Pembina and KKR Create Joint Venture to Merge Western Canadian Processing Assets

March 1, 2022

TSX: PPL; NYSE: PBA

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Forward-looking Information and Non-GAAP and Other Financial Measures

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 "expects", "estimates", "anticipates", "projects", "plans", "will", "would", "could", "potential", "continue", "commit" 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: the joint venture transaction between Pembina and KKR, including the terms thereof, including the assets to be contributed by Pembina and KKR, the expected closing date and the anticipated benefits thereof to Pembina, including the anticipated synergies and efficiencies and the accretion to Pembina's adjusted cash flow from operating activities per share; the cash proceeds to Pembina from the joint venture transaction and Pembina's expected use thereof to repay debt and repurchase common shares; the post-closing business and assets of Newco, including Pembina's role as manager and operator of Newco and the expected processing capacity and utilization, cash flows, operating costs and capital expenditures of Newco; Newco's capital structure, including its target leverage ratio; the post-closing ownership of Newco; the acquisition by Newco of the remaining 51% interest in ETC, including the terms and expected timing thereof; the proposed disposition by Newco of the KAPS project, including the expected timing thereof; 2022 adjusted EBITDA expectations for Newco; Pembina's future common share dividends, including Pembina's intention to increase the amount thereof following closing of the joint venture transaction; and Newco's ESG strategy, including its priorities thereunder.

The forward-looking statements are based on certain assumptions that Pembina has made in respect thereof as at the date of this presentation regarding, among other things: the ability of Pembina and KKR to satisfy the conditions to closing of the joint venture transaction in a timely manner and substantially on the terms described herein; the ability of Newco to satisfy the conditions to closing of the acquisition of the remaining 51% interest in ETC in a timely manner and substantially on the terms described herein; that favourable circumstances continue to exist in respect of the operation of the assets to be contributed to Newco; that Newco's future results of operations will be consistent with management expectations in relation thereto; oil and gas industry exploration and development activity levels and the geographic region of such activity; prevailing regulatory, tax and environmental laws and regulations; the ability of Newco to maintain an investment grade rating; future cash flows; prevailing commodity prices, interest rates, carbon prices, tax rates and exchange rates; the availability of capital to fund Newco's future capital requirements; future operating costs; that all required regulatory approvals can be obtained on the necessary terms in a timely manner; that counterparties will comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts; that there are no unforeseen material costs relating to the relevant facilities which are not recoverable from customers; and maintenance of operating margins.

Although Pembina believes the expectations and material factors and assumptions reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct. These forward-looking statements are not guarantees of future performance and are 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 ability of the parties to receive, in a timely manner, the necessary regulatory and other third-party approvals in connection with closing of the joint venture transaction; the ability of Pembina and KKR to satisfy, in a timely manner, the other conditions to the closing of the joint venture transaction; the ability of Newco to satisfy, in a timely manner, the conditions to closing of the acquisition of the remaining 51% interest in ETC; the failure to realize the anticipated benefits and/or synergies of the joint venture transaction following closing due to integration issues or otherwise; expectations and assumptions concerning, among other things: customer demand for Newco's assets and services; commodity prices, interest rates and foreign exchange rates; planned synergies, operating and capital efficiencies and cost-savings; applicable tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; labour and material shortages; non-performance or default by counterparties to agreements entered into in respect of Newco's business; the impact of competitive entities and pricing; reliance on key relationships and agreements; reliance on third parties to successfully operate and maintain certain assets; the regulatory environment and decisions and Indigenous and landowner consultation requirements; actions by governmental or regulatory authorities, including changes in tax laws and treatment, changes in royalty rates, climate change initiatives or policies or increased environmental regulation; fluctuations in operating results; adverse general economic and market conditions in Canada, North America and worldwide, including changes, or prolonged weaknesses, as applicable, in interest rates, foreign exchange rates, commodity prices, supply/demand trends and overall industry activity levels; risks relating to the current and potential adverse impacts of the COVID-19 pandemic; lower than anticipated results of operations and cash flow accretion to Pembina from Newco; the ability to access various sources of debt and equity capital; changes in credit ratings; counterparty credit risk; technology and cyber security risks; natural catastrophes; and certain other risks and uncertainties detailed in Pembina's Annual Information Form and Management's Discussion and Analysis, each dated February 24, 2022, for the year ended December 31, 2021 (the "MD&A") and from time to time in Pembina's public disclosure documents available at www.sedar.com, www.sec.gov and through Pembina's website at www.pembina.com. In addition, the closing of the joint venture transaction may not be completed or may be delayed if Pembina's and KKR's respective conditions to the closing are not satisfied on the anticipated timelines or at all. Accordingly, there is a risk that the joint venture transaction will not be completed within the anticipated timeline, on the terms currently proposed and disclosed in this presentation or at all.

