basis. The Company accounts for individual product sales separately if they are distinct, indicated by the fact that they are separately identifiable from other enforceable rights and obligations and the customer can benefit from these distinct services. The stand-alone prices on product sales are determined by the rates listed within market indexes and benchmarks and usually include quality or transportation adjustments. The Company recognizes revenue at a point in time as products are delivered and control of the product has transferred to the customer, consistent with when the products are billed and paid. All payments received before delivery are recorded as a contract liability and are recognized as revenue when delivery occurs, assuming all other criteria are met. Revenue from buy/sell transactions which are monetary transactions containing commercial substance is recognized on a gross-basis as separate performance obligation. Revenue from buy/sell transactions of non-monetary exchanges of similar products, which lack commercial substance, are recognized on a net basis.

**o) Cost of sales**

Cost of sales includes the cost of finished goods inventory (including depreciation, amortization and impairment charges), processing costs, costs related to transportation, inventory write downs and reversals, and gains and losses on derivative financial instruments relating to commodities.

**p) Non-derivative financial instruments**

*Financial assets*

Financial assets include cash and cash equivalents and trade and other receivables. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value, normally being the transaction price plus directly attributable transaction costs.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in the consolidated statement of operations when the loans and receivables are derecognized or impaired, as well as through the use of the effective interest method. This category of financial assets includes cash and cash equivalents and trade and other receivables.

Cash and cash equivalents comprise cash on hand and short-term deposits, highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value and maturity of three months or less from the date of acquisition.

A provision for impairment of trade receivables is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days past the due date) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

*Financial liabilities*

Financial liabilities classified as other liabilities include trade payables and accrued charges, dividends payable, and long-term debt. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are initially recognized at fair value. For interest-bearing loans and borrowings this is the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement, modification or cancellation of liabilities are recognized in the consolidated statement of operations.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**q) Derivative financial instruments**

Derivative financial instruments, used periodically by the Company to manage exposure to market risks relating to commodity prices, share-based compensation and foreign currency, are not designated as hedges. They are recorded at fair value and recorded on the Company's balance sheet as either an asset, when the fair value is positive, or a liability, when the fair value is negative. Changes in fair value are recorded immediately in the consolidated statement of operations.

**r) Critical accounting estimates and judgments**

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Company to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***i) Critical accounting estimates and assumptions***

The preparation of financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual outcomes could differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*Impairment assessment of non-financial assets*

The Company tests annually whether goodwill of an operating segment has suffered any impairment. The recoverable amounts of the operating segments are determined based on the higher of VIU and FVLCD 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.

In the impairment analysis of the Company's assets, some of the key assumptions used are budgeted earnings before interest, taxes, depreciation and amortization less corporate expenses ("EBITDA") which involves estimating revenue growth rates, 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.

*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.

***ii) Critical judgments in applying the Company's accounting policies***

*Critical judgments in determining lease terms*

The Company uses hindsight in determining the lease term where a contract contains options to extend or terminate the lease. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed upon a trigger by a significant event or a significant change in circumstances.

*Identification of cash-generating unit ("CGU")*

For the purposes of impairment testing, assets are grouped at the lowest levels of assets which generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets, which is a CGU. The allocation of assets into a CGU requires significant judgment and interpretation with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructure and the way in which the Company monitors performance.

*Impairment of non-financial assets*

The assessment of impairment of non-financial assets involves judgment of whether or or not events or changes in circumstances indicate that the carrying value of an asset or CGU or group of CGUs may exceed its recoverable amount. The Company utilizes internal and external sources of information, including but not limited to; changes in the technological, economic or legal environment; indications of obsolescence or physical damage; or evidence that the economic performance of the asset or CGU is worse than expected.

*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. 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.

*Investment in finance leases*

In determining whether certain of the Company's long-term tank storage arrangements are, or contain, a lease, the Company must use judgment in assessing whether the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where such rights do not exist, the arrangement is considered a service contract. For those arrangements considered to be a lease, further judgment is required to determine whether substantially all of the significant risks and rewards of ownership are transferred to the customer or remain with the Company, to appropriately account for the arrangement as a finance or operating lease. These judgments can be significant as to how the Company classifies amounts related to the arrangements as property, plant and equipment or net investment in finance lease on the balance sheet. The Company has determined, based on the terms and conditions of certain arrangements, that substantial risks and rewards to the ownership of certain storage tanks have been transferred to the customer, and accordingly, these storage tanks have been recognized as an investment in finance lease.

*Current and deferred taxation*

The computation of the Company's income tax expense involves the interpretation of applicable tax laws and regulations in many jurisdictions. The resolution of tax positions taken by the Company can take significant time to realize and in some cases it is difficult to predict the ultimate outcome. In addition, the Company has carry-forward tax losses in certain taxing jurisdictions that are available to offset against future taxable profit. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in consolidated statement of operations in the period in which the change occurs. 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. To the extent that actual outcomes differ from Company's estimates, income tax charges or credits may arise in future periods.

## Note 4 Changes in Accounting Policies and Disclosures

*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.

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

## Note 5 Trade and Other Receivables

| | | As at December 31, | |
|---|---|---|---|
| | *Note* | **2025** | **2024** |
| Trade receivables | | 465,845 | 661,664 |
| Allowance for doubtful accounts | | (275) | (283) |
| Trade receivables, net | | 465,570 | 661,381 |
| Risk management assets | *23* | 7,294 | 6,965 |
| Taxes receivable | *18* | 22,580 | 9,311 |
| Other | | 667 | 1,219 |
| | | 496,111 | 678,876 |

## Note 6 Inventories

| | As at December 31, | |
|---|---|---|
| | **2025** | **2024** |
| Crude oil, natural gas liquids and diluent | 94,858 | 158,088 |
| Asphalt | 36,867 | 46,376 |
| Wellsite fluids and distillate | 13,092 | 15,940 |
| | 144,817 | 220,404 |

The cost of the inventory sold included in cost of sales was $9,638.8 million and $10,937.0 million for the years ended December 31, 2025, and 2024, respectively.

