GIBSON ENERGY

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

JUNE 30, 2026 & 2025

TSX:GEI

Gibson Energy Inc.

Condensed Consolidated Balance Sheets (unaudited)

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

As at	Note	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		39,972	55,846
Trade and other receivables		760,082	496,111
Inventories	*5*	163,742	144,817
Prepaid and other assets	*4*	6,840	13,711
Net investment in finance leases		3,984	3,414
		974,620	713,899
Non-current assets			
Property, plant and equipment	*6*	3,185,609	3,042,169
Right-of-use assets	*7*	81,494	72,053
Other assets		811	170
Net investment in finance leases		175,595	177,753
Investment in equity accounted investees		130,919	133,083
Intangible assets	*8*	121,335	77,649
Goodwill		647,804	413,392
		4,343,567	3,916,269
Total assets		5,318,187	4,630,168
Liabilities and equity			
Current liabilities			
Trade payables and accrued charges		785,597	526,519
Dividends payable		77,621	70,457
Contract liabilities		28,495	66,081
Lease liabilities	*10*	15,777	18,103
		907,490	681,160
Non-current liabilities			
Long-term debt	*9*	2,933,502	2,702,342
Lease liabilities	*10*	75,086	60,961
Provisions	*11*	199,520	189,289
Other long-term liabilities		2,689	2,594
Deferred income tax liabilities		174,502	172,806
		3,385,299	3,127,992
Total liabilities		4,292,789	3,809,152
Equity			
Share capital	*12*	2,609,368	2,388,151
Contributed surplus		57,723	60,791
Accumulated other comprehensive income		173,184	113,251
Accumulated deficit		(1,814,877)	(1,741,177)
		1,025,398	821,016
Total liabilities and equity		5,318,187	4,630,168

Commitments and contingencies *(note* 15)

See accompanying notes to the condensed consolidated financial statements

Gibson Energy Inc.

Condensed Consolidated Statements of Operations (unaudited)

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

		Three months ended June 30,		Six months ended June 30,	
	Note	**2026**	**2025**	**2026**	**2025**
Revenue	*13*	4,833,890	2,759,642	7,588,783	5,507,352
Cost of sales		4,670,430	2,640,263	7,359,748	5,268,016
Gross profit		163,460	119,379	229,035	239,336
Share of profit from equity accounted investees		(6,627)	(3,444)	(13,607)	(10,316)
General and administrative expenses		30,147	20,215	63,844	40,254
Other gains, net	*14*	(4,923)	(12,765)	(1,623)	(3,630)
Operating income		144,863	115,373	180,421	213,028
Finance costs, net	*9*	38,132	34,577	73,946	68,235
Income before income taxes		106,731	80,796	106,475	144,793
Current income tax		11,936	7,223	20,242	12,449
Deferred income tax		11,905	12,874	4,701	21,692
Income tax expense		23,841	20,097	24,943	34,141
Net income		82,890	60,699	81,532	110,652
Earnings per share	*12*				
Basic earnings per share		0.49	0.37	0.48	0.68
Diluted earnings per share		0.48	0.37	0.47	0.67

See accompanying notes to the condensed consolidated financial statements

Gibson Energy Inc.

Condensed Consolidated Statements of Comprehensive Income (unaudited)

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

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income	82,890	60,699	81,532	110,652
Other comprehensive income (loss)				
Items that may be reclassified subsequently to statement of operations				
Exchange differences from translating foreign operations	30,653	(91,184)	59,933	(94,308)
Other comprehensive income (loss), net of tax	30,653	(91,184)	59,933	(94,308)
Comprehensive income (loss)	113,543	(30,485)	141,465	16,344

See accompanying notes to the condensed consolidated financial statements

Gibson Energy Inc.

