# Pembina Pipeline Corporation

## Investor Presentation

**TSX: PPL; NYSE: PBA**

June 2024

# 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 Pipeline Corporation's ("Pembina" or the "Company") 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", "project", "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: Pembina's strategy and the development of new business initiatives and growth opportunities, including the anticipated benefits therefrom and the expected timing thereof; statements regarding Pembina's financial and operational performance, including the performance of its assets, expectations regarding Pembina's operational activities and areas of focus and future credit ratings and financial decisions; expectations about industry activities, development opportunities, infrastructure projects and market conditions, including their expected impact on Pembina and the timing and benefits thereof; expectations about future demand for Pembina's infrastructure and services; Pembina's sustainability, climate change and environmental, social and governance plans, initiatives, strategies and targets, including future actions taken in relation thereto and the timing and effectiveness thereof; Pembina's annual guidance for 2024 and beyond; Pembina's capital allocation strategy, including expectations for 2024 capital spending and the Company's financial guardrails; Pembina's future common share dividends and expected share repurchases; anticipated timing of final investment decisions; planning, construction, locations, capital expenditure estimates, schedules, regulatory and environmental applications and anticipated approvals, expected capacity, incremental volumes, completion and in-service dates, rights, sources of product, activities and operations with respect to the new construction or expansions of existing pipelines, systems, gas services facilities, processing and fractionation facilities, terminalling, storage and hub facilities and other facilities or energy infrastructure, including the benefits and timing thereof; expectations regarding Pembina's commercial agreements, including the expected timing and benefit thereof; the expected demand for, and prices and inventory levels of, crude oil and other petroleum products, including NGL; and expectations, decisions and activities related to Pembina's projects, new developments and other activities, including the development, timing, costs and anticipated benefits of its projects and new developments, including the Phase VIII Peace Pipeline Expansion, Cedar LNG, RFS IV, ACG, the NEBC Infrastructure Expansion, the Wapiti Expansion, the K3 Cogeneration Facility, the Alliance/Aux Sable integration, the Pembina Low Carbon Complex and the low-carbon ammonia project.

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 from those implied by such forward-looking statements, 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; reliance on key relationships, joint venture partners and agreements; labour and material shortages; the strength and operations of the oil and natural gas production industry and related commodity prices; non-performance or default by counterparties to agreements which Pembina or one or more of its affiliates has entered into in respect of its business; 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; constraints on, or the unavailability of, adequate supplies, infrastructure or labour; the political environment in North America and elsewhere, and public opinion; the ability to access various sources of debt and equity capital on acceptable terms; adverse changes in credit ratings; counterparty credit risk; technology and cyber-security risks; natural catastrophes; current and future geopolitical events and their 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 22, 2024, for the year ended December 31, 2023, and Pembina's other public disclosure documents available at www.sedarplus.ca, www.sec.gov and through Pembina's website at www.pembina.com.

Management approved the revised 2024 adjusted EBITDA guidance on April 1, 2024, and the other 2024 guidance contained herein (including guidance regarding adjusted cash flow from operating activities, proportionately consolidated debt-to-adjusted EBITDA, rating agency funds from operations-to-debt, capital spending, fee-based contribution to adjusted EBITDA, payout of fee-based distributable cash flow and standard payout ratio) as of the date of this presentation. The purpose of such guidance is to assist readers in understanding Pembina's expected and targeted financial results, and such information may not be appropriate for other purposes. Pembina and its management believe that such financial outlooks have 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.

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.


# Core Energy Infrastructure Holding in Any Portfolio

## Full Value Chain Across All Commodities

*Integrated commercial framework – wellhead to market*

## Visible Growth

*4% to 6% fee-based adjusted EBITDA per share growth**

## Financial Discipline

*Strict adherence to financial guardrails*

## Predictable Cash Flow

*~80% - 90% fee-based, including ~65% - 70% take-or-pay or cost-of-service*

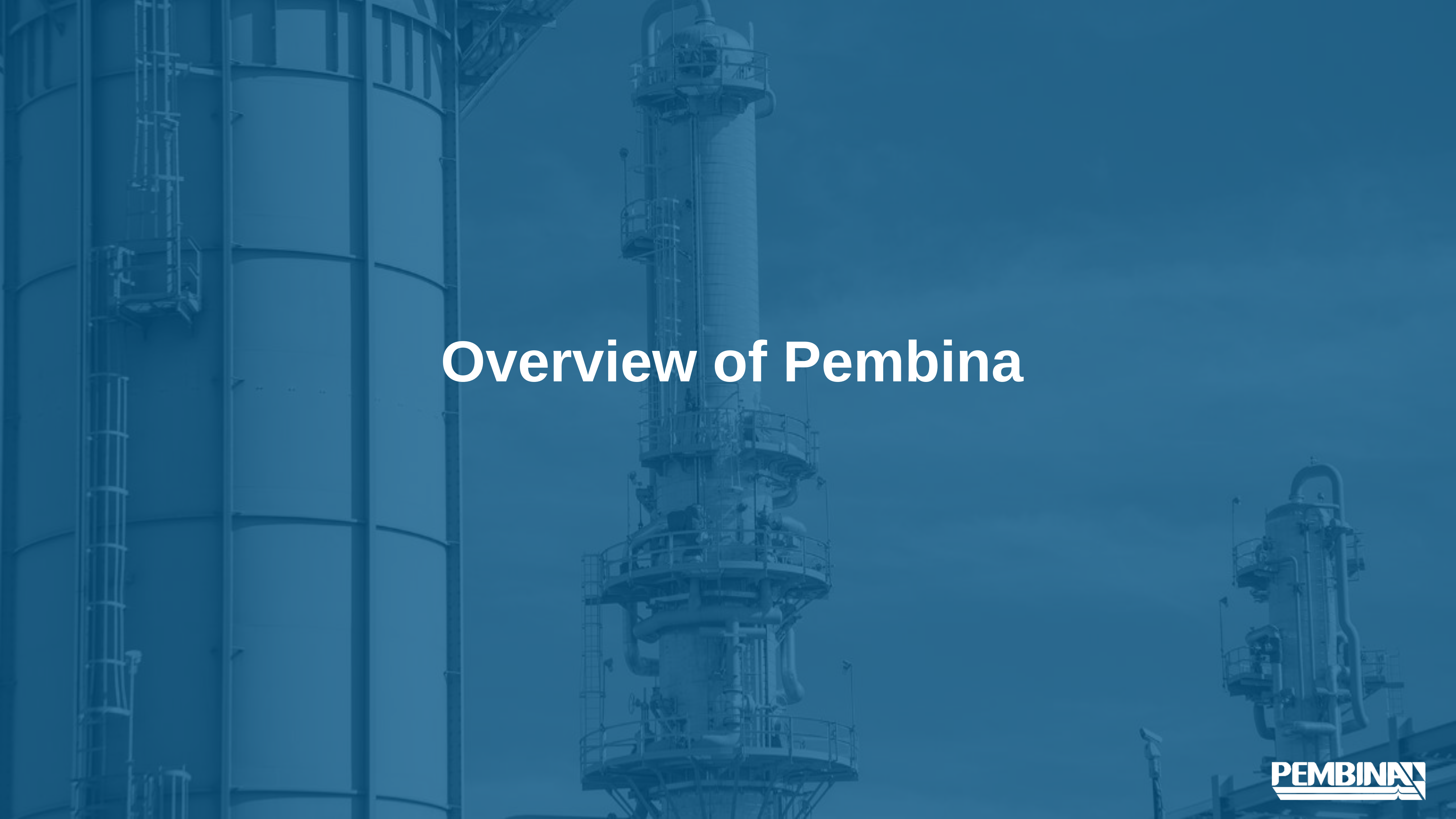
## Exemplary Project Execution

*>$6 billion delivered on time and on budget since 2017*

## Positioned for the Future

*Strategy for long-term hydrocarbon demand and energy transition*

* Fee-based adjusted EBITDA per share is a non-GAAP measure. See "Non-GAAP and Other Financial Measures" herein.



# Overview of Pembina

# Pembina's Stakeholders

### *Customers*

choose us first for reliable and value-added services

### *Investors*

receive sustainable industry-leading total returns

### *Employees*

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

### *Communities*

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

**Balancing stakeholder interests to achieve extraordinary success for all**

# Environmental, Social, and Governance (ESG) Highlights

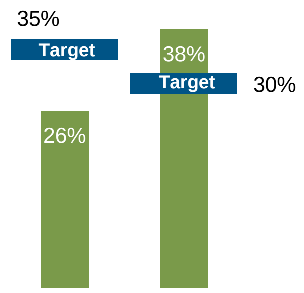
## GHG Reduction Target

- 30% reduction in greenhouse gas emissions intensity by 2030[4]

  ~7% achieved through 2023

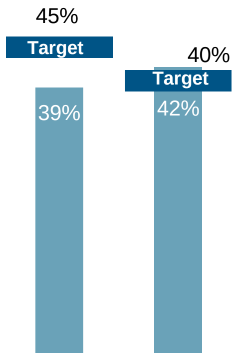
- Operational improvements
- Powering infrastructure with renewable energy
- Investing in lower-carbon projects

