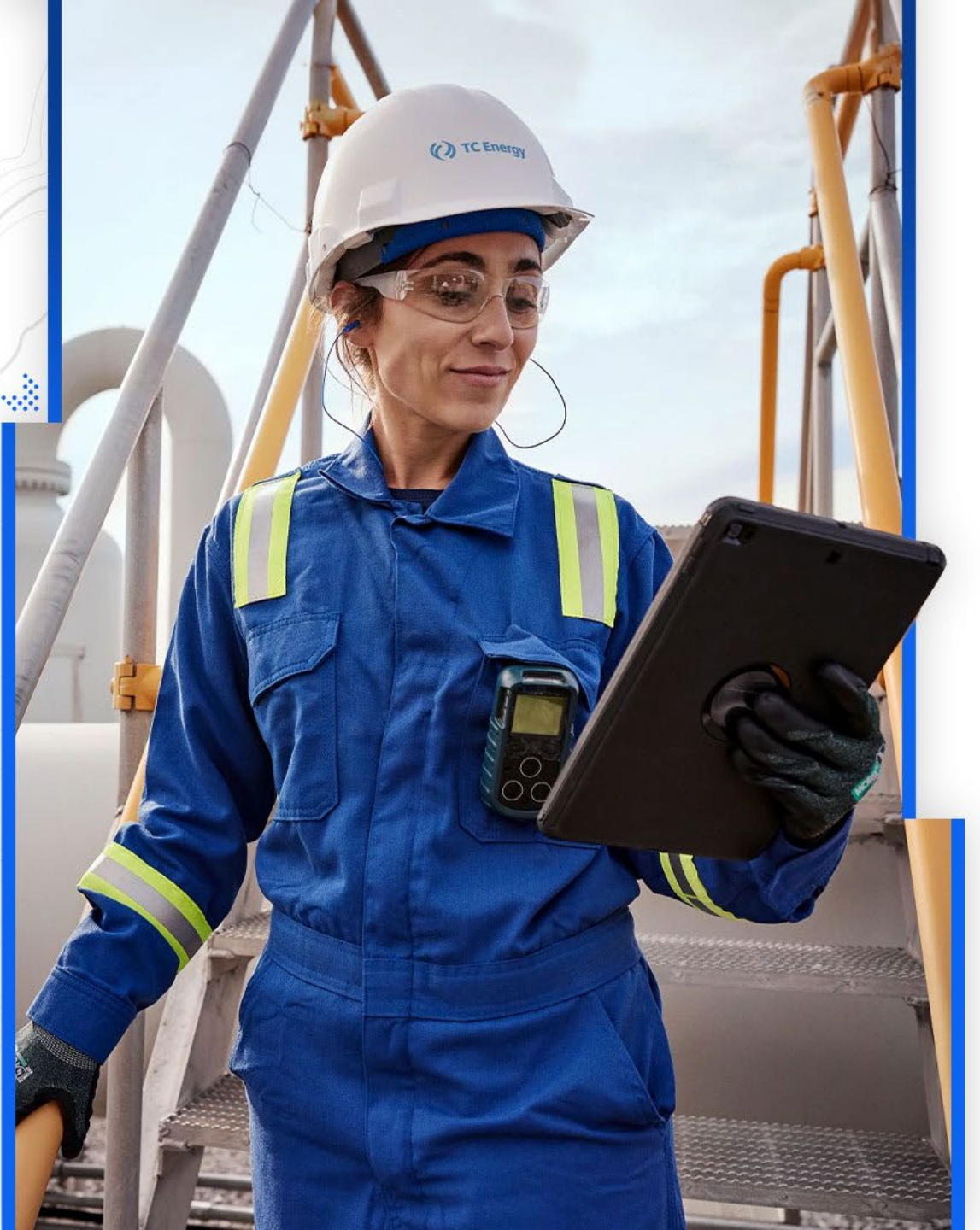




TC Energy's Corporate Profile

April 22, 2024





Forward-looking information and non-GAAP measures

This presentation includes certain forward-looking information, including future oriented financial information or financial outlook, which is intended to help current and potential investors understand management's assessment of our future plans and financial outlook, and our future prospects overall. Statements that are forward-looking are based on certain assumptions and on what we know and expect today and generally include words like anticipate, expect, believe, may, will, should, estimate or other similar words. Forward-looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this presentation. Our forward-looking information in this presentation includes, but is not limited to, statements related to: Coastal GasLink, Southeast Gateway, Villa de Reyes, Bruce Power, NGTL System, Virginia Electrification, Gillis Access and GTN XPress projects, including expected mechanical completion dates, post construction reclamation activities, expected future contract pricing, expected project in-service dates and costs thereof and expected capital expenditures; expectations regarding our divestiture program targets, expectations with respect to our capital rotation program; the spinoff, including the terms, conditions, structure and timing thereof; the expected timing of the meeting of TC Energy shareholders to approve the spinoff; the expected attributes and intentions of TC Energy and South Bow following the completion of the spinoff, including in relation to future dividends, financial performance, including cash flow generation, growth projects and the results thereof, assets placed into service, capitalization, management, credit ratings, ESG and sustainability-related matters, leverage, tax rates, capital expenditures, divestitures and capital allocation; projections regarding TC Energy and South Bow, including projections of comparable EBITDA (and sources thereof), compounded annual comparable EBITDA growth rate, comparable earnings per share, adjusted funds from operations (AFFO), adjusted debt to adjusted comparable EBITDA (debt-to-EBITDA), net capital expenditures, dividend payout ratios; expectations regarding future energy demand, supply (including the sources thereof) and exports; expectations regarding future refinery utilization; expectations regarding energy transition, including the anticipated impacts thereof and governmental support related thereto; expected access to and cost of capital; expected regulatory processes and outcomes; expected outcomes with respect to legal proceedings or other stakeholder issues, including arbitration and insurance claims; the expected impact of future tax and accounting changes; and expected industry, market and economic conditions, including their impact on our customers and suppliers.

Our forward-looking information is based on certain key assumptions and is subject to risks and uncertainties, including but not limited to realization of expected benefits from acquisitions, divestitures, the proposed spinoff transaction and energy transition; terms, timing and completion of the proposed spinoff transaction, including the timely receipt of all necessary approvals and tax rulings; that market or other conditions are no longer favourable to completing the proposed spinoff transaction; business disruption during the period prior to or directly following the proposed spinoff transaction; our ability to successfully implement our strategic priorities, including the Focus Project, and whether they will yield the expected benefits; our ability to implement a capital allocation strategy aligned with maximizing shareholder value; operating performance of our pipelines, power generation and storage assets; amount of capacity sold and rates achieved in our pipeline businesses; amount of capacity payments and revenues from power generation assets due to plant availability; production levels within supply basins; construction and completion of capital projects; cost, availability of, and inflationary pressures on, labour, equipment and materials; availability and market prices of commodities; access to capital markets on competitive terms; interest, tax and foreign exchange rates; performance and credit risk of our counterparties; regulatory decisions and outcomes of legal proceedings, including arbitration and insurance claims; our ability to effectively anticipate and assess changes to government policies and regulations, including those related to the environment; our ability to realize the value of tangible assets and contractual recoveries; competition in the businesses in which we operate; unexpected or unusual weather; acts of civil disobedience; cybersecurity and technological developments; sustainability-related risks; impact of energy transition on our business economic conditions in North America, as well as globally; global health crises, such as pandemics and epidemics, and the impacts related thereto. As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking statements due to new information or future events unless we are required to by law. For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to the most recent Quarterly Report to Shareholders and Annual Report filed under TC Energy's profile on SEDAR+ at www.sedarplus.ca and with the U.S. Securities and Exchange Commission at www.sec.gov.

This presentation refers to comparable EBITDA, adjusted comparable EBITDA, comparable earnings per share, AFFO, adjusted debt and net capital expenditures, each of which does not have any standardized meaning as prescribed by U.S. GAAP and therefore may not be comparable to similar measures presented by other entities. The most directly comparable measures presented in the financial statements are: (i) in respect of comparable EBITDA and adjusted comparable EBITDA, segmented earnings, (ii) in respect of comparable earnings per share, net income per common share, (iii) in respect of comparable AFFO, net cash provided by operations, (iv) in respect of adjusted debt, debt, and (v) in respect of net capital expenditures, capital expenditures. The presentation also contains references to debt-to-EBITDA, a non-GAAP ratio, which is calculated using adjusted debt and adjusted comparable EBITDA, each of which are non-GAAP measures. We believe debt-to-EBITDA ratios provide investors with a useful credit measure as they reflect our ability to service our debt and other long-term commitments. Dividend payout ratio is also referred to in the presentation, which is calculated as the percentage of comparable earnings per share in the relevant period which comprises the amount of dividends expected to be paid to holders of common shares in such period. We believe this payout ratio provides investors with useful information regarding the ability of, and the extent to which, TC Energy pays dividends on its common shares.

For reconciliations of: (i) comparable EBITDA to segmented earnings, comparable earnings per share to net income per common share and net capital expenditures to capital expenditures, refer to the applicable business segment in our management's discussion and analysis (MD&A) for the applicable period, which sections are incorporated by reference herein and to Appendices A and B hereto; (ii) adjusted debt to debt and adjusted comparable EBITDA to segmented earnings, refer to Appendix D; and (iii) AFFO to net cash provided by operations, refer to Appendix E. Refer to the non-GAAP measures section of the MD&A in our most recent quarterly report for more information about the non-GAAP measures we use, which section of the MD&A is incorporated by reference. Refer to the non-GAAP measures section of the MD&A in our most recent quarterly report for more information about the non-GAAP measures we use, which section of the MD&A is incorporated by reference. The MD&A can be found on SEDAR+ at www.sedarplus.ca under TC Energy's profile.

This presentation contains statistical data, market research and industry forecasts that were obtained from third party sources, industry publications, and publicly available information. We believe that the market and industry data presented throughout this presentation is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this presentation is not guaranteed and we make no representation as to the accuracy of such information. Although we believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this presentation, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources and we make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

Reflecting on our 2023 priorities

MAXIMIZING THE VALUE OF OUR ASSETS THROUGH SAFETY AND OPERATIONAL EXCELLENCE

- ✓ 2023 comparable EBITDA⁽¹⁾ **11% higher** compared to 2022
- ✓ **Continued high** system utilization, **availability** and **demand** for our services
- ✓ Announced intention to spin off Liquids business to **generate incremental shareholder value** through focused strategies for two premier businesses

PROJECT EXECUTION

- ✓ Achieved **mechanical completion** on Coastal GasLink ahead of year-end target and completed required **commissioning activities**
- ✓ Southeast Gateway **tracking to cost and schedule**
- ✓ Placed **~\$5.3 billion** of projects into service, **on budget**

ENHANCING BALANCE SHEET STRENGTH

- ✓ 2023 divestiture target exceeded with **\$5.3 billion** monetization of 40% minority interest in Columbia Gas and Columbia Gulf
- ✓ Advancing **~\$3 billion** of asset divestitures



Continuing to progress strategic priorities and unlock shareholder value

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

2024 strategic priorities



MAXIMIZING THE VALUE OF OUR ASSETS THROUGH SAFETY AND OPERATIONAL EXCELLENCE

- **Safely, reliably** and **affordably** deliver energy
- **Execute** spinoff of South Bow
- Continue advancement of integrated natural gas business to **capture synergies**



PROJECT EXECUTION ON-TIME AND ON-BUDGET

- Remain on cost and schedule with **Southeast Gateway** and **Unit 3 MCR**
- Place **~\$7 billion⁽¹⁾** of assets into service
- Deliver 2024E comparable EBITDA⁽²⁾ of **\$11.2 to \$11.5 billion**



ENHANCING BALANCE SHEET STRENGTH AND FLEXIBILITY

- Achieve **4.75x debt-to-EBITDA⁽³⁾** upper limit target by year end 2024
- Execute **~\$3 billion** in asset divestitures
- Progress Focus Project **cost savings and efficiency** initiative

Clear set of priorities to deliver superior shareholder returns

(1) Includes TC Energy's 35 per cent equity share of Coastal GasLink.

(2) Does not include impact of the proposed spinoff or capital rotation program. Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

(3) Debt-to-EBITDA is a non-GAAP ratio. Adjusted debt and adjusted comparable EBITDA are the non-GAAP measures used to calculate Debt-to-EBITDA. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix D for more information.

Our goal: Demonstrate how our strategic vision maximizes the value of our *five* leadership positions

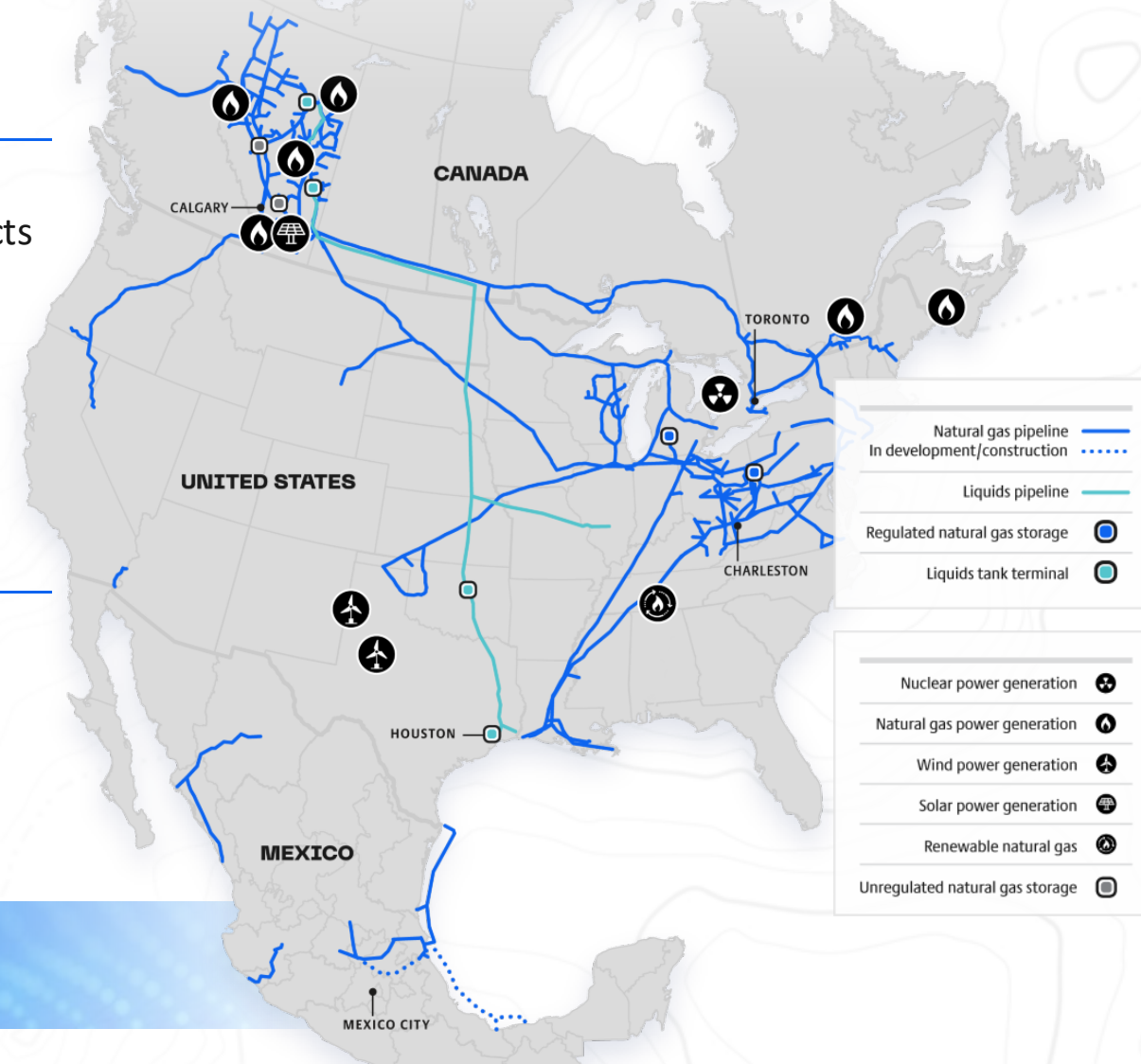
TC Energy

- 3 Three Natural Gas Pipelines businesses:**
- ❖ Low-risk, rate-regulated and long-term, take-or-pay contracts
 - ❖ Diversified across North America
- 1 One Power and Energy Solutions business:**
- ❖ Anchored by Bruce Power's clean energy
 - ❖ Increasingly weighted to nuclear and pumped hydro

