



Gibson Energy Announces 2021 Fourth Quarter and Year-End Results and Announces a 6% Dividend Increase

All financial figures are in Canadian dollars unless otherwise noted

Calgary, Alberta (February 22, 2022) – Gibson Energy Inc. announced today its financial and operating results for the three and twelve months ended December 31, 2021.

“We are pleased to report another strong year in 2021, highlighted by Adjusted EBITDA from our Infrastructure segment increasing 17% both relative to the prior year and as a compound annual growth rate over the past five years,” said Steve Spaulding, President and Chief Executive Officer. “During the year, we were able to resume the sanction of incremental growth projects while maintaining the 5x to 7x EBITDA build multiples that we have consistently achieved over the past several years. We also meaningfully advanced Sustainability and ESG at Gibson, setting expanded 2025 and 2030 targets and adopting a Net Zero by 2050 target, with our progress recognized by third party ratings agencies, including being the only company in North America in our sector to receive a “AAA” rating from MSCI ESG Ratings and being only one of four in our industry category globally to receive a Bronze Class distinction from S&P Global.”

Financial Highlights:

- Revenue of \$7,211 million for the full year, including \$2,119 million in the fourth quarter, a \$2,273 million or 46% increase over full year 2020, a result of higher commodity prices and volumes increasing contribution from the Marketing Segment
- Infrastructure Adjusted EBITDA⁽¹⁾ of \$436 million for the full year, including \$106 million in the fourth quarter, a \$63 million or 17% increase over full year 2020, due to strong performance at the Hardisty and Edmonton Terminals, additional tankage in service at Hardisty and a partial year contribution from the DRU in 2021
- Marketing Adjusted EBITDA⁽¹⁾ of \$43 million for the full year, including \$6 million in the fourth quarter, a \$61 million or 59% decrease over full year 2020, reflecting a challenging environment for the Crude Marketing business in 2021 and the significant market volatility present in 2020
- Adjusted EBITDA⁽¹⁾ on a consolidated basis of \$445 million for the full year, including \$104 million in the fourth quarter, is effectively in-line with full year 2020, with the increased contribution from the Infrastructure segment offsetting the decrease in opportunities within the Marketing segment
- Net Income of \$145 million for the full year, including \$44 million in the fourth quarter, a \$24 million or 20% increase over full year 2020, due to debt extinguishment costs in 2020 and the factors described above
- Distributable Cash Flow⁽¹⁾ of \$291 million for the full year, including \$64 million in the fourth quarter, an \$8 million or 3% decrease over full year 2020, a result of the factors described above impacting Adjusted EBITDA, as well as higher income tax expense and lower lease payments in 2021
- Dividend Payout ratio⁽²⁾ on a trailing twelve-month basis of 70%, at the low end of its 70% – 80% target range
- Net Debt to Adjusted EBITDA⁽²⁾ at December 31, 2021 of 3.2x, within the Company’s 3.0x – 3.5x target range

Strategic Developments and Highlights:

- Commenced operation of the DRU on-schedule and within expected capital cost, with in-service in December
- Entered into a long-term agreement with Suncor Energy Inc. for services at the Company’s Edmonton Terminal, and sanctioned the related Biofuels Blending Project on a fixed-fee basis and a 25-year term
- Sanctioned the construction of a new 435,000 barrels tank at its Edmonton Terminal underpinned by a long-term, take-or-pay and stable fee-based agreement with a new Investment Grade energy customer
- Established expanded Sustainability and ESG targets focused around reducing GHG emissions, including an ambitious Net Zero by 2050 target, diversity and inclusion, health and safety as well as community impact targets, with an overarching goal of being a Sustainability and ESG leader relative to Gibson’s peers
- Became the first public energy company in North America to fully transition its principal syndicated credit facility to sustainability-linked terms, while extending the maturity of the \$750 million facility into 2026
- Subsequent to the quarter, Gibson’s Board of Directors approved a quarterly dividend of \$0.37 per common share, an increase of \$0.02 per common share, beginning with the dividend payable in April

(1) Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures. See the “Specified Financial Measures” section of this release.