## EDI Targets[1][2]



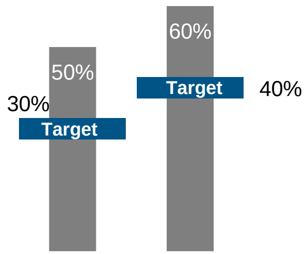

Overall Workforce | Executive Leadership

% of Representation by Women




Overall Workforce | Executive Leadership

% of Overall Diversity




Gender Diversity | Overall Diversity

Board of Directors

## ESG Ratings[3]

MORNINGSTAR SUSTAINALYTICS ESG 2024 INDUSTRY TOP RATED

MSCI ESG RATINGS AA

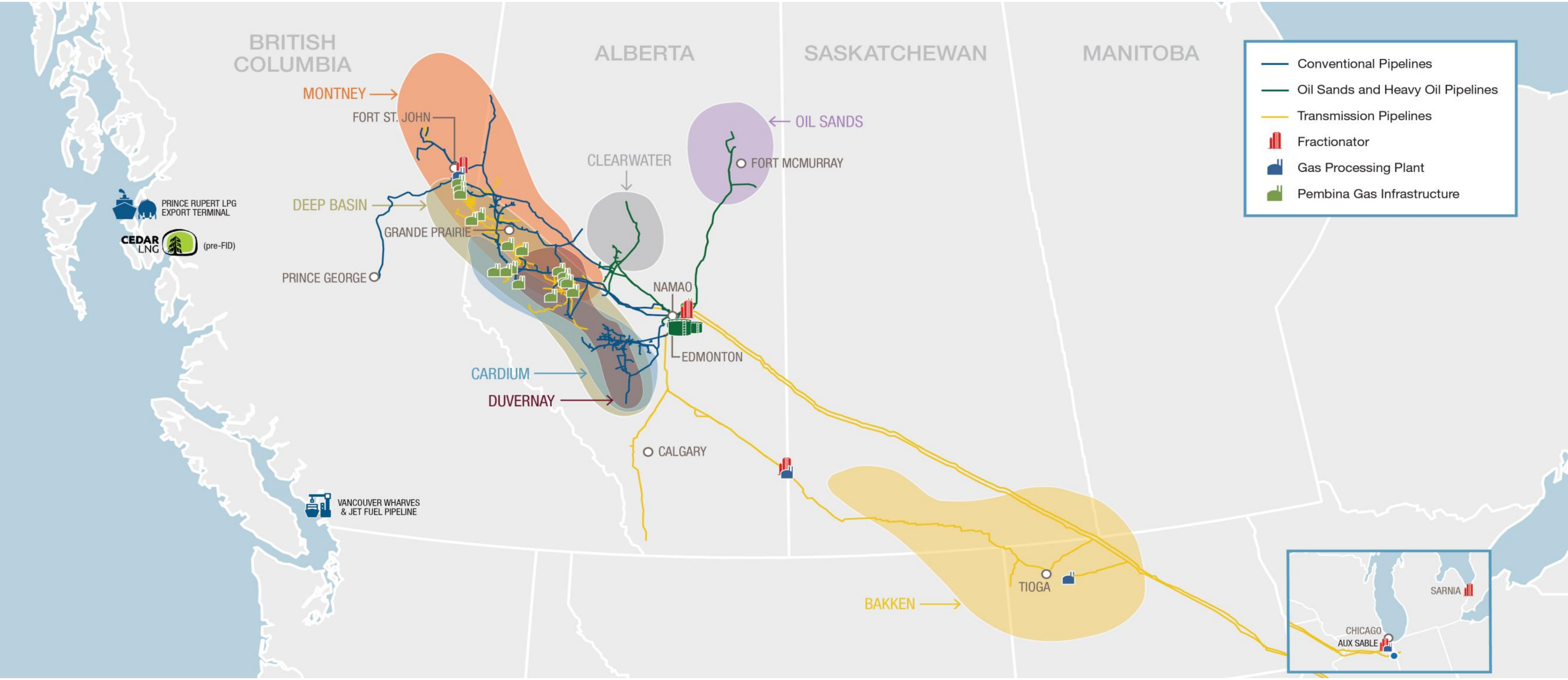
ISS CORPORATE SOLUTIONS | ISS ESG

| | |
|---|---|
| Governance | 1 |
| Environment | 2 |
| Social | 1 |

CDP DISCLOSURE INSIGHT ACTION B

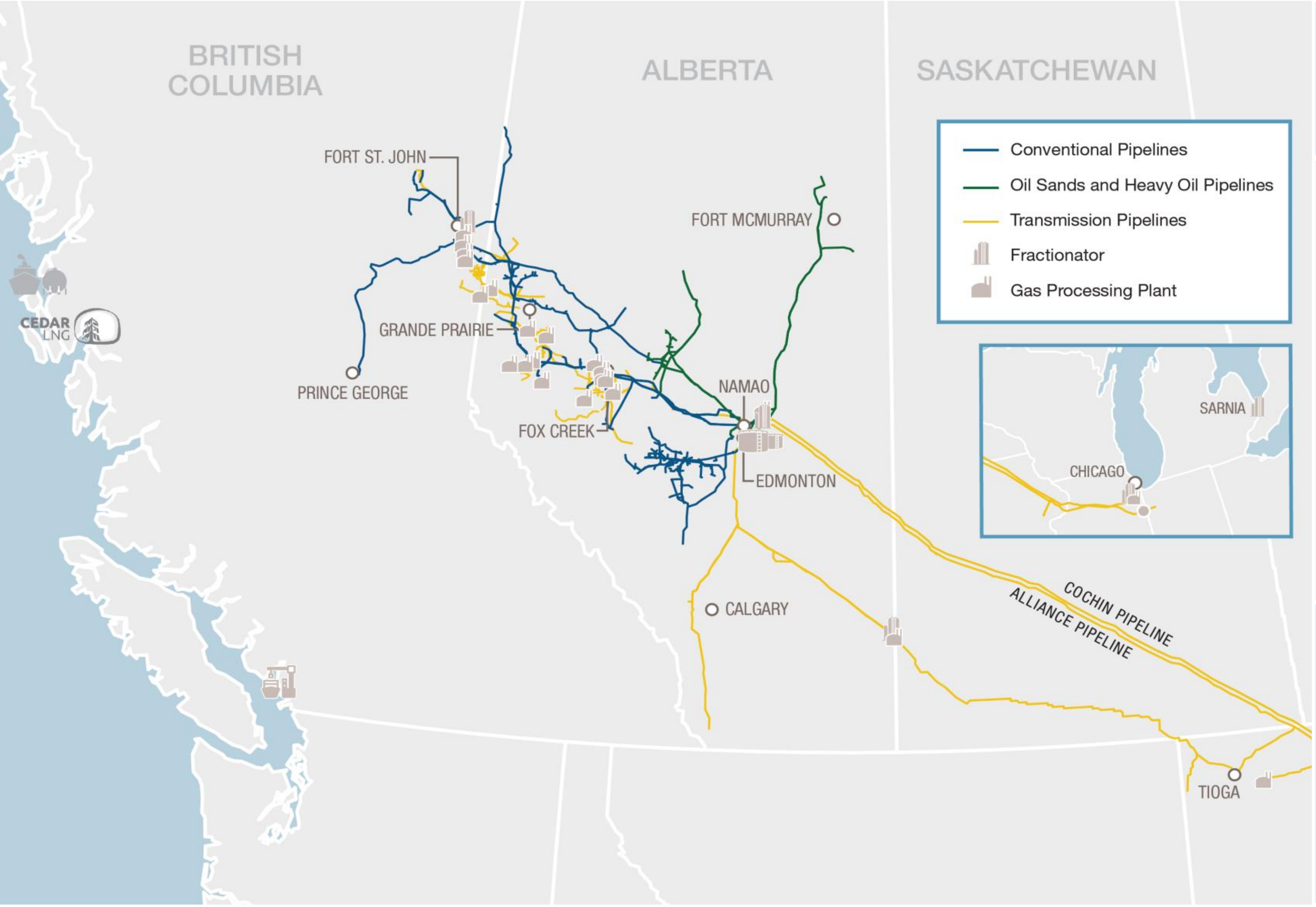
**Well-defined and achievable targets are guiding ESG journey**

# Diversified and Integrated Transportation and Midstream Assets




**Uniquely positioned, irreplicable assets within integrated value chain poised to capture WCSB growth**

# Leading Network of Pipeline Systems[(1)]




**~3.0 mmbpd** hydrocarbon transportation capacity

**~10 mmbbl** above ground storage capacity

**Conventional** pipelines transport crude oil, condensate, ethane-plus NGL and propane-plus NGL from the production areas across the WCSB to primarily Edmonton/Fort Saskatchewan, Alberta

- **Peace & Northern** systems offer unequaled reach and scope:
  - 1.1 million barrels per day capacity
  - product segregation across four commodities
  - high reliability and low operating cost
  - multiple delivery points

**Transmission** pipelines transport NGL-rich natural gas (Alliance) and ethane (Vantage/AEGS); condensate imports (Cochin)

**Oil Sands** pipelines serve long-life resources, including Syncrude and Horizon oil sands projects, and the growing Clearwater area

***Current Focus Areas:***

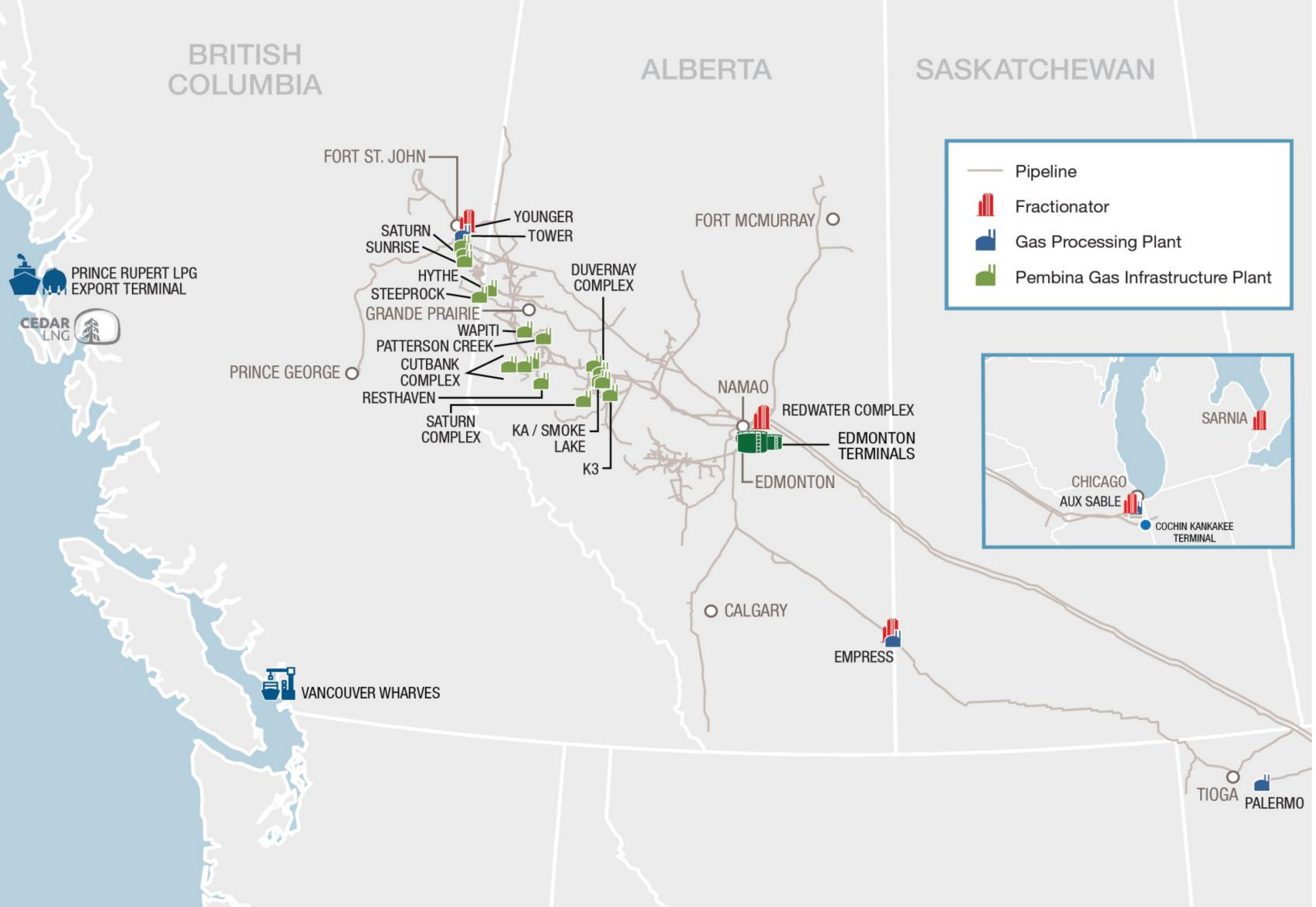
- Increasing capital efficient utilization on conventional assets
- Enabling volume growth from NEBC Montney
  - Terminal upgrades, storage, and mid-point pump station which will support ~40 mbbl/d of incremental capacity on the NEBC pipeline system
- Fully contracting the recently reactivated Nipisi Pipeline

**Industry-leading network of pipelines for transportation of natural gas, crude oil, condensate and NGL**



PEMBINA

# Extensive Gas Processing, Fractionation, Storage and Export Facilities(1)




**~6.3 bcf/d** gas processing capacity

including **~504 mmcf/d** deep cut processing capacity

**~115 mbpd** condensate stabilization

**~410 mbpd** fractionation capacity

**~21 mmbbl** cavern storage capacity

**~20 mbpd** propane export capacity

**Pembina Gas Infrastructure** is the largest third-party gas processor in Canada with assets that span the Montney and Duvernay trends from North Central Alberta to Northeast B.C.

| | |
|---|---|
| PEMBINA | 60% |
| KKR | 40% |

PGI

**Redwater** is Canada's premier NGL fractionation complex with dedicated ethane plus and propane plus capacity

***Current Focus Areas:***

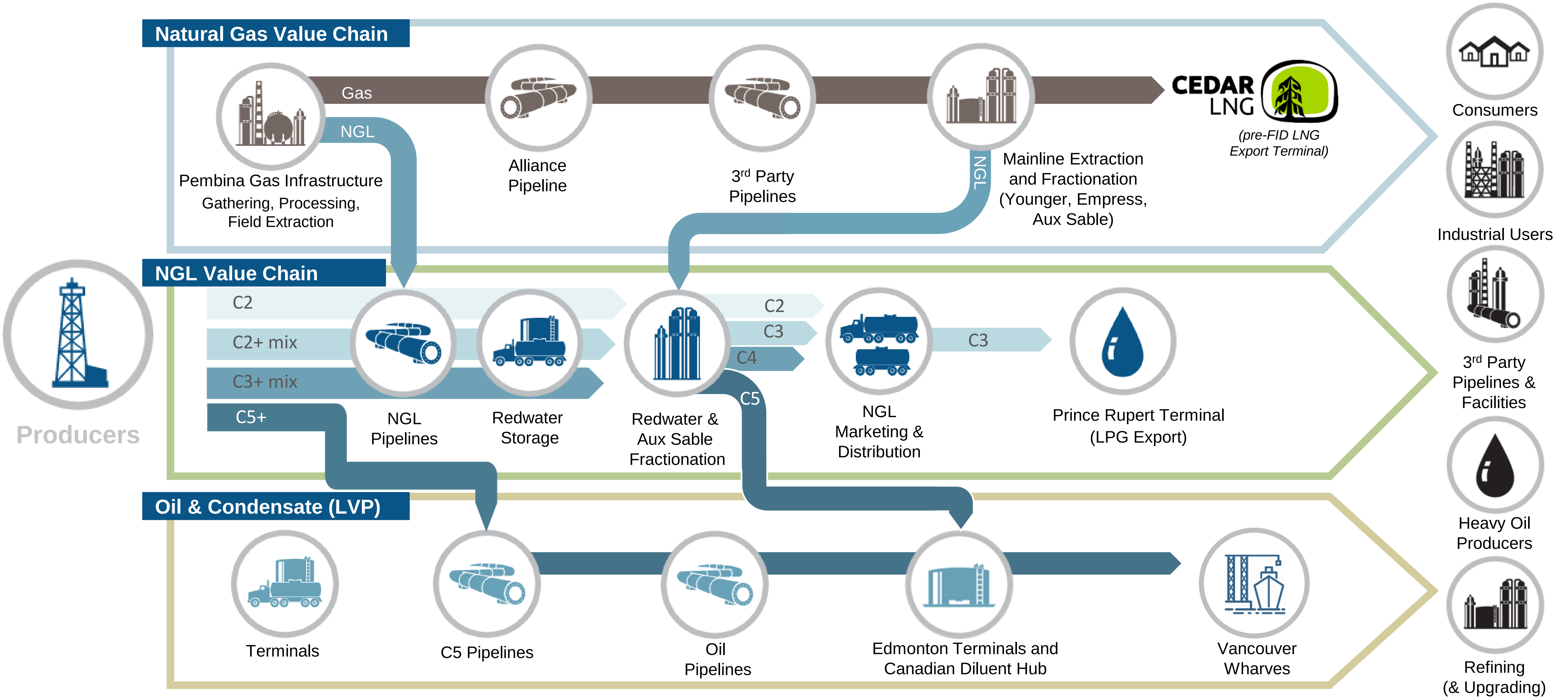
- Capitalizing on volume growth from NEBC Montney
- Increasing utilization across PGI's suite of assets
- RFS IV expansion at Redwater Complex
- Wapiti Gas Plant expansion