Forward-looking Information and Non-GAAP and Other Financial Measures *(continued)*

In respect of the forward-looking statements concerning the anticipated increase in Pembina's common dividend following completion of the joint venture transaction, Pembina has made such forward-looking statements in reliance on certain assumptions that it believes are reasonable at this time, including assumptions in respect of: prevailing commodity prices, interest rates, margins and exchange rates; that future results of operations will be consistent with past performance, as applicable, and management expectations in relation thereto, including in respect of Newco's future results of operations; the continued availability of capital at attractive prices to fund future capital requirements relating to existing assets and projects, including but not limited to future capital expenditures relating to expansion, upgrades and maintenance shutdowns; future cash flows and operating costs; that counterparties to material agreements will continue to perform in a timely manner; that there are no unforeseen events preventing the performance of contracts; that there are no unforeseen material construction or other costs related to current growth projects or current operations; and that there are no unforeseen material construction or other costs related to current growth projects or current operations. Pembina will also be subject to requirements under applicable corporate laws in respect of declaring dividends at such time.

The estimates of adjusted EBITDA and adjusted cash flow from operating activities per share set forth in this presentation may be considered to be financial outlook for the purposes of applicable Canadian securities laws. Financial outlook contained in this presentation about prospective financial performance, financial position, or cash flows (including adjusted EBITDA and adjusted cash flow from operating activities per share) are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and which may become available in the future. These projections constitute forward-looking statements and are based on a number of the material factors and assumptions set out above. Actual results may differ significantly from the projections presented herein. See above for a discussion of the risks that could cause actual results to vary. The financial outlook contained in this presentation have been approved by management as of the date of this presentation. Readers are cautioned that any such financial outlook contained herein should not be used for purposes other than those for which it is disclosed herein. Pembina and its management believe that the financial outlook contained in this presentation has been prepared based on assumptions that are reasonable in the circumstances, reflecting management's best estimates and judgments, and represents, to the best of management's knowledge and opinion, expected and targeted financial results. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

This list of risk factors should not be construed as exhaustive. Readers are cautioned that events or circumstances could cause actual results to differ materially from those predicted, forecasted, or projected. The forward-looking statements contained in this presentation speak only as of the date hereof. Pembina does not undertake any obligation to publicly update or revise any forward-looking statements contained herein, except as required by applicable laws. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