Condensed Consolidated Statements of Changes in Equity (unaudited)

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

	Share Capital (Note 12)	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Equity
Balance – January 1, 2025	2,371,865	60,780	196,541	(1,657,119)	972,067
Net income	—	—	—	110,652	110,652
Other comprehensive loss, net of tax	—	—	(94,308)	—	(94,308)
Comprehensive (loss) income	—	—	(94,308)	110,652	16,344
Share-based compensation	—	6,455	—	—	6,455
Tax effect of equity settled awards	280	(210)	—	—	70
Proceeds from exercise of stock options	293	—	—	—	293
Reclassification of contributed surplus on issuance of awards under equity incentive plan	12,885	(12,885)	—	—	—
Dividends on common shares ($0.86 per common share)	—	—	—	(140,786)	(140,786)
Balance – June 30, 2025	2,385,323	54,140	102,233	(1,687,253)	854,443
Balance – January 1, 2026	2,388,151	60,791	113,251	(1,741,177)	821,016
Net income	—	—	—	81,532	81,532
Other comprehensive income, net of tax	—	—	59,933	—	59,933
Comprehensive income	—	—	59,933	81,532	141,465
Share-based compensation	—	7,680	—	—	7,680
Tax effect of equity settled awards	2,168	28	—	—	2,196
Proceeds from exercise of stock options	89	—	—	—	89
Net proceeds from issuance of common shares, after tax effects (note 12)	208,184	—	—	—	208,184
Reclassification of contributed surplus on issuance of awards under equity incentive plan	10,776	(10,776)	—	—	—
Dividends on common shares ($0.90 per common share)	—	—	—	(155,232)	(155,232)
Balance – June 30, 2026	2,609,368	57,723	173,184	(1,814,877)	1,025,398

See accompanying notes to the condensed consolidated financial statements

Gibson Energy Inc.

Condensed Consolidated Statements of Cash Flows (unaudited)

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

		Three months ended June 30,		Six months ended June 30,	
	Note	**2026**	**2025**	**2026**	**2025**
Cash flows from operating activities					
Net income		82,890	60,699	81,532	110,652
Adjustments	*17*	73,631	81,616	202,894	168,932
Changes in items of working capital	*17*	44,409	(37,345)	(44,588)	(45,359)
Income tax payment, net	*17*	(13,438)	(5,590)	(22,655)	(12,993)
Net cash inflow from operating activities		187,492	99,380	217,183	221,232
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	*6*	(10,917)	(88,396)	(36,958)	(122,727)
Acquisition	*4*	(410,316)	—	(410,316)	—
Investment in equity accounted investees		—	(3,850)	—	(3,850)
Proceeds from sale of assets		(81)	—	(81)	—
Net cash outflow from investing activities		(421,314)	(92,246)	(447,355)	(126,577)
Cash flows from financing activities					
Payment of shareholder dividends		(77,610)	(70,391)	(148,067)	(137,247)
Finance costs paid, net	*9*	(18,671)	(17,160)	(68,315)	(62,622)
Proceeds from exercise of stock options		—	45	89	293
Lease payments	*10*	(6,381)	(6,778)	(13,109)	(13,095)
Draws on credit facility, net	*9*	253,072	84,999	230,300	104,994
Proceeds from issuance of common shares, net of issuance costs	12	—	—	206,174	—
Net cash inflow (outflow) from financing activities		150,410	(9,285)	207,072	(107,677)
Net decrease in cash and cash equivalents		(83,412)	(2,151)	(23,100)	(13,022)
Effect of exchange rate on cash and cash equivalents		5,414	(2,369)	7,226	(2,477)
Cash and cash equivalents – beginning of the period		117,970	46,090	55,846	57,069
Cash and cash equivalents – end of the period		39,972	41,570	39,972	41,570

See accompanying notes to the condensed consolidated financial statements

See note 17 for supplemental disclosures.

Note 1 Description of Business and Segmented Disclosure

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

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

The Company's reportable segments are:

> **Infrastructure**, which includes a network of liquids infrastructure assets that include terminals, rail loading and unloading facilities, gathering pipelines and a crude oil processing facility. The primary facilities within this segment include the Hardisty and Edmonton Terminals, which are the principal hubs for aggregating and exporting crude oil and refined products out of the Western Canadian Sedimentary Basin; the Gateway Terminal, a liquids export terminal located in Ingleside, Texas, in the United States ("U.S."), which connects the Permian 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., including the Chauvin Infrastructure Assets acquired in the second quarter of 2026 (note 4). 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

Three months ended June 30, 2026	Infrastructure	Marketing	Total
Revenue			
External	112,708	4,721,182	4,833,890
Inter-segmental	78,039	21,798	99,837
External and inter-segmental	190,747	4,742,980	4,933,727
Cost of sales, operating costs and other	26,782	4,693,510	4,720,292
Segment profit	163,965	49,470	213,435
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			33,550
Depreciation and impairment of right-of-use assets			6,247
Amortization and impairment of intangible assets			7,332
General and administrative			15,930
Acquisition and integration costs			5,192
Share based compensation			5,610
Corporate financial instrument gain			(3,716)
Corporate foreign exchange gain			(1,573)
Finance cost, net			38,132
Net income before income tax			106,731
Income tax expense			23,841
Net income			82,890