**Extensive portfolio of industry-leading facilities highly integrated with Pembina's pipeline assets**



PEMBINA

# The Pembina Store



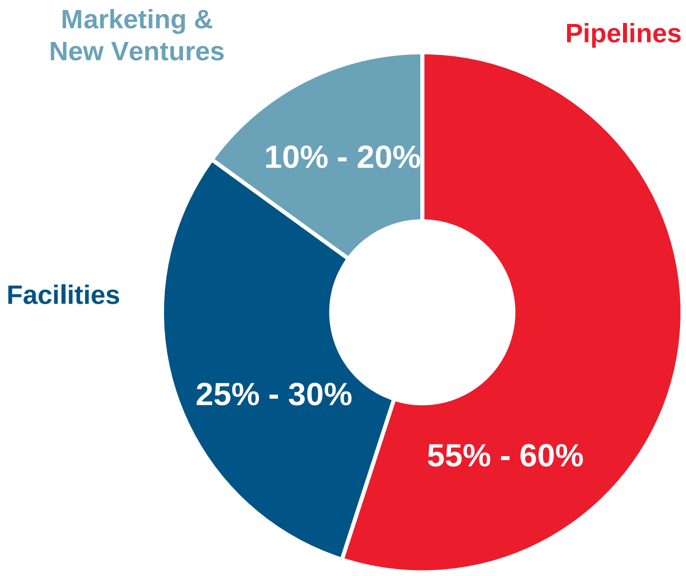

**Integrated service offering creates an enduring competitive advantage**



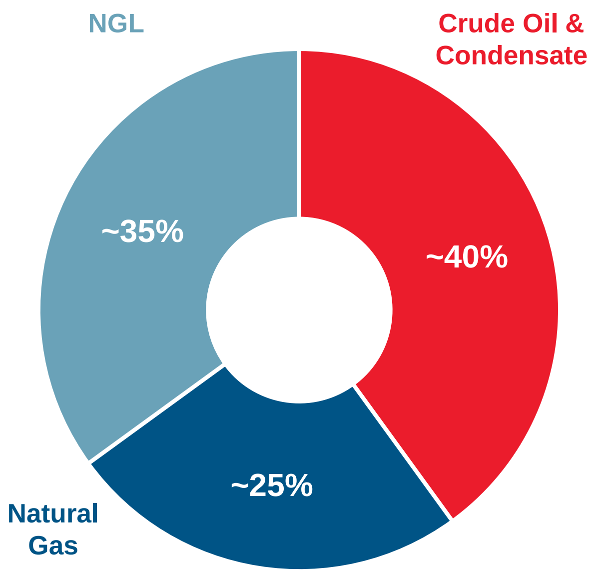
PEMBINA

# Diversified and Highly Contracted Business with ~70% Take-or-Pay

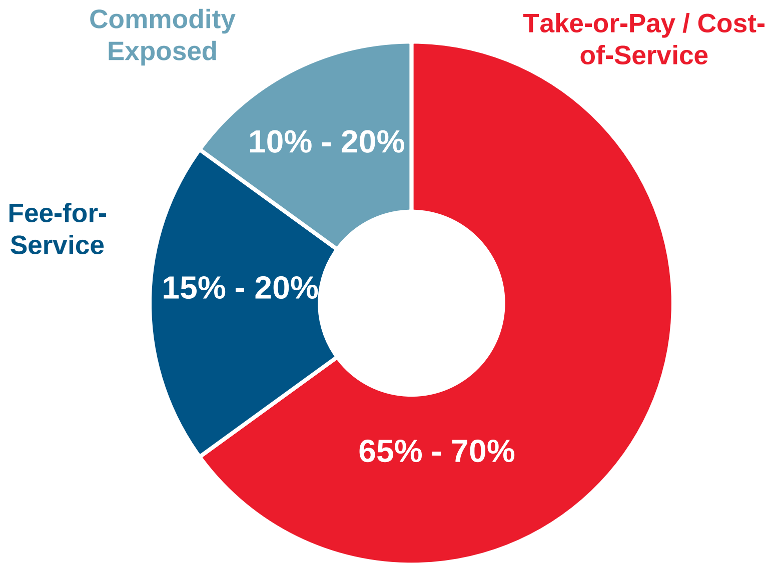
## Division




## Commodity




## Type




**Pembina's business is highly diversified and substantially underpinned by fee-based, high take-or-pay contracts**

# 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

**To be resilient**
Sustain, decarbonize, and enhance our businesses

Drive strong returns from core business

**To thrive**
Invest in the energy transition to improve the basins in which we operate

Ensure continued success beyond 2030

**To meet global demand**
Transform and export our products

Supply growing and resilient markets and maximize the value of our products

**To set ourselves apart**
Create a differentiated experience for our Stakeholders

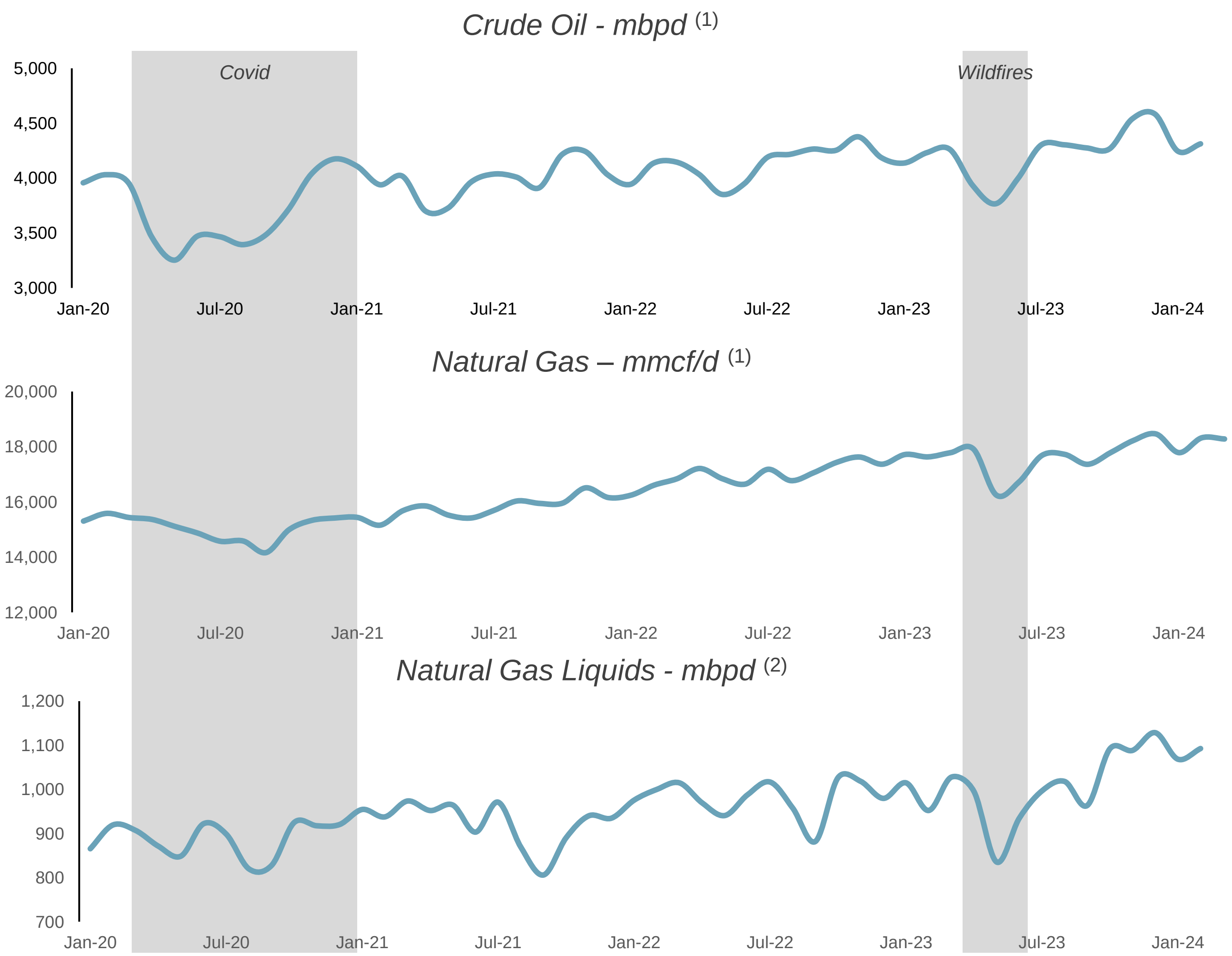
Ensure support from, and benefits for, all stakeholders

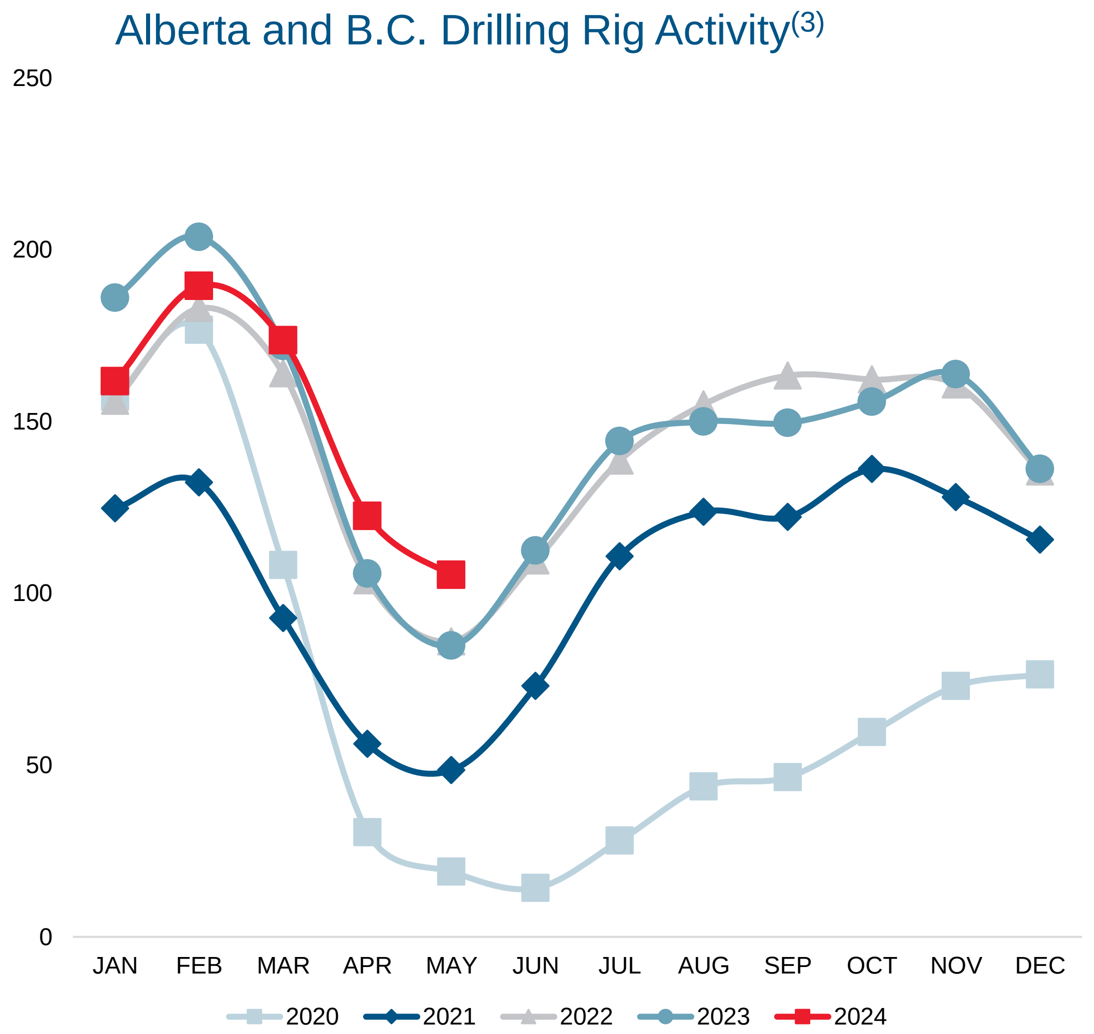
**Building upon our core business while capitalizing on opportunities from the transition to a lower-carbon economy**