South Bow

- 1 One Liquids Pipelines and Storage business:**
- ❖ Highly contracted, low-risk cash flows
 - ❖ Shortest travel time, highest product quality preservation path to the U.S. Midwest and the Gulf Coast

5 leadership positions





Two premier energy infrastructure companies



TC Energy

Natural gas pipelines, power and storage businesses



- ❖ Above average growth from integrated natural gas and power businesses
- ❖ Unique portfolio composition of low-risk, utility-like assets
- ❖ Delivering **~30%** of North American natural gas demand
- ❖ **3% to 5%** sustainable dividend growth
- ❖ Targeting 2023–2026E comparable EBITDA⁽¹⁾⁽²⁾ CAGR of **~6%**
- ❖ Leveraging complementary businesses to meet growing demand



South Bow Corporation

Liquids pipelines and storage business



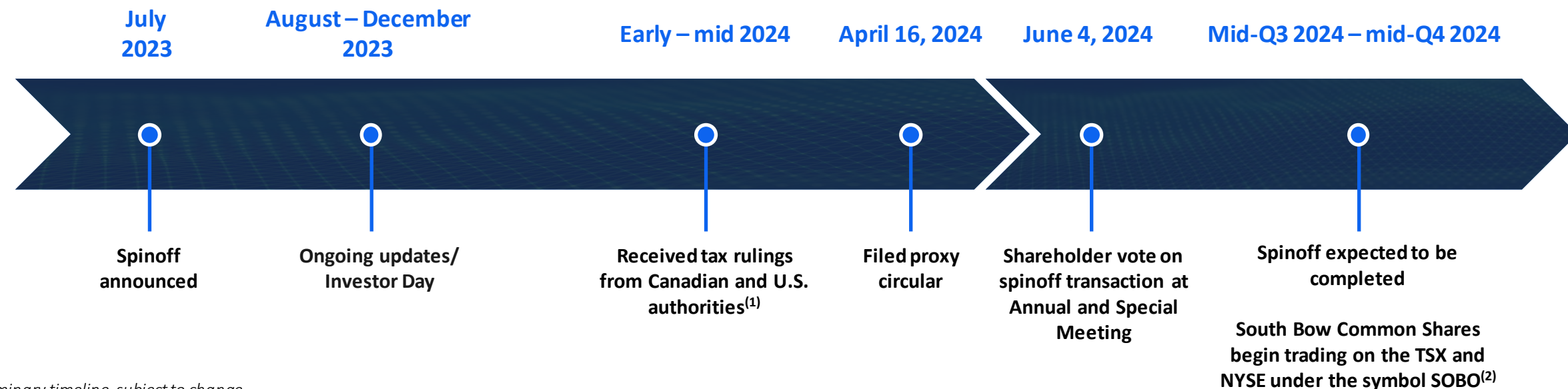
- ❖ Strong and sustainable base dividend underpinned by long-term contracted cash flows
- ❖ Targeting long-term comparable EBITDA⁽²⁾ growth of **2% to 3%**
- ❖ Expect investment-grade capital structure
- ❖ Capital-light growth opportunities
- ❖ Industry-leading competitive position
- ❖ Demand anchored by 50-year reserve life, low decline rates and premium market connectivity

(1) Comparable EBITDA has been adjusted to remove contributions from Liquids Pipelines business.

(2) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information and Appendix A and B for more information.

Next steps

Targeting transaction close between mid-Q3 2024 and mid-Q4 2024, with key dates as follows:



Preliminary timeline, subject to change.

Subject to:

- ❖ Receipt of favourable tax rulings from Canadian and U.S. authorities⁽¹⁾, and required regulatory approvals
- ❖ Court and shareholder approval
- ❖ Satisfaction of other customary conditions

Immediately following transaction completion:

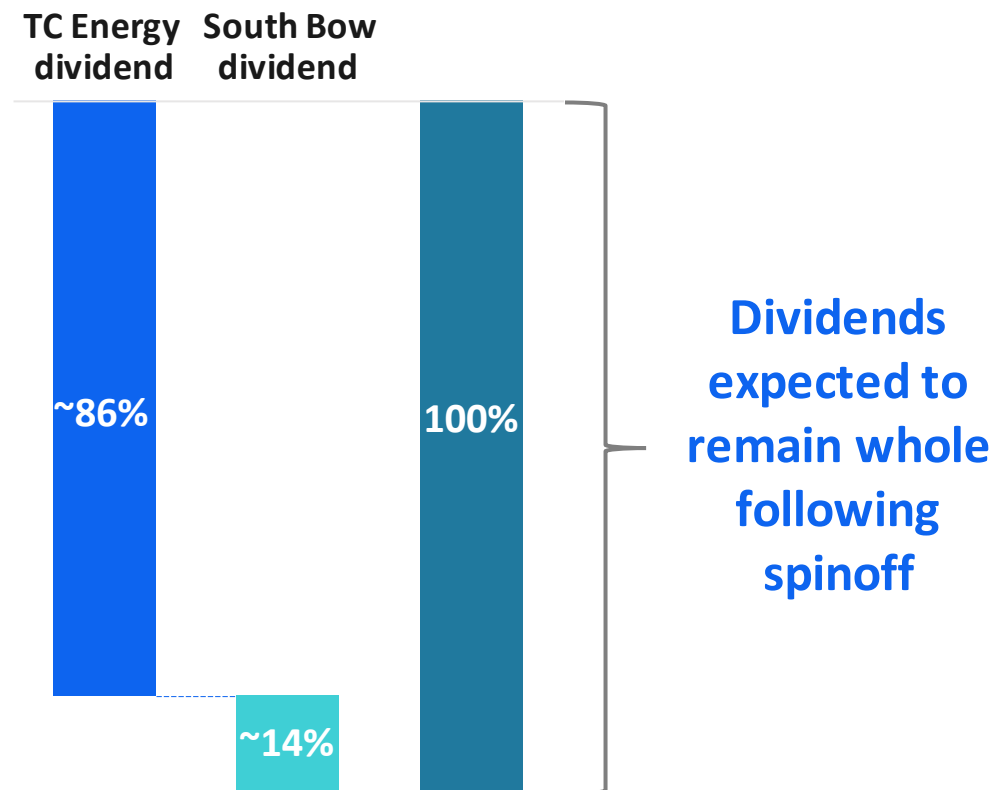
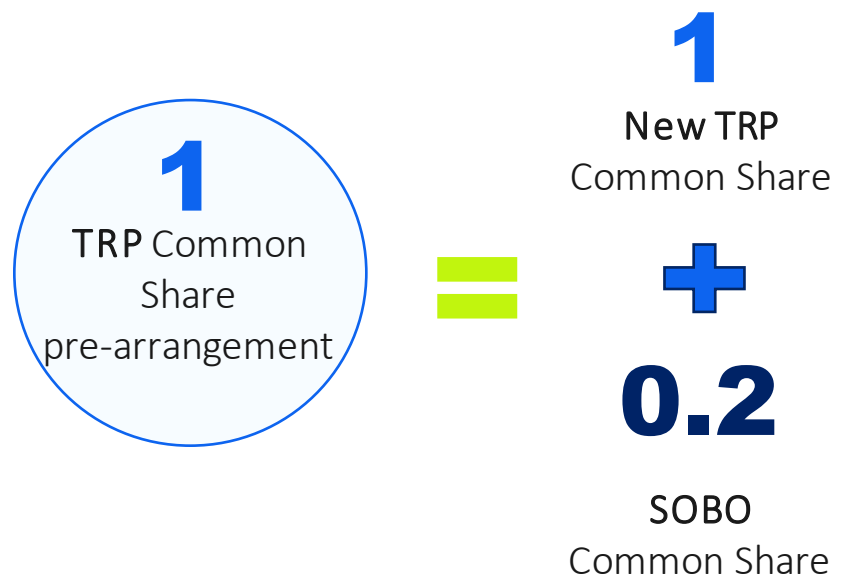
- ❖ Shareholders receive 0.2 of a South Bow Common Share and one new TC Energy Common Share in exchange for each Common Share of TC Energy held
- ❖ Combined dividends of two companies sustain long-term dividend growth outlook⁽³⁾

Shareholder dividends will remain whole following the Liquids spinoff

(1) Received favourable tax rulings from both the CRA and IRS on the spinoff.
 (2) Listing of the SOBO Common Shares is subject to the approval of the TSX and NYSE in accordance with their respective listing requirements.
 (3) Dividends are at the discretion of respective Board of Directors.

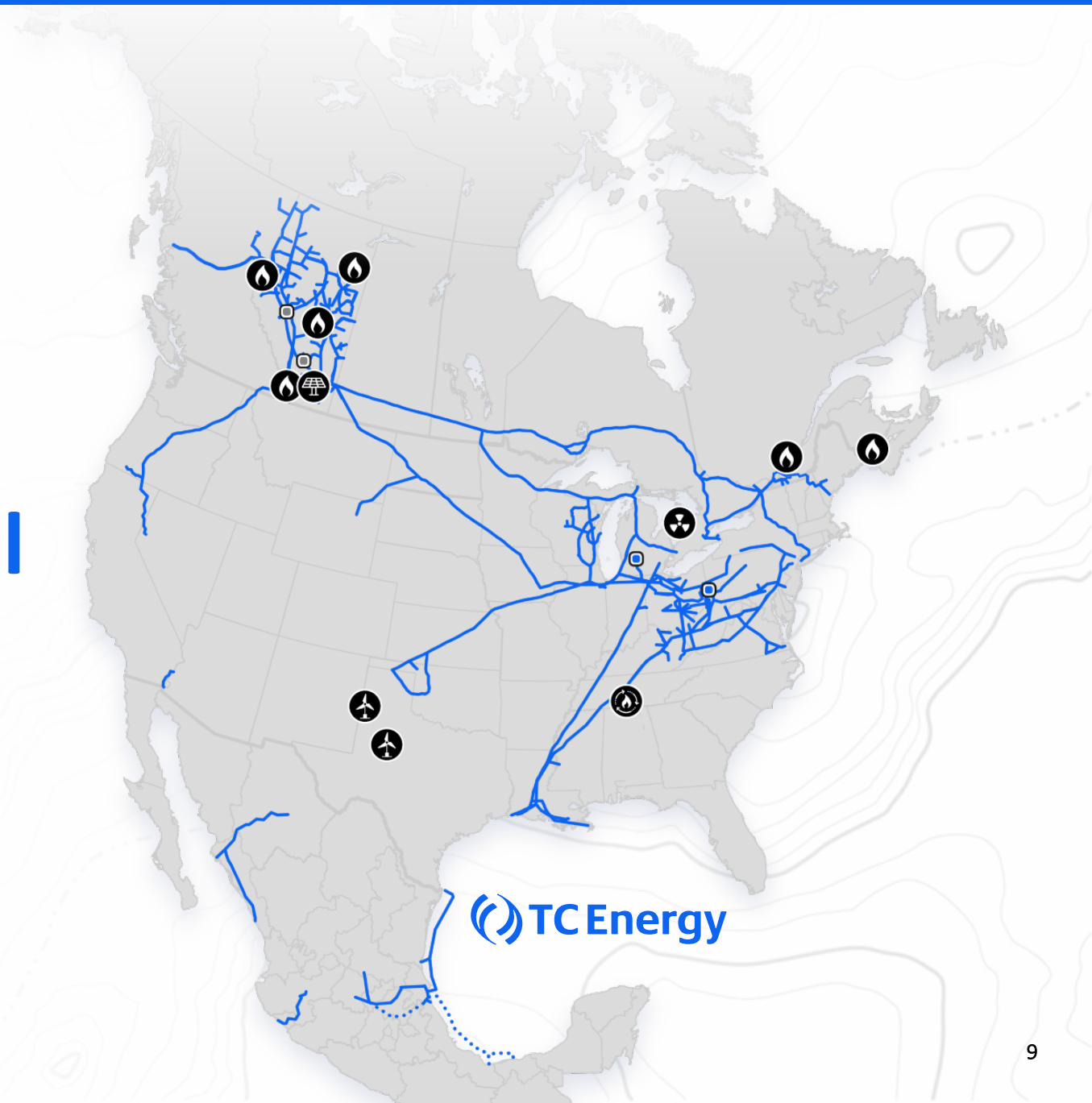
Continuing to deliver sustainable dividends

Expected dividend split:



POST-SPINOFF

TC Energy Strategic & Financial Outlook



TC Energy's strategic vision aligns to our value proposition

✓ LONG-TERM VIEW GROUNDED IN FUNDAMENTALS

- ✦ Alignment with the evolving energy mix
- ✦ Strategic investments in low-carbon energy solutions

✓ DISCIPLINED CAPITAL ALLOCATION

- ✦ Post-2024, net capital expenditure limit of \$6 to \$7 billion annually
- ✦ Future spending to align with deleveraging targets

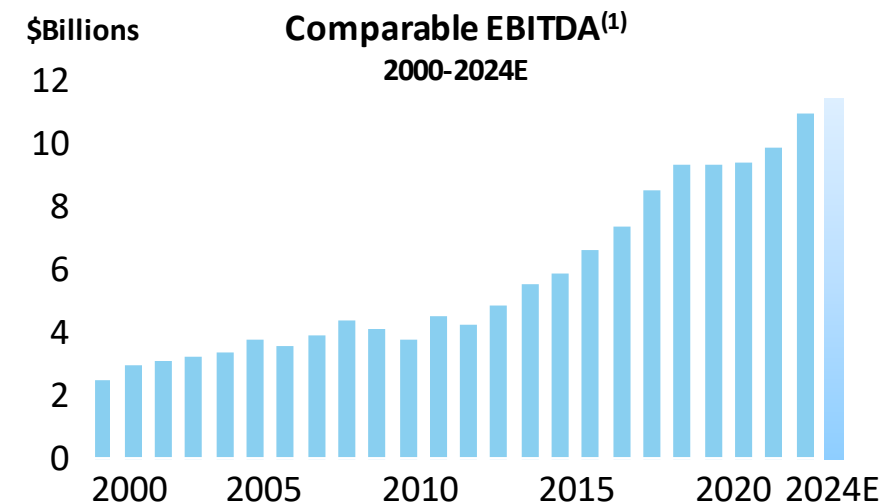
✓ FINANCIAL STRENGTH AND FLEXIBILITY

- ✦ Clearly defined path to achieving 4.75x debt-to-EBITDA⁽²⁾ by year-end 2024 and beyond
- ✦ 24 consecutive years of dividend increases

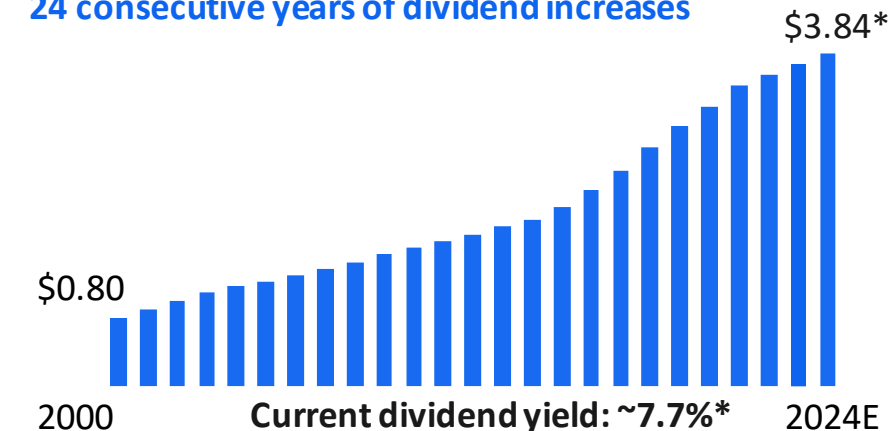
✓ ADHERENCE TO CONSERVATIVE RISK PREFERENCES

- ✦ Diversified, utility-like business
- ✦ 97% of comparable EBITDA⁽¹⁾ underpinned by rate-regulation and long-term contracts
- ✦ Appropriate allocation of cost and schedule risk amongst parties during construction

 Delivering above-average growth with below-average risk



Long-term sustainable dividend growth: 3% to 5%
24 consecutive years of dividend increases



*Annualized based on first quarter 2024 dividend declared of \$0.96 per share. Dividend yield as of market close April 12, 2024 reflecting a share price of \$49.73.

