



Pembina Pipeline Corporation

2023 Annual Meeting of Common Shareholders

May 5, 2023

TSX: PPL; NYSE: PBA



Welcome



Scott Burrows

President and Chief Executive Officer



Jaret Sprott

Senior Vice President & Chief Operating Officer



Janet Loduca

Senior Vice President,
External Affairs & Chief Legal
and Sustainability Officer



Cameron Goldade

Senior Vice President and
Chief Financial Officer



Eva Bishop

Senior Vice President,
Corporate Services Officer



Stu Taylor

Senior Vice President &
Corporate Development Officer



Chris Scherman

Senior Vice President,
Marketing & Strategy Officer

Forward-looking Statements and Information

This presentation contains certain forward-looking statements and forward-looking information (collectively, "forward-looking statements"), including forward-looking statements within the meaning of the "safe harbor" provisions of applicable securities legislation, that are based on Pembina's current expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends. In some cases, forward-looking statements can be identified by terminology such as "continue", "anticipate", "schedule", "will", "expects", "estimate", "potential", "planned", "future", "outlook", "strategy", "protect", "trend", "commit", "maintain", "focus", "ongoing", "believe" and similar expressions suggesting future events or future performance.

In particular, this presentation contains forward-looking statements, including certain financial outlooks, pertaining to, without limitation, the following: Pembina's corporate strategy and the development of new business initiatives and growth opportunities, including the anticipated benefits therefrom and the expected timing thereof; expectations about industry activities and development opportunities, including general market conditions for 2023 and thereafter; expectations about future demand for Pembina's infrastructure and services; expectations relating to new infrastructure projects, including the benefits therefrom and timing thereof; Pembina's sustainability, climate change and environmental, social and governance plans, initiatives and strategies; Pembina's 2023 annual guidance, including the Company's expectations regarding adjusted EBITDA and cash inflows; Pembina's capital allocation strategy; expectations relating to PGI, including the anticipated benefits thereof to Pembina; Pembina's future common share dividends and expected share repurchases; planning, construction and capital expenditure estimates, schedules and locations; anticipated timing of final investment decisions; expected capacity, incremental volumes, completion and in-service dates; rights, activities and operations with respect to the construction of, or expansions on, existing pipelines systems, gas services facilities, processing and fractionation facilities, terminalling, storage and hub facilities and other facilities or energy infrastructure, as well as the impact of Pembina's growth projects on its future financial performance and stakeholders; expectations regarding Pembina's commercial agreements, including the expected benefits thereof; expectations, decisions and activities related to Pembina's projects and new developments; and the impact of current and expected market conditions on Pembina.

These forward-looking statements are not guarantees of future performance and are based upon expectations, factors and assumptions that Pembina believes are reasonable as of the date hereof, although there can be no assurance that these expectations, factors and assumptions will prove to be correct. These forward-looking statements are also subject to a number of known and unknown risks and uncertainties that could cause actual events or results to differ materially, including, but not limited to: the regulatory environment and decisions, and Indigenous and landowner consultation requirements; the impact of competitive entities and pricing; reliance on third parties to successfully operate and maintain certain assets; labour and material shortages; reliance on key relationships and agreements and the outcome of stakeholder engagement; the strength and operations of the oil and natural gas production industry and related commodity prices; the failure to realize the anticipated benefits and/or synergies of the PGI transaction; expectations and assumptions concerning, among other things: customer demand for PGI's assets and services; non-performance or default by counterparties to agreements which Pembina or one or more of its subsidiaries has entered into in respect of its business; actions by joint venture partners or other partners which hold interests in certain of Pembina's assets; actions by governmental or regulatory authorities, including changes in tax laws and treatment, changes in royalty rates, changes in regulatory processes or increased environmental regulation; the ability of Pembina to acquire or develop the necessary infrastructure in respect of future development projects; fluctuations in operating results; adverse general economic and market conditions, including potential recessions in Canada, North America and worldwide resulting in changes, or prolonged weaknesses, as applicable, in interest rates, foreign currency exchange rates, inflation rates, commodity prices, supply/demand trends and overall industry activity levels; risks related to the potential impacts of the COVID-19 pandemic; constraints on, or the unavailability of, adequate infrastructure; the political environment in North America and elsewhere, and public opinion; the ability to access various sources of debt and equity capital; changes in credit ratings; counterparty credit risk; technology and security risks including cyber-security risks; natural catastrophes; the conflict between Ukraine and Russia and its potential impact on, among other things, global market conditions and supply and demand, energy and commodity prices, interest rates, supply chains and the global economy generally. This list of risk factors should not be construed as exhaustive.

For additional information relating to the assumptions made, and the risks and uncertainties, which could impact the forward-looking statements herein and cause results to differ materially from those predicted, forecasted or projected by such forward-looking statements, see Pembina's annual information form and management's discussion and analysis, each dated February 23, 2023, for the year ended December 31, 2022, Pembina's management's discussion and analysis, dated May 4, 2023, for the three months ended March 31, 2023 and Pembina's other public disclosure documents available at www.sedar.com, www.sec.gov and through Pembina's website at www.pembina.com.

Management approved the 2023 adjusted EBITDA, proportionately consolidated debt-to-adjusted EBITDA, rating agency funds from operations-to-debt, fee-based contribution to adjusted EBITDA and standard payout ratio guidance contained herein as of the date of this presentation. The purpose of such guidance is to assist readers in understanding our expected and targeted financial results, and this information may not be appropriate for other purposes.

The forward-looking statements contained in this presentation speak only as of the date of this presentation. Pembina does not undertake any obligation to publicly update or revise any forward-looking statements or information contained herein, except as required by applicable laws. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

Highlights Since last Annual Meeting

Strategy

- Outlined a renewed long-term strategy that continues to build upon the **core business** while capitalizing on opportunities arising from the transition to a **lower-carbon economy**

PGI Transaction

- Combined respective western Canadian natural gas processing assets, with KKR, into a **single premier entity**

Safety

- Pembina employees and contractors worked **~eight million** hours and achieved strong performance against both internal and external safety benchmarks reducing the recordable injury rate by 10% versus 2021

Financial and Operational

- Delivered **record financial results** in 2022 with adjusted EBITDA of \$3.746 billion
- Pipeline volumes⁽¹⁾ of **~2,593 mboe/d** and Facilities volumes⁽¹⁾ of **~799 mboe/d**
- Placed **>\$1 billion⁽²⁾** of major projects into service
- Repurchased **\$350 million** of common shares, redeemed **\$300 million** of preferred shares, and **reduced leverage** to the low end of the target range

Business Development

- Commercial success **signing and renewing agreements** across Pipelines and Facilities
- Reactivating Nipisi Pipeline to **serve customers** in the rapidly growing Clearwater oil play
- Progressing **transformational projects** – Cedar LNG and Alberta Carbon Grid

Dividend

- **3.7% dividend increase** subsequent the PGI transaction in 2022, followed by **2.3% increase** in Q1 2023



Strategic Priorities

Purpose, Values, and Strategy

Purpose

We deliver extraordinary energy solutions so the world can thrive

Values

- Safe**
We care for each other
- Trustworthy**
We have each other's back
- Respectful**
We seek to be gracious and kind
- Collaborative**
We are great together
- Entrepreneurial**
We create to succeed

Strategic Priorities

- I**
To be resilient...
Sustain, decarbonize, and enhance our businesses
- II**
To thrive...
Invest in the energy transition to improve the basins in which we operate
- III**
To meet global demand...
Transform and export our products
- IV**
To set ourselves apart...
Create a differentiated experience for our Stakeholders