# Growth Opportunities

PEMBINA

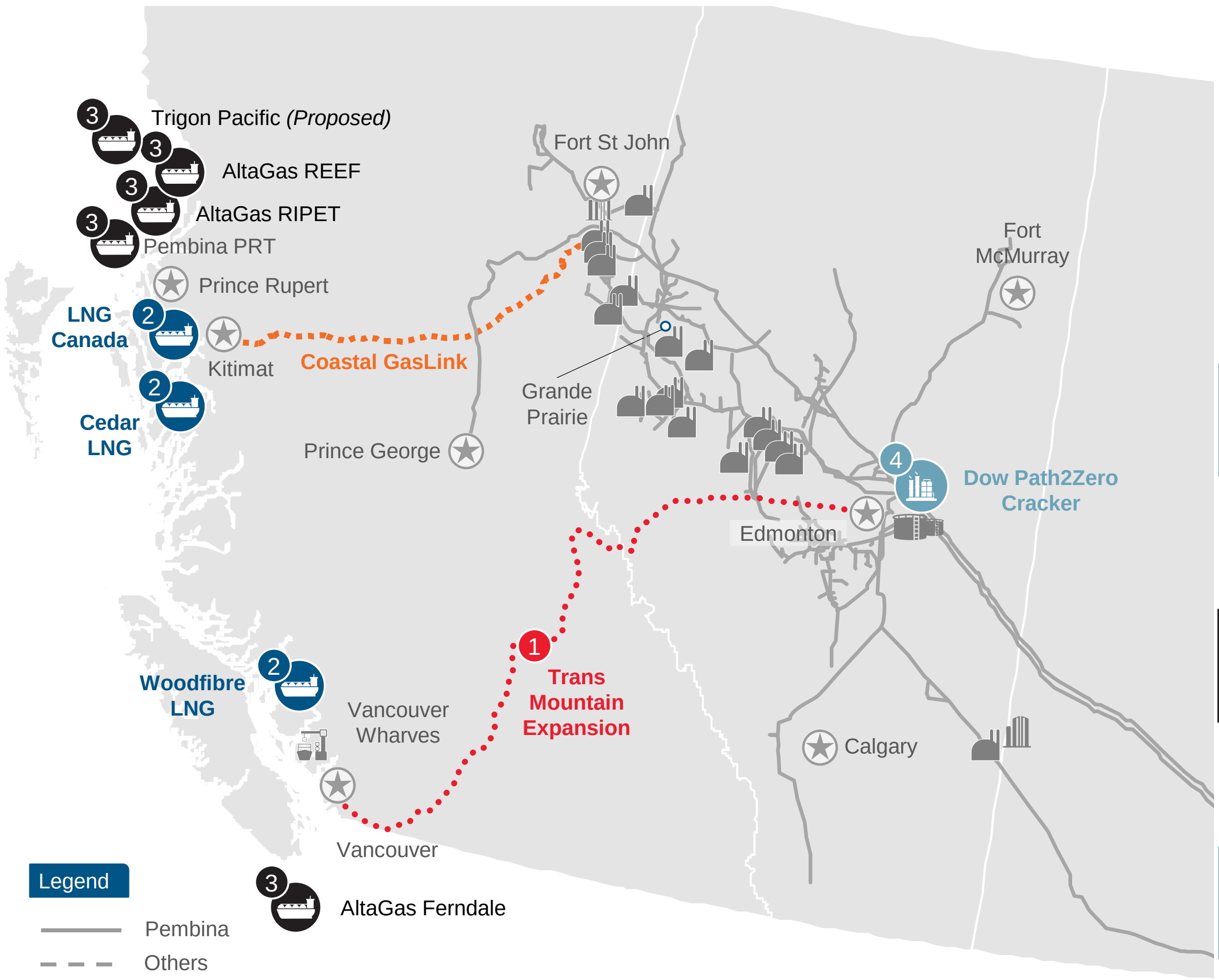
# Producer Activity




**Robust producer activity is driving growth in crude oil, natural gas, and NGL volumes**

# Transformational Catalysts Driving Growth




| Infrastructure Projects | | Benefit to Pembina |
|---|---|---|
| **1 Trans Mountain Expansion[1]** | **2024** — **Capacity**: 590 mbpd<br>**Commodity**: Light and Heavy Oil | *Bitumen exports drive condensate demand met through growing domestic production and imports* |
| **2 West Coast LNG Exports[2]** | **2025 - 2028** — **Capacity**: ~2.8 to 4.9 bcf/d<br>**Feedstock**: Natural Gas | *LNG export drives natural gas production growth and associated NGL production* |
| **3 LPG Exports[3]** | **2026 +** — **Capacity**: potentially 110 to 140 mbpd<br>**Feedstock**: Propane | *Incremental propane transportation and supportive of propane pricing dynamics* |
| **4 Dow Path2Zero Cracker[4]** | **2027 - 2029** — **Capacity**: 3.2 mm MT polyethylene<br>**Feedstock**: Ethane | *Incremental ethane transportation and supply with associated NGL production* |

**Continued momentum in volume growth on Pembina systems spurred by several WCSB catalysts**

# Executing In-Flight Projects

| | | |
|---|---|---|
| **Peace Phase VIII** | • $430 million<br>• On time, trending under budget<br>• Commissioning underway | • Enables segregated service for C2+ and C3+ while adding 235 mbpd of incremental capacity between Gordondale and La Glace and 65 mbpd between La Glace and Namao |
| **NEBC MPS Expansion** | • $90 million<br>• On time, on budget<br>• ISD: Q4 2024 | • Includes a new mid-point pump station, terminal upgrades, and additional storage, which will support 40 mbpd of incremental capacity on the NEBC Pipeline system |
| **RFS IV** | • $460 million<br>• On time, on budget<br>• ISD: H1 2026 | • Adds a 55 mbpd C3+ fractionator at the existing Redwater fractionation and storage complex, bringing total fractionation capacity to 256 mbpd |
| **Wapiti Expansion** | • $140 million (net)<br>• Recently sanctioned<br>• ISD: H1 2026 | • Increases the natural gas processing capacity at the Wapiti Plant by 115 mmcf/d (gross to PGI) |
| **K3 Cogen** | • $70 million (net)<br>• Recently sanctioned<br>• ISD: H1 2026 | • Adds a 28 MW cogeneration facility at the K3 Plant to fully supply power requirements, with excess power sold to the grid at market rates, while reducing GHG emissions |

**Building new projects in service of future growth from industry catalysts**

# Redwater is Canada's Premier NGL Fractionation Complex

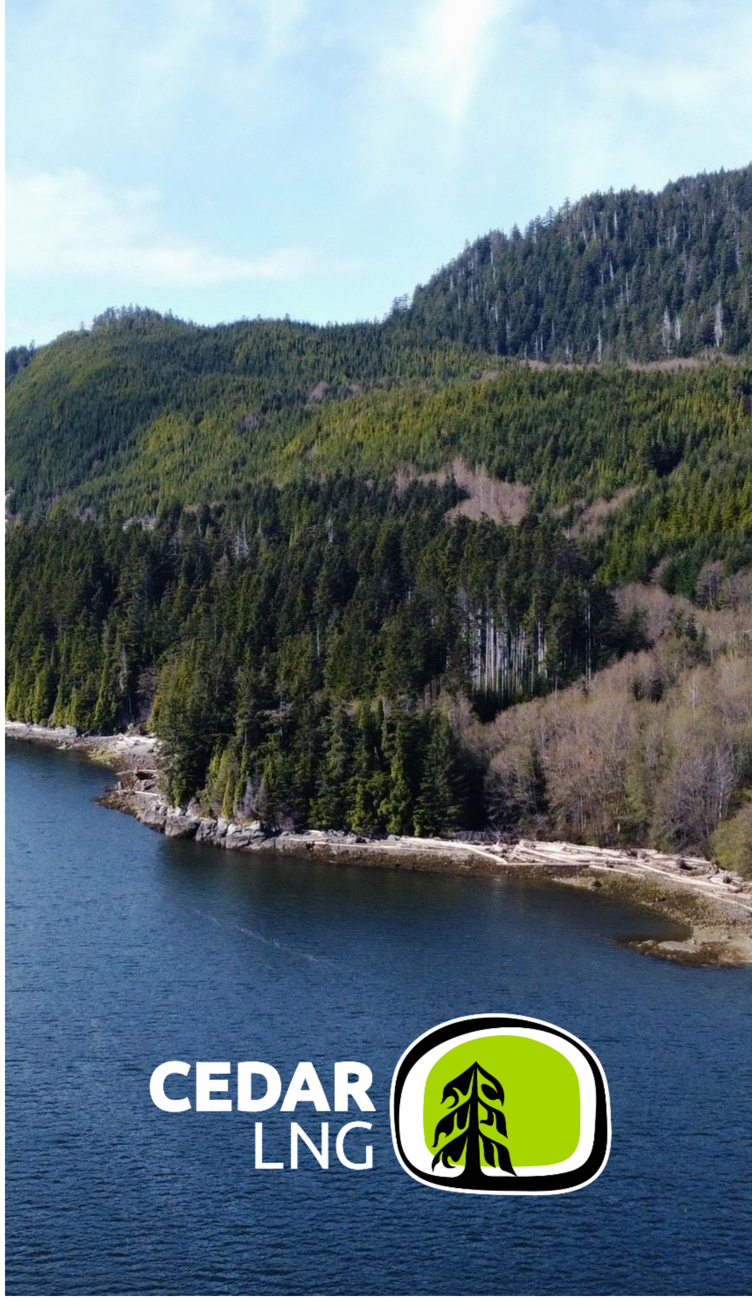
With growing demand and an increase in customer commitments, Pembina sanctioned RFS IV, a 55,000 bpd expansion of the Redwater Complex

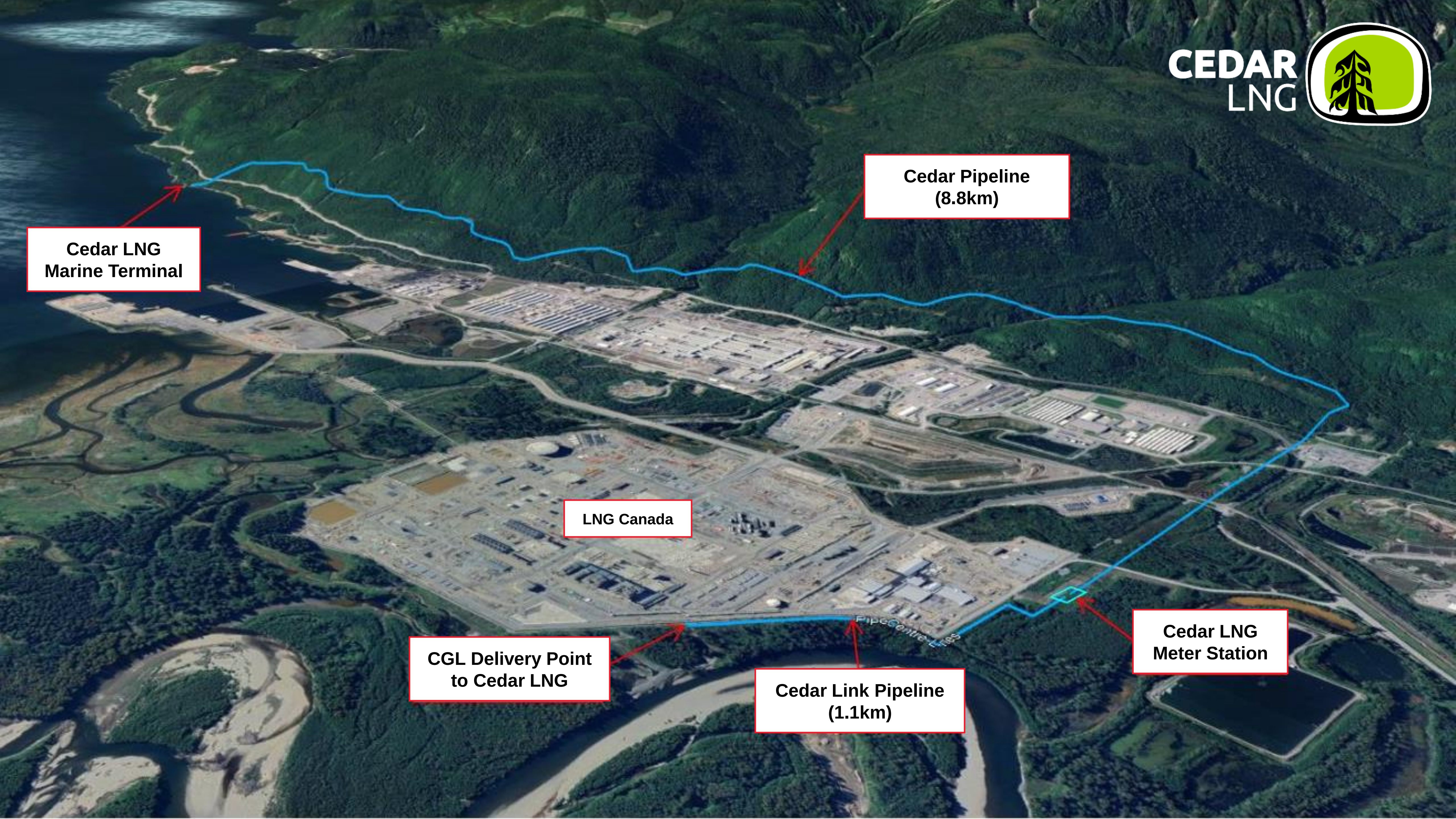

1. **RFS I:** 73,000 bpd $C_2$+ fractionator.
2. **RFS II**: 73,000 bpd $C_2$+ fractionator.
3. **RFS III:** 55,000 bpd $C_3$+ fractionator.
4. **Cogeneration Plant:** 44 MW cogeneration plant to support RFS II & III.
5. **Storage Caverns / Brine Pods:** Potential to develop additional caverns to store products ranging from NGL mix to LPG to ethylene.
6. **Rail Loading**: Rail car capacity of 250+ cars per day. Ability to load LPG, diesel, propylene, and condensate.
7. **NWR Sturgeon Refinery Terminal:** Truck and rail loading, storage, as well as handling and processing equipment for a variety of products delivered from NWR Sturgeon Refinery.
8. **Control Centre & Office:** 45,000 square feet of office space for 200+ employees.