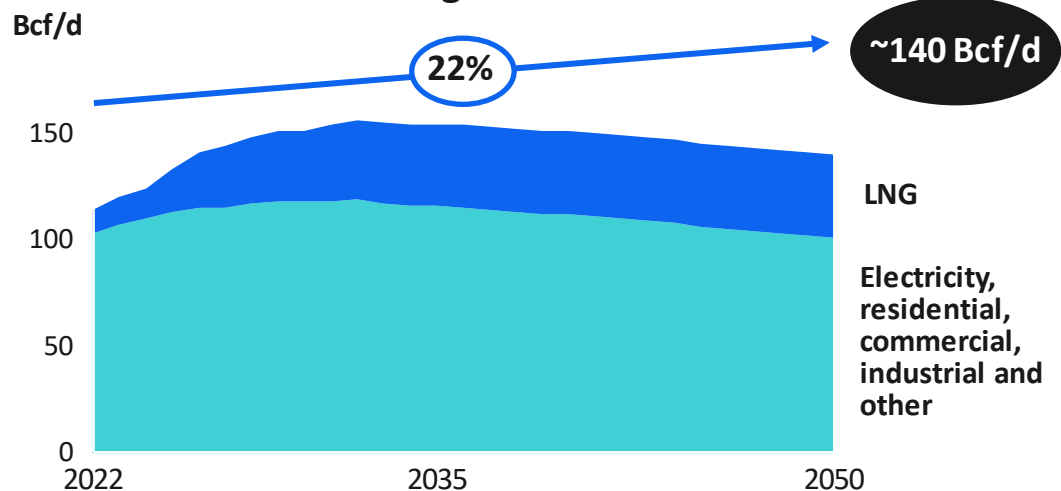
(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

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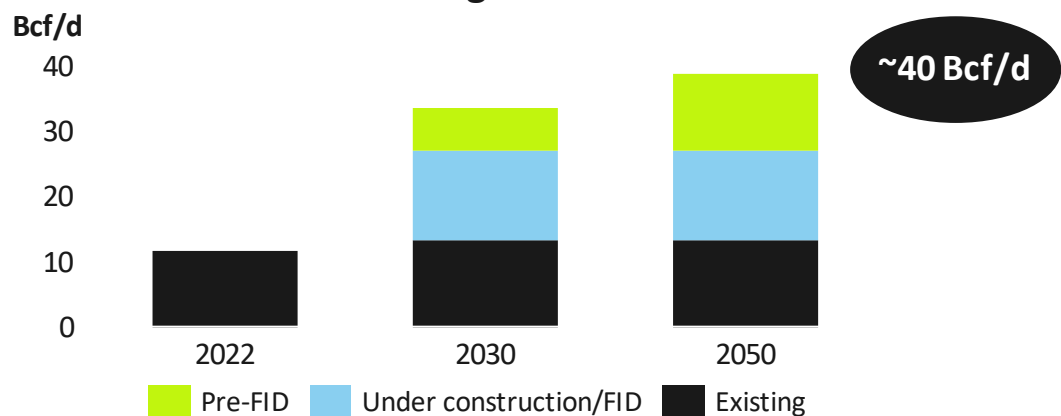
LONG-TERM VIEW GROUNDED IN FUNDAMENTALS

Strategically positioned to meet growing energy demand

North American natural gas demand outlook⁽¹⁾



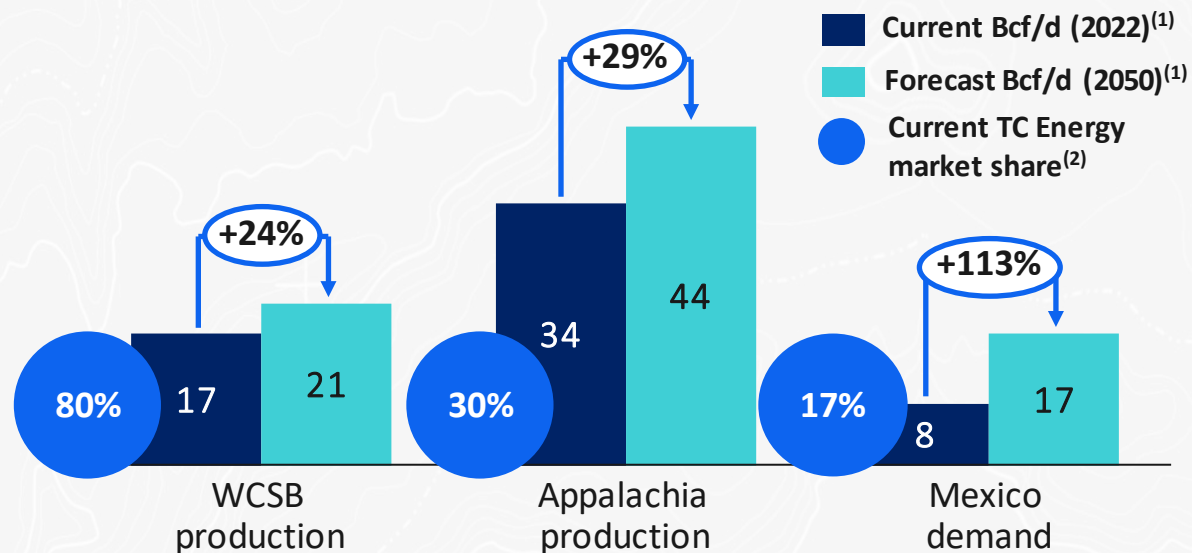
North American LNG feedgas demand forecast⁽¹⁾



Electrification driving natural gas demand in North America and abroad

- Well positioned to capture next wave of LNG exports
- Growing renewables require firming backstop

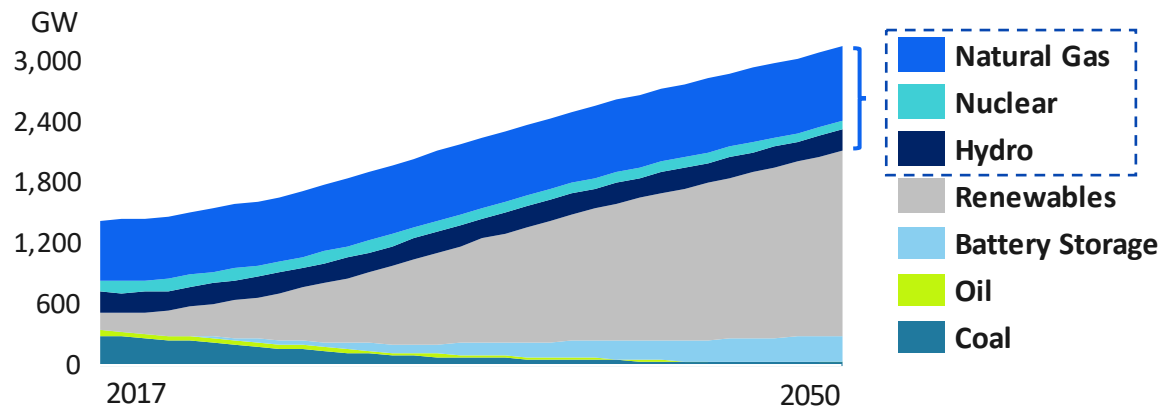
TC Energy delivers ~30% of North American natural gas



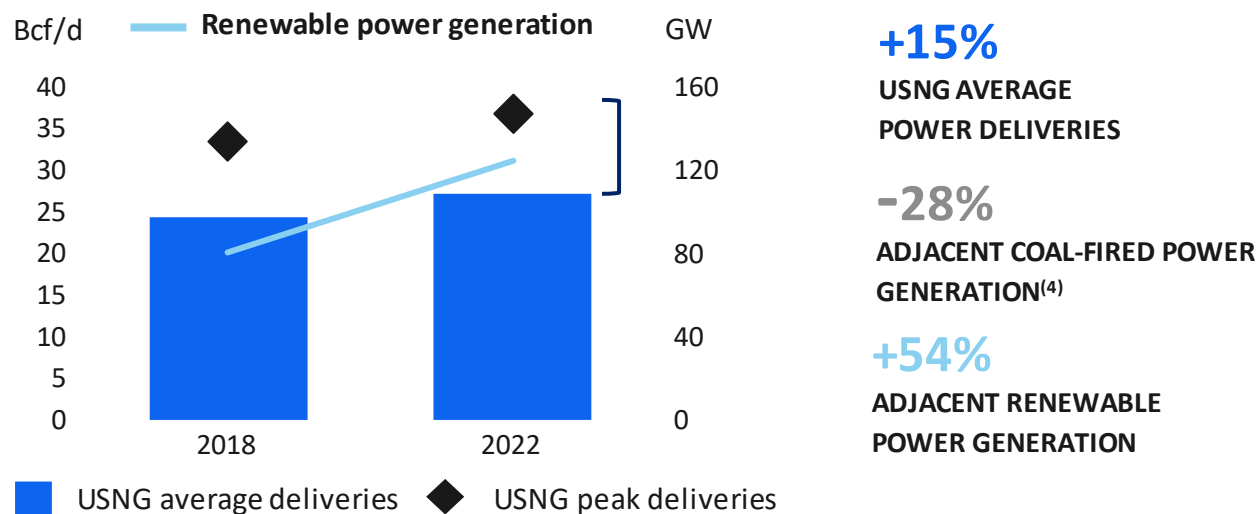
LONG-TERM VIEW GROUNDED IN FUNDAMENTALS

Leveraging leadership positions in baseload and firming resources

North America power market by fuel⁽¹⁾



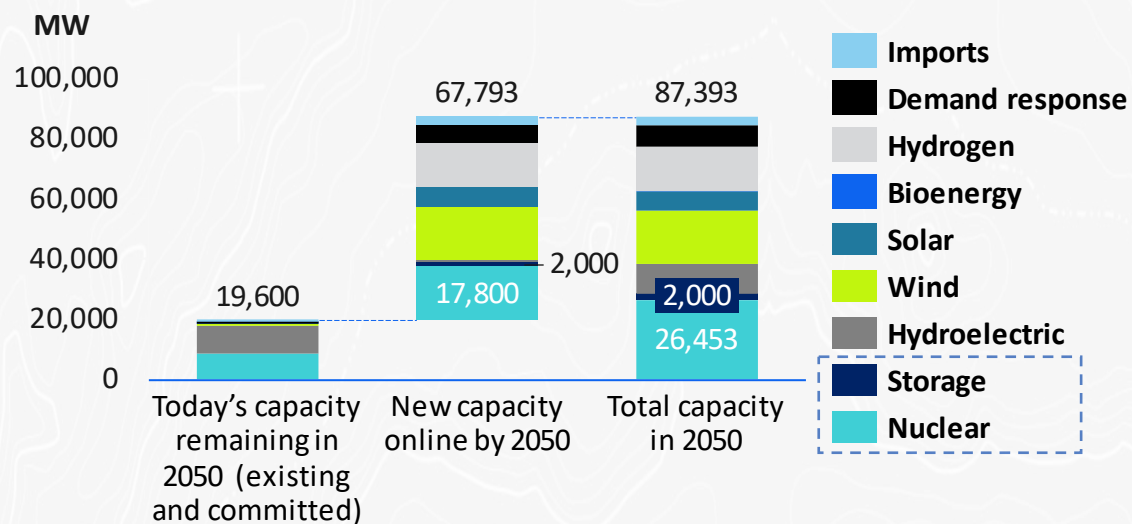
USNG deliveries⁽²⁾ and adjacent renewable power generation⁽³⁾



Growing electricity demand in Ontario requires additional baseload and firming resources

- Focused on **high barrier-to-entry opportunities** aligned with risk/return preferences
- Leveraging our **leadership positions in nuclear and pumped hydro**

Pathway Scenario – Installed capacity in 2050⁽⁵⁾

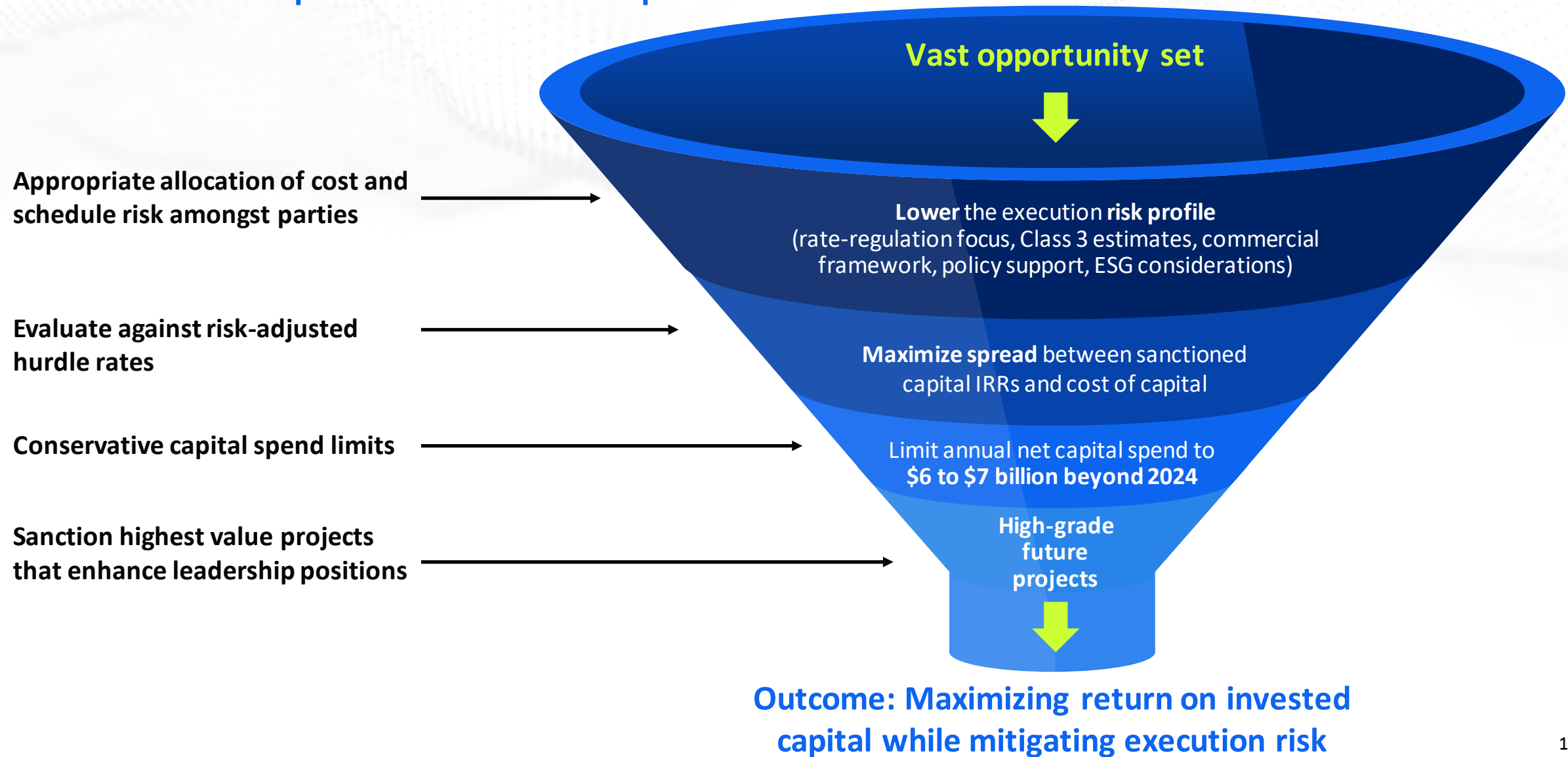


Sources: (1) S&P Global Commodity Insight's Energy and Climate Scenarios 2023; Inflections scenario; S&P Global LNG long-term scenarios to 2050. ©2023 by S&P Global Inc. All rights reserved