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

## Note 7 Net Investment in Finance Leases

The Company has entered into certain fixed term contractual arrangements where the Company has assessed the risks and rewards of ownership of the asset have passed to the customer. These arrangements are accounted for as finance leases:

| | As at December 31, | |
|---|---|---|
| | **2025** | **2024** |
| Total minimum lease payments receivable | 487,318 | 544,959 |
| Residual value | 61,267 | 61,267 |
| Unearned income | (367,418) | (420,682) |
| | 181,167 | 185,544 |
| Less: current portion | 3,414 | 2,155 |
| **Net investment in finance lease: non-current portion** | 177,753 | 183,389 |

The minimum lease receivables are expected to be as follows:

| | |
|---|---|
| 2026 | 39,354 |
| 2027 | 39,540 |
| 2028 | 39,904 |
| 2029 | 41,107 |
| 2030 | 38,286 |
| 2031 and later | 289,127 |

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

## Note 8 Property, Plant and Equipment

| | Land and Buildings | Pipelines and Connections | Storage | Facilities and Equipment | Assets under Construction | Total |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| As at January 1, 2025 | 328,832 | 562,603 | 1,449,306 | 1,864,465 | 61,047 | 4,266,253 |
| Additions and adjustments | 1,136 | 44,447 | 27,848 | 55,456 | 15,067 | 143,954 |
| Disposals | — | — | — | (1,188) | — | (1,188) |
| Change in decommissioning provision | (61) | (1,147) | (6,284) | (7,158) | — | (14,650) |
| Effect of movements in exchange rates | (9,013) | (5,884) | (22,051) | (44,850) | (1,442) | (83,240) |
| **As at December 31, 2025** | 320,894 | 600,019 | 1,448,819 | 1,866,725 | 74,672 | 4,311,129 |
| **Accumulated depreciation and impairment:** | | | | | | |
| As at January 1, 2025 | 65,589 | 203,231 | 302,562 | 579,819 | — | 1,151,201 |
| Depreciation and adjustments | 7,277 | 16,535 | 41,031 | 60,277 | — | 125,120 |
| Disposals | — | — | — | (1,186) | — | (1,186) |
| Effect of movements in exchange rates | (252) | (1,309) | (1,180) | (3,434) | — | (6,175) |
| **As at December 31, 2025** | 72,614 | 218,457 | 342,413 | 635,476 | — | 1,268,960 |
| **Carrying amounts:** | | | | | | |
| As at January 1, 2025 | 263,243 | 359,372 | 1,146,744 | 1,284,646 | 61,047 | 3,115,052 |
| As at December 31, 2025 | 248,280 | 381,562 | 1,106,406 | 1,231,249 | 74,672 | 3,042,169 |

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

| | Land and Buildings | Pipelines and Connections | Storage | Facilities and Equipment | Assets under Construction | Total |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| As at January 1, 2024 | 318,544 | 538,065 | 1,273,579 | 1,717,436 | 155,817 | 4,003,441 |
| Additions and adjustments | 1,187 | 26,437 | 144,206 | 112,373 | (95,861) | 188,342 |
| Disposals | (6,503) | (14,236) | (9,594) | (37,025) | — | (67,358) |
| Change in decommissioning provision | (41) | 2,358 | 2,909 | (4,660) | — | 566 |
| Effect of movements in exchange rates | 15,645 | 9,979 | 38,206 | 76,341 | 1,091 | 141,262 |
| **As at December 31, 2024** | 328,832 | 562,603 | 1,449,306 | 1,864,465 | 61,047 | 4,266,253 |
| **Accumulated depreciation and impairment:** | | | | | | |
| As at January 1, 2024 | 62,374 | 193,262 | 271,894 | 538,773 | — | 1,066,303 |
| Depreciation and adjustments | 7,651 | 16,065 | 36,676 | 69,038 | — | 129,430 |
| Disposals | (4,727) | (7,992) | (7,324) | (32,065) | — | (52,108) |
| **Effect of movements in exchange rates** | 291 | 1,896 | 1,316 | 4,073 | — | 7,576 |
| **As at December 31, 2024** | 65,589 | 203,231 | 302,562 | 579,819 | — | 1,151,201 |
| **Carrying amounts:** | | | | | | |
| As at January 1, 2024 | 256,170 | 344,803 | 1,001,685 | 1,178,663 | 155,817 | 2,937,138 |
| As at December 31, 2024 | 263,243 | 359,372 | 1,146,744 | 1,284,646 | 61,047 | 3,115,052 |

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

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

## Note 9 Right-of-use Assets

| | Buildings | Rail Cars | Other | Total |
|---|---|---|---|---|
| **Cost:** | | | | |
| As at January 1, 2025 | 47,491 | 68,425 | 9,363 | 125,279 |
| Additions and adjustments | 34,412 | 20,439 | 195 | 55,046 |
| Disposals | — | (28,245) | (454) | (28,699) |
| Effect of movements in exchange rates | (205) | — | (315) | (520) |
| **As at December 31, 2025** | 81,698 | 60,619 | 8,789 | 151,106 |
| **Accumulated depreciation and impairment:** | | | | |
| As at January 1, 2025 | 34,704 | 49,834 | 2,494 | 87,032 |
| Depreciation and adjustments | 5,433 | 12,902 | 2,559 | 20,894 |
| Disposals | — | (28,245) | (454) | (28,699) |
| Effect of movements in exchange rates | (76) | — | (98) | (174) |
| **As at December 31, 2025** | 40,061 | 34,491 | 4,501 | 79,053 |
| **Carrying amounts:** | | | | |
| As at January 1, 2025 | 12,787 | 18,591 | 6,869 | 38,247 |
| As at December 31, 2025 | 41,637 | 26,128 | 4,288 | 72,053 |

| | Buildings | Rail Cars | Other | Total |
|---|---|---|---|---|
| **Cost:** | | | | |
| As at January 1, 2024 | 44,748 | 90,441 | 12,051 | 147,240 |
| Additions and adjustments | 2,949 | 1,985 | 5,721 | 10,655 |
| Disposals | (500) | (24,001) | (8,938) | (33,439) |
| Effect of movements in exchange rates | 294 | — | 529 | 823 |
| **As at December 31, 2024** | 47,491 | 68,425 | 9,363 | 125,279 |
| **Accumulated depreciation and impairment:** | | | | |
| As at January 1, 2024 | 29,572 | 57,336 | 7,977 | 94,885 |
| Depreciation and adjustments | 5,526 | 16,127 | 3,287 | 24,940 |
| Disposals | (500) | (23,629) | (8,938) | (33,067) |
| Effect of movements in exchange rates | 106 | — | 168 | 274 |
| **As at December 31, 2024** | 34,704 | 49,834 | 2,494 | 87,032 |
| **Carrying amounts:** | | | | |
| As at January 1, 2024 | 15,176 | 33,105 | 4,074 | 52,355 |
| As at December 31, 2024 | 12,787 | 18,591 | 6,869 | 38,247 |

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

## Note 10 Investment in Equity Accounted Investees

| | Ownership % | Share of Profit for the year | | Investment in Equity Accounted Investees as at | |
|---|---|---|---|---|---|
| | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| Hardisty Energy Terminal Limited Partnership ("HET") | 50% | 23,317 | 25,958 | 133,083 | 135,465 |
| Zenith Energy Terminals Joliet Holdings LLC ("Zenith") | 36% | — | 205 | — | — |
| | | 23,317 | 26,163 | 133,083 | 135,465 |

The Company, as the operator, holds a 50 percent interest in HET, operating a Diluent Recovery Unit adjacent to the Company's Hardisty Terminal. On June 17, 2024, the Company sold its 36 percent interest in Zenith, which owns and operates a crude-by-rail and storage terminal and a pipeline connection to a common carrier crude oil pipeline in Joliet, Illinois for proceeds of $23.4 million.