(2) Net debt to Adjusted EBITDA ratio and Dividend Payout ratio are non-GAAP financial ratios. See the “Specified Financial Measures” section of this release.

Management's Discussion and Analysis and Financial Statements

The 2021 fourth quarter Management's Discussion and Analysis and audited Condensed Consolidated Financial Statements provide a detailed explanation of Gibson's financial and operating results for the three and twelve months ended December 31, 2021, as compared to the three and twelve months ended December 31, 2020. These documents are available at www.gibsonenergy.com and at www.sedar.com.

2021 Fourth Quarter and Year-End Results Conference Call

A conference call and webcast will be held to discuss the 2021 fourth quarter and year-end financial and operating results at 7:00am Mountain Time (9:00am Eastern Time) on Wednesday, February 23, 2022.

The conference call dial-in numbers are:

- 416-764-8659 / 888-664-6392
- Participant Pass Code: 90331437

This call will also be broadcast live on the Internet and may be accessed directly at the following URL:

- https://produceredition.webcasts.com/starthere.jsp?ei=1526313&tp_key=22362d8009

The webcast will remain accessible for a 12-month period at the above URL. Additionally, a digital recording will be available for replay two hours after the call's completion until March 9, 2022, using the following dial-in numbers:

- 416-764-8677 / 888-390-0541
- Participant Pass Code: 331437#

Supplementary Information

Gibson has also made available certain supplementary information regarding the 2021 fourth quarter and full year financial and operating results, available at www.gibsonenergy.com.

About Gibson

Gibson Energy Inc. ("Gibson" or the "Company") (TSX: GEI), is a Canadian-based liquids infrastructure company with its principal businesses consisting of the storage, optimization, processing, and gathering of liquids and refined products. Headquartered in Calgary, Alberta, the Company's operations are focused around its core terminal assets located at Hardisty and Edmonton, Alberta, and include the Moose Jaw Facility and an infrastructure position in the U.S.

Gibson shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit www.gibsonenergy.com.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information and statements (collectively, forward-looking statements). These statements relate to future events or future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "aim", "target", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. The forward-looking statements reflect Gibson's beliefs and assumptions with respect to, among other things, future operating and financial results, future growth in worldwide demand for crude oil and petroleum products; crude oil prices; no material defaults by the counterparties to agreements with Gibson; Gibson's ability to obtain qualified personnel, owner-operators, lease operators and equipment in a timely and cost-efficient manner; the regulatory framework governing taxes and environmental matters in the jurisdictions in which Gibson conducts and will conduct its business; operating costs; future capital expenditures to be made by Gibson; Gibson's ability to obtain financing for its capital programs on acceptable terms; the Company's future debt levels; the impact of increasing competition on the Company; the impact of changes in government policies on Gibson; the impact of future changes in accounting policies on the Company's consolidated financial statements; the impact of the COVID-19 pandemic, including related government responses thereto, on demand for crude oil and petroleum products and Gibson's operations generally; Gibson's ability to effectively transition its operations as required in response to the COVID-19 pandemic; the