(2) TC Energy Scheduling/Nominations (3) Energy Information Administration – Monthly Electric Generator Inventory. Solar, wind capacity additions across USNG footprint states (net summer capacity, excludes Texas). (4) Energy Information Administration – State-level generation and fuel consumption (5) Ontario Independent Electricity System Operator – Pathways to Decarbonization

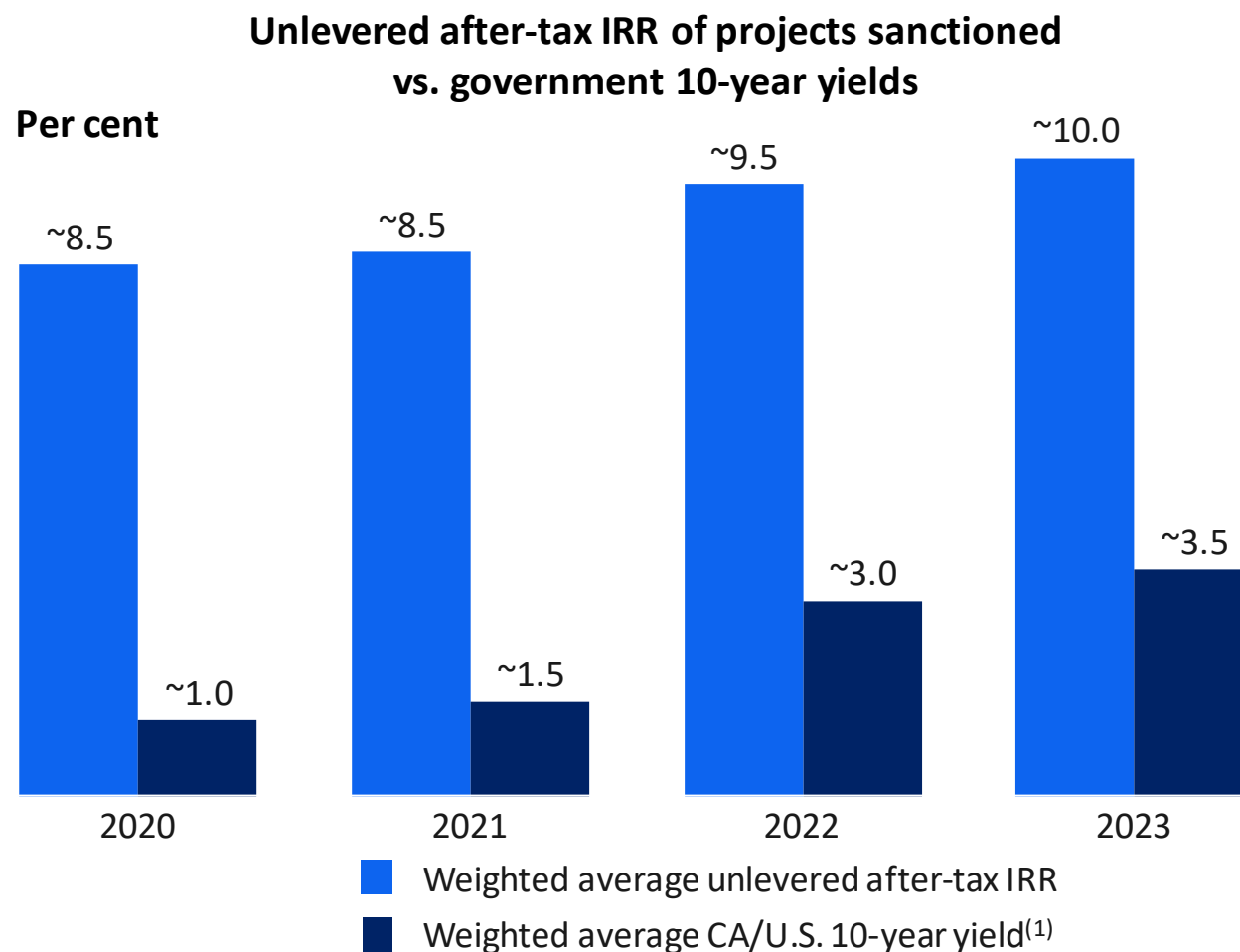
DISCIPLINED CAPITAL ALLOCATION

Enhanced capital allocation process



FINANCIAL STRENGTH AND FLEXIBILITY

High grading projects to maximize returns

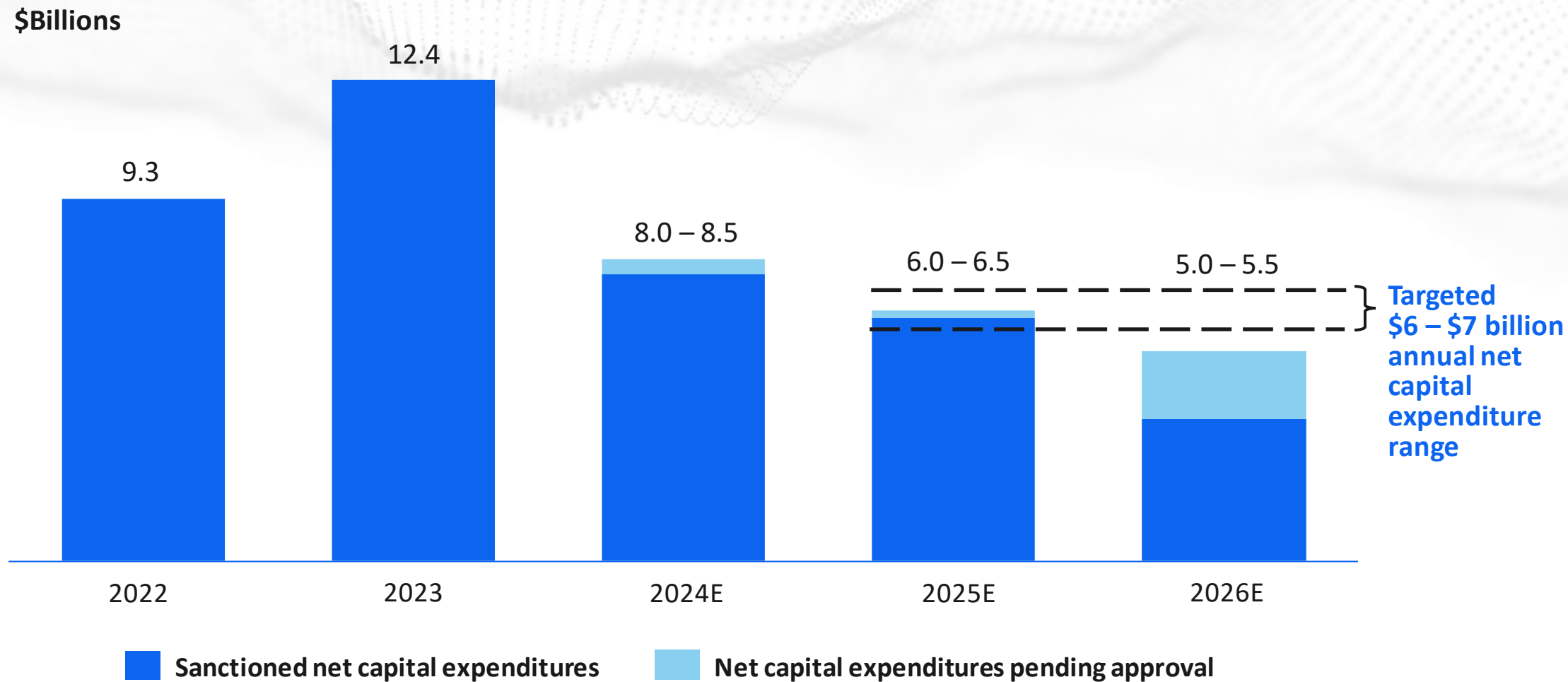


- ❖ **Protections inherent** in our **regulatory frameworks**
 - ❖ Cost of debt is a **direct flow-through** for regulated Canadian assets
 - ❖ Cost of debt is **factored into** U.S. rate cases
- ❖ Rate case cadence to improve timing of **cost recoveries**
- ❖ **Maximizing** the spread allows us to deliver incremental cash flow growth
- ❖ Leadership positions allow **high-grading** of sanctioned projects

(1) Weighted average based on size of capital project; yield based on government 10-year yields at the time of FID and split based on currency of debt issued during the calendar year.

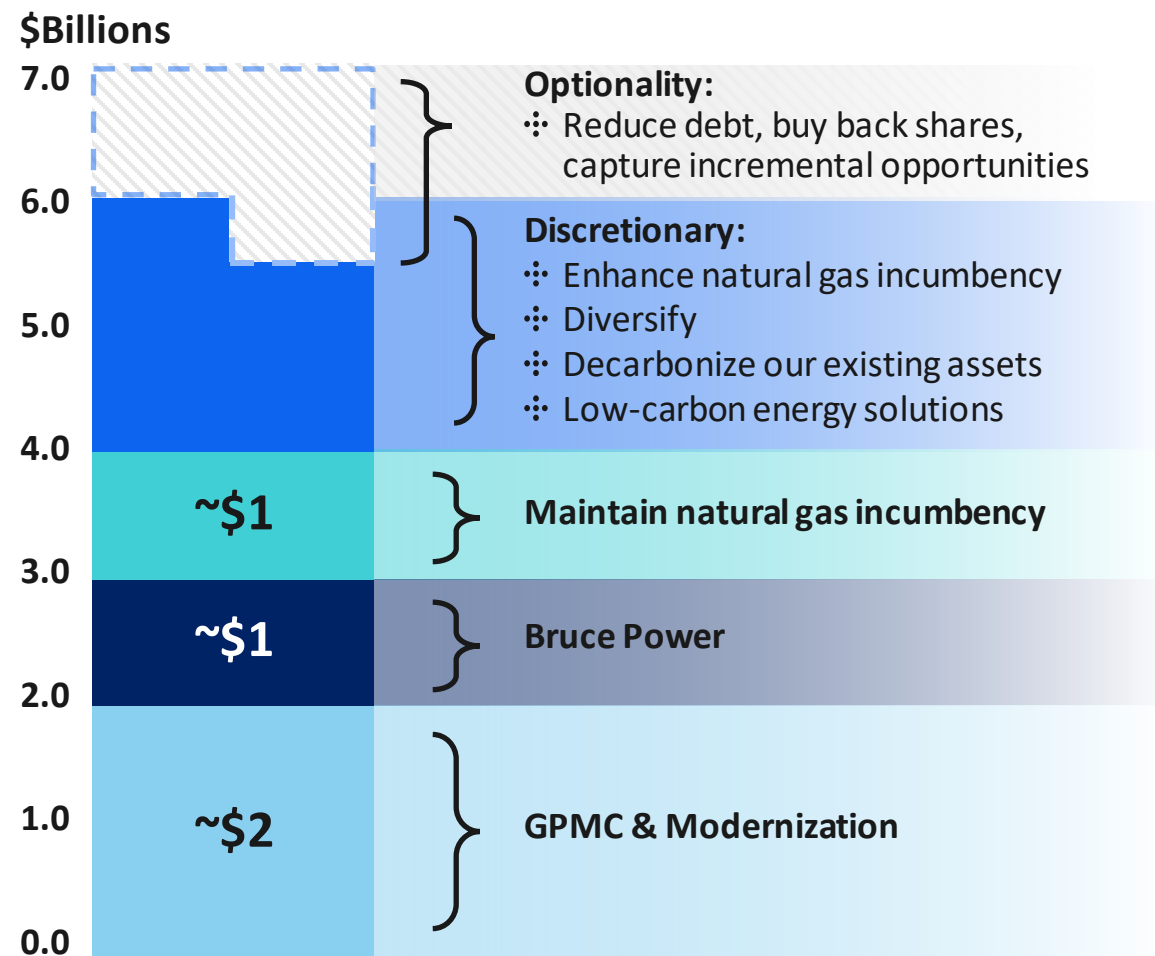
ADHERING TO CONSERVATIVE RISK PREFERENCES

Disciplined capital expenditure outlook



DISCIPLINED CAPITAL ALLOCATION

Allocating \$6 to \$7 billion annual net capital spend beyond 2024



Appropriate risk mitigations during project execution



Canadian Natural Gas Pipelines

- Cost pass-through subject to prudence test



U.S. Natural Gas Pipelines

- Rate regulated
- In-corridor brownfield
- Rate case cadence
- Commercial risk mitigation, including cost sharing where appropriate



Mexico Natural Gas Pipelines

- Class 3 cost and schedule estimate on SGP
- Cost over-run off ramp on SGP
- Land acquisition CFE responsibility; CFE support for permitting
- Cost sharing above thresholds



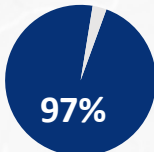
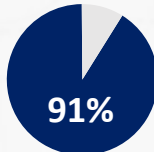
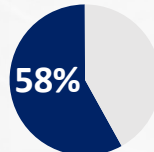
Bruce Power

- Cost and schedule risk mitigated by Class 2 estimate and refreshed prior to sanctioning



ADHERING TO CONSERVATIVE RISK PREFERENCES

Above average growth, below average risk

	TC Energy ⁽¹⁾	Utility peer average	Midstream peer average
2023–2026E Comparable EBITDA CAGR ⁽²⁾	~6%	6%	4%
% natural gas ⁽³⁾	89%	N/A	71%
2023 Dividend EPS payout ratio ⁽⁴⁾	82%	70%	96%
% take-or-pay contracted and/or rate-regulated			 <div><div></div> Take-or-pay contracted and/or rate-regulated</div> <div><div></div> Other</div>