The Company's share of profit or loss from these investments is included within the Infrastructure' segment profit. During the year ended December 31, 2025, the Company contributed $3.9 million to HET (year ended December 31, 2024 - $nil).

The Company received distributions for the year ended December 31, 2025, of $29.6 million (year ended December 31, 2024 – $29.6 million).

Noted below is summarized financial information (presented at 100%) for the HET equity investment:

| | Year ended December 31, | |
|---|---|---|
| **Net income and comprehensive income** | **2025** | **2024** |
| Revenue | 72,513 | 74,760 |
| Operating expenses | 14,187 | 15,672 |
| Depreciation and amortization | 10,544 | 8,983 |
| Other (gains) / losses | 1,147 | (1,811) |
| Net income and comprehensive income | 46,635 | 51,916 |
| **Net income and comprehensive income attributable to the Company** | 23,317 | 25,958 |

| | As at December 31, | |
|---|---|---|
| **Balance sheet** | **2025** | **2024** |
| Current assets (1) | 20,934 | 21,706 |
| Non-current assets (2) | 241,607 | 247,043 |
| Current liabilities | 10,212 | 11,192 |
| Non-current liabilities (3) | 17,730 | 18,163 |

(1) *Includes cash and cash equivalents of $20.9 million (2024: $21.7 million)*

(2) *Includes property, plant and equipment (net) of $240.8 million (2024: $246.2 million)*

(3) *Comprised of provisions of $10.0 million (2024: $10.9 million)*

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

## Note 11 Intangible Assets

| | Brands | Customer Relationships | Long-term Customer Contracts | Technology, Software and Other | Total |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| As at January 1, 2025 | 22,700 | 150,554 | 26,207 | 66,217 | 265,678 |
| Additions and adjustments | — | — | — | 4,777 | 4,777 |
| Disposals | — | — | — | (752) | (752) |
| Effect of movements in exchange rates | — | (5,334) | (1,035) | (65) | (6,434) |
| **As at December 31, 2025** | 22,700 | 145,220 | 25,172 | 70,177 | 263,269 |
| **Accumulated amortization and impairment:** | | | | | |
| As at January 1, 2025 | 22,700 | 70,637 | 18,516 | 49,989 | 161,842 |
| Amortization and adjustments | — | 21,212 | 2,206 | 3,701 | 27,119 |
| Disposals | — | — | — | (752) | (752) |
| Effect of movements in exchange rates | — | (1,880) | (685) | (24) | (2,589) |
| **As at December 31, 2025** | 22,700 | 89,969 | 20,037 | 52,914 | 185,620 |
| **Carrying amounts:** | | | | | |
| As at January 1, 2025 | — | 79,917 | 7,691 | 16,228 | 103,836 |
| As at December 31, 2025 | — | 55,251 | 5,135 | 17,263 | 77,649 |

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

| | Brands | Customer Relationships | Long-term Customer Contracts | Technology, Software, and Other | Total |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| As at January 1, 2024 | 22,700 | 141,278 | 24,407 | 59,190 | 247,575 |
| Additions and adjustments | — | — | — | 8,223 | 8,223 |
| Disposals | — | — | — | (1,260) | (1,260) |
| Effect of movements in exchange rates | — | 9,276 | 1,800 | 64 | 11,140 |
| **As at December 31, 2024** | 22,700 | 150,554 | 26,207 | 66,217 | 265,678 |
| **Accumulated amortization and impairment:** | | | | | |
| As at January 1, 2024 | 22,700 | 47,992 | 15,306 | 45,551 | 131,549 |
| Amortization and adjustments | — | 20,845 | 2,163 | 5,662 | 28,670 |
| Disposals | — | — | — | (1,260) | (1,260) |
| Effect of movements in exchange rates | — | 1,800 | 1,047 | 36 | 2,883 |
| **As at December 31, 2024** | 22,700 | 70,637 | 18,516 | 49,989 | 161,842 |
| **Carrying amounts:** | | | | | |
| As at January 1, 2024 | — | 93,286 | 9,101 | 13,639 | 116,026 |
| As at December 31, 2024 | — | 79,917 | 7,691 | 16,228 | 103,836 |

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

## Note 12 Goodwill

The changes in the carrying amount of goodwill are as follows:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| **Opening balance** | 417,677 | 410,225 |
| Effect of movements in exchange rates | (4,285) | 7,452 |
| **Closing balance** | 413,392 | 417,677 |

Goodwill is monitored for impairment at the operating segment level and allocated as follows:

| | As at December 31, 2025 | 2024 |
|---|---|---|
| Terminals | 246,534 | 249,094 |
| U.S. Pipelines | 34,286 | 36,011 |
| Moose Jaw Facility | 89,017 | 89,017 |
| Marketing Canada | 43,555 | 43,555 |
| | 413,392 | 417,677 |

The goodwill recorded on the balance sheet represents the excess of the cost of acquisitions over the fair value of identifiable assets, liabilities and contingent liabilities acquired. Of the balance as at December 31, 2025, $325.6 million, net of impairment, relates to goodwill recognized on the acquisition of the Company on December 12, 2008.

On November 30, 2025, the Company carried out its annual impairment test with respect to goodwill. For all operating segments the recoverable amount was greater than the carrying value, including goodwill.

**Key assumptions used in 2025 impairment test**

The recoverable amount of the operating segments were based on FVLCD method using either a discounted cash flow approach or an earnings multiple approach. The Company referenced approved budgets and cash flow forecasts, trailing twelve-month EBITDA, implied multiples and appropriate discount rates in the valuation calculations. The implied multiple is calculated by utilizing multiples of comparable public companies for each operating segment. To determine fair value, historic and implied forward market multiples were applied to each operating segment's budgeted EBITDA less corporate expenses. In calculating fair value for each operating segment, other than U.S. Pipelines, the Company used implied forward market multiples that ranged from 7 to 13. Cash flows were projected based on past experience, actual operating results and the 2026 budget.

The recoverable amount of the U.S. Pipelines segment was determined by discounting the forecasted future cash flows generated from continued use of the operating segment. The model calculated the present value of the estimated future earnings of the above stated operating segment. Estimating future earnings requires judgment, considering past and actual performance as well as expected developments in the respective markets and in the overall macro-economic environment. The calculation of the recoverable amount using the discounted cash flow approach was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the long-term business plan
- The terminal value multiple of 7x is based on Company's best estimate of transaction multiples over the longer term
- The discount rate of 11.5% reflects the size, risk profile and circumstances of the operating segment based on past experience and industry expectations

The fair value of each operating segment was categorized as a Level 3 fair value, based on the use of unobservable inputs.