Three months ended June 30, 2025	Infrastructure	Marketing	Total
Revenue			
External	123,716	2,635,926	2,759,642
Inter-segmental	49,347	18,731	68,078
External and inter-segmental	173,063	2,654,657	2,827,720
Cost of sales, operating costs and other	16,423	2,645,589	2,662,012
Segment profit	156,640	9,068	165,708
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			30,971
Depreciation and impairment of right-of-use assets			5,269
Amortization and impairment of intangible assets			6,753
General and administrative			13,017
Share based compensation			4,594
Corporate financial instrument gain			(13,715)
Corporate foreign exchange loss			3,446
Finance cost, net			34,577
Net income before income tax			80,796
Income tax expense			20,097
Net income			60,699

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

Six months ended June 30, 2026	Infrastructure	Marketing	Total
Revenue			
External	230,340	7,358,443	7,588,783
Inter-segmental	130,899	60,868	191,767
External and inter-segmental	361,239	7,419,311	7,780,550
Cost of sales, operating costs and other	44,357	7,402,665	7,447,022
Segment profit (loss)	316,882	16,646	333,528
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			70,643
Depreciation and impairment of right-of-use assets			12,280
Amortization and impairment of intangible assets			14,032
General and administrative			34,671
Restructuring costs			8,125
Acquisition and integration costs			5,192
Share-based compensation			9,096
Corporate financial instrument loss *(note 14)*			922
Corporate foreign exchange gain			(1,854)
Finance costs, net			73,946
Net income before income tax			106,475
Income tax expense			24,943
Net income			81,532

Six months ended June 30, 2025	Infrastructure	Marketing	Total
Revenue			
External	250,625	5,256,727	5,507,352
Inter-segmental	99,120	59,869	158,989
External and inter-segmental	349,745	5,316,596	5,666,341
Cost of sales, operating costs and other	39,026	5,293,668	5,332,694
Segment profit	310,719	22,928	333,647
Corporate and other reconciling items:			
Depreciation and impairment of property, plant and equipment			61,549
Depreciation and impairment of right-of-use assets			10,284
Amortization and impairment of intangible assets			13,692
General and administrative			27,340
Share-based compensation			7,722
Corporate financial instrument loss *(note 14)*			(6,122)
Corporate foreign exchange loss			6,154
Finance costs, net			68,235
Net income before income tax			144,793
Income tax expense			34,141
Net income			110,652

(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:

	Six months ended June 30,	
Additions	**2026**	**2025**
Infrastructure	447,587	95,974
Marketing	292	163
Corporate	2,822	1,651
	450,701	97,788

b) Geographic Data

	Six months ended June 30,	
Revenue	**2026**	**2025**
Canada	5,210,853	4,503,778
United States	2,377,930	1,003,574
Total revenue	7,588,783	5,507,352

	As at June 30,	
Non-current assets	**2026**	**2025**
Canada	2,320,886	1,905,706
United States	1,716,167	1,696,911
Total non-current assets (1)	4,037,053	3,602,617

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

Note 2 Basis of Preparation

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

These condensed consolidated financial statements are presented in Canadian dollars, the Company's functional currency, and all values are rounded to the nearest thousands of dollars, except where indicated otherwise. All references to $ are to Canadian dollars and references to US$ are to U.S. dollars. These statements do not include all disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the years ended December 31, 2025 and 2024.

These condensed consolidated financial statements were approved for issuance by the Company's board of directors ("Board") on July 27, 2026.

Note 3 Changes in Accounting Policies and Disclosures

New interpretations and amended standards adopted by the Company:

- 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. There was no material effect on the Company's consolidated financial statements on adoption.
  - The amendments also introduce a practical exemption for the derecognition of financial liabilities settled through electronic payment systems, permitting entities to continue derecognizing a financial liability at the point an electronic payment instruction is initiated, provided specified criteria are met. The Company has adopted and applied this exemption to its electronic payment processes. The adoption of these amendments did not have a material effect on the Company's consolidated financial statements.