Midstream peers: Enbridge, Energy Transfer, Enterprise Product Partners, Kinder Morgan, ONEOK, Pembina Pipelines, Williams Companies

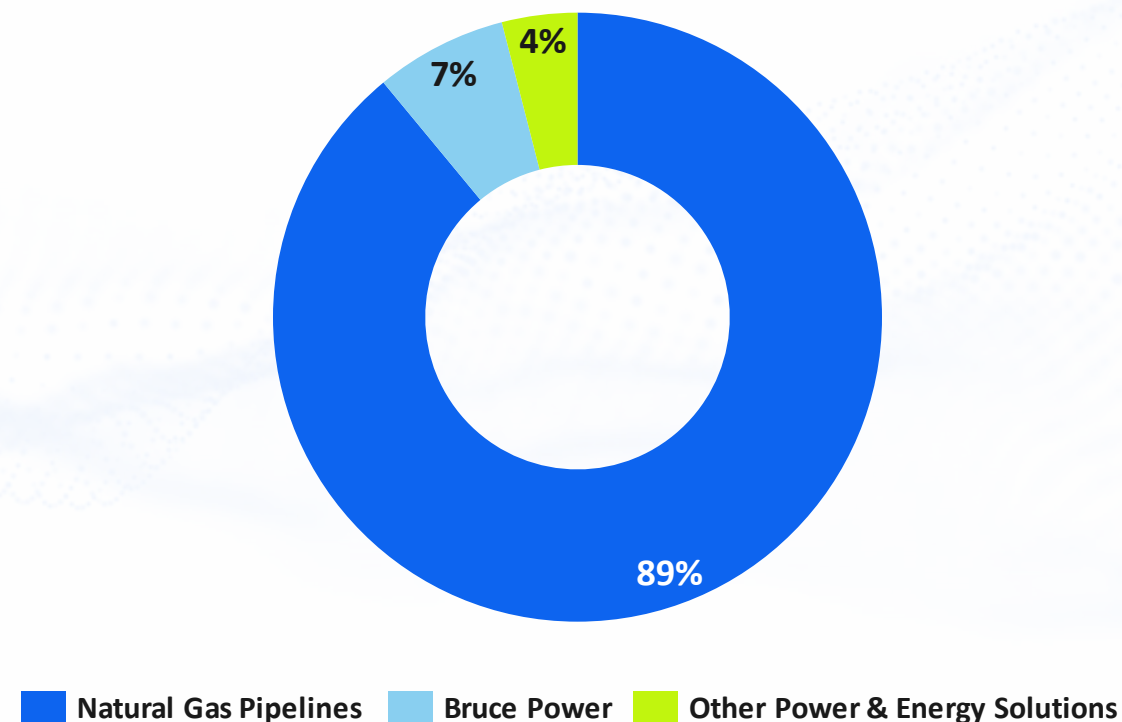
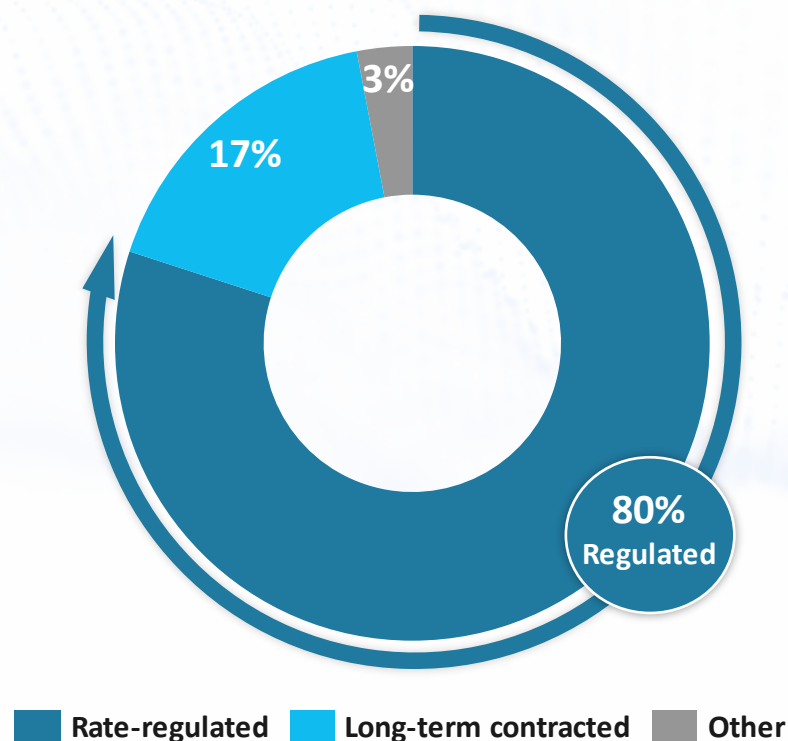
Utility peers: AltaGas, Atmos, Canadian Utilities, CenterPoint, Dominion, Emera, Fortis, NiSource, Sempra

(1) % natural gas, take-or-pay contracted and/or rate-regulated are based on 2023 values excluding Liquids Pipelines. (2) Sources: TC Energy internal forecasts with Liquids Pipelines excluded, and external equity research consensus estimates. Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and the Appendix A and B for more information. (3) Source: Investor materials. Includes contribution from natural gas transmission, gathering and processing, distribution, LNG, NGL's. (4) Source: TC Energy actuals and external equity research consensus estimates. Dividend payout ratio is based on comparable earnings per share and is a non-GAAP ratio. See forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix B for more information. (5) Source: S&P credit ratings as of April 2024.

Diversified, utility-like business offers premium value

2023

Comparable EBITDA⁽¹⁾ breakdown

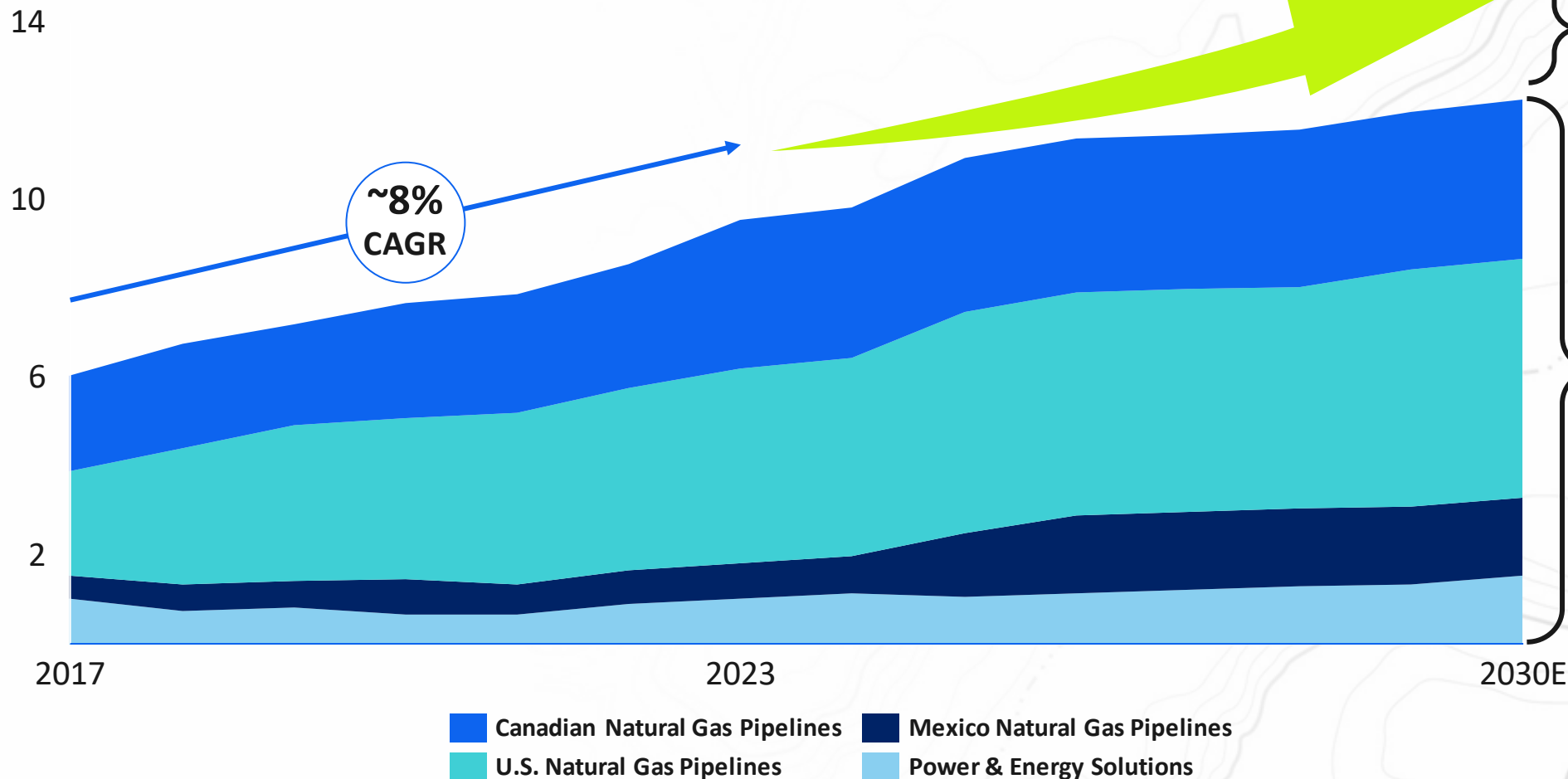


97% rate-regulated and long-term contracted business

(1) Comparable EBITDA has been adjusted to remove contributions from Liquids Pipelines business. Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation, Appendix A, B and F for more information.

Sanctioned capital delivers long-term predictability

Comparable EBITDA⁽¹⁾
\$Billions



Four leadership platforms provide additional opportunities

Visibility to comparable EBITDA⁽¹⁾ growth through 2030

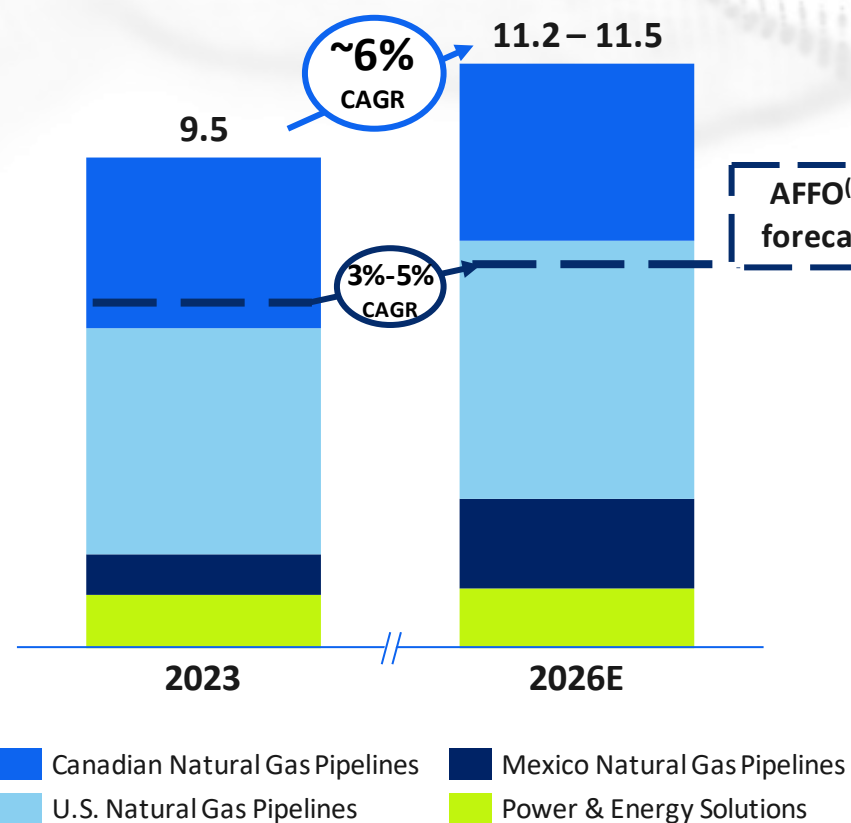
- ❖ Expected completion of \$31 billion⁽²⁾ secured capital program and on-going maintenance capital
- ❖ Normal-course recontracting
- ❖ Limited volumetric and commodity price risk

(1) Comparable EBITDA has been adjusted to remove contributions from Liquids Pipelines business. Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information.

(2) \$31 billion secured capital program as at Q4 2023 includes Coastal GasLink.

Delivering above average, sustainable growth

2023–2026E Comparable EBITDA⁽¹⁾ outlook (excluding Liquids Pipelines) \$Billions

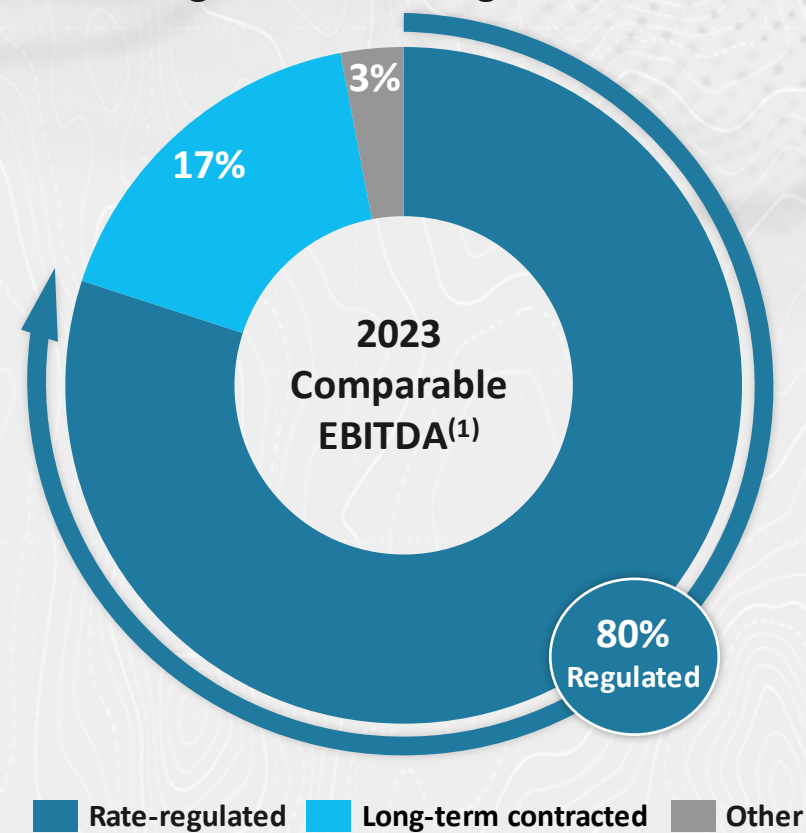


Beyond 2026
deliver AFFO per share growth at
the **upper end of our 3% to 5%**
dividend outlook

High-quality assets placed into service

- 2023: ~\$5.3 billion
- 2024E: ~\$7 billion⁽³⁾ expected
- 2025E: ~\$9 billion expected

Sustainable growth underpinned by rate-regulation and long-term contracts



Notes: Figures do not include impact of potential asset sales. Average foreign exchange assumption USD/CAD: 1.34.

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information.