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

## Note 13 Long-Term Debt

| | Coupon Rate | Year of Maturity | As at December 31, 2025 | 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 | 5.25% | 2080 | 250,000 | 250,000 |
| Unsecured hybrid notes | 8.70% | 2083 | 200,000 | 200,000 |
| Unamortized issue discount and debt issue costs | | | (17,058) | (16,367) |
| | | | 2,702,342 | 2,598,635 |
| **Less: current portion** | | | — | (325,000) |
| **Long-term debt** | | | 2,702,342 | 2,273,635 |

### Unsecured revolving credit facility

The revolving credit facility of $1,000.0 million is available to provide financing for working capital, fund capital expenditures and other general corporate purposes. The revolving credit facility permits letters of credit, swingline loans and borrowings in Canadian dollars and U.S. dollars. Borrowings under the revolving credit facility bear interest at a rate equal to Canadian Prime Rate or U.S. Base Rate or Secured Overnight Financing Rate or Canadian Bankers Acceptance Rate, as the case may be, plus an applicable margin. The applicable margin for borrowings under the revolving credit facility is subject to step up and step down based on the Company's credit rating and relative performance to selected environmental, social and governance targets. The Company must pay standby fees on the unused portion of the revolving credit facility and customary letter of credit fees equal to the applicable margins determined in a manner similar to interest. During the second quarter of 2025, the Company amended its revolving credit facility and extended the maturity date from April 2029 to June 2030, amongst other amendments.

The Company has two bilateral demand facilities, available for general corporate purposes or letters of credit, totaling $150.0 million under which it had issued letters of credit totaling $36.9 million (December 31, 2024 – $37.5 million).

### Senior unsecured notes

During the third quarter of 2025 the Company settled its $325.0 million senior unsecured notes upon maturity and 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 semi-annual interest payment dates of February 20 and August 20.

During the fourth quarter of 2024 the Company closed its offering of senior unsecured notes carrying a fixed 4.45% coupon rate and a maturity date of November 12, 2031, with a semi-annual interest payment dates of May 12 and November 12 . The Company used the net proceeds to fund the redemption at par, plus accrued and unpaid interest for its senior unsecured notes carrying a fixed 5.8% per annum coupon rate.

### Covenants

The Company is required to meet certain specific and customary affirmative and negative financial covenants under various debt agreements. As at December 31, 2025, the Company is in compliance with its covenants:

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

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

The components of finance costs are as follows:

| | | Year ended December 31, | |
|---|---|---|---|
| | ***Note*** | **2025** | **2024** |
| Interest expense | | 139,536 | 142,561 |
| Capitalized interest | | (768) | (6,175) |
| Interest expense, finance lease | *14* | 2,900 | 2,767 |
| Interest income | | (2,301) | (2,654) |
| Debt extinguishment costs | | — | 1,819 |
| | | 139,367 | 138,318 |

Reconciliation of cash flows arising from financing activities:

| | Year ended December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **Opening balance** | 2,598,635 | 2,711,543 |
| Proceeds from issuance of long-term debt, net of costs | 372,669 | 347,797 |
| Draw on revolving credit facility, net | 54,247 | — |
| Net cash provided by financing activities | 3,025,551 | 3,059,340 |
| Repayment of revolving credit facility, net | — | (115,000) |
| Repayment of long-term debt | (325,000) | (350,000) |
| Net cash used in financing activities | (325,000) | (465,000) |
| Debt extinguishment costs | — | 1,819 |
| Deferred financing costs and other | 1,791 | 2,476 |
| **Closing balance** | 2,702,342 | 2,598,635 |

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

## Note 14 Lease Liabilities

| | Year ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| **Opening balance** | 48,180 | 62,005 |
| Additions | 55,046 | 10,655 |
| Disposals | 125 | — |
| Interest expense | 2,900 | 2,767 |
| Lease payments | (25,618) | (30,241) |
| Effect of movements in exchange rates | (1,569) | 2,994 |
| **Closing balance** | 79,064 | 48,180 |
| Less: current portion | 18,103 | 20,645 |
| **Closing balance – non-current portion** | 60,961 | 27,535 |

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

## Note 15 Trade Payables and Accrued Charges

Trade payables and accrued charges comprise of the following items:

| | | As at December 31, | |
|---|---|---|---|
| | *Note* | 2025 | 2024 |
| Trade payables | | 441,710 | 794,537 |
| Accrued compensation charges | | 19,439 | 20,292 |
| Taxes payable | *18* | 5,997 | 695 |
| Risk management liabilities | *23* | 4,400 | 27,860 |
| Interest payable | | 41,809 | 40,908 |
| Other | | 13,164 | 14,007 |
| | | 526,519 | 898,299 |

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

## Note 16 Provisions

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

| | | Year ended December 31, | |
|---|---|---|---|
| | *Note* | **2025** | **2024** |
| **Opening balance** | | 206,349 | 194,242 |
| Settlements | | (4,679) | (2,605) |
| Additions | | — | 18,460 |
| Disposals | | — | (3,374) |
| Change in estimated future cash flows | | 3,656 | 104 |
| Change in discount rate | *5* | (18,789) | (10,386) |
| Unwind of discount | | 5,477 | 5,186 |
| Effect of movements in exchange rates | | (2,725) | 4,722 |
| **Closing balance** | | 189,289 | 206,349 |

The Company currently estimates the total undiscounted future value amount, including an inflation factor of 2.0% of estimated cash flows to settle the future liability for asset retirement and remediation obligations. Cash flows to settle the future liability for asset retirement and remediation obligations have been estimated at $546.0 million and $549.1 million as at December 31, 2025 and 2024, respectively.

In order to determine the current provision related to these future values, the estimated future values were discounted using an average risk-free rate of 3.9% at December 31, 2025 (3.3% - December 31, 2024).The change in the risk-free rate results in an adjustment in cost to the corresponding asset. Changes in the estimated future cash flows above represent revisions made as a result of the Company's review of the amount of future cash flows to settle decommissioning obligations for select assets. The undiscounted cash flows at the decommissioning are calculated using an estimated timing of economic outflows ranging up to 50 years with the majority estimated around 35 years.

A one percent increase or decrease in the risk-free rate would decrease or increase the provision by $35.8 million (December 31, 2024 – $42.4 million), with a corresponding adjustment to property, plant and equipment.

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

## Note 17 Share Capital

### a) Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares.

Holders of common shares are entitled to one vote per common share at meetings of shareholders of the Company, to receive dividends if, and when declared by the Board and to receive pro rata the remaining property and assets of the Company upon its dissolution, liquidation or winding-up, subject to the rights of shares having priority over the common shares.