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

# Cedar LNG Overview

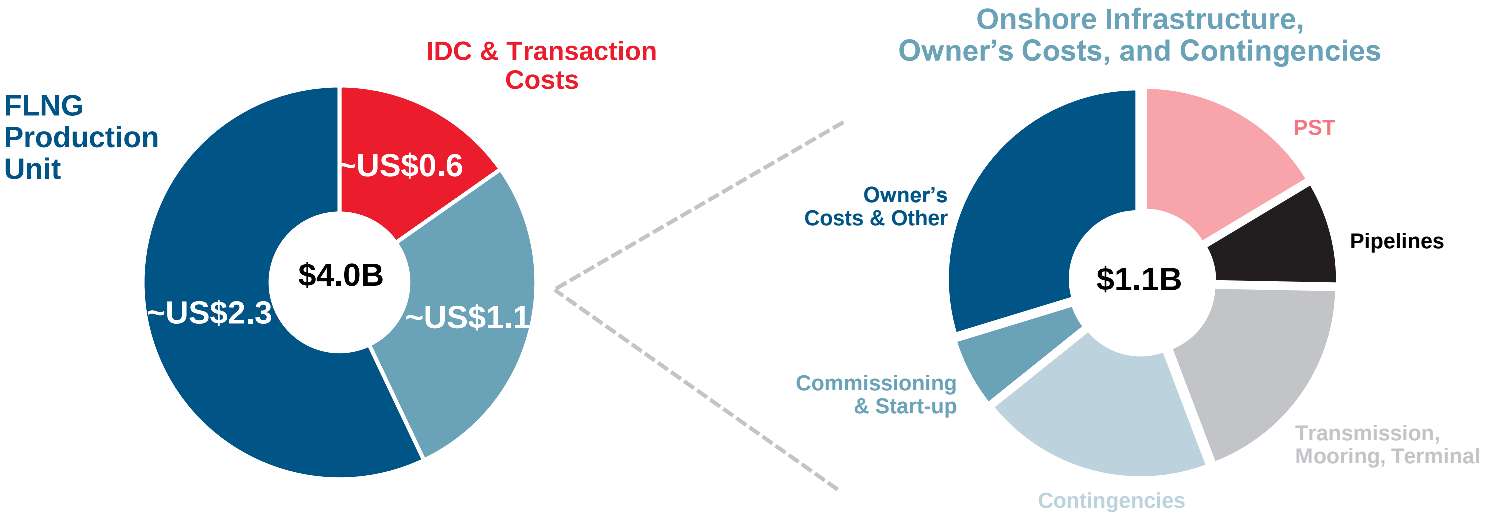
| | |
|---|---|
| **Project** | • 3.3 mtpa floating LNG facility in Kitimat, British Columbia, within the traditional territory of the Haisla Nation |
| **Ownership** | • 50.1% HAISLA NATION<br>• 49.9% PEMBINA |
| **Commercial** | • Underpinned by 20-year take-or-pay tolling agreements<br>ARC RESOURCES LTD. PEMBINA<br>• ARC and Pembina have each contracted for 1.5 mtpa<br>• Pembina intends to assign its capacity to a third-party post-FID |
| **Contractors** | • Samsung Heavy Industries and Black & Veatch<br>• Lump-sum EPC contract for floating LNG unit |
| **Cost Estimate** | • US$3.4 billion (US$4.0 billion including IDC) |
| **Environmental & Regulatory** | • Powered by BC Hydro, expected to be one of the lowest emissions LNG facilities in the world<br>• Received all key regulatory approvals |
| **Final Investment Decision** | • Expected by June 2024 |



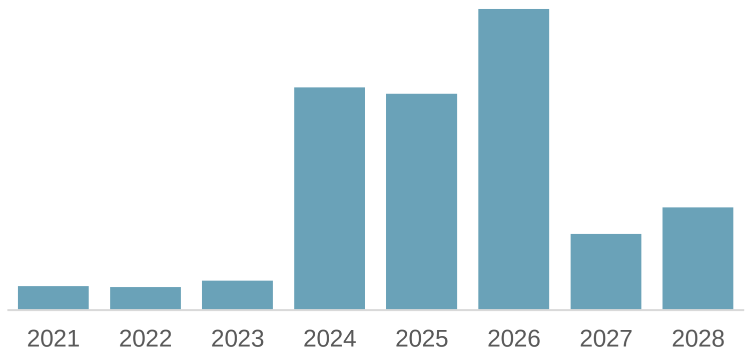

CEDAR LNG
Cedar Pipeline (8.8km)
Cedar LNG Marine Terminal
LNG Canada
CGL Delivery Point to Cedar LNG
Cedar Link Pipeline (1.1km)
Cedar LNG Meter Station

# Cedar LNG Economics

## US$4.0 Billion Gross Capital Cost




**Spending Profile**




~75% over peak 3 years

## Attractive Returns


**Take-or-pay commitments for 3.0 mtpa**

**Incremental cargoes for up to 0.3 mtpa; marketing upside**

## Financing

**CEDAR LNG**

- ~60% project-level debt
- Construction facility that converts to amortizing term loan

**HAISLA NATION**

- ~20% equity contribution
- Pursuing alternatives through both First Nation lending and traditional lending

**PEMBINA**

- ~20% equity contribution
- Funded through cash flow

**Attractive returns and funded within the financial guardrails**

# Cedar LNG Approach to Mitigate Cost Risk

## ~70% Under Lump-Sum and Date-Certain Contract

- EPC contract for Floating LNG ("FLNG") unit guarantees cost, performance and schedule
- Manufacturing in controlled conditions of a shipyard with local labour, lowering execution risk
- Performance guarantees for LNG production rate and offloading rate
- World-class contractors, Samsung Heavy Industries ("SHI") and Black & Veatch ("B&V")

**SHI has delivered 3 of the 5 currently operational FLNG facilities worldwide**

- Responsible for new-build hull, construction and integration of the hull and topside

**B&V has developed more than 30 operating LNG production facilities globally and has become a top choice EPC contractor for new build LNG facilities**

- Responsible for the design, engineering, and procurement of the topsides


## Onshore Infrastructure

- Construction scopes executed by an experienced Cedar LNG team and specialized contractors
- Supported by Pembina's demonstrated execution management systems and specialized engineering contractors
- Individual onshore construction scopes resemble standard Pembina development projects in terms of size and complexity
- Onshore scopes have been designed with conservative timing and to minimize activities during winter construction seasons
- Cedar LNG team includes members who successfully executed 2 FLNG facilities currently in operation or starting-up

**World class EPC contractors and experienced Cedar LNG team bring extensive FLNG track record**

# Alberta Carbon Grid (ACG)

## Pembina and TC Energy plan to jointly develop a proposed world-scale $CO_2$ transportation and sequestration system

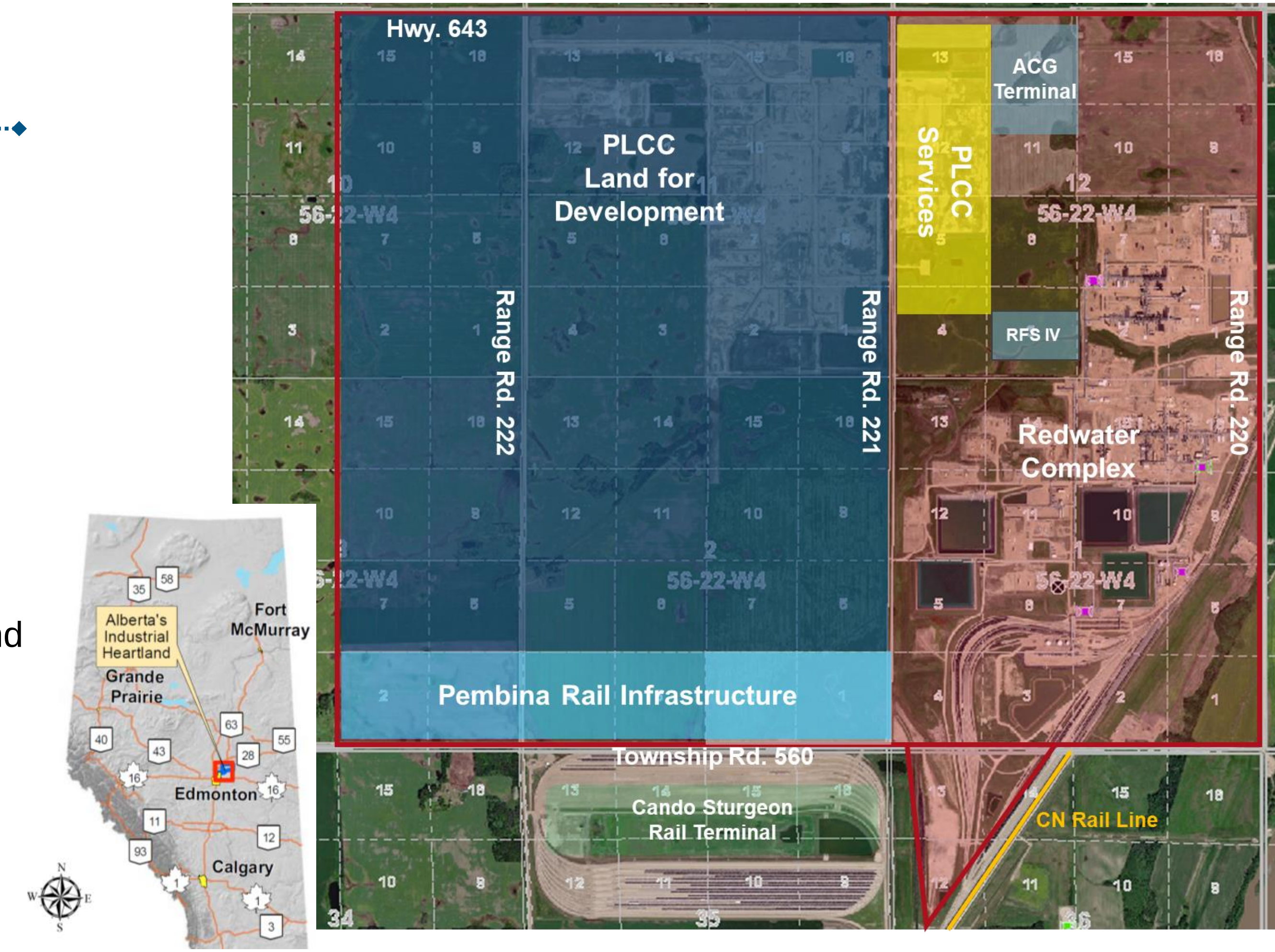
- Open-access system to serve Alberta's emerging Carbon Capture, Utilization and Storage industry
- Connecting multiple hubs to key sequestration locations
- The first hub is the Industrial Heartland project, with the potential of transporting and storing up to ten million tonnes of $CO_2$
- ACG has secured the rights to evaluate over 900,000 hectares of premier land north of Fort Saskatchewan, Alberta
- Completed the appraisal well drilling, logging, and testing in December 2023 with preliminary data consistent with storage capacity expectations
- In 2024, ACG will continue to progress commercial conversations, refine the project scope, and advance project engineering, including facility design and work on the pipeline routing