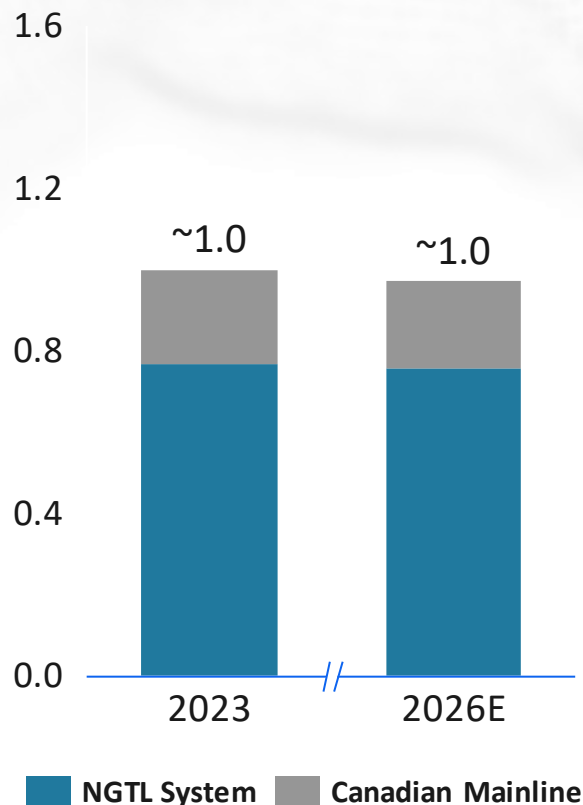
(2) Adjusted funds generated from operations (AFFO) is a non-GAAP measure. See forward-looking information and non-GAAP measures and Appendix E for more information.

(3) Includes TC Energy's 35 per cent equity share of Coastal GasLink.

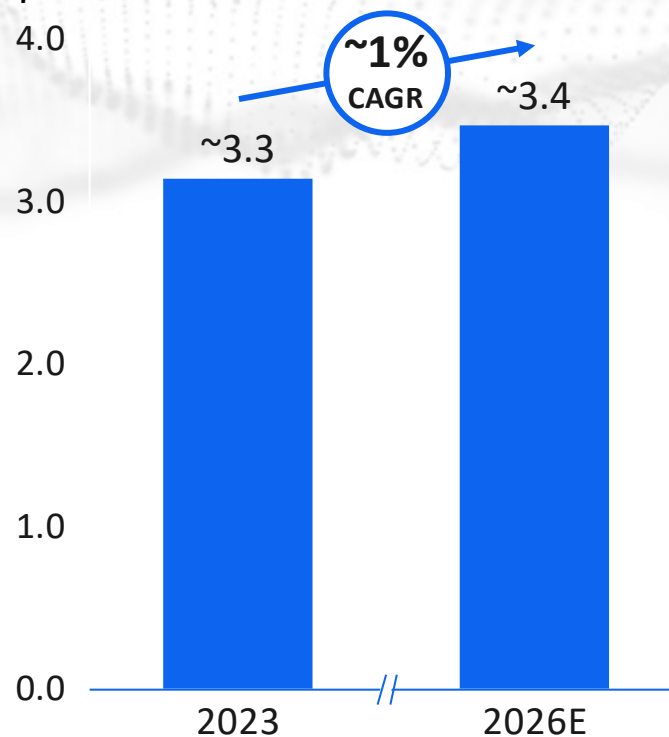
Stable earnings underpinned by rate regulation

CANADIAN NATURAL GAS PIPELINES

Net Income
\$Billions



Comparable EBITDA⁽¹⁾
\$Billions



Recognized a **\$200 million one-time** incentive payment in 2023 after completion of certain milestones on Coastal GasLink

❖ Excluding the incentive payment, 2023–2026E CAGR is **~3%**

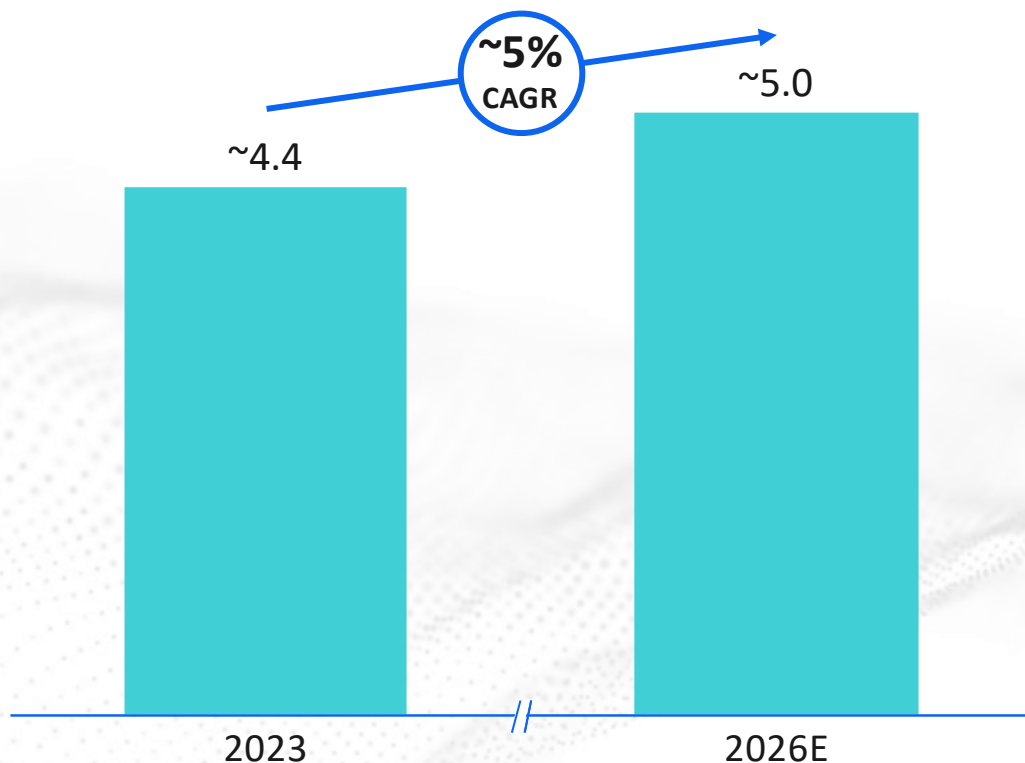
- ❖ **Earn a return on capital** in the year capital is deployed
- ❖ Base return of **10.1% ROE** on 40% deemed common equity
 - ❖ NGTL System operating under 2020–2024 Revenue Requirement Settlement
 - ❖ Canadian Mainline operating under fixed tolls per 2021–2026 Settlement
- ❖ **\$1.4 billion** secured capital program for NGTL System between 2024–2026+
 - ❖ **~\$2.8 billion** of assets placed in service in 2023 on the NGTL System
- ❖ **\$700 to \$800 million** average annual recoverable maintenance capital

(1) Includes NGTL System, Canadian Mainline and Other Canadian pipelines. Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information. Canadian Natural Gas Pipelines full-year comparable EBITDA for 2023 and 2022 were \$3.3 billion and \$2.8 billion, respectively, and full-year segmented earnings (losses) for 2023 and 2022 were (\$0.1) billion and (\$1.4) billion, respectively.

Strong fundamentals underpin strategic positioning to deliver continued results

U.S. NATURAL GAS PIPELINES

Comparable EBITDA⁽¹⁾ outlook
\$Billions



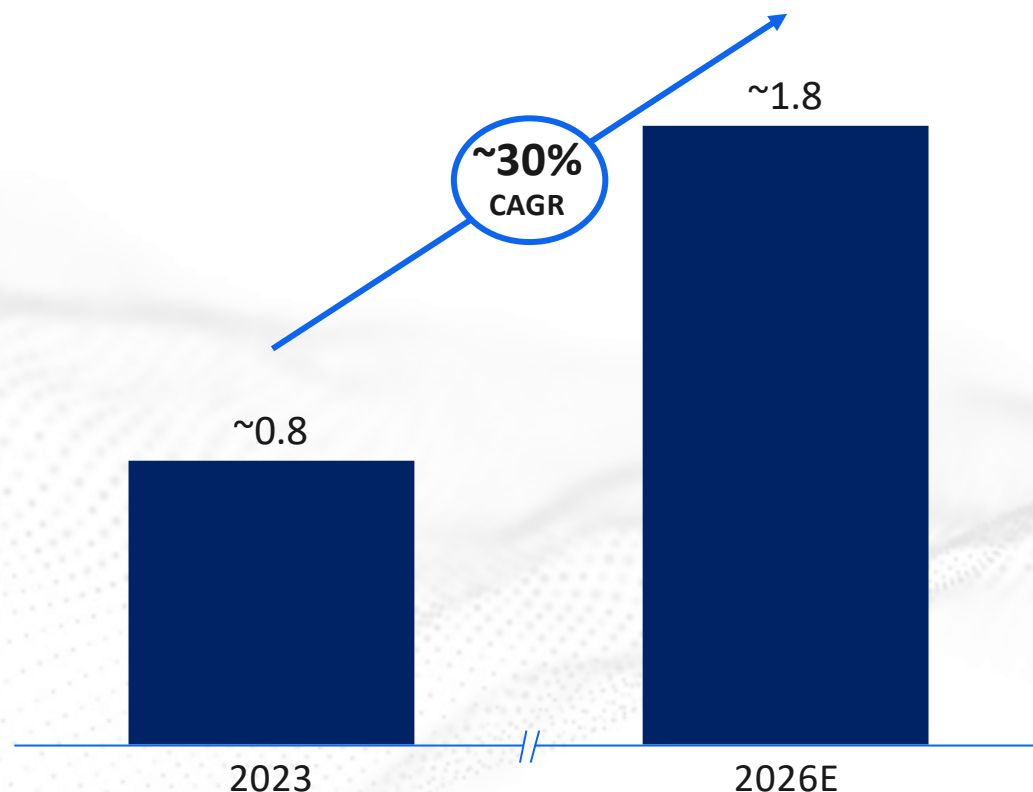
- ❖ **US\$2.4 billion** of gross discretionary growth projects coming into service between 2024–2025
 - ❖ Virginia Electrification
 - ❖ GTN XPress
 - ❖ Gillis Access
 - ❖ East Lateral XPress
 - ❖ VR, WR and Ventura XPress
- ❖ **Over 90%** of revenues under **long-term, take-or-pay contracts**
- ❖ **Delivered seven consecutive years** of record comparable EBITDA⁽¹⁾
- ❖ System reliability underpinned by US\$1.0 to US\$1.3 billion annual gross **investment in maintenance** and **modernization** programs
- ❖ Rate case cadence **aligned** to **optimize recovery of capital**
 - ❖ Recent rate settlements provide rate certainty

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information. U.S. Natural Gas Pipelines full-year comparable EBITDA for 2023 and 2022 were \$4.4 billion and \$4.1 billion, respectively, and full-year segmented earnings for 2023 and 2022 were \$3.5 billion and \$2.6 billion, respectively. Note: Reflects foreign exchange assumption USD/CAD: 1.34

Industry-leading position in a growing natural gas market

MEXICO NATURAL GAS PIPELINES

Comparable EBITDA⁽¹⁾ outlook
\$Billions



- ❖ **Comparable EBITDA⁽¹⁾ growth** driven by assets placed in service between 2023–2025E
 - ❖ **US\$4.5 billion** Southeast Gateway pipeline project expected to be in service in mid-2025, adds **~\$800 million** in annual incremental comparable EBITDA⁽¹⁾
 - ❖ Lateral section of Villa de Reyes pipeline in service in Q3 2023
 - ❖ South section of Villa de Reyes expected to be in service second half of 2024
- ❖ Manage net economic exposure **toward ~10–12% of comparable EBITDA⁽¹⁾** over time
 - ❖ Raised US\$4 billion of non-recourse debt financing to further **manage exposure in Mexico**
 - ❖ Various strategies being considered

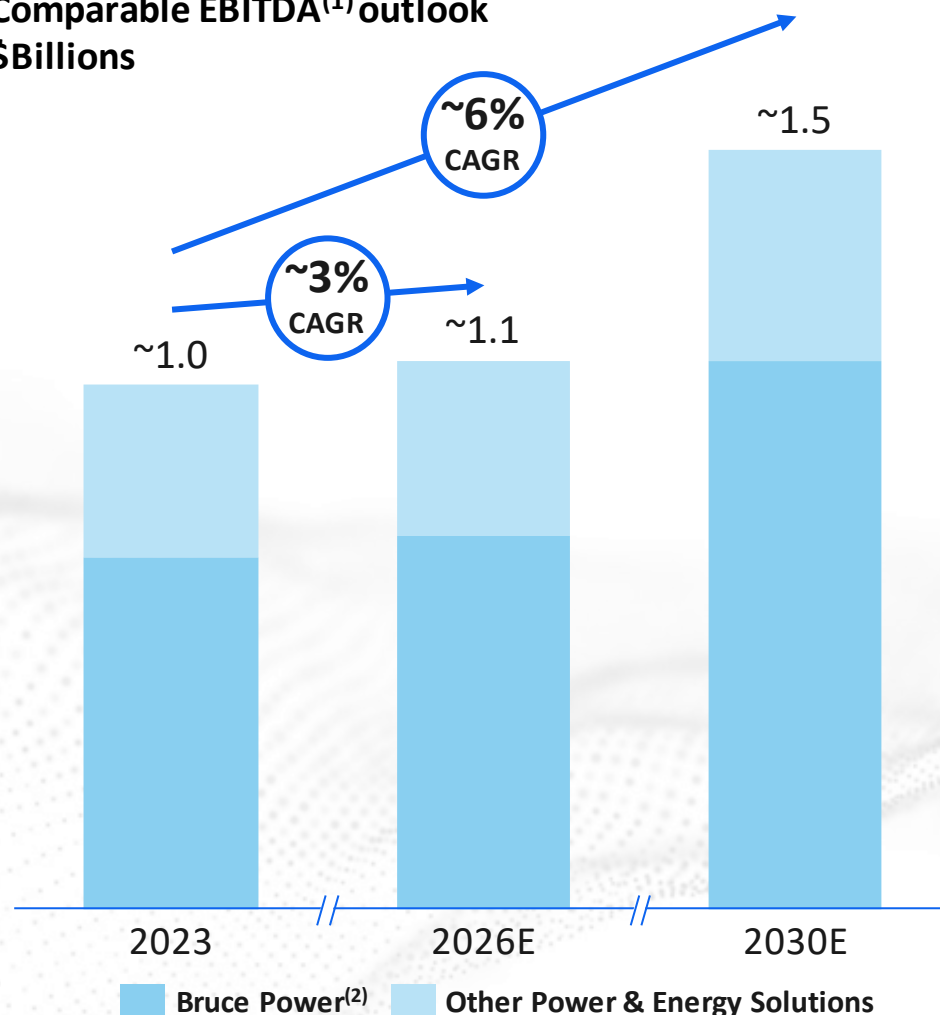
(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information. Mexico Natural Gas Pipelines full-year comparable EBITDA for 2023 and 2022 were \$0.8 billion and \$0.8 billion, respectively, and full-year segmented earnings for 2023 and 2022 were \$0.8 billion and \$0.5 billion, respectively.