Pembina's Stakeholders

Customers choose us first for reliable and value-added services

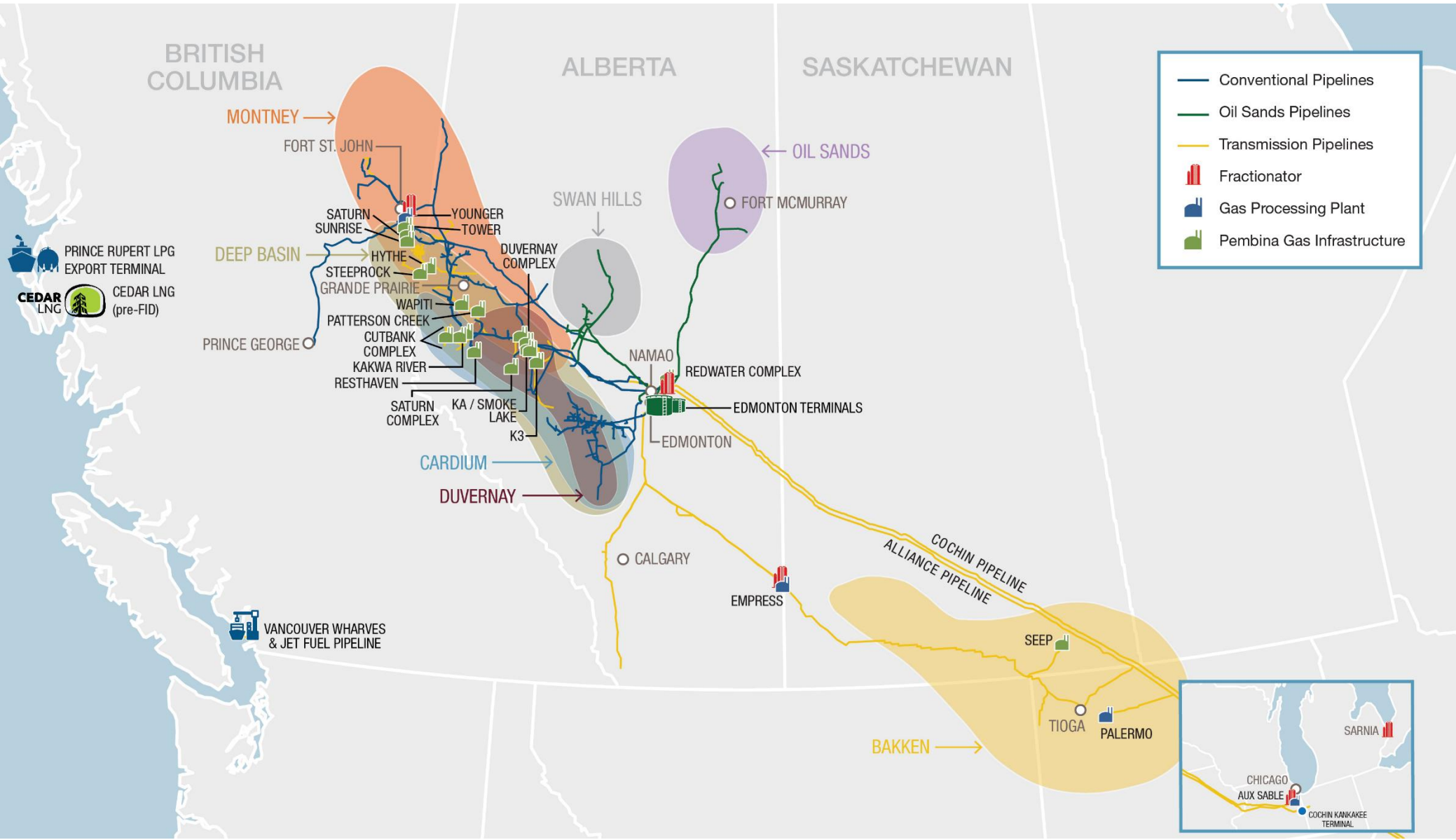
Employees say we are the 'employer of choice' and value our safe, respectful, collaborative, and inclusive work culture









Investors receive sustainable industry-leading total returns

Communities welcome us and recognize the net positive impact of our social and environmental commitment

Diversified and Integrated Transportation and Midstream Assets⁽¹⁾



-  Conventional Pipelines
-  Oil Sands Pipelines
-  Transmission Pipelines
-  Fractionator
-  Gas Processing Plant
-  Pembina Gas Infrastructure