**ACG will help Canada meet its GHG emissions reduction objectives**

# Pembina Low Carbon Complex (PLCC)

## Proposed industrial complex for low-carbon energy infrastructure

- Focused on attracting and developing investment for:
    1) emerging energy transition technologies
    2) sustainable fuels
    3) chemicals, specifically low-carbon hydrogen and hydrogen carriers such as ammonia and methanol
- Pembina would lease land to third parties and provide infrastructure, logistics, and shared services to tenants
- Projects would gain access to land, clean power, natural gas and industrial gases, water, CCUS, and rail
- Tenants to capture $CO_2$ and direct emissions in support of the proposed Alberta Carbon Grid




**PLCC is an innovative growth platform supporting investment in energy transition projects**



PEMBINA

# Strong Financial Position

# Financial Highlights

**Strong BBB Credit Rating**

**~3.3x** proportionately consolidated debt-to-adjusted EBITDA* (2023)

**~24%** Rating Agency FFO-to-Debt* (2023)

**~$1.5 billion** of liquidity[(1)]

**Highly Contracted; Strong Counterparties**

**~85%** fee-based contribution to adjusted EBITDA* (2023)

**80-85%** investment grade, split rated or secured counterparties

**Diversified** across over ~200 counterparties

**Stable and Attractive Dividend**

**Maintained and grown** dividend since 1998

**55%** Standard Payout Ratio* (2023)

**73%** payout of fee-based distributable cash flow* (2023)

**10 years of Proven Results**

Per share CAGR:[(2)]

- Adjusted EBITDA per share*: **~10%**
- Adjusted cash flow from operating activities per share*: **~7%**
- Dividend per share **~5%**

* Proportionately Consolidated Debt-to-Adjusted EBITDA, Rating Agency FFO-to-Debt, Fee-based Contribution to adjusted EBITDA, Standard Payout Ratio, Fee-based Distributable Cash Flow, Adjusted EBITDA per share, and Adjusted Cash Flow from Operating Activities per share are non-GAAP measures or non-GAAP ratios. See “Non-GAAP and Other Financial Measures” herein.

**Long-term strategy and commitment to financial guardrails have driven strong track record of performance**

# Strategy Execution Through Capital Excellence

**To be resilient**
Sustain, decarbonize, and enhance our businesses

**To thrive**
Invest in the energy transition to improve the basins in which we operate

**To meet global demand**
Transform and export our products

**To set ourselves apart**
Create a differentiated experience for our Stakeholders

## Capital Excellence

- **Grow fee-based adjusted EBITDA per share by 4 - 6% CAGR**
- **Maintain Financial Guardrails**
- **Increase return on invested capital**
- **Provide market leading returns**

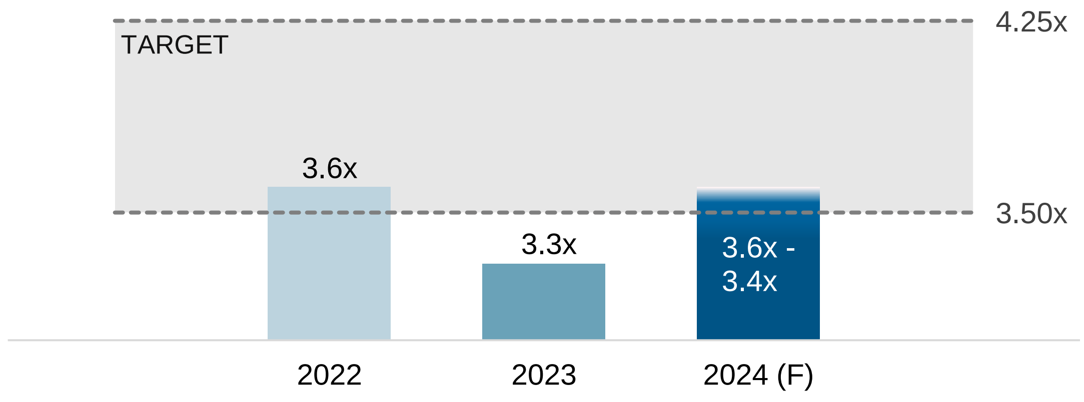
**Delivering per share growth and increasing return on invested capital, within the financial guardrail framework**



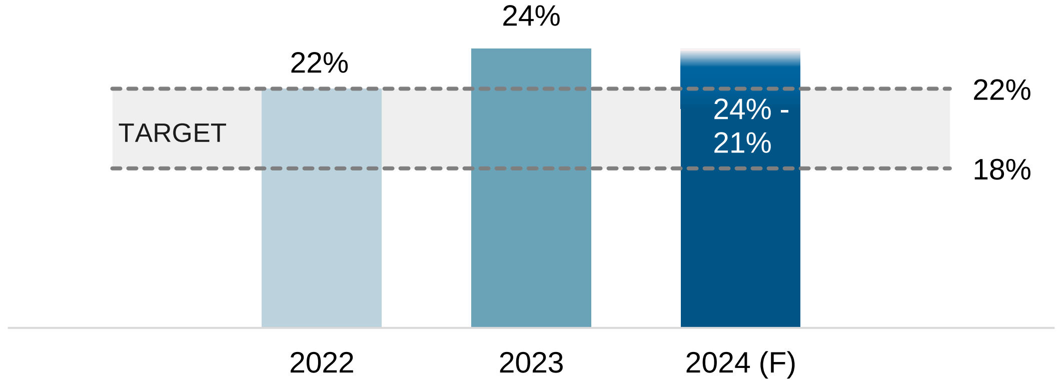
PEMBINA

# Commitment to a Strong BBB Credit Rating

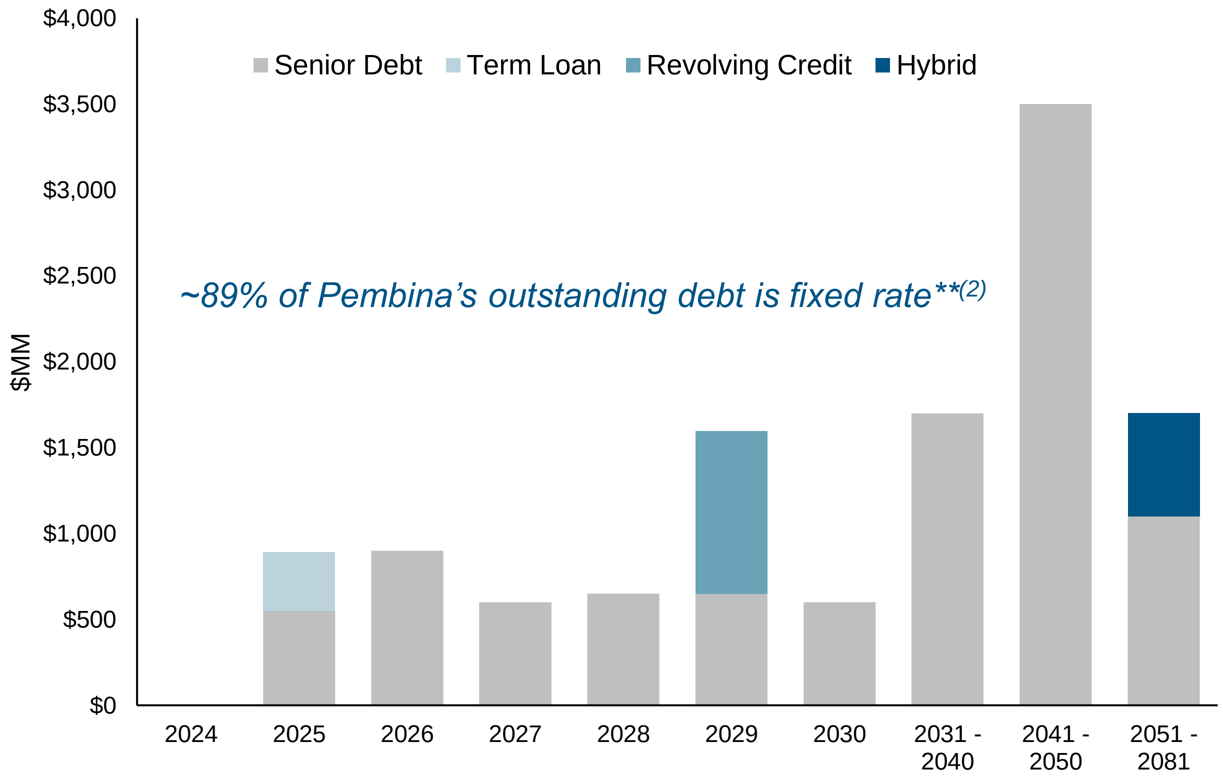
## Proportionately Consolidated Debt-to-Adjusted EBITDA[1]




## Rating Agency FFO-to-Debt[1]




## Pembina's Debt Maturity Profile[2]




- Pembina's average fixed rate senior debt tenure is ~14 years with a weighted average interest rate of ~4.4%[2][3]

**Pembina remains committed to prudent financial management and maintaining a strong BBB credit rating**



PEMBINA

** Including debt at equity accounted investees, Pembina's outstanding debt is ~79% fixed rate.

# Capital Allocation Principles

1 **Maintain balance sheet strength**

- ***Proven track record***
- ***Priority to maintain strong BBB rating***
- ***Creates competitive advantage***

2 **Maintain dividend**

- ***Core to investment proposition***
- ***Sustainable, reliable, and growing***
- ***Supported entirely by fee-based business***

3 **Accretive growth capital**

- ***Enhances Pembina's capabilities***
- ***Crystalize embedded option value***
- ***Extend and enhance our franchise***

4 **Discretionary cash flow:**
Debt reduction, opportunistic share repurchases, or incremental dividends

- ***Based on relative risk-adjusted returns of alternatives***
- ***Consider internal and external drivers***

**Disciplined approach to capital allocation**

# Project Portfolio Responding to Basin Growth and the Energy Transition

## >$1.2 Billion of Projects Currently Underway

- Phase VIII Peace Pipeline Expansion
- Redwater Complex Expansion (RFS IV)
- K3 Cogeneration
- Wapiti Expansion
- NEBC MPS Expansion
- Karr Lateral and other projects to support ongoing system upgrades facilitating producer capture and improved market access

## >$4 Billion of Projects Under Development

<u>Greenfield</u>

- Cedar LNG
- Alberta Carbon Grid
- Ethane supply solutions for growing petrochemical industry

<u>Brownfield</u>

- Additional NEBC system expansions
- Prince Rupert LPG Export Terminal optimization
- Pipeline laterals, debottlenecks, and connections
- Cogeneration
- Hythe gas storage
- Ethane supply solutions for growing petrochemical industry

## Early-Stage Projects Under Evaluation

- Pembina Low Carbon Complex (ammonia, hydrogen, chemicals, utilities)
- Alliance Pipeline – liquids extraction

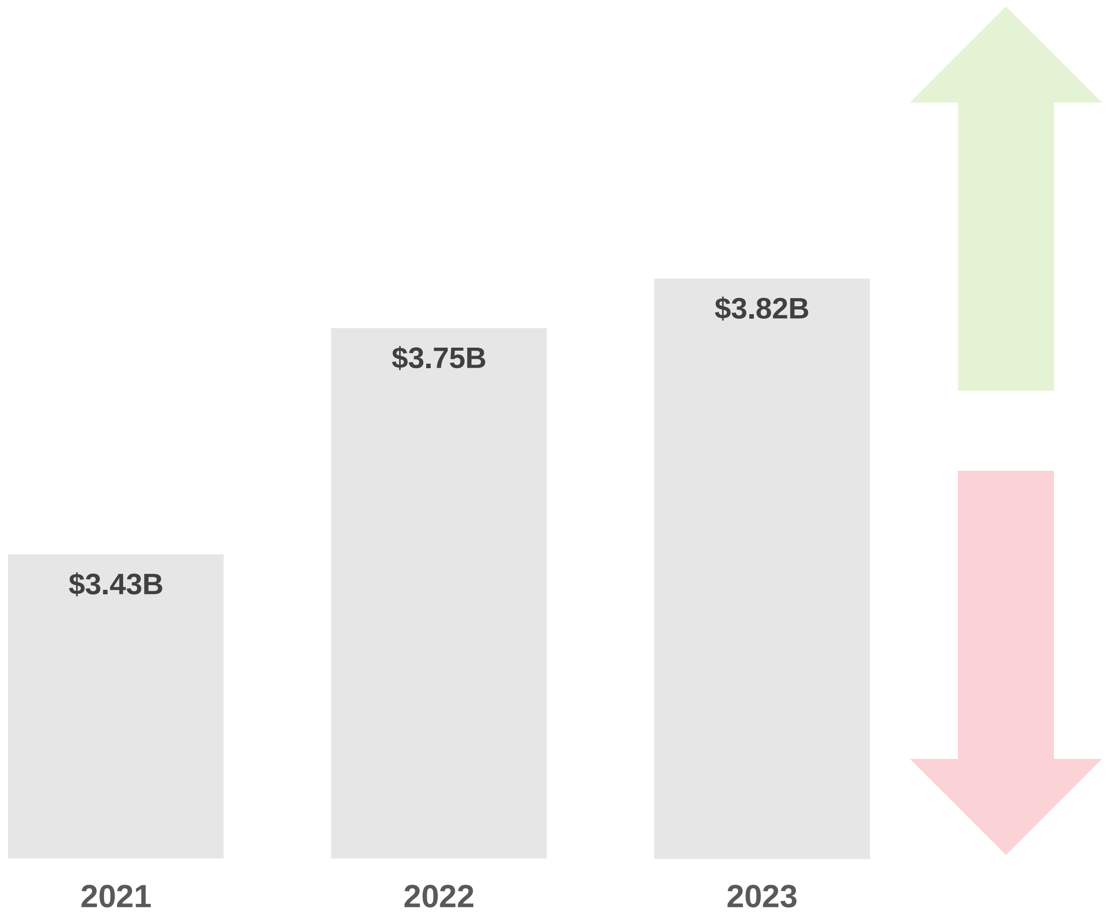
**Pembina is growing to meet current customer demand and is actively supporting a lower-carbon economy**