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. As a result of its assessment, the Company identified Adjusted EBITDA as a management-defined performance measure, and continues to make progress in accordance with its implementation plan.

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

Note 4 Business Combination

On May 1, 2026, the Company closed the previously announced acquisition of Chauvin Infrastructure Assets (the "Chauvin Acquisition") for $400.0 million, subject to customary closing adjustments. Through the acquisition, the Company acquired a crude oil gathering pipeline system and associated infrastructure connecting Chauvin to the Hardisty oil hub, extending its strategic platform at Hardisty. The acquisition is underpinned by long-term take-or-pay and area-of-dedication agreements with the seller.

The $400.0 million purchase price was funded through a combination of net proceeds of $208.2 million from the Company's previously completed bought deal offering of common shares (note 12), and drawings under its unsecured revolving credit facility (note 9).

The acquisition was accounted for using the acquisition method described in IFRS 3 — Business Combinations. Assets and liabilities have been measured at their estimated fair value on the date of acquisition. Total consideration was allocated to the assets acquired or liabilities assumed, with any excess recognized as goodwill. The Company engaged an independent valuator to assist in determining the fair value of certain tangible assets using a combination of market- and cost-based approaches, fair value for right-of-way using a market-based approach and the fair value of customer contracts recognized as intangible assets using an income approach.

The following table summarizes the preliminary fair value of the assets acquired and liabilities assumed:

As at	**Note**	**May 1, 2026**
Consideration		
Cash		410,316
Prepaid and other assets		77
Inventory	*5*	9,713
Property, plant and equipment	*6*	120,743
Intangible assets (1)	*9*	55,350
Total assets		185,883
Provisions (2)	*12*	6,930
Total liabilities		6,930
Goodwill (3)		231,363

1) *Intangible assets will be amortized over their estimated useful lives of 10 years.*

2) *Decommissioning provision was estimated by discounting inflated cost estimates using a credit-adjusted risk-free rate upon closing of the acquisition.*

3) *The purchase price, including Goodwill, is deductible for tax purposes.*

The goodwill arising on the acquisition is attributable to Gibson's extended footprint around the Hardisty hub and anticipated synergies with the Company's core terminal infrastructure.

Since May 1, 2026, the Chauvin Infrastructure Assets have contributed revenue of $189.0 million and income before income taxes of $10.9 million to the consolidated financial results for the three and six months ended June 30, 2026. If the business combination had occurred on January 1, 2026, management estimates that consolidated revenue would have been $7,966.7 million and net income before income taxes would have been $128.3 million for the six months ended June 30, 2026. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2026. This pro forma information is not necessarily indicative of results of the combined entity if the acquisition had occurred on that date, or an indication of future performance.

Acquisition and integration costs of $5.2 million have been charged to general and administrative expenses in the condensed consolidated statement of operations for the six months ended June 30, 2026.

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

Note 5 Inventories

	As at June 30, 2026	As at December 31, 2025
Crude oil, natural gas liquids and diluent	110,520	94,858
Asphalt	39,506	36,867
Wellsite fluids and distillate	13,716	13,092
	163,742	144,817

The cost of the inventory sold included in cost of sales was $6,905.9 million and $4,974.3 million for the six months ended June 30, 2026, and 2025, respectively.

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

Note 6 Property, Plant and Equipment

	Land and Buildings	Pipelines and Connections	Storage	Facilities and Equipment	Assets under Construction	Total
Cost:						
As at January 1, 2026	320,894	600,019	1,448,819	1,866,725	74,672	4,311,129
Additions and adjustments	2,745	6,462	19,392	14,838	(19,336)	24,101
Disposals	—	—	(1,416)	—	—	(1,416)
Acquisition (note 4)	—	88,328	12,328	20,087	—	120,743
Change in decommissioning provision	130	286	2,260	778	6,930	10,384
Effect of movements in exchange rates	6,418	4,366	15,594	33,284	569	60,231
As at June 30, 2026	330,187	699,461	1,496,977	1,935,712	62,835	4,525,172
Accumulated depreciation and impairment:						
As at January 1, 2026	72,614	218,457	342,413	635,476	—	1,268,960
Depreciation and adjustments	3,571	10,184	21,497	30,680	—	65,932
Disposals	—	—	(1,378)	—	—	(1,378)
Effect of movements in exchange rates	258	1,140	1,230	3,421	—	6,049
As at June 30, 2026	76,443	229,781	363,762	669,577	—	1,339,563
Carrying amounts:						
As at January 1, 2026	248,280	381,562	1,106,406	1,231,249	74,672	3,042,169
As at June 30, 2026	253,744	469,680	1,133,215	1,266,135	62,835	3,185,609