~2.8 mmbpd
hydrocarbon
transportation capacity

~5.4 bcf/d
gas processing capacity

~115 mbpd
condensate stabilization

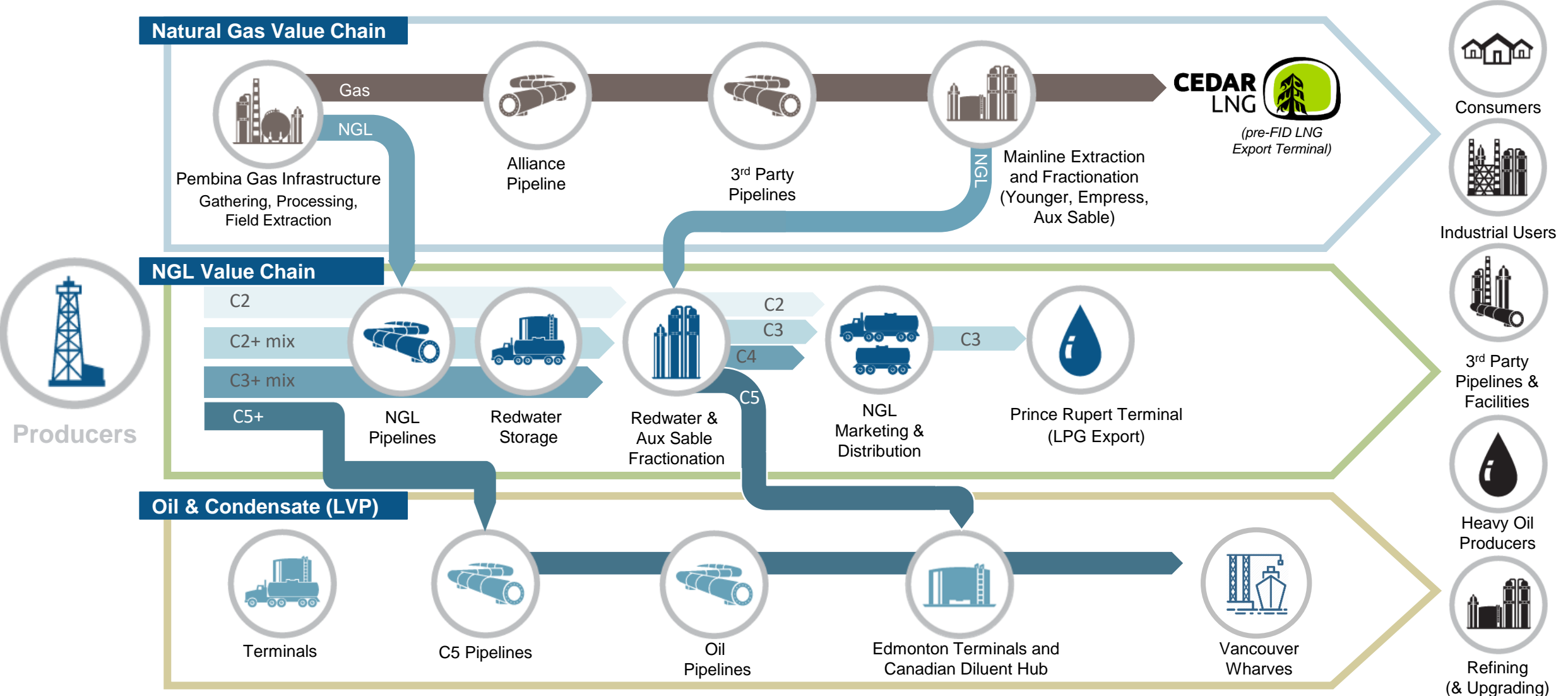
~354 mbpd
fractionation capacity

~32 mmbbl
storage capacity

~20 mbpd
propane export capacity

Note: Capacities are net to Pembina

The Pembina Store



Leverage Our Past To Lead The Future

Lower Carbon Energy

Wind

100MW & 105MW Power Purchase Agreements

Cogeneration

Redwater, Empress



Global Impact

Liquefied Natural Gas

Cedar LNG



New Opportunities

Carbon Capture, Utilization & Storage

Alberta Carbon Grid



Hydrogen

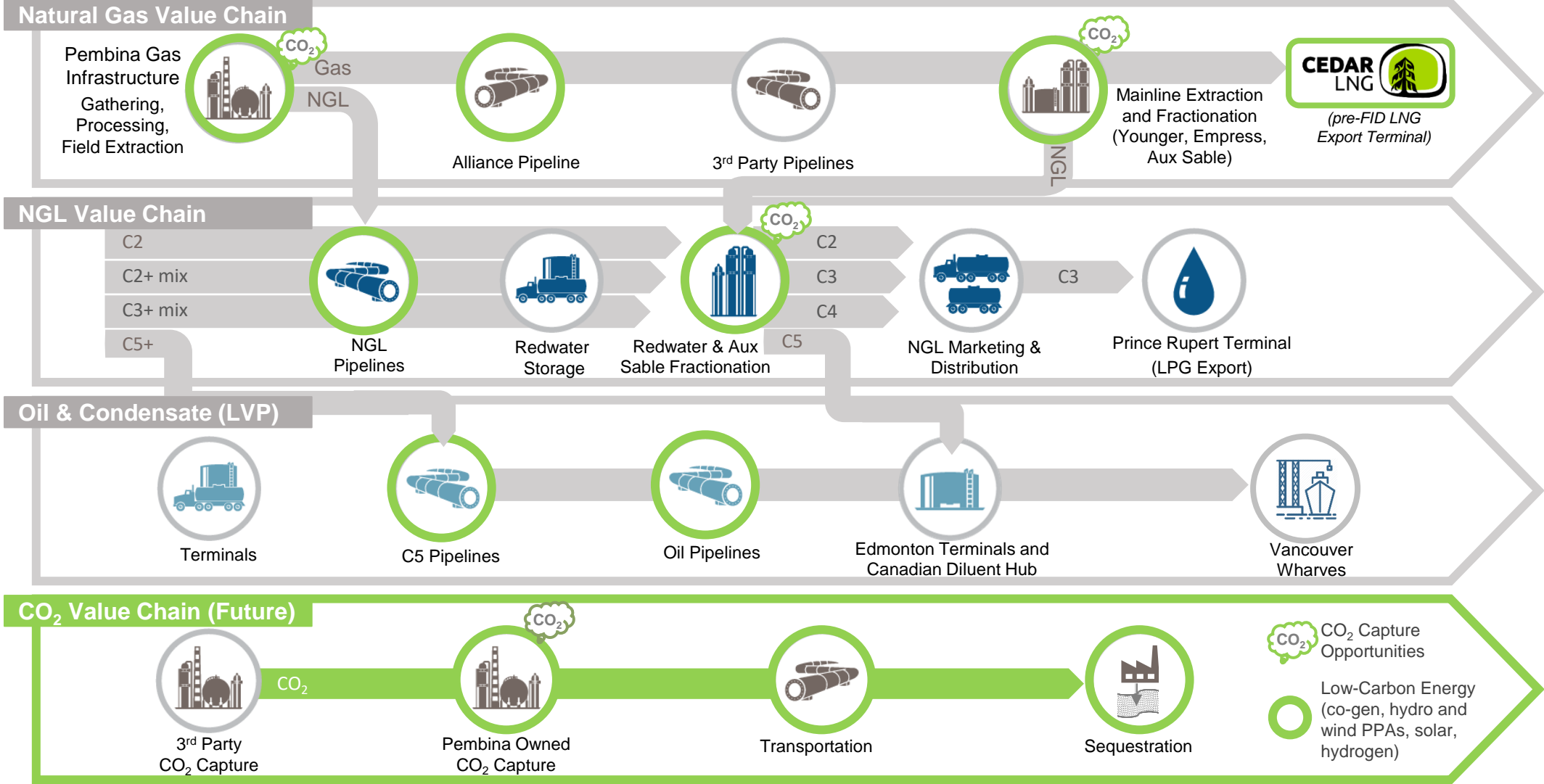
Aux Sable Canada's Heartland Offgas Processing Plant



Pembina Operations Today

In Strategy For the Future

What the Future Pembina Store Could Look Like



Carbon represents a logical extension of the Pembina Store

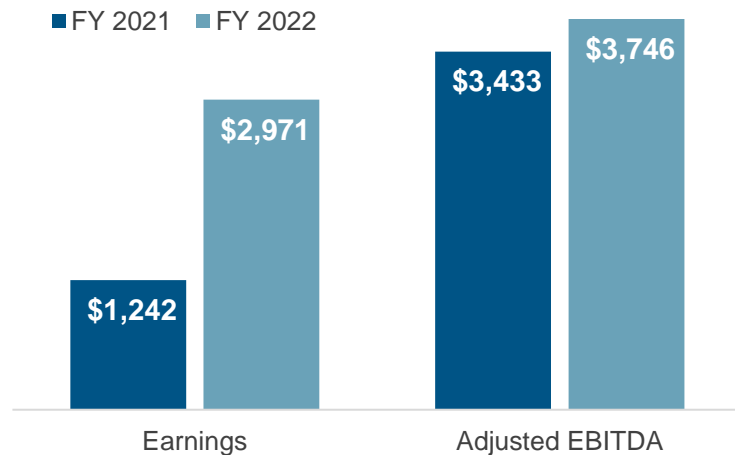


Recent Accomplishments

Strong Results

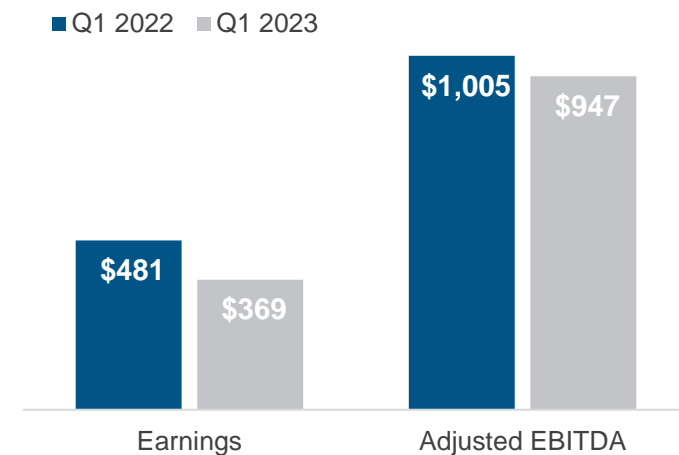
Full Year 2022

- Growing volumes on key systems as a result of strong commodity prices, and outperformance from the marketing business underpinned a record year
- Reported record 2022 full year earnings of \$2,971 million and record full year adjusted EBITDA* of \$3,746 million, exceeding the high end of the Company's revised guidance range



First Quarter 2023

- Reported earnings and adjusted EBITDA of \$369 million and \$947 million, respectively, despite the impact of the Northern Pipeline system outage, driven by growing volumes in both Pipelines and Facilities due to increased upstream activity
- 2023 adjusted EBITDA guidance range has been reiterated at \$3.5 to \$3.8 billion



Continued momentum into 2023 following record financial results in 2022

Pembina Gas Infrastructure (PGI)