# Industry Leading Project Execution

| Major Projects Placed into Service since 2017 | Completed On-Time? | | Completed On-Budget? | |
|---|---|---|---|---|
| **Facilities** | | | | |
| RFS III | Ahead of schedule | ✓ | Under budget | ✓ |
| Canadian Diluent Hub | On time | ✓ | Under budget | ✓ |
| Duvernay I | Ahead of schedule | ✓ | Under budget | ✓ |
| Redwater Co-generation | On time | ✓ | Under budget | ✓ |
| Duvernay II | On time | ✓ | Under budget | ✓ |
| Duvernay III | On time | ✓ | Under budget | ✓ |
| Prince Rupert Export Terminal | On time | ✓ | Over budget | |
| Hythe Developments | On time | ✓ | On budget | ✓ |
| Empress Co-generation | On time | ✓ | On budget | ✓ |
| **Pipelines** | | | | |
| Phase III | On time | ✓ | Under budget | ✓ |
| NEBC Expansion | On time | ✓ | On budget | ✓ |
| Phase IV & V | On time | ✓ | Slightly over budget | |
| Phase VI | On time | ✓ | Over budget | |
| Phase VII | Ahead of schedule | ✓ | Under budget | ✓ |
| Phase IX | On time | ✓ | Under budget | ✓ |

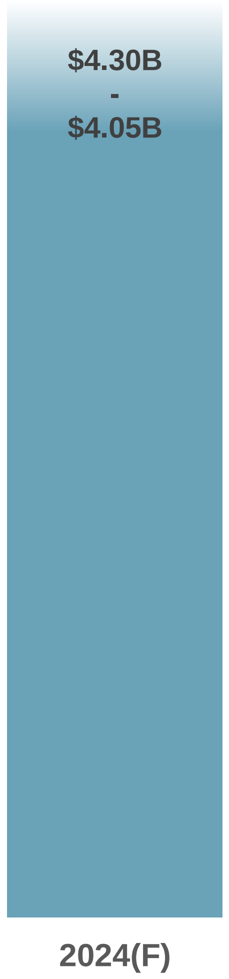
**Distinguished track record of delivering >$6 billion of major projects on-time and on-budget**

# 2024 Adjusted EBITDA Guidance[(1)]




- Increased ownership of Alliance and Aux Sable
- Higher volumes on conventional pipelines
- No impact of Northern Pipeline system outage and Alberta / British Columbia wildfires which occurred in H1'23
- Full year contribution from Nipisi Pipeline

- Lower contribution from Cochin Pipeline
- Lower contribution from the marketing business (excluding incremental Aux Sable ownership)
- Lower realized gains on commodity-related derivatives




**2024 Guidance mid-point reflects an approximate nine percent increase over 2023 in Pembina's fee-based business**

# 2024 Capital Program

## $880 Million Capital Program:

- Phase VIII Peace Pipeline Expansion
- RFS IV Expansion
- NEBC Infrastructure Expansion
- Wapiti Expansion
- Information technology enhancements to further continuous improvement initiatives and support long-term cost reduction efforts
- Development spending on potential future projects
- Contributions to PGI and Alberta Carbon Grid

## Includes:

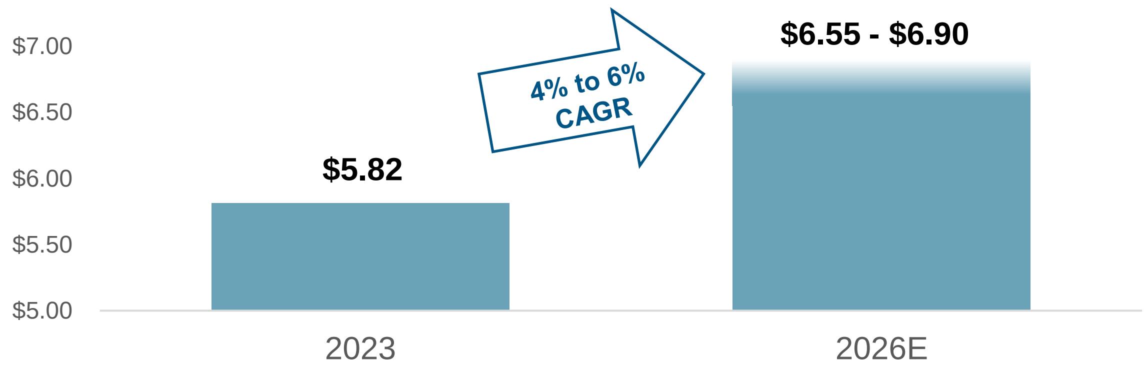
- $90 million of non-recoverable sustaining capital to support safe and reliable operations
- $50 million for administrative capital including technology and commercial systems investments

*Additionally, net contributions to Cedar LNG through to the middle of 2024 are expected to be approximately $300 million*

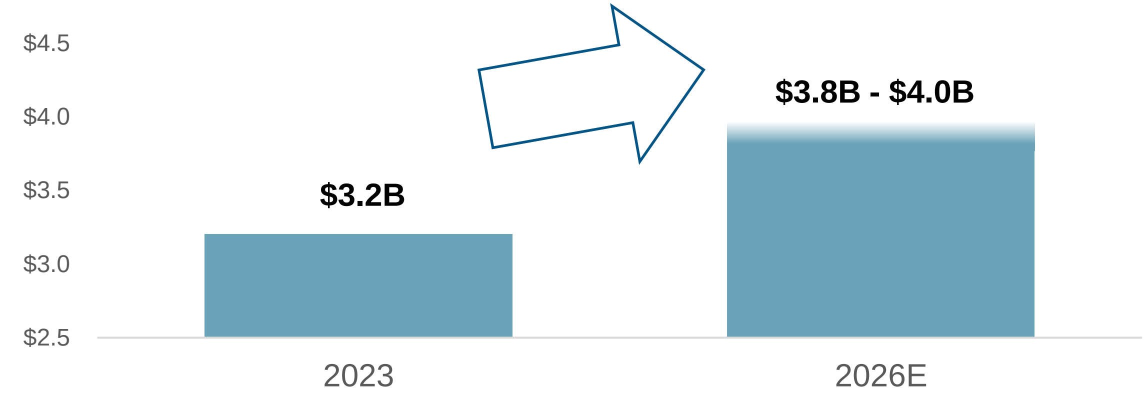

**2024 capital budget reflects growing volumes and Pembina's commitment to providing energy infrastructure solutions**

# Three Year Outlook(1)

## 2023 to 2026 Fee-Based Adjusted EBITDA per share




## 2023 to 2026 Fee-Based Adjusted EBITDA




### Tailwinds

- Growing volumes and utilization across asset base, namely Conventional Pipelines and Gas Services
- New assets entering service
- Synergies and integration of Alliance Pipeline
- Margin enhancement focus across the company

### Headwinds

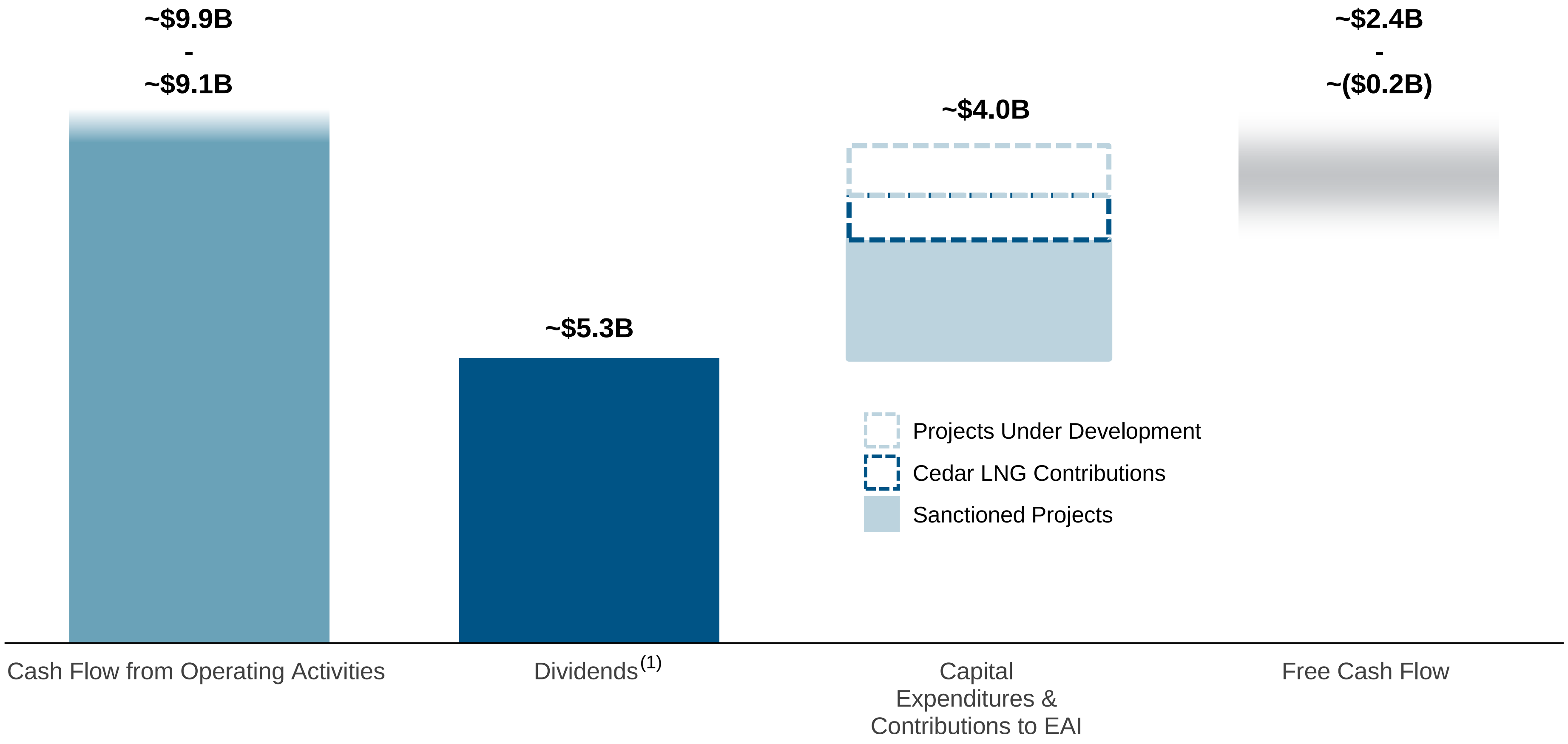
- Cochin renewal in mid-2024

**Internally funded 4 - 6% CAGR on fee-based adjusted EBITDA per share through 2026**



PEMBINA

# Three Year Funding Outlook: 2024 to 2026




**Pembina's visible growth underpinned by a self funded model maintaining financial guardrails throughout**



PEMBINA

# Financial Guardrails

| | | 2023 | 2024F |
|---|---|---|---|
| 1 | Maintain target of 80% fee-based contribution to adjusted EBITDA[(1)(2)] | ~85% | ~85% - 90% |
| 2 | Target <100% payout of fee-based distributable cash flow *(Standard Payout Ratio)*[(2)] | ~73% *(~55%)* | 70-75% *(55-60%)* |
| 3 | Target 75% credit exposure from investment grade and secured counterparties[(3)] | ~80% | 80-85% |
| 4 | Maintain strong BBB credit rating[(4)] | ~24% Rating Agency FFO-to- Debt[(2)] | 21-24% Rating Agency FFO-to-Debt[(2)] |