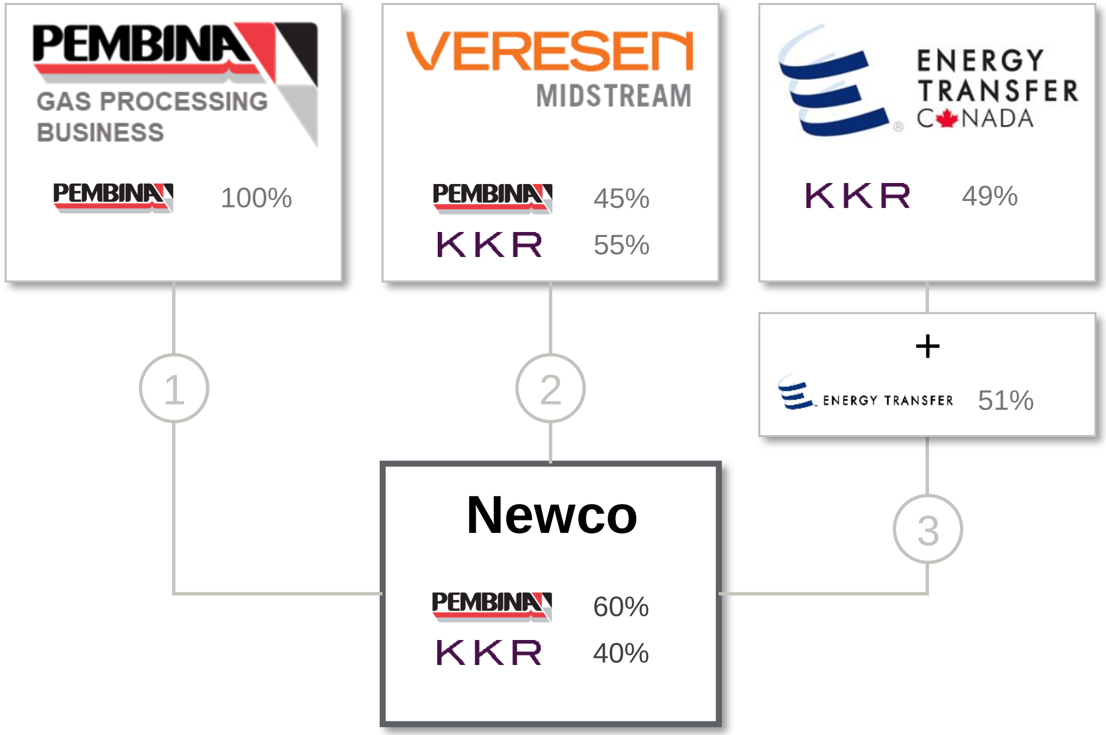
Non-GAAP and Other Financial Measures

This presentation contains certain financial measures and ratios which are not specified, defined or determined in accordance with Canadian generally accepted accounting principles ("GAAP") and which are not disclosed in Pembina's financial statements. Such non-GAAP financial measures and non-GAAP ratios do not have any standardized meaning prescribed by International Financial Reporting Standard ("IFRS") and may not be comparable to similar financial measures disclosed by other issuers. Refer to the "Non-GAAP and Other Financial Measures" section of this presentation for additional information regarding these non-GAAP measures and non-GAAP ratios.

Transaction Summary

Pembina and KKR to combine their respective western Canadian natural gas processing assets into a single, new joint venture entity ("Newco")

- Assets
  - Pembina's field-based natural gas processing assets
  - Pembina and KKR's interests in Veresen Midstream
  - KKR's 49% interest in Energy Transfer Canada ("ETC")
  - Concurrent acquisition of Energy Transfer LP's 51% interest in ETC
- Ownership: 60% Pembina / 40% KKR
- Pembina to serve as operator and manager
- Intend to divest Newco's 50% non-operated interest in Key Access Pipeline System ("KAPS") after closing
- Closing expected late-second quarter / third quarter of 2022
- Permanent branding to be announced prior to closing



$11.4 billion[(1)] in Total Ascribed Value

Combining three complementary platforms to create a premier, highly competitive western Canadian natural gas processing entity

(1) Excludes assets currently under construction.

Strategic Highlights

- Ability to serve customers throughout the Montney and Duvernay trends from North Central Alberta to Northeast B.C. (“NEBC”)
- Efficiencies from the combination of three platforms, enabling cost reductions and an enhanced customer service offering
- Greater exposure to NEBC growth – in a capital efficient manner – through increased ownership in the Veresen Midstream assets
- Diversification of natural gas processing asset suite and customer base
- Area of mutual interest for natural gas processing in western Canada provides strong structural alignment for Pembina and KKR
- Well-capitalized entity able to pursue future opportunities in a capital efficient manner

Transaction creates value for customers and owners alike

Financial Highlights

~$700

million of cash proceeds to Pembina expected on closing

~$150 million to incremental common share repurchases and ~$550 million to debt reduction

Mid to High

single digit accretion to adjusted cash flow per share(1) over next five years

3.6%

increase to common share dividend expected upon closing

3.5 - 4.0x

target debt-to-EBITDA at Newco will align squarely with Pembina guardrails

$4.6

billion of tax pools at Newco

Transaction provides material cash proceeds, meaningful per share accretion and aligns with financial guardrails

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(1) Refers to adjusted cash flow from operating activities per share, which is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" herein.