25

processing facilities

~5 bcf/d

processing capacity

~3,350 km

gathering and transport lines

~65 percent

physical capacity utilization

~14 years

average of contract tenures

~94 percent

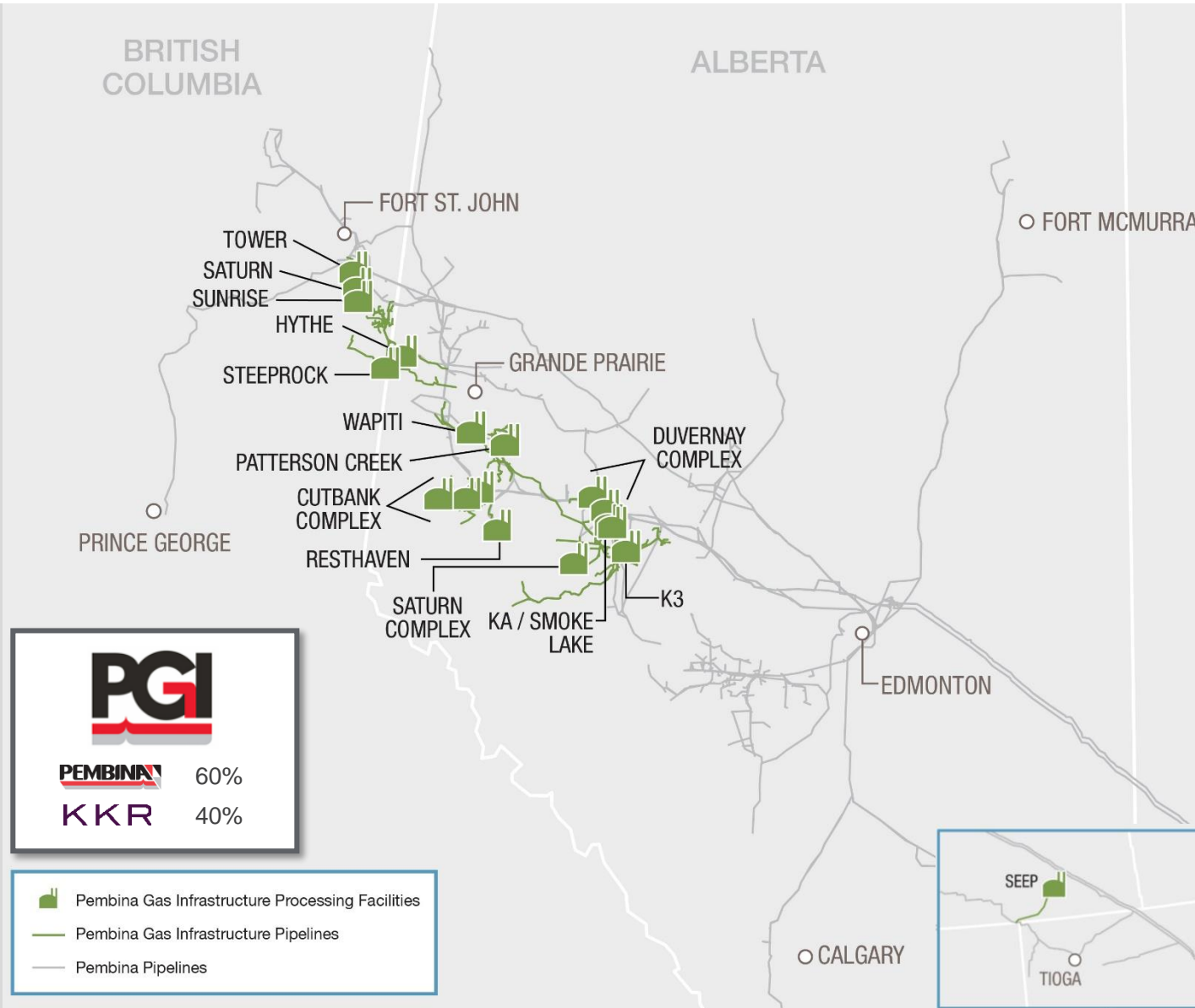
of operating costs across the asset portfolio are flow-through

~80 percent

of counterparty exposure is with investment grade or secured entities

\$4.6 billion

of tax pools



PGI spans the Montney and Duvernay trends from North Central Alberta to Northeast B.C.

Efficiencies from the combination of three platforms

Diversification of asset suite and customer base

Well-capitalized entity able to pursue future opportunities in a capital efficient manner

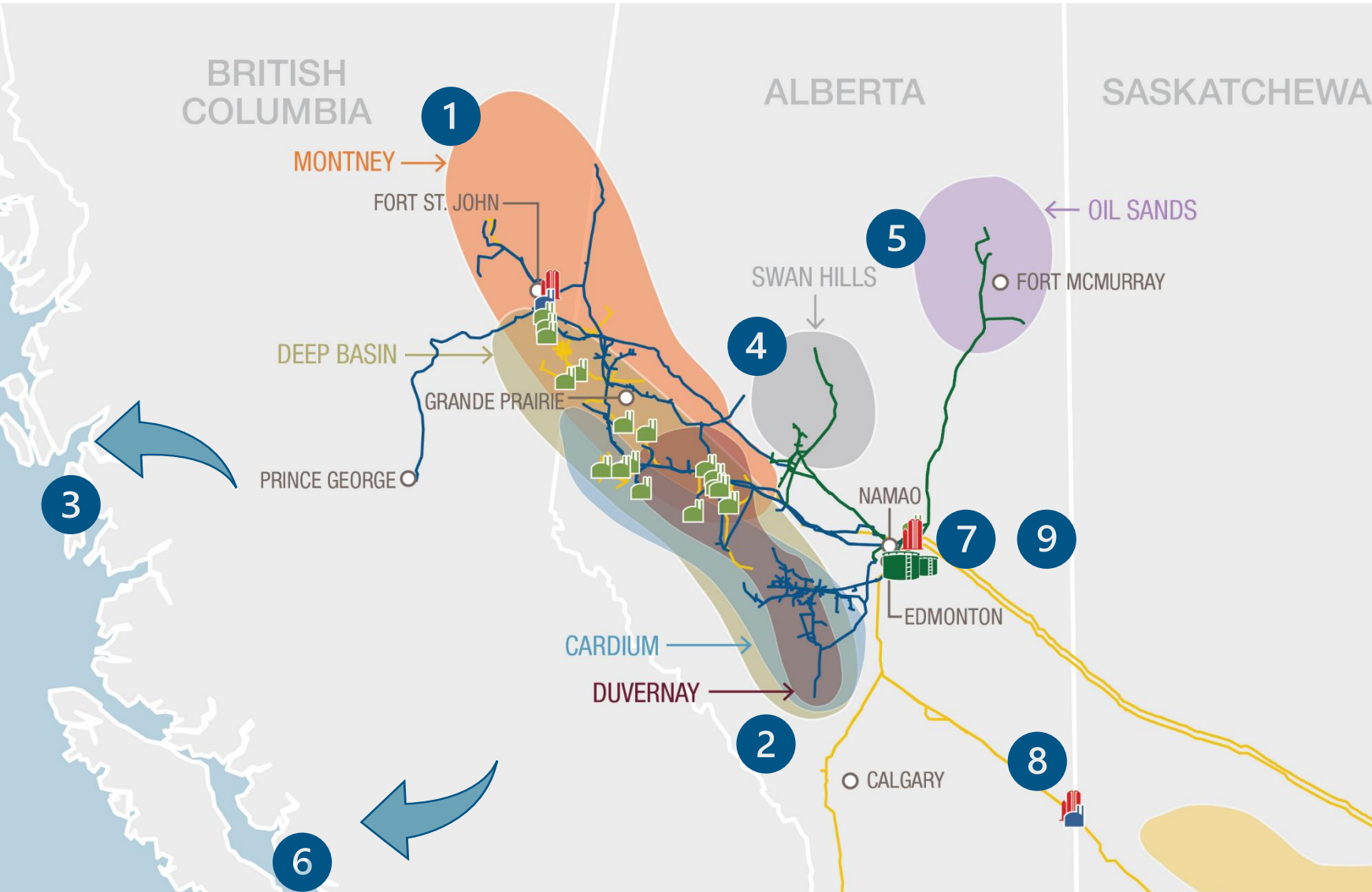
Key Commercial Successes

- Long-term agreements with three premiere **NEBC Montney** producers
- Renewed contracts and secured incremental volumes on the **Peace Pipeline** and **Redwater** fractionation facility
- Successful recontracting of **Alliance Pipeline**; enhanced its longer-term contractual profile
- New contracts to support reactivation of **Nipisi Pipeline** to serve growing Clearwater oil play
- Extended a long-term contract for **ethane supply** to a key customer



Looking Ahead

Pembina Can Benefit from Growth and New Developments in the WCSB



- 1 The Montney
- 2 The Duvernay
- 3 West Coast LNG
- 4 The Clearwater
- 5 Oil Sands
- 6 TMX Expansion
- 7 PDH/PP
- 8 Alberta Petrochemical
- 9 Carbon Capture

WCSB developments will drive volume increases, enhancing utilization of assets and providing growth opportunities

Projects

Phase VIII Peace Pipeline Expansion – Under Construction

- New 10-inch and 16-inch pipelines, as well as additional new mid-point pump stations and terminal upgrades
- Capital estimate: \$530 million (trending under budget); expected in-service date: H1 2024



Redwater Fractionation IV – Recently Announced

- New 55,000 bpd propane-plus fractionator at existing Redwater Complex
- Capital estimate: \$460 million; expected in-service date: H1 2026



~\$4 Billion of Additional Projects – Under Development

- Greenfield opportunities include Cedar LNG, Alberta Carbon Grid, gas processing facilities, and petrochemical feedstock solutions
- Brownfield opportunities include NEBC system expansion, pipeline laterals/debottlenecks/connections, cogeneration, and NGL extraction

Redwater is Canada's Premier NGL Fractionation Complex



RFS IV

RFS IV

With growing demand and an increase in customer commitments, Pembina sanctioned a 55,000 bpd expansion of the Redwater Complex.