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

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

Note 7 Right-of-use Assets

	Buildings	Rail Cars	Other	Total
Cost:				
As at January 1, 2026	81,698	60,619	8,789	151,106
Additions and adjustments	6,496	8,642	6,422	21,560
Disposals	—	(1,019)	—	(1,019)
Effect of movements in exchange rates	146	—	227	373
As at June 30, 2026	88,340	68,242	15,438	172,020
Accumulated depreciation and impairment:				
As at January 1, 2026	40,061	34,491	4,501	79,053
Depreciation and adjustments	4,062	6,714	1,504	12,280
Disposals	—	(1,019)	—	(1,019)
Effect of movements in exchange rates	66	—	146	212
As at June 30, 2026	44,189	40,186	6,151	90,526
Carrying amounts:				
As at January 1, 2026	41,637	26,128	4,288	72,053
As at June 30, 2026	44,151	28,056	9,287	81,494

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

Note 8 Intangible Assets

	Brands	Customer Relationships	Long-term Customer Contracts	Technology, Software and Other	Total
Cost:					
As at January 1, 2026	22,700	145,220	25,172	70,177	263,269
Additions and adjustments	—	—	—	477	477
Acquisition (note 4)	—	—	55,350	—	55,350
Effect of movements in exchange rates	—	3,795	736	80	4,611
As at June 30, 2026	22,700	149,015	81,258	70,734	323,707
Accumulated amortization and impairment:					
As at January 1, 2026	22,700	89,969	20,037	52,914	185,620
Amortization and adjustments	—	10,470	1,690	1,884	14,044
Effect of movements in exchange rates	—	2,123	565	20	2,708
As at June 30, 2026	22,700	102,562	22,292	54,818	202,372
Carrying amounts:					
As at January 1, 2026	—	55,251	5,135	17,263	77,649
As at June 30, 2026	—	46,453	58,966	15,916	121,335

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

Note 9 Long-Term Debt

	Coupon Rate	Year of Maturity	June 30, 2026	December 31, 2025
Unsecured revolving credit facility	floating	2031	399,700	169,400
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	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			(16,198)	(17,058)
			2,933,502	2,702,342

The Company had $399.7 million drawn on its $1,000.0 million unsecured revolving credit facility as of June 30, 2026 (December 31, 2025 – $169.4 million). The Company has two bilateral demand facilities, which are available for use for general corporate purposes or letters of credit, totaling $150.0 million under which it had issued letters of credit totaling $37.3 million as at June 30, 2026 (December 31, 2025 – $36.9 million).

During the second quarter of 2026, the Company amended its revolving credit facility and extended the maturity date from June 2030 to June 2031, amongst other amendments.

On July 9, 2026, the Company closed its offering of $400.0 million 4.45% senior unsecured medium-term notes due January 9, 2034. (Note 16)

Covenants

The Company is required to meet certain specific and customary affirmative and negative financial covenants under various debt agreements. As at June 30, 2026, the Company is in compliance with its covenants:

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

The components of finance costs are as follows:

		Three months Ended	June 30,	Six months Ended	June 30,
	Note	2026	2025	2026	2025
Interest expense		38,011	34,392	73,453	67,923
Capitalized interest		—	(42)	(148)	(42)
Interest expense, finance lease	*10*	1,025	749	2,027	1,400
Interest income		(904)	(522)	(1,386)	(1,046)
		38,132	34,577	73,946	68,235

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

Note 10 Lease Liabilities

	June 30, 2026
Opening balance	79,064
Additions	21,560
Interest expense	2,027
Lease payments	(13,109)
Effect of movements in exchange rates	1,321
Closing balance	90,863
Less: current portion	15,777
Closing balance – non-current portion	75,086

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

Note 11 Provisions

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

	Note	June 30, 2026
Opening balance		189,289
Acquisition	*4*	6,930
Settlements		(2,336)
Change in estimated future cash flows		(2,122)
Change in discount rate [1]	*5*	3,416
Unwind of discount		2,742
Effect of movements in exchange rates		1,601
Closing balance		199,520

1) *Includes the effect of the risk free rate applied to the Chauvin Acquisition provisions, calculated subsequent to the fair value amount, which was determined at the acquisition date using a credit adjusted risk free rate.*

The Company currently estimates the total undiscounted future value amount, including an inflation factor of 2.0% of estimated cash flows to settle the future liability for asset retirement and remediation obligations. In order to determine the current provision related to these future values, the estimated future values were discounted using an average risk-free rate of 3.8% at June 30, 2026 (3.9% - December 31, 2025).