Newco Platform Spans the Montney and Duvernay Trends

25
processing facilities

~5 bcf/d
processing capacity

~3,350 km
gathering and transport lines

~65 percent
physical capacity utilization

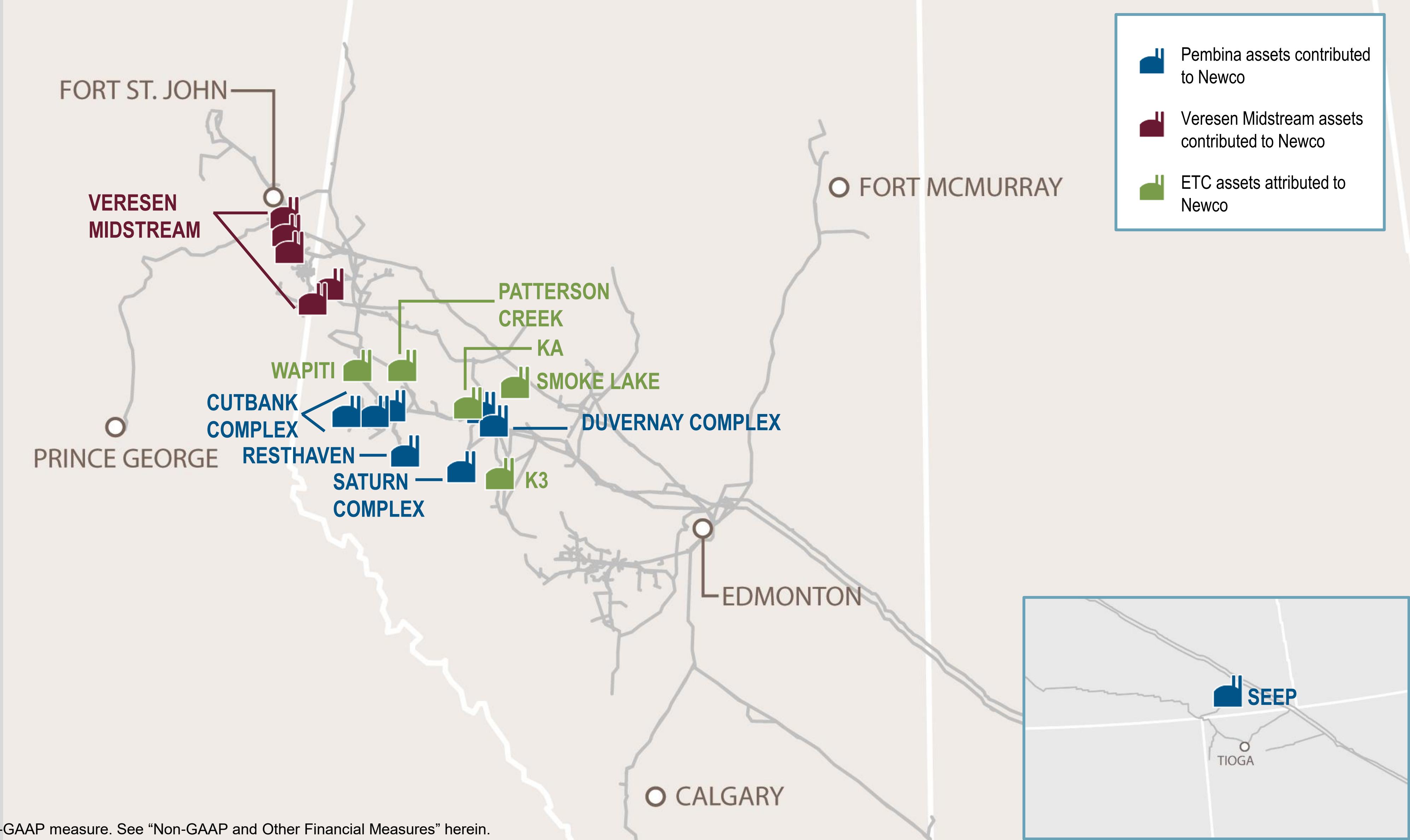
$950 million
2022E adjusted EBITDA(1)

~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



(1) Adjusted EBITDA is a non-GAAP measure. See "Non-GAAP and Other Financial Measures" herein.