The preferred shares are issuable in series and have such rights, restrictions, conditions and limitations as the Board may from time to time determine. The preferred shares shall rank senior to the common shares with respect to the payment of dividends or distribution of assets or return of capital of the Company in the event of a dissolution, liquidation or winding-up of the Company. There were no issued and outstanding preferred shares as at December 31, 2025 or 2024. The unsecured hybrid notes include terms which could result in issuing conversion preference shares.

### b) Common Shares – Issued and Outstanding

The following table below sets forth the issued and outstanding common shares for the years ended December 31, 2025 or 2024.

| | Number of Common Shares | Amount |
|---|---|---|
| **As at January 1, 2024** | 161,659,913 | 2,341,267 |
| Issued in connection with the exercise of stock options | 243,773 | 5,392 |
| Tax effect of equity settled awards | — | 343 |
| Reclassification of contributed surplus on issuance of awards under equity incentive plans | 1,157,812 | 24,863 |
| **As at December 31, 2024** | 163,061,498 | 2,371,865 |
| Issued in connection with the exercise of stock options | 24,642 | 470 |
| Tax effect of equity settled awards | — | 405 |
| Reclassification of contributed surplus on issuance of awards under equity incentive plans | 766,521 | 15,411 |
| **As at December 31, 2025** | 163,852,661 | 2,388,151 |

A dividend of $0.43 per share, declared on November 3, 2025, was paid on January 16, 2026. For the year ended December 31, 2025, the Company declared total dividends of $1.72 per common share.

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.

### c) Per Share Amounts

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

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Weighted average common shares outstanding – Basic | 163,647,863 | 162,483,518 |
| Dilutive effect of stock options and other awards | 1,233,621 | 1,480,300 |
| **Weighted average common shares – Diluted** | 164,881,484 | 163,963,818 |

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

## Note 18 Income Taxes

The major components of income tax are as follows:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Current tax expense | 25,431 | 32,499 |
| Adjustments and true ups in respect of prior years | (2,165) | (2,181) |
| Total current tax provision | 23,266 | 30,318 |
| Deferred tax expense | 36,346 | 23,185 |
| Origination and reversal of temporary differences | (2,834) | 277 |
| Total deferred tax expense | 33,512 | 23,462 |
| **Net income tax expense** | 56,778 | 53,780 |

The income tax expense differs from the amounts which would be obtained by applying the Canadian statutory income tax rate to income before income taxes. These differences result from the following items:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Income before income tax | 254,416 | 205,954 |
| Statutory income tax rate | 23.38% | 23.45% |
| Computed income tax expense | 59,482 | 48,296 |
| Changes in income tax expense (recovery) resulting from: | | |
| Statutory and other rate differences | (512) | 352 |
| Non-deductible expenses | 123 | 148 |
| Other items, including adjustments and true ups in prior years | (1,208) | 5,108 |
| Foreign exchange (gains) losses | (1,107) | (124) |
| **Net income tax expense** | 56,778 | 53,780 |
| **Effective income tax rate** | 22.32% | 26.11% |

The gross movement on the deferred income tax account is as follows:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| **Opening balance:** | 140,084 | 118,248 |
| Effect of changes in foreign exchange rates | (272) | (465) |
| Income statement expense | 33,512 | 23,462 |
| Tax relating to components of other comprehensive income and contributed surplus | (113) | (818) |
| Tax credited directly to equity | (405) | (343) |
| **Closing balance** | 172,806 | 140,084 |

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

The movement in the significant components of deferred income tax assets and liabilities during the year, without taking into consideration the offsetting balances within the same tax jurisdiction, is as follows:

| **Deferred tax assets** | **Non-capital Losses Carried Forward** | **Asset Retirement Obligations** | **Goodwill, Intangibles, and Other** | **Total** |
|---|---|---|---|---|
| **As at January 1, 2024** | 25,312 | 45,082 | 97,090 | 167,484 |
| Charged to the statement of operations | 131,443 | 2,212 | (5,407) | 128,248 |
| Charged to other comprehensive (loss) income | — | — | 818 | 818 |
| Effect of changes in foreign exchange rates | 8,348 | 643 | 3,400 | 12,391 |
| Tax charged directly to equity | — | — | 343 | 343 |
| **As at December 31, 2024** | 165,103 | 47,937 | 96,244 | 309,284 |
| Charged to the statement of operations | (13,321) | (3,801) | 6,146 | (10,976) |
| Charged to other comprehensive income | — | — | 113 | 113 |
| Effect of changes in foreign exchange rates | (3,020) | (222) | (1,439) | (4,681) |
| Tax charged directly to equity | | | 405 | 405 |
| **As at December 31, 2025** | 148,762 | 43,914 | 101,469 | 294,145 |

| **Deferred tax liabilities** | **Investments in Equity Accounted Investees** | **Property, Plant and Equipment and Other** | **Total** |
|---|---|---|---|
| **As at January 1, 2024** | (16,313) | (269,419) | (285,732) |
| Credited to the statement of operations | 1,009 | (152,719) | (151,710) |
| Effect of changes in foreign exchange rates | — | (11,926) | (11,926) |
| **As at December 31, 2024** | (15,304) | (434,064) | (449,368) |
| Charged (credited) to the statement of operations | (1,150) | (21,386) | (22,536) |
| Effect of changes in foreign exchange rates | | 4,953 | 4,953 |
| **As at December 31, 2025** | (16,454) | (450,497) | (466,951) |

**Income tax losses carry forward**

At December 31, 2025, and 2024, the Company had losses available to offset income for tax purposes of $657.8 million and $730.2 million, respectively. Certain losses arising in taxable years beginning after December 31, 2018, may be carried forward indefinitely with the net operating loss deduction limited to 80% of taxable income which is determined without regard to the deduction.

At December 31, 2025, the Company has $657.8 million of the losses available in the U.S. that expire as follows:

| | |
|---|---|
| December 31, 2036 | 7,519 |
| December 31, 2037 | 13,382 |
| December 31, 2039 and beyond | 636,871 |
| | 657,772 |

No income tax liability has been recognized in respect of temporary differences associated with investments in subsidiaries, except for investments in equity accounted investees, as the Company can control the timing of the reversal of the temporary difference and the reversal is not probable in the foreseeable future.