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

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

Note 12 Share Capital and Share-based Compensation

Common Shares – Issued and Outstanding

	Number of Common Shares	Amount
At January 1, 2026	163,852,661	2,388,151
Issuance in connection with the exercise of stock options	4,000	89
Issuance in connection with bought deal offering, net	8,160,325	208,184
Tax effect of equity settled awards	—	2,168
Reclassification of contributed surplus on issuance of awards under equity incentive plans	475,051	10,776
At June 30, 2026	172,492,037	2,609,368

A dividend of $0.45 per share, declared on April 17, 2026, was paid on July 17, 2026.

On February 17, 2026, the Company closed its bought deal offering of 8.2 million common shares for total gross proceeds of $215.0 million, in relation to the pending acquisition of the Chauvin Infrastructure Assets (note 4). Transaction costs related to the equity offer were $8.9 million ($6.8 million on an after tax basis), resulting in net proceeds of $208.2 million.

The Company's normal course issuer bid ("NCIB") permits the Company to repurchase and cancel up to 7.5% of its public float, representing a maximum of 10,182,288 of the issued and outstanding common shares. 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 has been purchased. No common shares were repurchased under the NCIB during the six months ended June 30, 2026.

Share Based Compensation

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

	Restricted Share Units	Performance Share Units	Deferred Share Units
	Number of Shares		
At January 1, 2026	844,391	651,779	598,215
Granted	411,402	300,311	57,351
Exercised and released for common shares	(409,117)	(64,892)	(1,051)
Forfeited	(76,458)	(143,534)	—
At June 30, 2026	770,218	743,664	654,515
Vested and exercisable at June 30, 2026	—	—	654,515

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

Per Share Amounts

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

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Weighted average common shares outstanding – Basic	172,477,686	163,706,939	171,317,015	163,600,735
Dilutive effect of stock options and other awards	1,226,860	1,080,990	1,315,178	1,181,016
Weighted average common shares – Diluted	173,704,546	164,787,929	172,632,193	164,781,751

Note 13 Revenue

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenue from contracts with customers recognized at a point in time	4,721,181	2,635,925	7,358,442	5,256,726
Revenue from contracts with customers recognized over time	66,246	75,042	136,682	152,377
Total revenue from contracts with customers	4,787,427	2,710,967	7,495,124	5,409,103
Total revenue from lease arrangements	46,463	48,675	93,659	98,249
	4,833,890	2,759,642	7,588,783	5,507,352

Three months ended June 30, 2026	**Infrastructure**	**Marketing**	**Total**
External Service Revenue			
Terminals storage and throughput / pipeline transportation	63,239	—	63,239
Rail and other	3,007	—	3,007
External Product Revenue			
Crude, diluent and other products	—	4,531,739	4,531,739
Refined products	—	189,442	189,442
Total revenue from contracts with customers	66,246	4,721,181	4,787,427

Three months ended June 30, 2025	**Infrastructure**	**Marketing**	**Total**
External Service Revenue			
Terminals storage and throughput / pipeline transportation	72,158	—	72,158
Rail and other	2,884	—	2,884
External Product Revenue			
Crude, diluent and other products	—	2,508,637	2,508,637
Refined products	—	127,288	127,288
Total revenue from contracts with customers	75,042	2,635,925	2,710,967

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

Six months ended June 30, 2026	**Infrastructure**	**Marketing**	**Total**
External Service Revenue			
Terminals storage and throughput / pipeline transportation	130,601	—	130,601
Rail and other	6,081	—	6,081
External Product Revenue			
Crude, diluent and other products	—	7,030,972	7,030,972
Refined products	—	327,470	327,470
Total revenue from contracts with customers	136,682	7,358,442	7,495,124