Expected in-service H1 2026

~200,000 bbl/d of current NGL fractionation + extensive rail and storage facilities allow for a capital efficient expansion

Cedar LNG



- Proposed 3 mmtpa floating LNG project on Haisla Nation land
- Memorandum of Understanding with ARC Resources
 - Working towards a 20-year liquefaction services agreement for 1.5 million tonnes of LNG per year
- Received B.C. Environmental Assessment Certificate and a positive Decision Statement from the federal Minister of Environment and Climate Change
- Expected final investment decision by the end of the third quarter of 2023⁽¹⁾

Alberta Carbon Grid

Pembina and TC Energy plan to jointly develop a world-scale CO₂ transportation and sequestration system known as Alberta Carbon Grid (ACG)

- Pembina and TC Energy are uniquely positioned given their collective skills and extensive networks of pipeline infrastructure
- Open-access system to serve Alberta's emerging Carbon Capture, Utilization and Storage industry
- Connecting multiple industrial regions to key sequestration locations
- ACG could potentially support a variety of customers throughout Alberta especially those in the Industrial Heartland region





Delivering Value to Shareholders

Financial Guardrails

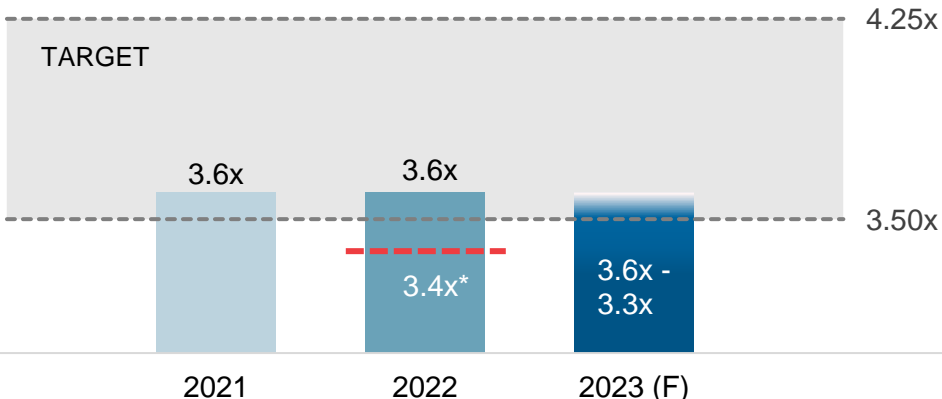
		<u>2022</u>	<u>2023F</u>
1	Maintain target of 80% fee-based contribution to adjusted EBITDA ^{(1)(2)*}	82%	~85% - 90%
2	Target <100% payout of fee-based distributable cash flow (<i>Standard Payout Ratio</i>) ^{(2)*}	80% (57%)	70-75% (55-60%)
3	Target 75% credit exposure from investment grade and secured counterparties ⁽³⁾	82%	80-85%
4	Maintain strong BBB credit rating ^{(4)*}	22% Rating Agency FFO-to-Debt ⁽²⁾	22-25% Rating Agency FFO-to-Debt ⁽²⁾

Demonstrated commitment to executing Pembina's strategy within the financial guardrails

* Fee-based contribution to adjusted EBITDA, standard payout ratio, and rating agency FFO-to-debt are non-GAAP ratio. See "Non-GAAP and Other Financial Measures" herein.

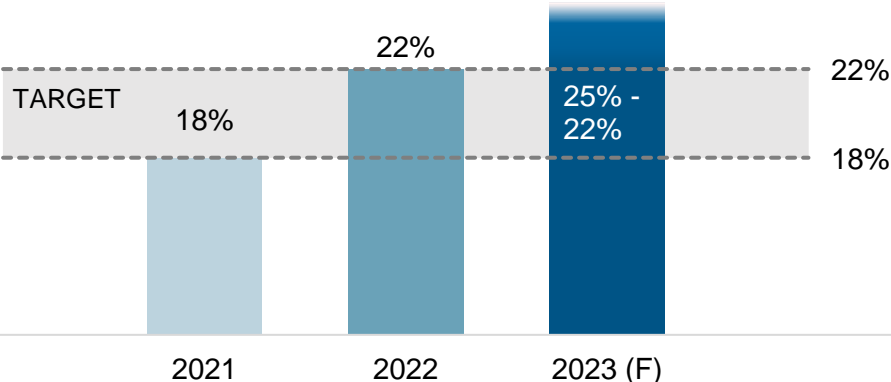
Commitment to a Strong BBB Credit Rating

Proportionately Consolidated Debt-to-Adjusted EBITDA⁽¹⁾



* Excluding debt related to Ruby, which was extinguished pursuant to a Chapter 11 plan of reorganization in Q1 2023, and KAPS construction facility which was repaid subsequent to the KAPS sale on April 26, 2023.

Rating Agency FFO-to-Debt⁽¹⁾



Demonstrated discipline
and commitment to the balance sheet

De-leveraging
drives resiliency and future flexibility

* Proportionately consolidated debt-to-adjusted EBITDA and rating agency FFO-to-debt are non-GAAP ratio. See "Non-GAAP and Other Financial Measures" herein.

Capital Allocation and Funding

1

Maintaining balance sheet strength

2

Maintain dividends

3

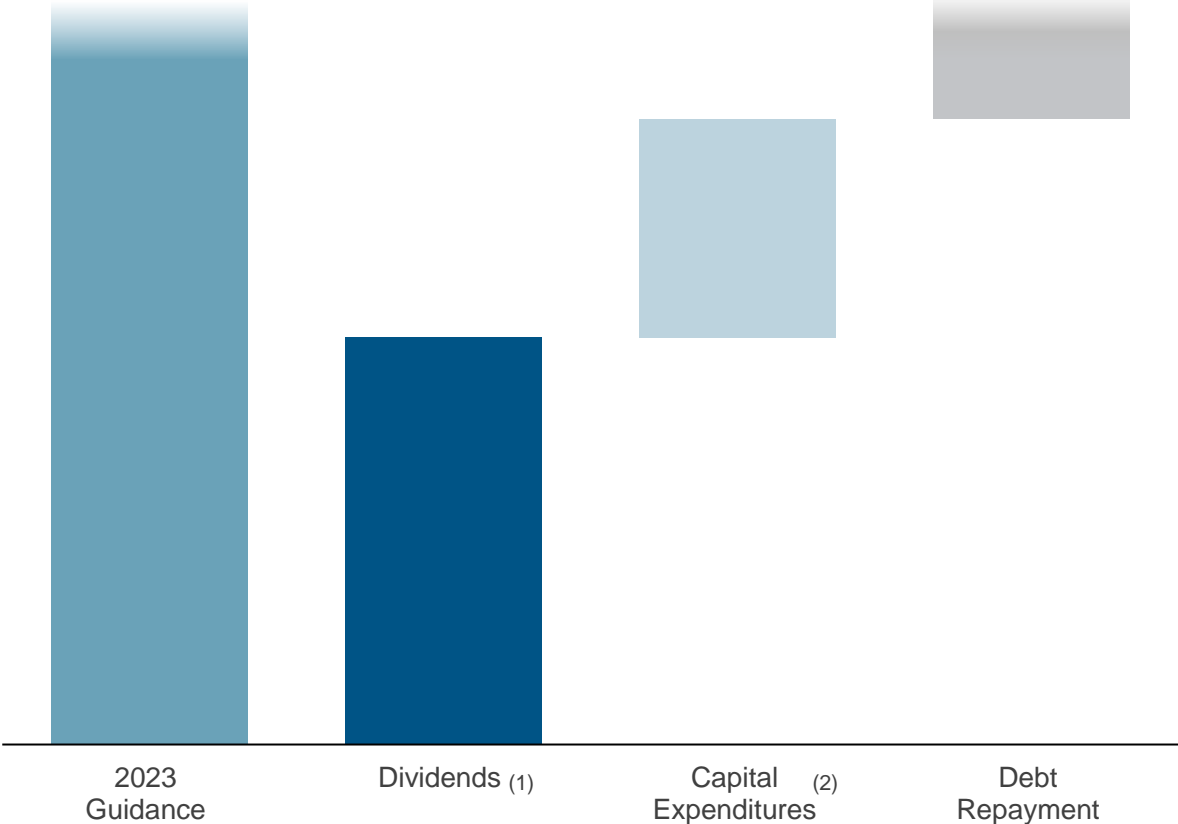
Accretive growth capital

4

Discretionary cash flow:

Debt reduction, dividend increase, or opportunistic share repurchase

2023 SOURCES AND USES



Stable and Growing Dividend

>\$12 billion

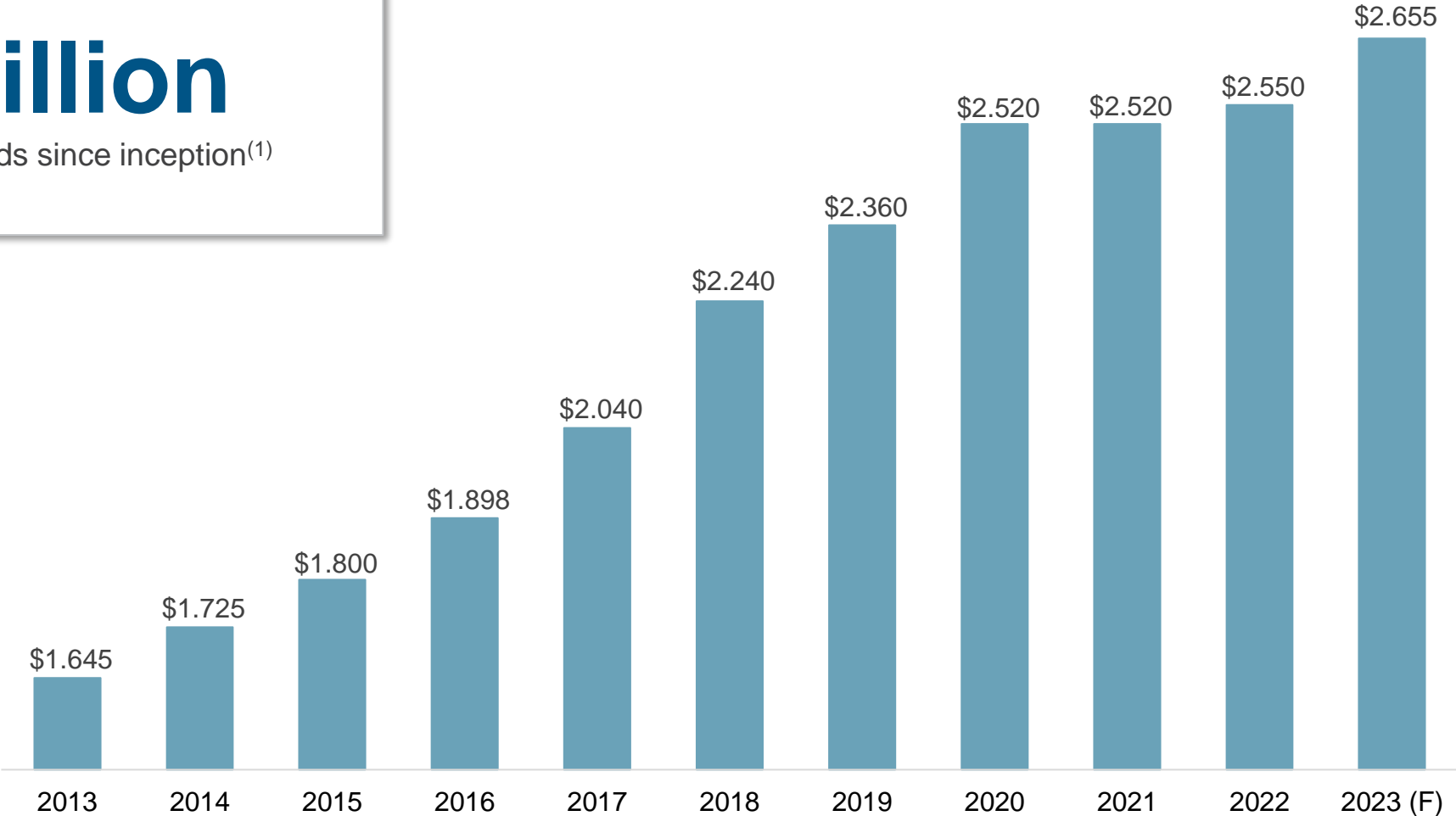
in common share dividends since inception⁽¹⁾

~5%

10-Year Dividend per share CAGR

~57%

2022 Standard Payout Ratio*



Pembina has a history of growing its dividends and returning capital to its shareholders

* Standard Payout Ratio is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" herein.

A Decade of Industry Leading Returns



~140%

Total shareholder return since May 1, 2013 ⁽¹⁾⁽²⁾



Alerian MLP Index

S&P/TSX Energy Infrastructure

Over the last ten years Pembina has outperformed its peers and the broader infrastructure market



Pembina's Value Proposition

- ✓ **Leading provider** of essential North American energy services
- ✓ Track record of **sector outperformance**
- ✓ Resilient and diverse set of **franchise assets** and services along the energy value chain
- ✓ Established presence and **further growth opportunities** in the prolific Montney and Duvernay assets
- ✓ Accessing **global markets** and higher value for Canadian products
- ✓ Steadfast financial discipline and adherence to **financial guardrails**
- ✓ Focused on delivering leading **ESG** solutions including **emissions reduction projects**; enhanced **employee equity, diversity and inclusion**; and meaningful **Indigenous participation**

Endnotes

Slide 3: Highlights since last Annual Meeting

- (1) Annual 2022 volumes.
- (2) Projects places in-service includes Peace Pipeline expansion Phase VII and Phase IX and the Empress Cogeneration Facility.

Slide 7: Diversified and Integrated Transportation and Midstream Assets

- (1) Capacities are shown net to Pembina's interest as at December 31, 2022.

Slide 16: Pembina poised to benefit from many developments in the WCSB

- (1) Source: Peters & Co Limited: Winter 2023 Energy Overview and Pembina estimates.
- (2) Source: InterPipeline.
- (3) Source: Dow Chemicals.

Slide 22: Financial Guardrails

- (1) Includes inter-segment transactions.
- (2) Fee-based Contribution to adjusted EBITDA and Standard Pay Ratio are non-GAAP measures. See "Non-GAAP and Other Financial Measures" herein.
- (3) Based on gross 60-day exposure. Counterparty ratings are representative of the counterparties' current rating as of December 31, 2022. Non-investment grade exposure that is secured with letters of credit from investment grade banks are considered investment grade.
- (4) Based on S&P Global Ratings "Corporate Methodology: Ratios and Adjustments" criteria and any subsequent amendments thereto.

Slide 23: Commitment to a Strong BBB Credit Rating

- (1) Proportionately Consolidated Debt-to-Adjusted EBITDA and Rating Agency FFO-to-Debt are non-GAAP ratios. See "Non-GAAP and Other Financial Measures" herein.

Slide 24: Capital Allocation Priorities

- (1) Includes dividends on common and preferred shares.
- (2) Includes capital expenditures, contributions to equity accounted investees, and interest during construction (IDC).

Slide 25: Stable and Growing Dividend

- (1) As at May 1, 2023.
- (2) Includes the recently announced quarterly dividend raise of \$0.015 per share starting in June 2023.

Slide 26: A Decade of Industry Leading Returns

- (1) Between the period May 1, 2013 and May 1, 2023 (PPL = 137%, Alerian = 42%, S&P/TSX Energy Infrastructure = 90%).
- (2) Source: Bloomberg.