Note: Reflects foreign exchange assumption USD/CAD: 1.34

Bruce Power driving significant growth

POWER & ENERGY SOLUTIONS

Comparable EBITDA⁽¹⁾ outlook
\$Billions



- ❖ ~75% of 2030E comparable EBITDA⁽¹⁾ from Bruce Power
- ❖ Largely underpinned by **long-term contracts** with **creditworthy** counterparties
- ❖ Bruce Power stats:
 - ❖ Unit 6 MCR **completed within budget** and **ahead of schedule**
 - ❖ Unit 3 MCR began in March and is progressing on plan
 - ❖ Unit 4 MCR cost estimate approved by IESO in February 2024
- ❖ Future growth opportunities
 - ❖ **Ontario Pumped Hydro** announcement pending decision from the Ontario Government
 - ❖ Evaluating next decade investment in **Bruce C**
- ❖ Exploring small, strategic investments in low-carbon energy solutions

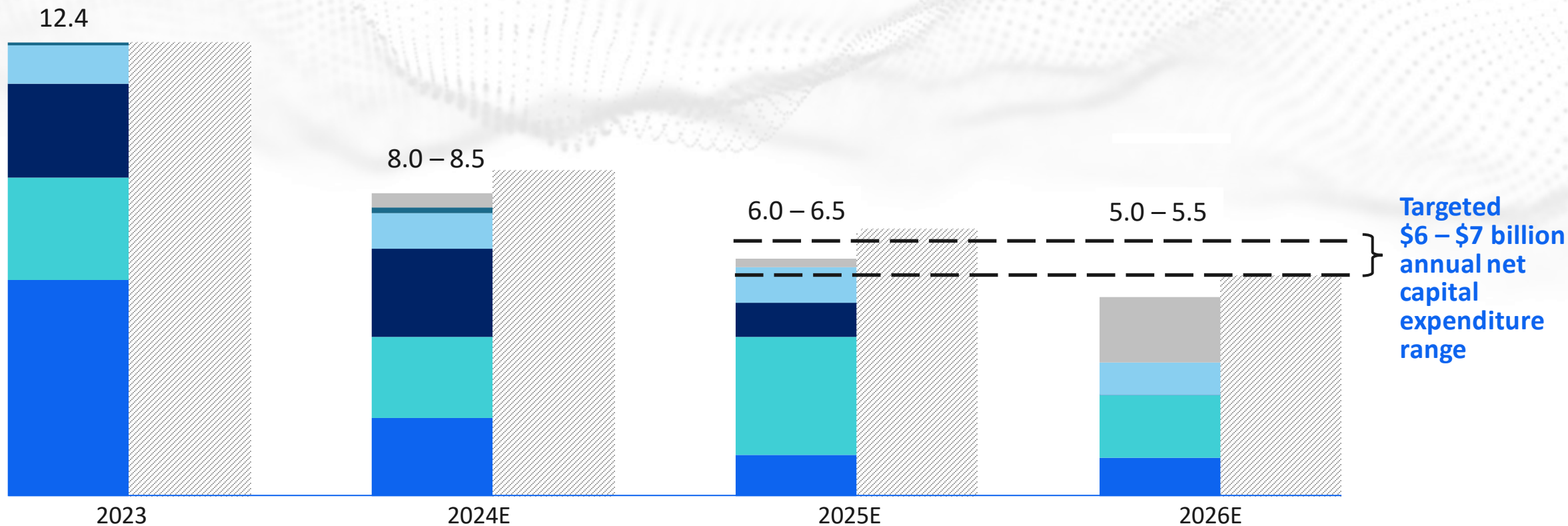
(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information. Power and Energy Solutions comparable EBITDA for 2023 and 2022 were \$1.0 billion and \$0.9 billion, respectively, and full-year segmented earnings for 2023 and 2022 were \$1.0 billion and \$0.8 billion, respectively.

(2) Represents TC Energy's share of equity income from Bruce Power.

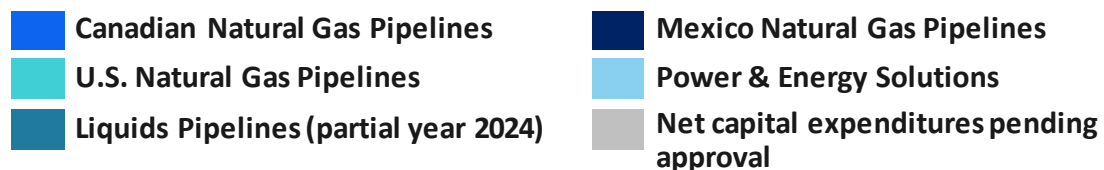
ADHERING TO CONSERVATIVE RISK PREFERENCES

Disciplined sanctioned capital spend profile

\$Billions



Net sanctioned capital expenditures



Gross sanctioned capital expenditures

Note: Numbers include capitalized interest and debt AFUDC.
Average foreign exchange assumption USD/CAD: 1.34

Reducing leverage to further strengthen balance sheet

2023

Executed 2023 priorities



- ❖ Placed **~\$5.3 billion** assets into service
- ❖ **~11% growth** in comparable EBITDA⁽¹⁾ relative to 2022
- ❖ Closed **\$5.3 billion** Columbia Gas and Columbia Gulf monetization

2024

Near-term plan



- ❖ Place **~\$7 billion⁽²⁾** assets into service
- ❖ **\$11.2 to \$11.5 billion** in comparable EBITDA⁽¹⁾
- ❖ **Execute \$3 billion** asset divestitures
- ❖ **Optimize** capital expenditures
- ❖ **Liability management** related to spinoff

2025+

Going forward



- ❖ Place **~\$9 billion** of assets into service
- ❖ **Southeast Gateway** expected **~\$800 million** annual comparable EBITDA⁽¹⁾ contribution, in service expected mid-2025
- ❖ **\$6 to \$7 billion** net capital expenditures limit
- ❖ Focus Project **cost savings** initiatives
- ❖ Opportunities to **increase ROIC** on existing assets

Sensitivities:

\$200 million comparable EBITDA⁽¹⁾ = 0.1x debt-to-EBITDA⁽³⁾

\$1.1 billion capital or debt reduction = 0.1x debt-to-EBITDA⁽³⁾



Clear path to achieving 4.75x debt-to-EBITDA upper limit by 2024 and beyond

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

(2) Includes TC Energy's 35 per cent equity share of Coastal GasLink.

(3) Debt-to-EBITDA is a non-GAAP ratio. Adjusted debt and adjusted comparable EBITDA are the non-GAAP measures used to calculate Debt-to-EBITDA. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix D for more information.

Financial risks and levers

FINANCIAL MODELER'S TOOLKIT

Interest rates

- ❖ Debt portfolio ~94% fixed rate; long-term debt with average term of ~18 years to final maturity
- ❖ Regulatory and commercial arrangements mitigate impact of rate movements

Income tax

- ❖ Expected normalized income tax rate of low to mid-twenties
- ❖ Split between current and deferred oscillates in 30% to 60% band

Depreciation

- ❖ On average represents ~2.5% of gross plant, property and equipment per annum
- ❖ Lever to manage return of capital based on expected economic life of assets

Foreign exchange

- ❖ Structurally long ~US\$2.0 billion per annum after-tax income; actively hedge residual exposure over rolling 36-month horizon
- ❖ 2023 comparable EBITDA⁽¹⁾ translated at an average rate of 1.35 versus 1.29 in 2022
- ❖ 2024 comparable EPS⁽¹⁾ hedged at an average rate of 1.35

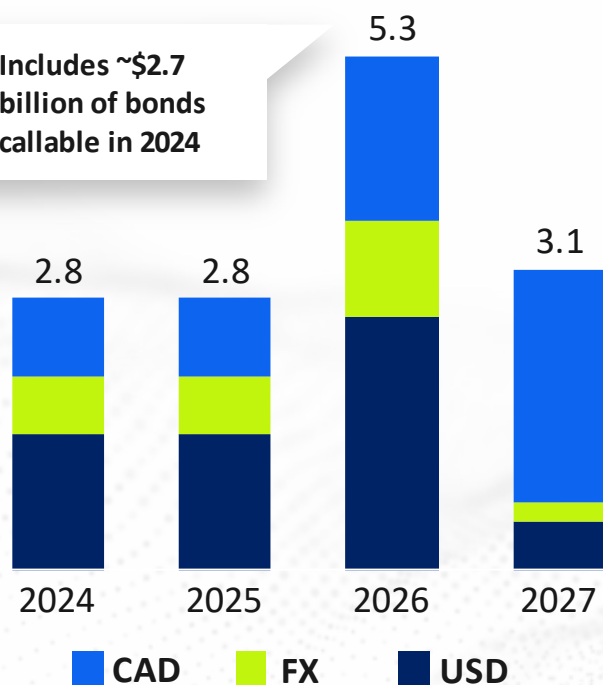
(1) Comparable EBITDA and comparable EPS are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

Balanced debt portfolio with protection against interest rate volatility

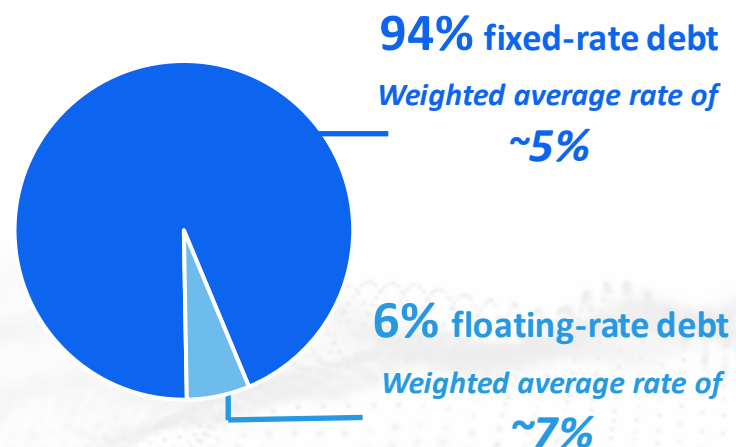
Debt maturities 2024E–2027E

\$Billions

Includes ~\$2.7 billion of bonds callable in 2024



Debt portfolio: fixed versus floating rate mix



- ❖ **Strong** and **balanced** debt profile
- ❖ **Low sensitivity** to interest rate changes
- ❖ Rate-regulated businesses have **interest rate pass through** mechanisms
- ❖ **Low-risk** business model provides stability of cash flows
- ❖ Average term of **~18 years** to final maturity of long-term debt
- ❖ Weighted average pre-tax coupon of long-term debt **~5%**

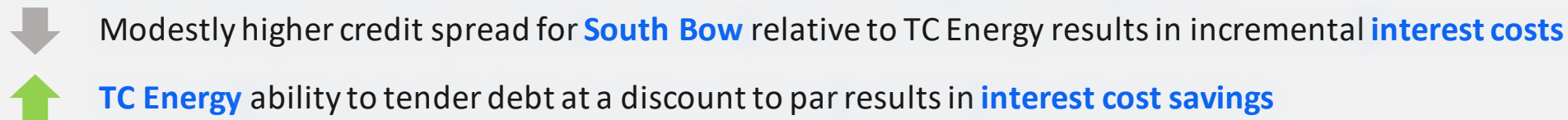
Ability to optimize and offset interest exposure

Optionality in a dynamic interest rate environment

- ❖ South Bow has the flexibility to **optimize** the **timing** and **amount** of debt issued
- ❖ **Minimal impact** to TC Energy's ability to meet its **4.75x debt-to-EBITDA⁽¹⁾ deleveraging** target by year-end 2024

Offsetting interest impact between TC Energy and South Bow

- ❖ Proceeds from ~\$7.9 billion **South Bow** debt issuance used to **repay TC Energy debt**

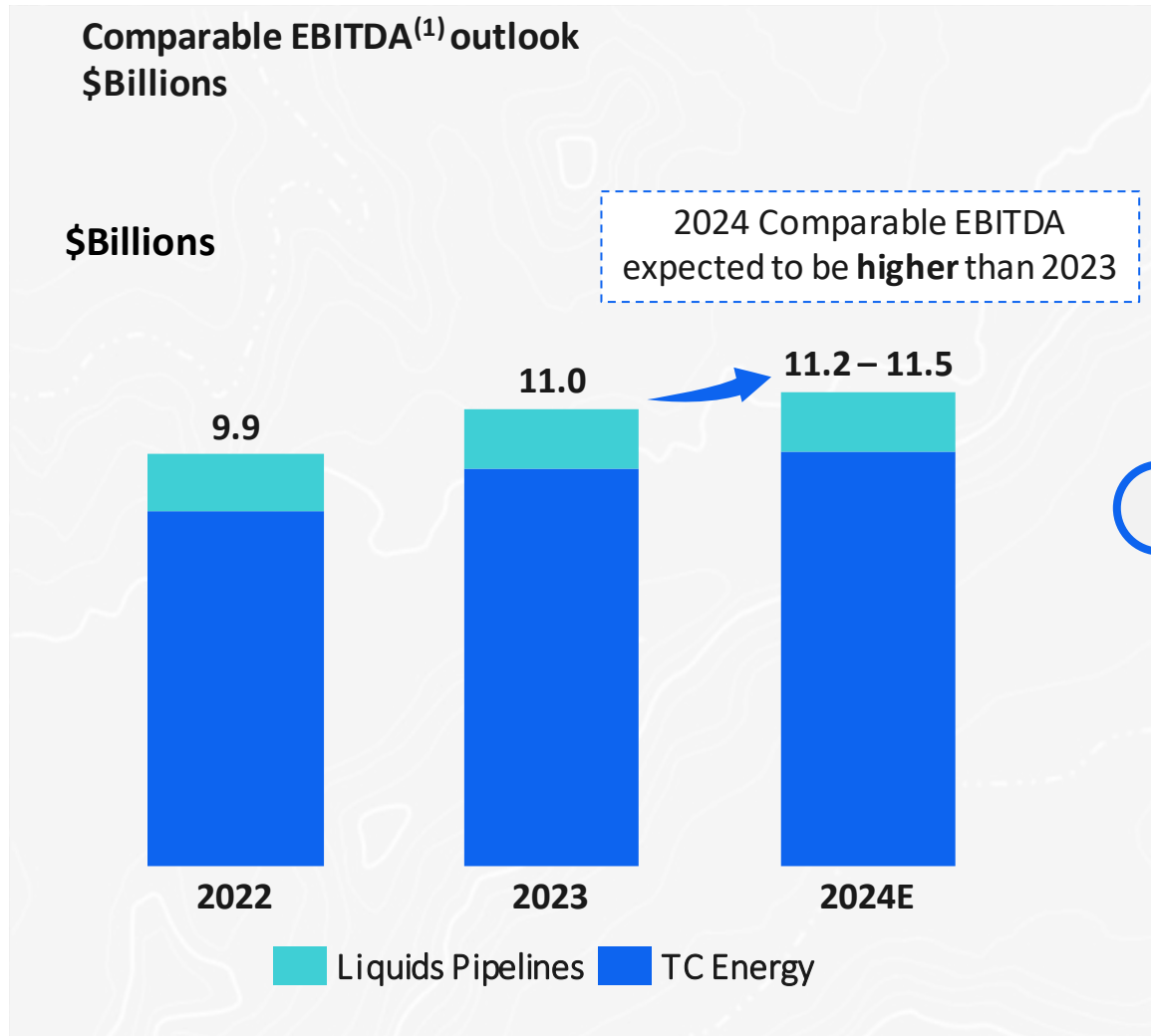


Cash flow impact
expected to be
minimal

Investment grade ratings are foundational for both companies

(1) Debt-to-EBITDA is a non-GAAP ratio. Adjusted debt and adjusted comparable EBITDA are the non-GAAP measures used to calculate Debt-to-EBITDA. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix D for more information.

2024E financial outlook



2024 Comparable EBITDA⁽¹⁾ expected to be higher than 2023

- Growth in the NGTL System investment base
- Bruce Power Unit 6 return to service in September 2023
- Projects anticipated to be placed in service in 2024, and full-year impact of projects placed in service in 2023

2024 Comparable EPS⁽¹⁾ expected to be lower than 2023

- Higher net income attributable to non-controlling interests
- Increase in comparable EBITDA
- Higher AFUDC related to Southeast Gateway pipeline

Expect to place **~\$7 billion⁽²⁾** of assets **into service** in 2024

2024 net capital expenditures⁽³⁾ expected to be approximately \$8.0 to \$8.5 billion

Outlook does not reflect potential asset divestitures or the impact of the proposed spinoff of Liquids Pipelines that remains subject to shareholder vote.