Newco Governance

Governance

Operations

- Pembina will serve as the manager and operator of Newco
- Joint venture to benefit from Pembina's operating capabilities, institutional knowledge, and management systems

Area of Mutual Interest

- Governing principle = alignment
- Pembina and KKR have agreed to pursue field-based natural gas gathering and processing assets in western Canada within Newco

Other

- Certain governance and liquidity provisions including ROFO, ROFR, and tag-along provisions

Newco founded on a principle of strong alignment between its owners

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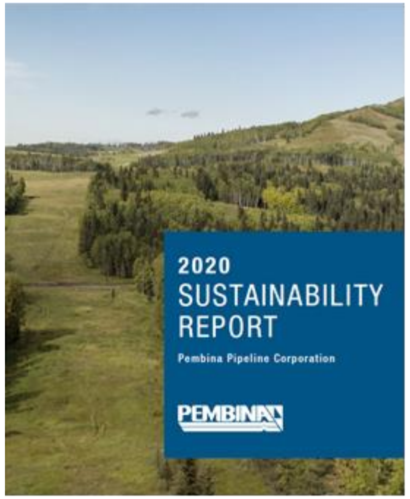
Continued ESG Leadership

Newco will adhere to, and build on, Pembina's strong program of continuously improving ESG performance and will integrate ESG considerations into its long-term business strategy

Pembina ESG Reporting and Ratings



SUSTAINALYTICS
ESG RISK RATING RANKING

	Rank(1) (1st = lowest risk)	Percentile(1) (1st = lowest risk)
Refiners & Pipelines (Industry Group)	3 out of 187	2nd
Oil & Gas Storage and Transportation (Subindustry)	3 out of 101	3rd

SUSTAINALYTICS ESG INDUSTRY TOP RATED

MSCI ESG RATINGS BBB

ISS CORPORATE SOLUTIONS ISS ESG

Governance	1
Environment	4
Social	2

GRI SASB CDP DISCLOSURE INSIGHT ACTION REFINITIV TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Initial Priorities for Newco

- Aligning with Pembina's target to achieve a 30% reduction in GHG intensity by 2030, relative to 2019 levels
- Building upon Pembina's leading safety culture
- Enhancing diversity, equity, and inclusion
- Embracing Pembina's commitment to meaningfully partnering and engaging with Indigenous communities

Newco's ESG approach will reflect leadership and commitments already demonstrated by Pembina and KKR

Key Takeaways

- Combining three complementary platforms to create a premier, highly competitive western Canadian natural gas processing entity
- Scaled platform spanning the Montney and Duvernay trends creates value for customers and owners alike
- Founded on a principle of strong alignment between its owners
- ESG approach will reflect leadership and commitments already demonstrated by Pembina and KKR
- Provides material cash proceeds, meaningful per share accretion, and alignment with Pembina financial guardrails
- Returning capital to shareholders through dividend increase and additional common share repurchases – 2022 repurchase target increases from $200 million to $350 million

Non-GAAP and Other Financial Measures

Throughout this presentation, Pembina has disclosed certain financial measures and ratios that are not defined 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 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 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.

In this news release, Pembina has disclosed the following non-GAAP financial measures and non-GAAP ratios: adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted cash flow from operating activities, and adjusted cash flow from operating activities per common share. These non-GAAP financial measures and non-GAAP ratios disclosed in this news release do not have any standardized meaning under International Financial Reporting Standards ("IFRS") and may not be comparable to similar financial measures disclosed by other issuers. The measures 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 revenue, earnings and cash flow from operating activities.