Company's ability to successfully implement the plans and programs disclosed in Gibson's strategy, Gibson's goal of achieving Net Zero GHG emissions by 2050 and other ESG related goals, the credibility and success of Gibson's intended path to achieve its Net Zero by 2050 target and other assumptions inherent in management's expectations in respect of the forward-looking statements identified herein.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although Gibson believe these statements to be reasonable, no assurance can be given that the results or events anticipated in these forward-looking statements will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. Actual results or events could differ materially from those anticipated in these forward-looking statements as a result of, among other things, risks inherent in the businesses conducted by Gibson; competitive factors in the industries in which Gibson operates; prevailing global and domestic financial market and economic conditions; world-wide demand for crude oil and petroleum products; volatility of commodity prices, currency and interest rates fluctuations; product supply and demand; operating costs and the accuracy of cost estimates; exposure to counterparties and partners, including ability and willingness of such parties to satisfy contractual obligations in a timely manner; future capital expenditures; capital expenditures by oil and gas companies; production of crude oil; decommissioning, abandonment and reclamation costs; changes to Gibson's business plans or strategy; ability to access various sources of debt and equity capital, generally, and on terms acceptable to Gibson; changes in government policies, laws and regulations, including environmental and tax laws and regulations; competition for employees and other personnel, equipment, material and services related thereto; dependence on certain key suppliers and key personnel; reputational risks; acquisition and integration risks; risks associated with the Hardisty DRU project; capital project delivery and success; risks associated with Gibson's use of technology; ability to obtain regulatory approvals necessary for the conduct of Gibson's business; the availability and cost of employees and other personnel, equipment, materials and services; labour relations; seasonality and adverse weather conditions, including its impact on product demand, exploration, production and transportation; inherent risks associated with the exploration, development, production and transportation of crude oil and petroleum products; risks related to widespread epidemics or pandemic outbreaks, including the COVID-19 pandemic and government responses related thereto, and the impact thereof to the other risks inherent in the businesses conducted by Gibson; risks related to actions of OPEC and non-OPEC countries, including the effect thereof on the demand for crude oil and petroleum products and commodity prices; and political developments around the world, including the areas in which Gibson operates, the development and performance of technology and new energy efficient products, services and programs including but not limited to the use of zero-emission and renewable fuels, carbon capture and storage, electrification of equipment powered by zero-emission energy sources and utilization and availability of carbon offsets, many of which are beyond the control of Gibson. Readers are cautioned that the foregoing lists are not exhaustive. For an additional discussion of material risk factors relating to Gibson and its operations, please refer to those included in Gibson's Annual Information Form dated February 22, 2022 as filed on SEDAR and available on the Gibson website at www.gibsonenergy.com.

Advisory Statement

Scope 1 emissions are direct emissions from facilities owned and operated by Gibson.

Scope 2 emissions are indirect emissions from the generation of purchased energy for Gibson's owned and operated facilities.

Scope 3 emissions are indirect emissions not included in Scope 1 or Scope 2 that Gibson indirectly impacts in its value chain.

All references in this press release to Net Zero include Scope 1 and Scope 2 emissions only and are only inclusive of the equity portion of facilities Gibson owns and operates.

For further information, please contact:

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Specified Financial Measures

This news release refers to certain financial measures that are not determined in accordance with GAAP, including non-GAAP financial measures and non-GAAP financial ratios. Readers are cautioned that non-GAAP financial measures and non-GAAP financial ratios do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other entities. Management considers these to be important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

For further details on these specified financial measures, including relevant reconciliations, see the "Specified Financial Measures" section of the Company's MD&A for the year ended December 31, 2021, which is incorporated by reference herein and is available on Gibson's SEDAR profile at www.sedar.com and Gibson's website at www.gibsonenergy.com.

a) Adjusted EBITDA

Effective Q1 2021, the Company updated the definition of adjusted EBITDA to remove the corporate foreign exchange gains/losses and interest income, while adding an adjustment for equity accounted investees to remove the depreciation, amortization and other non-cash items that are not reflective of the ongoing earnings capacity of the operations. In accordance with GAAP, certain jointly controlled investments are accounted for using equity method accounting whereby the assets and liabilities of the investment are presented in a single line item in the consolidated balance sheet and net earnings from investments in equity accounted investees are recognized within the infrastructure segment profit or within the gross profit in the statement of operations. Cash contributions and distributions from investments in equity accounted investees represent the Company's share paid and received in the period to and from the investments in equity accounted investees. To assist in understanding and evaluating the performance of these investments, the Company adjusts for its proportionate share of select non-cash expenses, included in equity accounted investees in adjusted EBITDA. Prior period comparative figures have been restated in accordance with the updated definition of adjusted EBITDA set out above.

