

NuStar Energy L.P.
Reconciliation of Non-GAAP Financial Information Related to the Quarter and Year Ended December 31, 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.

The following are reconciliations of operating income to EBITDA and adjusted EBITDA for our reported segments.

	Three Months Ended December 31, 2021		
	Pipeline	Storage	Fuels Marketing
Operating income	\$ 105,380	\$ 26,986	\$ 5,203
Depreciation and amortization expense	43,798	19,282	—
EBITDA	\$ 149,178	\$ 46,268	\$ 5,203

	Three Months Ended December 31, 2020		
	Pipeline	Storage	Fuels Marketing
Operating income	\$ 85,551	\$ 49,144	\$ 2,472
Depreciation and amortization expense	44,729	23,992	—
EBITDA	\$ 130,280	\$ 73,136	\$ 2,472

	Year Ended December 31, 2021		
	Pipeline	Storage	Fuels Marketing
Operating income	\$ 321,472	\$ 24,800	\$ 11,181
Depreciation and amortization expense	179,088	87,500	—
EBITDA	500,560	112,300	11,181
Asset impairment losses	59,197	95,711	—
Goodwill impairment loss	—	34,060	—
Adjusted EBITDA	\$ 559,757	\$ 242,071	\$ 11,181

	Year Ended December 31, 2020		
	Pipeline	Storage	Fuels Marketing
Operating income	\$ 118,429	\$ 189,781	\$ 12,233
Depreciation and amortization expense	177,384	99,092	—
EBITDA	295,813	288,873	12,233
Goodwill impairment loss	225,000	—	—
Adjusted EBITDA	\$ 520,813	\$ 288,873	\$ 12,233