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 news release, 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, including disclosure of the composition of each non-GAAP financial measure, an explanation of how each non-GAAP financial measure provides useful information to investors and the additional purposes, if any, for which management uses each non-GAAP financial measure; an explanation of the reason for any change in the label or composition of each non-GAAP financial measure 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" section of the MD&A, which information is incorporated by reference in this news release. The MD&A is 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

Pembina has included in this news release 2022 adjusted EBITDA projections, a forward-looking non-GAAP financial measure, for (i) the Pembina assets to be contributed by Pembina to Newco, (ii) Veresen Midstream, (iii) ETC and (iv) Newco, 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. Pembina has, however, included additional information in this news release with respect to Pembina's adjusted EBITDA, which Pembina believes provides useful information to investors and analysts in connection with such forward-looking non-GAAP financial measures.

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.

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.

12 Months Ended December 31, 2021

($ millions, except as noted)	Pipelines	Facilities	Marketing & New Ventures	Corporate & Inter-segment Eliminations	Total
Earnings (loss) before income tax	917	715	391	(358)	1,665
Adjustments to share of profit from equity accounted investees and other	286	135	23	--	444
Net finance costs	29	35	(8)	394	450
Depreciation and amortization	413	214	50	46	723
Unrealized (gain) loss on commodity-related derivative financial instruments	--	(38)	(35)	--	(73)
Canadian Emergency Wage Subsidy	--	--	--	3	3
Transformation and restructuring costs	--	--	--	47	47
Transaction costs incurred in respect of acquisitions	--	--	--	31	31
Arrangement Termination Payment	--	--	--	(350)	(350)
Impairment charges and non-cash provisions	457	36	(1)	1	493
Adjusted EBITDA	**2,102**	**1,097**	**420**	**(186)**	**3,433**

Non-GAAP and Other Financial Measures

<u>**Adjusted EBITDA From Equity Accounted Investees**</u>

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

12 Months Ended December 31, 2021

($ millions, except as noted)	Pipelines	Facilities	Marketing & New Ventures	Total
Share of profit (loss) from equity accounted investees - operations	124	80	77	281
Adjustments to share of profit (loss) from equity accounted investees:				--
Net finance costs	72	31	1	104
Depreciation and amortization	156	104	22	282
Unrealized loss on commodity-related derivative financial instruments	--	--	--	--
Share of earnings (loss) in excess of equity interest (1)	58	--	--	58
Total adjustments to share of profit from equity accounted investees	286	135	23	444
Impairment charges and non-cash provisions	--	--	--	--
Adjusted EBITDA from equity accounted investees	**410**	**215**	**100**	**725**

(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

Adjusted Cash Flow From Operating Activities and Adjusted Cash Flow From Operating Activities per Common Share

Adjusted cash flow from operating activities is a non-GAAP measure which is defined as cash flow from operating activities adjusting for the change in non-cash operating working capital, adjusting for current tax and share-based compensation payment, and deducting preferred share dividends paid. Adjusted cash flow from operating activities deducts preferred share dividends paid because they are not attributable to common shareholders. The calculation has been modified to include current tax and share-based compensation payment as it allows management to better assess the obligations discussed below.

Management believes that adjusted cash flow from operating activities provides comparable information to investors for assessing financial performance during each reporting period. Management utilizes adjusted cash flow from operating activities to set objectives and as a key performance indicator of the Company's ability to meet interest obligations, dividend payments and other commitments.

Adjusted cash flow from operating activities per common share is a non-GAAP ratio which is calculated by dividing adjusted cash flow from operating activities by the weighted average number of common shares outstanding.

($ millions, except as noted)	Year Ended December 31, 2021	
Cash flow from operating activities	2,650	
Change in non-cash operating working capital	100	
Current tax expense	(286)	
Taxes paid, net of foreign exchange	355	
Accrued share-based payment expense	(76)	
Share-based compensation payment	32	
Preferred share dividends paid	(135)	
Adjusted cash flow from operating activities	2,640	(A)
Weighted Average Shares (Basic) (million)	550	(B)
Adjusted cash flow from operating activities per common share – basic (dollars) ($)	**4.80**	**= (A)/(B)**

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