Non-GAAP and Other Financial Measures

Throughout this presentation, Pembina has disclosed certain financial measures and ratios that are not specified, defined or determined in accordance with GAAP and which are not disclosed in Pembina's financial statements. Non-GAAP financial measures either exclude an amount that is included in, or include an amount that is excluded from, the composition of the most directly comparable financial measure specified, defined and determined in accordance with GAAP. Non-GAAP ratios are financial measures that are in the form of a ratio, fraction, percentage or similar representation that has a non-GAAP financial measure as one or more of its components. These non-GAAP financial measures and ratios, together with financial measures and ratios specified, defined and determined in accordance with GAAP, are used by management to evaluate the performance and cash flows of Pembina and its businesses and to provide additional useful information respecting Pembina's financial performance and cash flows to investors and analysts.

The non-GAAP financial measures and ratios disclosed in this presentation do not have any standardized meaning under International Financial Reporting Standards ("IFRS") and may not be comparable to similar financial measures or ratios disclosed by other issuers. The measures and ratios should not, therefore, be considered in isolation or as a substitute for, or superior to, measures of Pembina's financial performance, or cash flows specified, defined or determined in accordance with IFRS, including earnings, earnings per share, cash flow from operating activities and cash flow from operating activities per share.

Except as otherwise described herein, these non-GAAP financial measures and non-GAAP ratios are calculated on a consistent basis from period to period. Specific reconciling items may only be relevant in certain periods.

Below is a description of each non-GAAP financial measure and non-GAAP ratio disclosed in this presentation, together with, as applicable, disclosure of the most directly comparable financial measure that is determined in accordance with GAAP to which each non-GAAP financial measure relates and a quantitative reconciliation of each non-GAAP financial measure to such directly comparable GAAP financial measure. Additional information relating to such non-GAAP financial measures and non-GAAP ratios, including disclosure of the composition of each non-GAAP financial measure and non-GAAP ratio, an explanation of how each non-GAAP financial measure and non-GAAP ratio provides useful information to investors and the additional purposes, if any, for which management uses each non-GAAP financial measure and non-GAAP ratio; an explanation of the reason for any change in the label or composition of each non-GAAP financial measure and non-GAAP ratio from what was previously disclosed and a description of any significant difference between forward-looking non-GAAP financial measures and the equivalent historical non-GAAP financial measures, is contained in the "Non-GAAP & Other Financial Measures" sections of the management's discussion and analysis of Pembina dated February 23, 2023 for the year ended December 31, 2022 and the management's discussion and analysis of Pembina dated February 24, 2022 for the year ended December 31, 2021 (collectively, the "MD&A"), which information is incorporated by reference in this presentation. The MD&A are available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and Pembina's website at www.pembina.com.

Non-GAAP and Other Financial Measures

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("adjusted EBITDA") and adjusted EBITDA per Common Share

Adjusted EBITDA is a non-GAAP financial measure and is calculated as earnings before net finance costs, income taxes, depreciation and amortization (included in operations and general and administrative expense) and unrealized gains or losses on commodity-related derivative financial instruments. The exclusion of unrealized gains or losses on commodity-related derivative financial instruments eliminates the non-cash impact of such gains or losses.

Adjusted EBITDA also includes adjustments to earnings for losses (gains) on disposal of assets, transaction costs incurred in respect of acquisitions, dispositions and restructuring, impairment charges or reversals in respect of goodwill, intangible assets, investments in equity accounted investees and property, plant and equipment, certain non-cash provisions and other amounts not reflective of ongoing operations. In addition, Pembina's proportionate share of results from investments in equity accounted investees with a preferred interest is presented in adjusted EBITDA as a 50 percent common interest. These additional adjustments are made to exclude various non-cash and other items that are not reflective of ongoing operations.

The most directly comparable GAAP measure is earnings (loss) before income tax.

Management believes that adjusted EBITDA provides useful information to investors as it is an important indicator of an issuer's ability to generate liquidity through cash flow from operating activities and equity accounted investees. Management also believes that adjusted EBITDA provides an indicator of operating income generated from capital invested, which includes operational finance income from lessor lease arrangements. Adjusted EBITDA is also used by investors and analysts for assessing financial performance and for the purpose of valuing an issuer, including calculating financial and leverage ratios. Management utilizes adjusted EBITDA to set objectives and as a key performance indicator of the Company's success. Pembina presents adjusted EBITDA as management believes it is a measure frequently used by analysts, investors and other stakeholders in evaluating the Company's financial performance.

Pembina has included in this presentation a 2023 adjusted EBITDA projection, a forward-looking non-GAAP financial measure, for (i) the Pembina assets to be contributed by Pembina to PGI, (ii) Veresen Midstream, (iii) ETC and (iv) PGI, as it believes such information is useful to investors and analysts in evaluating the joint venture transaction with KKR and its expected impact on Pembina. Pembina has not included disclosure of the historical non-GAAP financial measure for such forward-looking non-GAAP financial measures, including quantitative reconciliations of such historical non-GAAP financial measures to their most directly comparable GAAP financial measures, as such information is not available

Adjusted EBITDA per common share is a non-GAAP ratio which is calculated by dividing adjusted EBITDA by the weighted average number of common shares outstanding.

2023 Adjusted EBITDA Guidance - The equivalent historical non-GAAP measure to 2023 adjusted EBITDA guidance is adjusted EBITDA for the year ended December 31, 2022.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2021	Year Ended December 31, 2022
Earnings (loss) before income tax		1,665	3,219
Adjustments to share of profit from equity accounted investees and other	(1)	444	468
Net finance costs		450	486
Depreciation and amortization		723	683
Unrealized (gain) loss on commodity-related derivative financial instruments		(73)	(133)
Canadian Emergency Wage Subsidy		3	--
Transformation and restructuring costs		47	5
Transaction costs incurred in respect of acquisitions		31	(1)
Arrangement Termination Payment		(350)	--
Gain on Pembina Gas Infrastructure transaction		--	(1,110)
Impairment charges and non-cash provisions		493	129
Adjusted EBITDA	A	3,433	3,746
Weighted Average Shares (Basic) (million)	B	550	553
Adjusted EBITDA per common share (\$)	=A/B	6.24	6.78

(1) See reconciliation table on slide 44.

Non-GAAP and Other Financial Measures

Adjusted EBITDA From Equity Accounted Investees

In accordance with IFRS, Pembina's jointly controlled investments are accounted for using equity accounting. Under equity accounting, the assets and liabilities of the investment are presented net in a single line item in the Consolidated Statement of Financial Position, "Investments in Equity Accounted Investees". Net earnings from investments in equity accounted investees are recognized in a single line item in the Consolidated Statement of Earnings and Comprehensive Income "Share of Profit from Equity Accounted Investees". The adjustments made to earnings, in adjusted EBITDA above, are also made to share of profit from investments in equity accounted investees. Cash contributions and distributions from investments in equity accounted investees represent Pembina'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, Pembina is supplementing the IFRS disclosure with non-GAAP proportionate consolidation of Pembina's interest in the investments in equity accounted investees.

The most directly comparable GAAP measure is share of profit (loss) from equity accounted investees – operations.

Pembina's proportionate interest in equity accounted investees has been included in adjusted EBITDA, described above.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2021				Year Ended December 31, 2022			
		Pipelines	Facilities	Marketing and New Ventures	Total	Pipelines	Facilities	Marketing and New Ventures	Total
Share of profit (loss) from equity accounted investees - operations		124	80	77	281	171	108	82	361
Adjustments to share of profit (loss) from equity accounted investees:									
Net finance costs		72	31	1	104	21	79	--	100
Income tax expense		--	--	--	--	--	14	--	14
Depreciation and amortization		156	104	22	282	149	138	25	312
Unrealized loss on commodity-related derivative financial instruments		--	--	--	--	--	27	--	27
Transaction costs incurred in respect of acquisitions		--	--	--	--	--	13	--	13
Share of earnings (loss) in excess of equity interest	(1)	58	--	--	58	2	--	--	2
Total adjustments to share of profit from equity accounted investees		286	135	23	444	172	271	25	468
Impairment charges and non-cash provisions		--	--	--	--	--	--	--	--
Adjusted EBITDA from equity accounted investees		410	215	100	725	343	379	107	829

(1) Pembina's proportionate share of results from investments in equity accounted investees with a preferred interest is presented in adjusted EBITDA as a 50 percent common interest.