Noted below is the reconciliation to the most directly comparable GAAP measures of the Company's segmented and consolidated adjusted EBITDA for the three months and years ended December 31, 2021 and 2020:

Three months ended December 31 (\$ thousands)	Infrastructure		Marketing		Corporate & Adjustments		Total	
	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾
Segment Profit	105,307	93,239	15,360	(8,894)	-	-	120,667	84,345
Unrealized (gain) loss on derivative financial instruments	-	-	(9,683)	4,874	-	-	(9,683)	4,874
General and administrative	-	-	-	-	(7,836)	(7,834)	(7,836)	(7,834)
Adjustments to share of profit from equity accounted investees	614	503	-	-	-	-	614	503
Adjusted EBITDA ⁽¹⁾	105,921	93,742	5,677	(4,020)	(7,836)	(7,834)	103,762	81,888

Years ended December 31 (\$ thousands)	Infrastructure		Marketing		Corporate & Adjustments		Total	
	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾	2021	2020 ⁽¹⁾
Segment Profit	433,929	374,424	41,267	94,623	-	-	475,196	469,047
Unrealized loss on derivative financial instruments	-	-	1,952	9,618	-	-	1,952	9,618
General and administrative	-	-	-	-	(34,481)	(33,081)	(34,481)	(33,081)
Adjustments to share of profit from equity accounted investees	2,551	(669)	-	-	-	-	2,551	(669)
Adjusted EBITDA ⁽¹⁾	436,480	373,755	43,219	104,241	(34,481)	(33,081)	445,218	444,915

(1) Adjusted EBITDA for periods prior to March 31, 2021 has been restated on the basis described above.

(\$ thousands)	Three months ended December 31,	
	2021	2020 ⁽¹⁾
Net Income	43,917	12,442
Income tax expense (recovery)	6,897	(2,951)
Depreciation, amortization, and impairment charges	41,255	44,566
Net finance costs	14,961	15,694
Unrealized (gain) loss on derivative financial instruments	(9,683)	4,874
Stock-based compensation	5,235	5,726
Adjustments to share of profit from equity accounted investees	614	503
Corporate foreign exchange loss	566	1,034
Adjusted EBITDA ⁽¹⁾	103,762	81,888

(\$ thousands)	Years ended December 31,	
	2021	2020 ⁽¹⁾
Net Income	145,053	121,309
Income tax expense	36,184	29,369
Depreciation, amortization, and impairment charges	173,861	169,422
Net finance costs	61,344	96,420
Unrealized loss on derivative financial instruments	1,952	9,618
Stock-based compensation	23,335	21,144
Adjustments to share of profit from equity accounted investees	2,551	(669)
Corporate foreign exchange loss (gain)	938	(1,698)
Adjusted EBITDA ⁽¹⁾	445,218	444,915

(1) Adjusted EBITDA for periods prior to March 31, 2021 has been restated on the basis described above.

b) Distributable Cash Flow

The following is a reconciliation of distributable cash flow from operations to its most directly comparable GAAP measure, cash flow from operating activities:

(\$ thousands)	Three months ended December 31,		Years ended December 31,	
	2021	2020	2021	2020
Cash flow from operating activities	3,186	44,940	216,806	459,551
Adjustments:				
Changes in non-cash working capital and taxes paid	94,678	31,253	212,825	(19,109)
Replacement capital	(8,399)	(5,069)	(22,600)	(22,751)
Cash interest expense, including capitalized interest	(14,149)	(11,618)	(54,218)	(53,557)
Lease payments	(7,008)	(10,764)	(36,694)	(44,967)
Current income tax	(3,912)	5,354	(25,046)	(20,279)
Distributable cash flow	64,396	54,096	291,073	298,888

c) Dividend Payout Ratio

	Years ended December 31,	
	2021	2020
Distributable cash flow	291,073	298,888
Dividends declared	205,154	198,667
Dividend payout ratio	70%	66%

d) Net Debt To Adjusted EBITDA Ratio

	Years ended and as at December 31,	
	2021	2020
Long-term debt	1,660,609	1,449,481
Lease liabilities	81,779	102,742
Less: unsecured hybrid debt	(250,000)	(250,000)
Less: cash and cash equivalents	(62,688)	(53,676)
Net debt	1,429,700	1,248,547
Adjusted EBITDA	445,218	444,915
Net debt to adjusted EBITDA ratio	3.2	2.8