Six months ended June 30, 2025	**Infrastructure**	**Marketing**	**Total**
External Service Revenue			
Terminals storage and throughput / pipeline transportation	146,583	—	146,583
Rail and other	5,794	—	5,794
External Product Revenue			
Crude, diluent and other products	—	5,002,280	5,002,280
Refined products	—	254,446	254,446
Total revenue from contracts with customers	152,377	5,256,726	5,409,103

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

Note 14 Financial Instruments

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

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

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

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

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

	Carrying		Fair Value	
As at June 30, 2026	**Amount**	**Level 1**	**Level 2**	**Level 3**
Commodity futures	9,037	9,037	—	—
Commodity swaps	759	759	—	—
WTI differential futures	1,028	1,028	—	—
Foreign currency forwards	21	—	21	—
Renewable power contracts	1,876	—	—	1,876
Financial assets (carried at fair value)	12,721	10,824	21	1,876
Commodity futures	4,733	4,733	—	—
Commodity swaps	133	133	—	—
WTI differential futures	2,871	2,871	—	—
Foreign currency forwards	2,985	—	2,985	—
Foreign currency options	5,473	—	5,473	—
Financial liabilities (carried at fair value)	16,195	7,737	8,458	—
Long-term debt - current and long-term (carried at amortized cost)	2,933,502	—	3,035,815	—

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

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	—

Renewable power contract

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

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

	2026	**2025**
As at January 1,	1,659	(3,628)
Unrealized (loss)/gain as a result of changes in fair value	(386)	6,407
Settled loss on renewable power contract	603	1,338
	217	7,745
Asset / (liability) as at June 30,	**1,876**	**4,117**

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

	As at June 30, 2026	**As at December 31, 2025**
Forward power prices		
Favorable 15% change	4,743	4,924
Unfavorable 15% change	(4,743)	(4,924)

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

Note 15 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	2,949,700	—	325,000	899,700	1,725,000
Interest payments on long-term debt	2,442,755	122,576	227,397	195,125	1,897,657
Lease and other commitments (1)	149,813	23,132	35,127	24,473	67,081
Total contractual obligations	5,542,268	145,708	587,524	1,119,298	3,689,738

(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 16 Subsequent Events

On July 9, 2026, the Company closed its offering of $400.0 million 4.45% senior unsecured medium-term notes due January 9, 2034. (Note 9).

On July 27, 2026, the Board declared a quarterly dividend on its outstanding common shares of $0.45 per common share for the third quarter of 2026. The common share dividend is payable on October 16, 2026, to shareholders of record at the close of business on September 29, 2026.

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

Note 17 Supplemental Cash Flow Information

	Note	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Cash flows from operating activities					
Net income		82,890	60,699	81,532	110,652
Adjustments:					
Finance costs, net		38,132	34,577	73,946	68,235
Income tax expense		23,841	20,097	24,943	34,141
Depreciation and impairment of property, plant and equipment	*6*	33,550	30,971	70,643	61,549
Depreciation and impairment of right-of-use asset	*7*	6,247	5,269	12,280	10,284
Amortization and impairment of intangible assets	*8*	7,332	6,753	14,032	13,692
Share-based compensation	*12*	5,610	4,594	9,096	7,722
Share of profit from investments in equity accounted investee		(6,627)	(3,444)	(13,607)	(10,316)
Distributions from equity accounted investees		7,451	6,716	15,771	15,377
Loss on sale of property, plant and equipment	*6*	124	—	120	3
Provisions	*11*	—	(306)	(2,166)	(212)
Net (gain) loss on fair value movement of financial instruments		(34,260)	(21,164)	6,522	(28,579)
Other		(7,769)	(2,447)	(8,686)	(2,964)
		73,631	81,616	202,894	168,932
Changes in items of working capital:					
Trade and other receivables		(68,930)	(80,759)	(255,601)	118,842
Inventories	*5*	139,777	(194)	(15,550)	86,732
Other current assets		44,277	7,690	8,333	16,008
Trade payables and accrued charges		(28,218)	48,694	256,442	(282,772)
Contract liabilities		(42,497)	(12,776)	(38,212)	15,831
		44,409	(37,345)	(44,588)	(45,359)
Income tax payment, net		(13,438)	(5,590)	(22,655)	(12,993)
Net cash inflow from operating activities		187,492	99,380	217,183	221,232

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