Non-GAAP and Other Financial Measures

Fee-Based Contribution to Adjusted EBITDA

Fee-based contribution to adjusted EBITDA is a non-GAAP measure defined as the portion of adjusted EBITDA derived from the fee-based, non commodity exposed, parts of Pembina's business and excludes adjusted EBITDA attributable to the Corporate segment and the Marketing & New Ventures Division. The most directly comparable GAAP measure is earnings (loss) before income tax.

When expressed as a percentage, fee-based contribution to adjusted EBITDA is a non-GAAP ratio.

Management believe this metric is useful to investors and other users of Pembina's financial information is assessing the earnings generated from Pembina's non-commodity exposed businesses.

Fee-Based Distributable Cash Flow

Fee-based distributable cash flow is a non-GAAP measure defined as the cash generated from the fee-based, non-commodity exposed, parts of Pembina's business that is available for distribution to common shareholders. The most directly comparable GAAP measure is earnings (loss) before income tax.

Fee-based distributable cash flow is comprised of fee-based adjusted EBITDA from Pembina's wholly-owned assets within the Pipelines and Facilities divisions, plus the fee-based portion of distributions from equity accounted investees, less preferred share dividends, net finance costs related to loans and borrowings and leases, and illustrative current tax expense.

Management believes this metric is useful to investors and other users of Pembina's financial information is assessing the amount of cash generated from Pembina's non-commodity exposed businesses.

Fee-based distributable cash flow is used in the calculation of payout of fee-based distributable cash flow, described below.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2022
Adjusted EBITDA	(1)	3,746
Adjusted EBITDA – Corporate segment		239
Adjusted EBITDA excluding Corporate segment	A	3,985
Adjusted EBITDA – Marketing & New Ventures		(721)
Fee-Based Contribution to Adjusted EBITDA	B	3,264
Fee-Based Contribution to Adjusted EBITDA (%)	=B/A	82%
Adjusted EBITDA from Equity Accounted Investees - Pipelines	(2)	(343)
Adjusted EBITDA from Equity Accounted Investees - Facilities	(2)	(379)
Distributions from Equity Accounted Investees		673
less: distributions from Equity Accounted Investees - Marketing		(134)
General & administrative – Corporate segment		(246)
Net Finance Costs - loans and borrowings and hybrid		(414)
Net Finance Costs - leases		(32)
Subtotal		2,389
Illustrative current tax expense @ 15%		(363)
Preferred Dividends Paid		(126)
Fee-Based Distributable Cash Flow		1,900

(1) For reconciliation of adjusted EBITDA to earnings (loss) before income tax, see slide 43.

(2) See reconciliation table on slide 44.

Non-GAAP and Other Financial Measures

Cash Flow After Dividends

Cash Flow After Dividends is a non-GAAP measure and is defined as cash flow from operating activities less common and preferred dividends paid. The most directly comparable GAAP measure is cash flow from operating activities.

Management believes Cash Flow After Dividends is useful to investors and other users of Pembina's financial information in the evaluation of the Company's ability to fund capital expenditures with internally generated cash flow.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2022
Cash flow from operating activities		2,929
Dividends paid – common		(1,525)
Dividends paid – preferred		(126)
Cash flow after dividends		1,278

Standard Payout Ratio

Standard Payout Ratio is a non-GAAP ratio defined as common dividends paid divided by adjusted cash flow from operating activities. Management believes Standard Payout Ratio is useful as it is a measure frequently used by investors and other users of Pembina's financial information in the evaluation of the Company's ability to pay dividends on its common shares.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2022
Dividends paid – common	A	1,525
Adjusted cash flow from operating activities	B	2,661
Standard Payout Ratio (%)	=A/B	57%

Payout of Fee-Based Distributable Cash Flow

Payout of Fee-Based Distributable Cash Flow is a non-GAAP ratio calculated as the ratio of common dividends paid to fee-based distributable cash flow, as described above.

Management believes Payout of Fee-Based Distributable Cash Flow is useful to investors and other users of Pembina's financial information in the evaluation of the Company's ability to pay dividends on its common shares using cash generated from its non-commodity exposed businesses.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2022
Dividends paid – common	A	1,525
Fee-based distributable cash flow	B	1,900
Payout of fee-based distributable cash flow (%)	=A/B	80%

Non-GAAP and Other Financial Measures

Rating Agency FFO-to-Debt

Rating Agency FFO-to-Debt is a non-GAAP ratio defined and used by Pembina to replicate one of the Company's rating agency methodologies, in the evaluation of the Company's creditworthiness. The component parts in the calculation are Rating Agency Funds From Operations and Rating Agency Debt, both of which are non-GAAP financial measures. The most directly comparable GAAP measure to Rating Agency FFO is cash from operating activities. The most directly comparable GAAP measure to Rating Agency Debt is loans and borrowings.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2021	Year Ended December 31, 2022
Cash flow from operating activities		2,650	2,929
Share-based compensation payment		32	45
Other	(1)	(36)	5
Change in non-cash working capital		100	(177)
Interest paid during construction		(25)	(21)
50% of preferred dividends paid		(68)	(63)
50% of subordinated hybrid interest paid		14	15
Arrangement Termination Payment	(2)	(325)	--
Rating Agency Funds From Operations (FFO)	A	2,342	2,733
Loans and borrowings (current)		1,000	600
Loans and borrowings (non-current)		9,645	9,405
Cash and cash equivalents		(43)	(94)
50% of Preferred Shares		1,259	1,104
50% of Hybrid Notes		297	298
Post-retirement benefit obligations/(asset) (after tax)	(3)(4)	5	(5)
Decommissioning provision (after tax)	(5)(6)	316	198
Lease liabilities (current + non-current)		723	675
Rating Agency Debt	B	13,201	12,181
Rating Agency FFO-to-Debt (%)	=A/B	18%	22%

(1) 2021 and 2022 Other is found in Pembina's 2022 Annual Report on page 84.

(2) \$350MM associated with Pembina's termination of the arrangement agreement providing for the proposed acquisition by Pembina of Inter Pipeline Ltd. net of \$25MM in fees.

(3) 2021 Canadian statutory tax rate of 23.3% applied as per Note 11. \$6MM * (1 - 0.233) = \$5MM.

(4) 2022 Canadian statutory tax rate of 23.6% applied as per Note 11. \$(6)MM * (1 - 0.236) = \$(5)MM.

(5) 2021 Canadian statutory tax rate of 23.3% applied as per Note 11. \$412MM * (1 - 0.233) = \$316MM.

(6) 2022 Canadian statutory tax rate of 23.6% applied as per Note 11. \$259MM * (1 - 0.236) = \$198MM.

Non-GAAP and Other Financial Measures

Senior Debt

Senior debt is a non-GAAP measure and is defined as the sum of current and non-current loans and borrowings. Senior Debt is used in the calculations of Total Capitalization, Senior Debt-to-Total Capitalization, and Proportionately Consolidated Debt, as described below.

Proportionately Consolidated Debt

Proportionately consolidated debt is a non-GAAP measure and is defined as the sum of Senior Debt, described above, and loans and borrowings of equity accounted investees. Management believes this is a valuable measure of the Company's proportionately consolidated debt obligations and is useful to investors and other users of Pembina's financial information in the evaluation of the Company's debt levels and credit worthiness.

Proportionately Consolidated Debt-to-Adjusted EBITDA

Proportionately Consolidated Debt-to-Adjusted EBITDA, the components parts of which are described above, is a non-GAAP ratio that management believes is useful to investors and other users of Pembina's financial information in the evaluation of the Company's debt levels and creditworthiness.

(\$ millions, except as noted)	Notes	Year Ended December 31, 2021	Year Ended December 31, 2022
Loans and borrowings (current)		1,000	600
Loans and borrowings (non-current)		9,645	9,405
Senior Debt		10,645	10,005

(\$ millions, except as noted)	Notes	Year Ended December 31, 2021	Year Ended December 31, 2022
Senior Debt		10,645	10,005
Loans & Borrowings of Equity Accounted Investees		1,857	3,366
Proportionately Consolidated Debt		12,502	13,371

(\$ millions, except as noted)	Notes	Year Ended December 31, 2021	Year Ended December 31, 2022
Proportionately Consolidated Debt	A	12,502	13,371
Adjusted EBITDA	B	3,433	3,746
Proportionately Consolidated Debt-to-Adjusted EBITDA (times)	=A/B	3.6x	3.6x

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