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

## Note 19 Revenue

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Revenue from contracts with customers recognized at a point in time | 10,184,845 | 11,257,513 |
| Revenue from contracts with customers recognized over time | 310,464 | 319,773 |
| Total revenue from contracts with customers | 10,495,309 | 11,577,286 |
| Total revenue from lease arrangements | 193,937 | 202,663 |
| | 10,689,246 | 11,779,949 |

During the year ended December 31, 2025, the Company recognized $38.5 million (2024 – $112.0 million) of revenue which was included in the contract liability balance at the beginning of the period. The Company expects that the performance obligations represented by the $66.1 million contract liability balance as at December 31, 2025 will be recognized as revenue during 2026.

| Year ended December 31, 2025 | Infrastructure | Marketing | Total |
|---|---|---|---|
| External Service Revenue | | | |
| Terminals storage and throughput / pipeline transportation | 299,195 | — | 299,195 |
| Rail and other | 11,269 | — | 11,269 |
| External Product Revenue | | | |
| Crude, diluent and other products | — | 9,667,220 | 9,667,220 |
| Refined products | — | 517,625 | 517,625 |
| Total revenue from contracts with customers | 310,464 | 10,184,845 | 10,495,309 |

| Year ended December 31, 2024 | Infrastructure | Marketing | Total |
|---|---|---|---|
| External Service Revenue | | | |
| Terminals storage and throughput / pipeline transportation | 303,606 | — | 303,606 |
| Rail and other | 16,167 | — | 16,167 |
| External Product Revenue | | | |
| Crude, diluent and other products | — | 10,712,206 | 10,712,206 |
| Refined products | — | 545,307 | 545,307 |
| Total revenue from contracts with customers | 319,773 | 11,257,513 | 11,577,286 |

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

## Note 20 Depreciation, Amortization and Impairment

| | *Note* | Year ended December 31, 2025 | 2024 |
|---|---|---|---|
| Depreciation and impairment of property, plant and equipment | 8 | 125,233 | 132,343 |
| Depreciation and impairment of right-of-use assets | 9 | 21,019 | 25,702 |
| Amortization and impairment of intangible assets | 11 | 27,134 | 28,624 |
| Impairment of finance lease assets | | 2,222 | — |
| | | 175,608 | 186,669 |

Depreciation, amortization and impairment have been expensed as follows:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Cost of sales | 165,488 | 176,748 |
| General and administrative | 10,120 | 9,921 |
| | 175,608 | 186,669 |

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

## Note 21 Employee Salaries and Benefits

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Salaries, wages and benefits | 103,087 | 106,844 |
| Post employment benefits | 4,019 | 4,151 |
| Share-based compensation | 17,828 | 22,040 |
| Termination costs | 2,712 | 14,773 |
| | 127,646 | 147,808 |

Employee salaries and benefits have been expensed as follows:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Cost of sales | 74,814 | 81,574 |
| General and administrative | 52,832 | 66,234 |
| | 127,646 | 147,808 |

**Compensation of key management**

Compensation awarded to the Company's directors and senior executive officers was:

| | Year ended December 31, 2025 | 2024 |
|---|---|---|
| Salaries, wages and benefits | 3,785 | 8,232 |
| Post employment benefits | 117 | 151 |
| Share-based compensation | 4,824 | 12,918 |
| Termination costs | 1,989 | 9,171 |
| | 10,715 | 30,472 |

## Note 22 Share-based Compensation

The Company has established an equity incentive plan which permits the award of stock options, RSUs, PSUs and DSUs for executives, directors, employees, and consultants of the Company. Stock options provide the holder with the right to exercise an option to purchase a common share, upon vesting, at a price determined on the date of grant. RSUs give the holder the right to receive, upon vesting, either a common share or a cash payment. The RSUs granted in the current and prior period are expected to be settled by delivery of common shares and accordingly, were considered an equity-settled award for accounting purposes. RSUs granted generally vest ratably over a three year period. RSUs granted with specific performance criteria are designated as PSUs. PSUs vest at the end of the three year period dependent on the achievement of certain performance criteria. DSUs are similar to RSUs except that DSUs may not be redeemed until the holder ceases to hold all offices, employment and directorships and vest immediately.

At December 31, 2025, common share awards available to grant under the equity incentive plan are approximately 4.4 million.

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

A summary of RSUs, PSUs and DSUs activity is set forth below:

| | Number of Units | | |
|---|---|---|---|
| | **Restricted Share Units** | **Performance Share Units** | **Deferred Share Units** |
| **As at January 1, 2024** | 740,141 | 802,952 | 941,645 |
| Granted | 522,259 | 319,102 | 179,453 |
| Exercised and released for common shares | (412,539) | (413,426) | (331,855) |
| Forfeited | (92,235) | (166,659) | — |
| **As at December 31, 2024** | 757,626 | 541,969 | 789,243 |
| Granted | 603,297 | 391,461 | 124,113 |
| Exercised and released for common shares | (339,598) | (111,781) | (315,141) |
| Forfeited | (176,934) | (169,870) | — |
| **As at December 31, 2025** | 844,391 | 651,779 | 598,215 |
| Vested and exercisable at December 31, 2024 | | | 789,243 |
| Vested and exercisable at December 31, 2025 | | | 598,215 |

Share-based compensation expense was $17.8 million and $22.0 million for the years ended December 31, 2025, and 2024, respectively, and is included in general and administrative expenses.

The Company did not award any stock options for the years ended December 31, 2025, and 2024, and has 4,000 stock options outstanding as of December 31, 2025 (December 31, 2024 - 38,100).

The fair value of RSUs, PSUs and DSUs was determined using the five days weighted average stock price prior to the date of grant.

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

## Note 23 Financial Instruments

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

**a) Non-Derivative financial instruments**

Cash and cash equivalents, trade and other receivables, trade payables and accrued charges and dividends payable are recorded at amortized cost which approximates fair value due to the short-term nature of these instruments.

Current and long-term debt, including the revolving credit facility, are recorded at amortized cost using the effective interest method of amortization. As at December 31, 2025, the carrying amount of long-term debt was $2,719.4 million less debt discount and issue costs of $17.1 million and the fair value of long-term debt based on period end trading prices on the secondary market (Level 2) was $2,797.4 million. As at December 31, 2024, the carrying amount of long-term debt was $2,615.0 million less debt discount and issue costs of $16.4 million and the fair value of long-term debt based on period end trading prices on the secondary market (Level 2) was $2,677.8 million.

Financial assets and liabilities are only offset if the Company has the current legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. The following table provides a summary of the Company's offsetting trade and other receivables and trade payables and accrued charges:

| | As at December 31, | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Trade and Other Receivables | Trade Payable and Accrued Charges | Trade and Other Receivables | Trade Payable and Accrued Charges |
| Gross amounts | 1,182,281 | 1,123,137 | 1,519,449 | 1,576,977 |
| Amount offset | (894,617) | (894,617) | (1,210,284) | (1,210,284) |
| Net amount | 287,664 | 228,520 | 309,165 | 366,693 |

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

**b) Derivative financial instruments (recurring fair value measurements)**

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

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

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

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

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

| **As at December 31, 2025** | **Carrying Amount** | **Fair Value** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| Commodity futures | 2,199 | 2,199 | — | — |
| WTI differential futures | 2,563 | 2,563 | — | — |
| Foreign currency forwards | 598 | — | 598 | — |
| Foreign currency options | 275 | — | 275 | — |
| Renewable power contracts | 1,659 | — | — | 1,659 |
| **Financial assets (carried at fair value)** | 7,294 | 4,762 | 873 | 1,659 |
| Commodity futures | 1,506 | 1,506 | — | — |
| WTI differential futures | 1,388 | 1,388 | — | — |
| Foreign currency forwards | 1,162 | — | 1,162 | — |
| Foreign currency options | 344 | — | 344 | — |
| **Financial liabilities (carried at fair value)** | 4,400 | 2,894 | 1,506 | — |
| Long-term debt - current and long-term (carried at amortized cost) | 2,702,342 | — | 2,797,421 | — |

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

The fair value of financial instruments is classified as a non-current asset (long-term prepaid expense and other assets) or liability (other long-term liabilities) if the remaining maturity is more than 12 months and, as a current asset or liability, if the maturity is less than 12 months.

