NuStar Energy L.P.
Reconciliation of Non-GAAP Financial Information Related to the Quarter Ended September 30, 2021
(Unaudited, Thousands of Dollars)

NuStar Energy L.P. utilizes financial measures, such as earnings before interest, taxes, depreciation and amortization (EBITDA), distributable cash flow (DCF) and distribution coverage ratio, which are not defined in U.S. generally accepted accounting principles (GAAP). Management believes these financial measures provide useful information to investors and other external users of our financial information because (i) they provide additional information about the operating performance of the partnership's assets and the cash the business is generating, (ii) investors and other external users of our financial statements benefit from having access to the same financial measures being utilized by management and our board of directors when making financial, operational, compensation and planning decisions and (iii) they highlight the impact of significant transactions. We may also adjust these measures to enhance the comparability of our performance across periods.

Our board of directors and management use EBITDA and/or DCF when assessing the following: (i) the performance of our assets, (ii) the viability of potential projects, (iii) our ability to fund distributions, (iv) our ability to fund capital expenditures and (v) our ability to service debt. In addition, our board of directors uses EBITDA, DCF and a distribution coverage ratio, which is calculated based on DCF, as some of the factors in its compensation determinations. DCF is a financial indicator used by the master limited partnership (MLP) investment community to compare partnership performance. DCF is used by the MLP investment community, in part, because the value of a partnership unit is partially based on its yield, and its yield is based on the cash distributions a partnership can pay its unitholders.

None of these financial measures are presented as an alternative to net income (loss). They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with GAAP.

Included in the tables below are the following items: In the the third quarter of 2021, we recorded a non-cash asset impairment loss of $95.7 million and a non-cash goodwill impairment loss of $34.1 million associated with our Eastern U.S. Terminal Operations, which were sold in October 2021 and classified as held for sale as of September 30, 2021 and a non-cash asset impairment loss of $59.2 million related to our Houston pipeline.

1. The following are reconciliations of operating income (loss) to EBITDA to adjusted EBITDA for our reported segments.

	Three Months Ended September 30, 2021		
	Pipeline	Storage	Fuels Marketing
Operating income (loss)	$ 40,201	$ (91,089)	$ 949
Depreciation and amortization expense	45,506	20,620	—
EBITDA	85,707	(70,469)	949
Asset impairment losses	59,197	95,711	—
Goodwill impairment loss	—	34,060	—
Adjusted EBITDA	$ 144,904	$ 59,302	$ 949

	Three Months Ended September 30, 2020		
	Pipeline	Storage	Fuels Marketing
Operating income (loss)	$ 83,821	$ 48,816	$ (31)
Depreciation and amortization expense	45,268	25,212	—
EBITDA	$ 129,089	$ 74,028	$ (31)