**Financial guardrails are the financial risk parameters for strategy**



PEMBINA

# Core Energy Infrastructure Holding in Any Portfolio

| | |
|---|---|
| **Full Value Chain Across All Commodities** | • Premier **natural gas liquids franchise** – gas processing plus NGL transportation and fractionation infrastructure<br>• **Natural gas** transport / export through Alliance and proposed Cedar LNG<br>• Leading **condensate** transportation system<br>• **Crude oil** pipelines transporting both conventional oil and synthetic oil from long-life oil sands |
| **Visible Growth** | • Pembina positioned to benefit from **transformational developments** in the WCSB<br>• M&A execution expertise and disciplined portfolio enhancement |
| **Financial Discipline** | • 4% to 6% fee-based adjusted **EBITDA per share growth**<br>• **Financial guardrails** – consistent, uninterrupted and part of Pembina's DNA<br>• **Strong BBB** investment grade rating – trending at low-end of leverage target |
| **Predictable Cash Flow** | • **Low risk business** model supported by long-term, predominantly take-or-pay contracts<br>• ~80% - 90% fee-based, including ~**65% - 70% take-or-pay** or cost-of-service |
| **Exemplary Project Execution** | • Strong **track record** of organic project execution with >$6 billion on time and on budget since 2017<br>• Longstanding proven and tested **contractor partnerships** |
| **Positioned for the Future** | • **Strategy** positions Pembina for long-term hydrocarbon demand and energy transition<br>• Generating **option value** from new energies value chain extensions<br>• Building on our **70-year** track record of delivering value |

**Established as an energy infrastructure core holding with an entrepreneurial approach to growth and energy transition**



PEMBINA

# Endnotes

**Slide 5: Environmental, Social, and Governance (ESG) Highlights**

(1) Diversity refers to individuals who belong to one of the four designated groups in the Employment Equity Act (Canada): Indigenous persons, people with disabilities, people who are visible minorities, and women.
(2) As at December 31, 2023. Overall workforce employee metrics calculated based on Canadian employees only. Board of Directors metrics calculated based on independent members only.
(3) Ratings shown are as of December 31, 2023.
(4) Relative to baseline 2019 emissions.

**Slide 7: Leading Network of Pipeline Systems**

(1) Capacities are shown net to Pembina's interest as at April 1, 2024.

**Slide 8: Extensive Gas Processing, Fractionation, Storage and Export Facilities**

(1) Capacities are shown net to Pembina's interest as at April 1, 2024.

**Slide 13: Producer Activity**

(1) Source: CER plus Pembina estimates.
(2) Source: AER and Government of B.C. websites plus Pembina estimates.
(3) Source: Baker Hughes (as at May 21, 2024).

**Slide 14: Transformational Catalysts Driving Growth**

(1) Source: Trans Mountain Corporation disclosure.
(2) Range includes LNG Canada Phase 1, Cedar LNG, and Woodfibre LNG + potential LNG Canada Phase 2.
(3) Source: AltaGas disclosure, Trigon disclosure, and Pembina estimates.
(4) Source: Dow Chemicals disclosure.

**Slide 24: Financial Highlights**

(1) As at April 2, 2024. Includes cash and available borrowings.
(2) As at December 31, 2023.

**Slide 26: 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.
(2) As at May 17, 2024. Excludes debt of equity accounted investees.
(3) Average tenure does not include hybrid debt.

**Slide 30: 2024 Adjusted EBITDA Guidance**

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

**Slide 32: Three Year Outlook**

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

**Slide 33: Three Year Funding Outlook: 2024 to 2026**

(1) Includes dividends on common and preferred shares.

**Slide 34: Financial Guardrails**

(1) Includes inter-segment transactions.
(2) Fee-based Contribution to adjusted EBITDA, Fee-based Distributable Cash Flow, Standard Payout Ratio, and Rating Agency FFO-to-Debt 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, 2023. 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.

# 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 non-GAAP 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 and ratios of Pembina's financial performance, or cash flows specified, defined or determined in accordance with IFRS, including earnings, earnings before income tax, 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 specified, defined and 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 22, 2024 for the year ended December 31, 2023 and the management's discussion and analysis of Pembina dated February 22, 2024 for the year ended December 31, 2023 (collectively, the "MD&A"), which information is incorporated by reference in this presentation. The MD&A are available on SEDAR at www.sedarplus.ca, 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.

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.

**2024 Adjusted EBITDA Guidance -** The equivalent historical non-GAAP measure to 2023 and 2024 adjusted EBITDA guidance is adjusted EBITDA for the year ended December 31, 2023.

| ($ millions, except as noted) | Notes | Year Ended December 31, 2021 | Year Ended December 31, 2022 | Year Ended December 31, 2023 |
|---|---|---|---|---|
| Earnings (loss) before income tax | | 1,665 | 3,219 | 2,189 |
| Adjustments to share of profit from equity accounted investees and other | (1) | 444 | 468 | 694 |
| Net finance costs | | 450 | 486 | 466 |
| Depreciation and amortization | | 723 | 683 | 663 |
| Unrealized (gain) loss on commodity-related derivative financial instruments | | (73) | (133) | 32 |
| 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 | (220) |
| **Adjusted EBITDA** | A | 3,433 | 3,746 | 3,824 |
| Weighted Average Shares (Basic) (million) | B | 550 | 553 | 550 |
| **Adjusted EBITDA per common share ($)** | =A/B | 6.24 | 6.78 | 6.95 |

(1) See reconciliation table on slide 39.

# 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 | | | | Year Ended December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Pipelines | Facilities | Marketing and New Ventures | Total | 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 | 109 | 233 | (26) | 316 |
| Adjustments to share of profit (loss) from equity accounted investees: | | | | | | | | | | | | | |
| Net finance costs | | 72 | 31 | 1 | 104 | 21 | 79 | - | 100 | 22 | 160 | 1 | 183 |
| Income tax expense | | - | - | - | - | - | 14 | - | 14 | - | 41 | - | 41 |
| Depreciation and amortization | | 156 | 104 | 22 | 282 | 149 | 138 | 25 | 312 | 150 | 207 | 25 | 382 |
| Unrealized loss on commodity-related derivative financial instruments | | - | - | - | - | - | 27 | - | 27 | - | 16 | - | 16 |
| Transaction costs incurred in respect of acquisitions | | - | - | - | - | - | 13 | - | 13 | - | 14 | 58 | 72 |
| 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 | 172 | 438 | 84 | 694 |
| **Adjusted EBITDA from equity accounted investees** | | 410 | 215 | 100 | 725 | 343 | 379 | 107 | 829 | 281 | 671 | 58 | 1,010 |

(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.

The most directly comparable GAAP measure is cash flow from operating activities.

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) | Notes | Year Ended December 31, 2023 |
|---|---|---|
| Cash flow from operating activities | | 2,635 |
| Change in non-cash operating working capital | | 210 |
| Current tax expense | | (325) |
| Taxes paid, net of foreign exchange | | 236 |
| Accrued share-based payment expense | | (67) |
| Share-based compensation payment | | 77 |
| Preferred share dividends paid | | (120) |
| **Adjusted cash flow from operating activities** | A | 2,646 |
| Weighted Average Shares (Basic) (million) | B | 550 |
| **Adjusted cash flow from operating activities per common share – basic (dollars) ($)** | =A/B | 4.81 |



PEMBINA

# 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, 2023 |
|---|---|---|
| Adjusted EBITDA | (1) A | 3,824 |
| Adjusted EBITDA – Marketing & New Ventures | | (597) |
| **Fee-Based Contribution to Adjusted EBITDA** | B | **3,227** |
| **Fee-Based Contribution to Adjusted EBITDA (%)** | =B/A | 84% |
| Adjusted EBITDA from Equity Accounted Investees - Pipelines | (2) | (281) |
| Adjusted EBITDA from Equity Accounted Investees - Facilities | (2) | (671) |
| Adjusted EBITDA – Corporate segment | (1) | 220 |
| Distributions from Equity Accounted Investees | | 819 |
| less: distributions from Equity Accounted Investees - Marketing | | (77) |
| General & administrative – Corporate segment | | (275) |
| Net Finance Costs - loans and borrowings and hybrid | | (424) |
| Net Finance Costs - leases | | (30) |
| Subtotal | | 2,508 |
| Illustrative current tax expense @ 15% | | (376) |
| Preferred Dividends Paid | | (120) |
| **Fee-Based Distributable Cash Flow** | | 2,012 |

(1) For reconciliation of adjusted EBITDA to earnings (loss) before income tax, see slide 38.
(2) See reconciliation table on slide 39.

# Non-GAAP and Other Financial Measures

**Cash Flow After Dividends and Free Cash Flow**

Cash Flow After Dividends and Free Cash Flow are non-GAAP measures and Cash Flow After Dividends is defined as cash flow from operating activities less common and preferred dividends paid. Free Cash Flow is defined as Cash Flow After Dividends less capital expenditures and contributions to equity accounted investees. The most directly comparable GAAP measure is cash flow from operating activities.

Management believes Cash Flow After Dividends and Free Cash Flow are 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, 2023 |
|---|---|---|
| Cash flow from operating activities | | 2,635 |
| Dividends paid – common | | (1,459) |
| Dividends paid – preferred | | (120) |
| **Cash flow after dividends** | | 1,056 |
| Capital expenditures | | (606) |
| Contributions to equity accounted investees | | (265) |
| **Free Cash Flow** | | 185 |

**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, 2023 |
|---|---|---|
| Dividends paid – common | A | 1,459 |
| Adjusted cash flow from operating activities | B | 2,646 |
| **Standard Payout Ratio (%)** | =A/B | 55% |

**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, 2023 |
|---|---|---|
| Dividends paid – common | A | 1,459 |
| Fee-based distributable cash flow | B | 2,012 |
| **Payout of fee-based distributable cash flow (%)** | =A/B | 73% |

# 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, 2022 | Year Ended December 31, 2023 |
|---|---|---|---|
| Cash flow from operating activities | | 2,929 | 2,635 |
| Share-based compensation payment | | 45 | 77 |
| Other | (1) | 5 | 89 |
| Change in non-cash working capital | | (177) | 210 |
| Interest paid during construction | | (21) | (15) |
| 50% of preferred dividends paid | | (63) | (60) |
| 50% of subordinated hybrid interest paid | | 15 | 15 |
| **Rating Agency Funds From Operations (FFO)** | A | 2,733 | 2,951 |
| Loans and borrowings (current) | | 600 | 650 |
| Loans and borrowings (non-current) | | 9,405 | 9,253 |
| Cash and cash equivalents | | (94) | (137) |
| 50% of Preferred Shares | | 1,104 | 1,100 |
| 50% of Hybrid Notes | | 298 | 298 |
| Post-retirement benefit obligations/(asset) (after tax) | (2)(3) | (5) | 7 |
| Decommissioning provision (after tax) | (4)(5) | 198 | 257 |
| Lease liabilities (current + non-current) | | 675 | 644 |
| **Rating Agency Debt** | B | 12,181 | 12,071 |
| **Rating Agency FFO-to-Debt (%)** | =A/B | 22% | 24% |

(1) 2022 and 2023 Other is found in Pembina’s 2022 and 2023 Annual Report on page 84 and page 86, respectively. 2023 includes the gain on asset disposal and net change in contract liabilities.
(2) 2022 Canadian statutory tax rate of 23.6% applied as per Note 11. $(6)MM * (1 – 0.236) = $(5)MM.
(3) 2023 Canadian statutory tax rate of 23.6% applied as per Note 10. $9MM * (1 – 0.236) = $7MM.
(4) 2022 Canadian statutory tax rate of 23.6% applied as per Note 11. $259MM * (1 – 0.236) = $198MM.
(5) 2023 Canadian statutory tax rate of 23.6% applied as per Note 10. $336MM * (1 – 0.236) = $257MM.

# 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.

| ($ millions, except as noted) | Notes | Year Ended December 31, 2022 | Year Ended December 31, 2023 |
|---|---|---|---|
| Loans and borrowings (current) | | 600 | 650 |
| Loans and borrowings (non-current) | | 9,405 | 9,253 |
| **Senior Debt** | | 10,005 | 9,903 |

**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.

| ($ millions, except as noted) | Notes | Year Ended December 31, 2022 | Year Ended December 31, 2023 |
|---|---|---|---|
| Senior Debt | | 10,005 | 9,903 |
| Loans & Borrowings of Equity Accounted Investees | | 3,366 | 2,805 |
| **Proportionately Consolidated Debt** | | 13,371 | 12,708 |

**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, 2022 | Year Ended December 31, 2023 |
|---|---|---|---|
| Proportionately Consolidated Debt | A | 13,371 | 12,708 |
| Adjusted EBITDA | B | 3,746 | 3,824 |
| **Proportionately Consolidated Debt-to-Adjusted EBITDA (times)** | =A/B | 3.6x | 3.3x |

# Contact Us

www.pembina.com

Toll Free: 1.855.880.7404

Phone: 403.231.3156

investor-relations@pembina.com