The impact of the movement in the fair value of financial instruments has been recognized within cost of sales in the consolidated statements of operations, except for the renewable power contract which is recognized within general and administrative expenses.

***i) Commodity financial instruments***

The Company enters into futures and swap contracts to manage the price risk associated with sales, purchases and inventories of crude oil, natural gas liquids and petroleum products.

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

***ii) Foreign currency financial instruments***

The Company enters into foreign currency forwards or options contracts from time to time to manage the foreign currency risk pertaining to future transactions and cash flows denominated in foreign currencies, primarily in US$.

The value of the Company's derivative financial instruments is determined using inputs that are either readily available in public markets or are quoted by counterparties to these contracts. In situations where the Company obtains inputs via quotes from its counterparties, these quotes are verified for reasonableness via similar quotes from another source for each date for which financial statements are presented. The Company has consistently applied these valuation techniques in all periods presented and the Company believes it has obtained the most accurate information available for the types of financial instrument contracts held. The Company has categorized the inputs for these contracts as Level 1, defined as observable inputs such as quoted prices in active markets; Level 2 defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; or Level 3 defined as unobservable inputs in which little or no market data exists therefore requiring an entity to develop its own assumptions.

The Company used the following techniques to value financial instruments categorized in Level 2:

- The fair value of foreign currency forward contracts is determined using the forward exchange rates at the measurement date, with the resulting value discounted back to present values.
- The fair value of foreign currency options are determined using inputs which include forward exchange rates, time value and volatility factors.

***iii) Renewable power contract financial instruments***

For the financial instruments categorized in level 3, the Company based its internal valuation model on broker pricing for the Alberta electricity market, some observable market prices, extrapolated market prices based on historical available data, and estimated production discount rates. Some of these assumptions are not directly or indirectly observable and the valuation is therefore considered a level 3 measurement. The fair value of the renewable power contract is determined internally by the Company's risk management team, experienced in fair value measurements. Changes in the fair value are recorded within other (gains) and losses, net in the consolidated statement of operations and within the corporate financial instrument loss in the segment note disclosure.

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

| | **2025** | **2024** |
|---|---|---|
| As at January 1, | (3,628) | (1,296) |
| Unrealized gain (loss) as a result of changes in fair value | 5,314 | (3,040) |
| Net (gain) loss from renewable power contract included in Other losses | (27) | 708 |
| | 5,287 | (2,332) |
| Asset / (liability) as at December 31, | 1,659 | (3,628) |

**c) Financial Risk Management**

The Company's activities expose it to certain financial risks, including foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. The Company's risk management strategy seeks to reduce potential adverse effects on its financial performance. As a part of its strategy, both primary and derivative financial instruments are used to hedge its risk exposures.

There are clearly defined objectives and principles for managing financial risk, with policies, parameters and procedures covering the specific areas of funding, banking relationships, interest rate exposures and cash management. The Company's treasury and risk management functions are responsible for implementing the policies and providing a centralised service to the Company for identifying, evaluating and monitoring financial risks.

***i) Foreign currency risk***

Foreign exchange risks arise from future transactions and cash flows and from recognized monetary assets and liabilities that are not denominated in the functional currency of the Company's operations.

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

The exposure to exchange rate movements in significant future transactions and cash flows is managed by using foreign currency forward contracts and options. These financial instruments have not been designated in a hedge relationship. No speculative positions are entered into by the Company.

If the Canadian dollar strengthened or weakened by 5% relative to the U.S. dollar and all other variables, in particular interest rates remain constant, the impact on net income and equity would be as follows:

| | As at December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **U.S. Dollar Forwards** | | |
| Favorable 5% change | 13,980 | 12,178 |
| Unfavorable 5% change | (13,980) | (12,178) |

The movement is a result of a change in the fair value of U.S. dollar forward contracts and options.

The impact of translating the net assets of the Company's U.S. operations into Canadian dollars is excluded from this sensitivity analysis.

***ii) Interest rate risk***

Interest rate risk is the risk that the fair value of a financial instrument will be affected by changes in market interest rates. 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).

***iii) Commodity price risk***

The Company is exposed to changes in the price of crude oil, NGLs, oil related products and electricity commodities, which are monitored regularly. Crude oil and NGL priced futures, options and swaps are used to manage the exposure to these commodities' price movements. These financial instruments are not designated as hedges. Based on the Company's risk management policies, all of the financial instruments are employed in connection with an underlying asset/liability and/or forecasted transaction and are not entered into with the objective of speculating on commodity prices.

The following table summarizes the impact to net income and equity due to a change in fair value of the Company's derivative positions because of fluctuations in commodity prices leaving all other variables constant, in particular, foreign currency rates. The Company believes that a 15% volatility in crude oil and NGL related prices is a reasonable possible change.

| | As at December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **Crude oil and NGL related prices** | | |
| Favorable 15% change | 9,856 | 20,519 |
| Unfavorable 15% change | (9,856) | (20,519) |

***Renewable power contract***

The Company's 15-year virtual power purchase agreement pays for renewable electricity produced at a fixed rate. The fair value of the derivative instrument has been primarily based on the comparative contracted prices relative to both current and expected future pricing of electricity in the Province of Alberta. The following table summarizes the impact to net income due to a change in the fair value of the power purchase agreement due to changes in forward power prices, leaving all other variables constant. The Company believes that a 15% volatility in forward power prices is a reasonable possible change.

| | As at December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **Forward power prices** | | |
| Favorable 15% change | 4,924 | 9,743 |
| Unfavorable 15% change | (4,924) | (9,743) |

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

***iv) Credit risk***

The Company's credit risk arises from its outstanding trade receivables, including receivables from customers who have entered into fixed term contractual arrangements to have dedicated use of certain of the Company's tanks. 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 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.

The Company establishes guidelines for customer credit limits and terms. The Company review includes financial statements and external ratings when available. The Company provides adequate provisions for expected losses from the credit risks associated with trade receivables. Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The provision is based on an individual account-by-account analysis and prior credit history.

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. The Company defines current as outstanding accounts receivable under 30 days past due. The Company believes the unimpaired amounts that are past due by greater than 30 days are fully collectible based on historical default rates of customers and assessment of counterparty credit risk through established credit management techniques as discussed above. The following table details the aging of trade and other receivables:

| | As at December 31, | |
|---|---|---|
| | **2025** | **2024** |
| Current | 495,195 | 678,816 |
| Past due 31-60 days | 39 | 20 |
| Past due over 60 days | 877 | 40 |
| Total trade and other receivables | 496,111 | 678,876 |

The Company is exposed to credit risk associated with possible non-performance by financial instrument counterparties. The Company does not generally require collateral from its counterparties but believes the risk of non-performance is low. The counterparties are generally major financial institutions or commodity brokers with investment grade credit ratings as determined by recognized credit rating agencies. The Company's cash equivalents are placed in time deposits with investment grade international banks and financial institutions.

***v) Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk relates to the Company's ability to generate or obtain sufficient cash or cash equivalents to satisfy these financial obligations as they become due. The Company's process for managing liquidity risk includes preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and authorization of contractual agreements. The Company may seek additional financing based on the results of these processes. The budgets are updated with forecasts when required and as conditions change. Cash and cash equivalents, the revolving credit facility and refinancing of existing obligations, are available and are expected to be available to satisfy the Company's short and long-term requirements. As at December 31, 2025, the Company had a revolving credit facility of $1,000.0 million and two credit facilities totaling $150.0 million. As at December 31, 2025, $169.4 million (December 31, 2024 – $115.0 million) was drawn against the revolving credit facility and the Company had outstanding issued letters of credit of $36.9 million (December 31, 2024 – $37.5 million).

The terms of the unsecured senior notes, unsecured hybrid notes and revolving credit facility require the Company to comply with certain covenants. If the Company fails to comply with these covenants the lenders may declare an event of default. As at December 31, 2025, the Company was in compliance with these covenants.

Set out below is a maturity analysis of certain of the Company's financial contractual obligations as at December 31, 2025. The maturity dates are the contractual maturities of the obligations, and the amounts are the contractual undiscounted cash flows.

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

| | On demand or within one year | Between one and three years | Between three and five years | After five years | Total |
|---|---|---|---|---|---|
| Trade payables and accrued charges [(1)] | 480,097 | — | — | — | 480,097 |
| Dividend payable | 70,457 | — | — | — | 70,457 |
| Long-term debt | — | 325,000 | 669,400 | 1,725,000 | 2,719,400 |
| Interest on long-term debt | 122,576 | 232,028 | 204,125 | 1,945,313 | 2,504,042 |
| Financial instruments liabilities | 4,400 | — | — | — | 4,400 |
| Lease liabilities | 21,285 | 22,482 | 16,395 | 32,350 | 92,512 |
| | 698,815 | 579,510 | 889,920 | 3,702,663 | 5,870,908 |

(1) *Excludes accrued interest and financial instruments liabilities.*

**d) Capital management**

The Company's objectives when managing its capital structure are to maintain financial flexibility so as to preserve the Company's ability to meet its financial obligations and to finance internally generated growth capital requirements as well as potential acquisitions.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital structure to include shareholders' equity, long-term debt, lease liabilities and working capital. To maintain or adjust the capital structure, the Company may draw on its revolving credit facility, issue notes or issue equity and/or adjust its operating costs and/or capital spending to manage its current and projected debt levels.

Financing decisions are made by management and the Board based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Company's commitments and development plans. Factors considered when determining whether to issue new debt or to seek equity financing include the amount of financing required, the availability of financial resources, the terms on which financing is available and consideration of the balance between shareholder value creation and prudent financial risk management.

Net debt is calculated as total borrowings (including ‘current and non-current borrowings' as shown in the consolidated balance sheet, and lease liabilities) less cash and cash equivalents. Total capital is calculated as net debt plus share capital as shown in the consolidated balance sheet.

| | As at December 31, 2025 | 2024 |
|---|---|---|
| Total financial liability borrowings | 2,781,406 | 2,646,815 |
| Less: cash and cash equivalents | (55,846) | (57,069) |
| Net debt [(1)] | 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. 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.*

If the Company is in a net debt position, the Company will assess whether the projected cash flow and availability under the revolving credit facility are sufficient to service this debt and support ongoing operations.

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

## Note 24 Commitments and Contingencies

### a) Commitments

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

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| | Total | Less than 1 year | Between 1 and 3 years | Between 3 and 5 years | More than 5 years |
| Long-term debt | 2,719,400 | — | 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.*

### b) Contingencies

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

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

## Note 25 Subsequent Events

On February 10, 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.

On February 17, 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 2025. The common share dividend is payable on April 17, 2026, to shareholders of record at the close of business on March 30, 2026.

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

## Note 26 Supplemental Cash Flow Information

| | | Year ended December 31, | |
|---|---|---|---|
| | *Note* | **2025** | **2024** |
| **Cash flows from operating activities** | | | |
| Net income | | 197,638 | 152,174 |
| **Adjustments:** | | | |
| Finance costs, net | | 139,367 | 136,499 |
| Debt extinguishment costs | | — | 1,819 |
| Income tax expense | | 56,778 | 53,780 |
| Depreciation and impairment of property, plant and equipment | *8* | 125,233 | 132,343 |
| Depreciation and impairment of right-of-use asset | *9* | 23,241 | 25,702 |
| Amortization and impairment of intangible assets | *11* | 27,134 | 28,624 |
| Share-based compensation | *22* | 17,828 | 22,040 |
| Share of profit from investments in equity accounted investees | *10* | (23,317) | (26,163) |
| Distributions from equity accounted investees | *10* | 29,550 | 29,628 |
| (Gain) loss on sale of property, plant and equipment | *8* | (3) | 1,727 |
| Gain on sale of equity investment | | — | (131) |
| Provisions | *16* | (468) | 7,632 |
| Net (gain) loss on fair value movement of financial instruments | | (24,053) | 22,215 |
| Other | | (5,837) | (77) |
| | | 365,453 | 435,638 |
| **Changes in items of working capital:** | | | |
| Trade and other receivables | *5* | 172,938 | 28,012 |
| Inventories | *6* | 74,100 | 29,765 |
| Other current assets | | 6,783 | (4,863) |
| Trade payables and accrued charges | *15* | (318,301) | 65,772 |
| Contract liabilities | | 28,243 | (74,499) |
| | | (36,237) | 44,187 |
| **Income tax payment, net** | | (16,695) | (33,545) |
| **Net cash inflow from operating activities** | | 510,159 | 598,454 |

# FOCUSED
# DISCIPLINED
# GROWTH

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