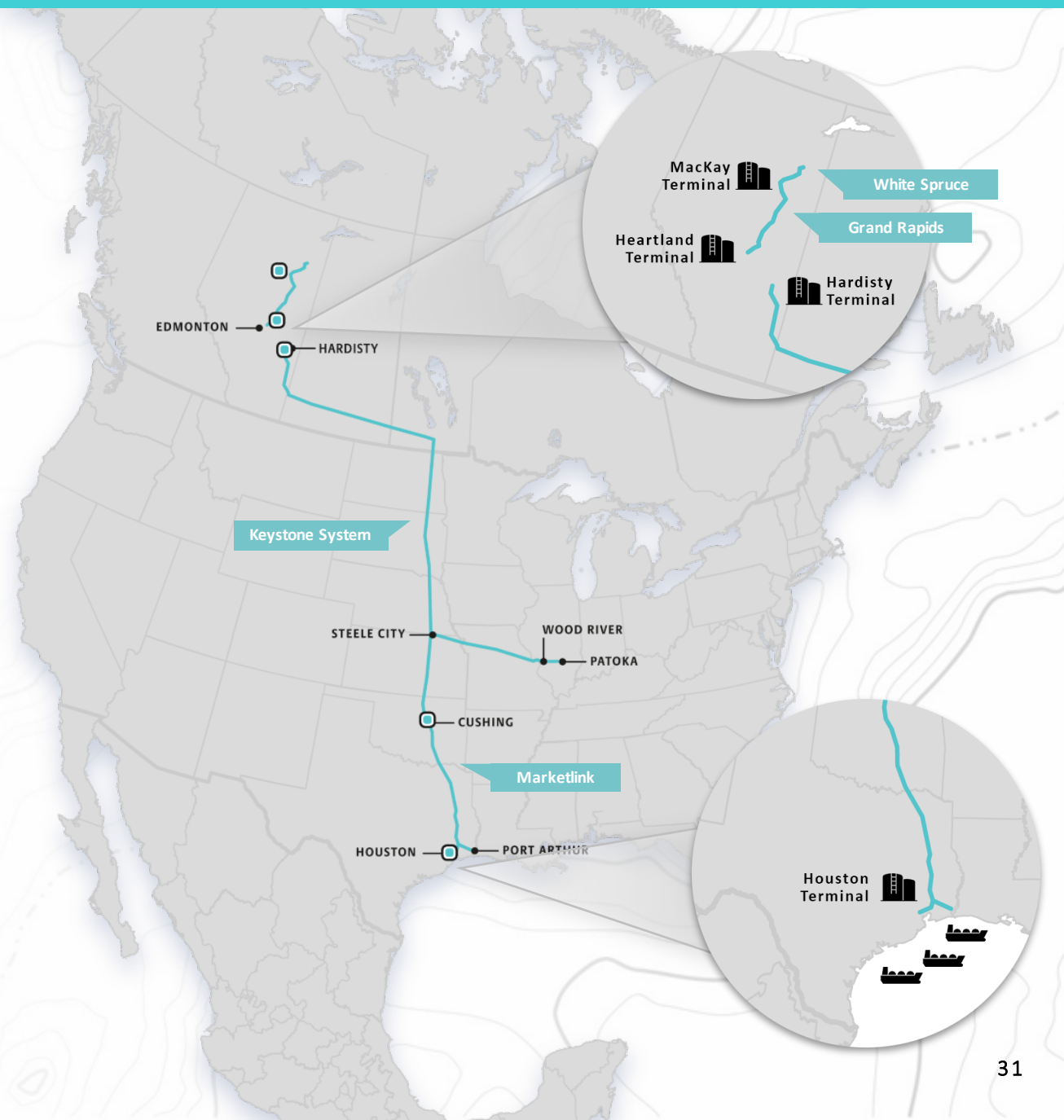
(1) Comparable EBITDA and comparable earnings per share are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information.

(2) Includes TC Energy's 35 per cent equity share of Coastal GasLink.

(3) Net capital expenditure is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.




POST-SPINOFF

South Bow Strategic & Financial Outlook



Premium value proposition

Strong total shareholder return

-  **Strong and sustainable base dividend**
Fully-funded by high cash flow generation
-  **2% to 3% expected long-term comparable EBITDA⁽¹⁾ growth**
Increase return to shareholders by growing the dividend, accelerating deleveraging or buying back shares
-  **Maintaining strong balance sheet and investment-grade outlook**
Potential to reduce leverage by 0.25x to 0.5x over 3 years



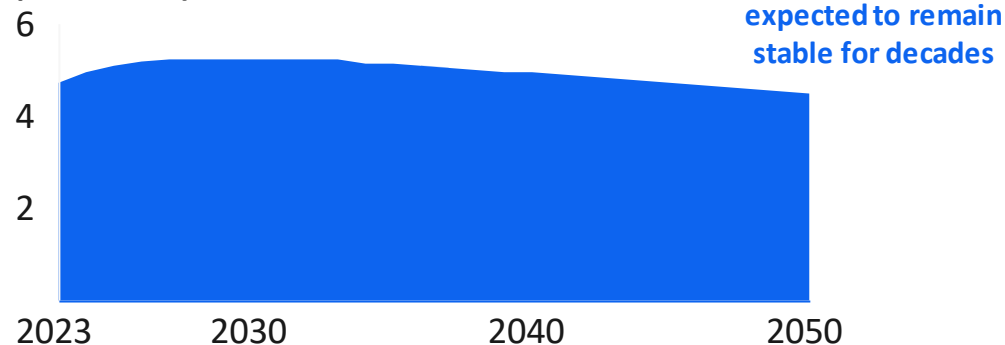
Unique value proposition

-  **Operational and commercial excellence**
Keystone System operational reliability of 93% during 2023
-  **Premium corridor supported by fundamentals**
Supply-push and demand-pull customers, system offers distinctive competitive advantages
-  **Resilient, low-risk business model**
Low-risk contract and capital allocation framework with low carbon intensity
-  **Organic growth and future optionality**
Enhance value through capital-light, last-mile connectivity, latent capacity optimization, and future optionality

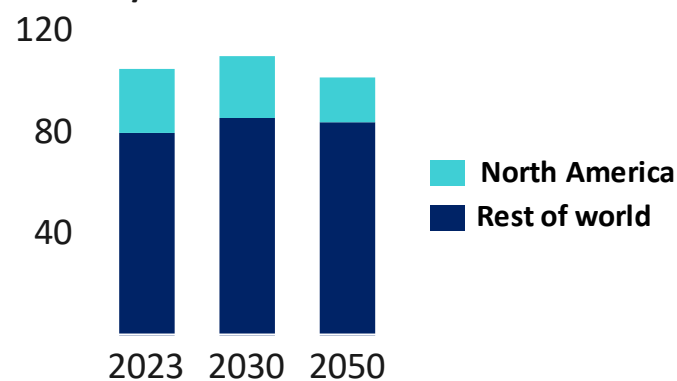
 **Low-risk business with a distinctive strategy and opportunity set**

Highly competitive path connecting the most resilient supply, demand and export markets

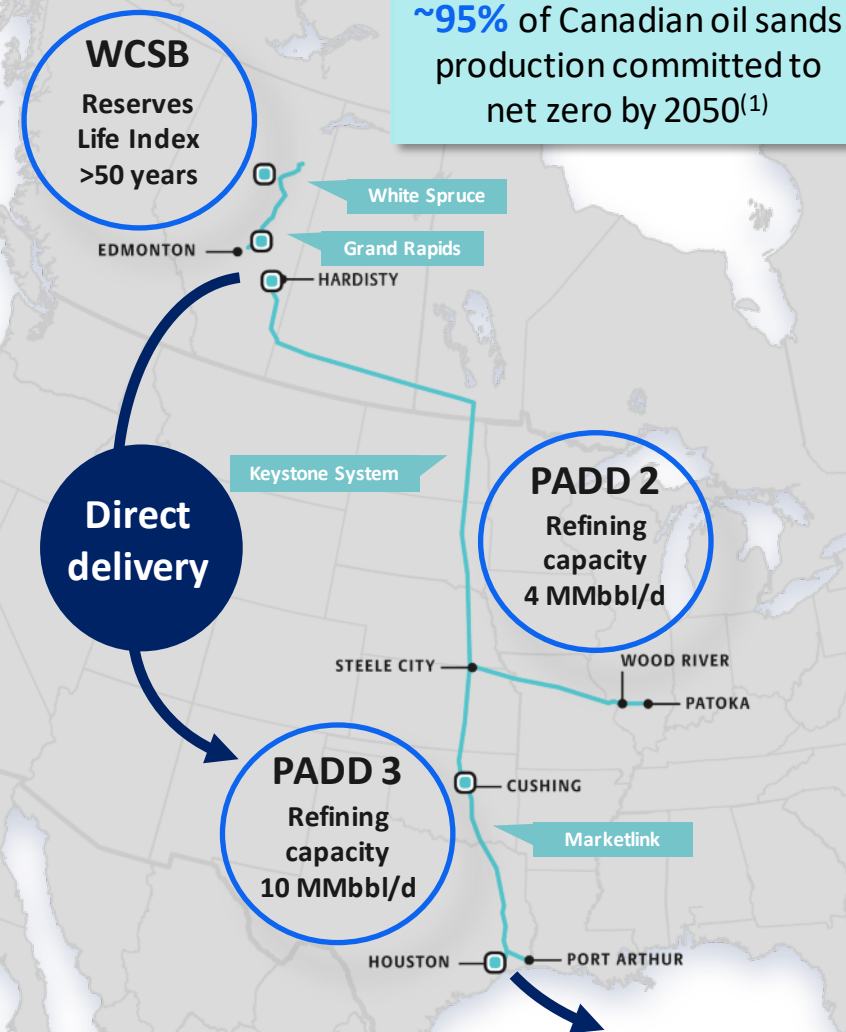
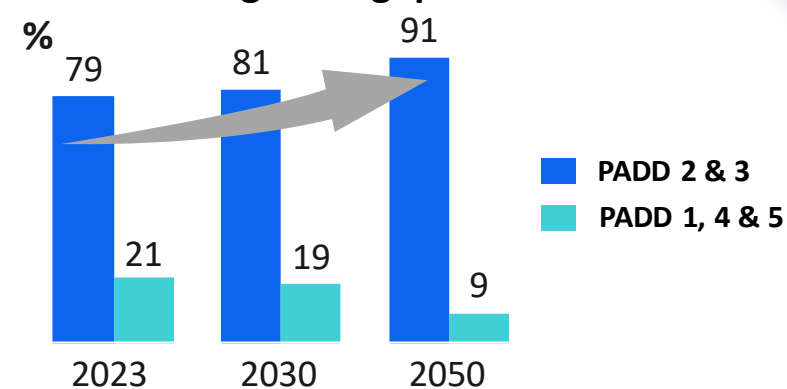
WCSB long-term crude supply outlook⁽²⁾
(MMbbl/d)



Global oil demand⁽³⁾
MMbbl/d



PADD refining throughput market share⁽²⁾



~95% of Canadian oil sands production committed to net zero by 2050⁽¹⁾

PADD 3 crude exports forecast to increase 43% by 2030⁽²⁾

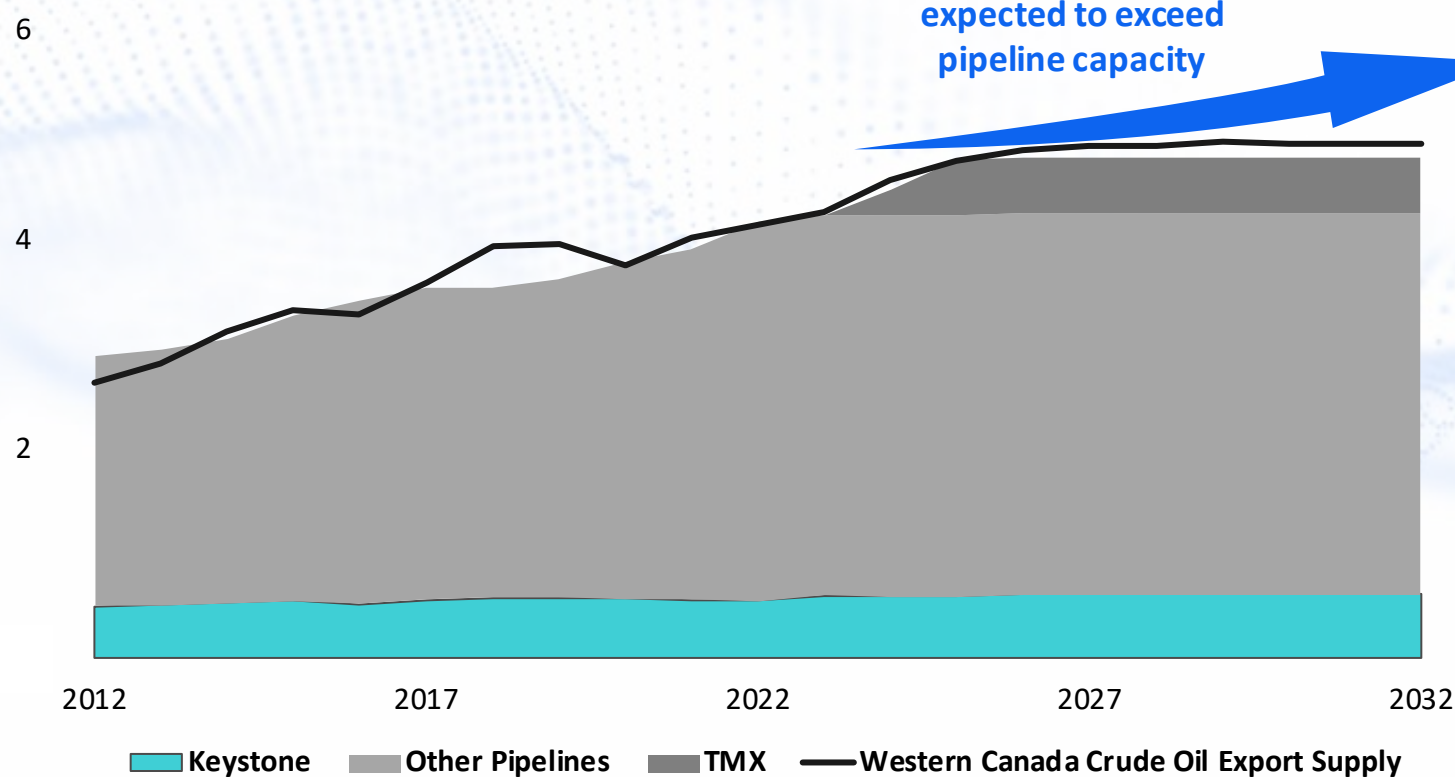
Delivering supply from low-decline, low-cost WCSB assets

(1) Pathways Alliance (2) Source: S&P Global 2023 Annual Long-Term Strategic Workbook. PADD market share calculated as a percentage of total forecasted crude and condensate volumes refined in PADDs 1 through 5.

(3) S&P Global Commodity Insight's Energy and Climate Scenarios 2023; Inflections scenario. ©2023 by S&P Global Inc. All rights reserved.

Competitive advantages to capture additional market share

WCSB export supply & capacity by pipe⁽¹⁾⁽²⁾
MMbbl/d



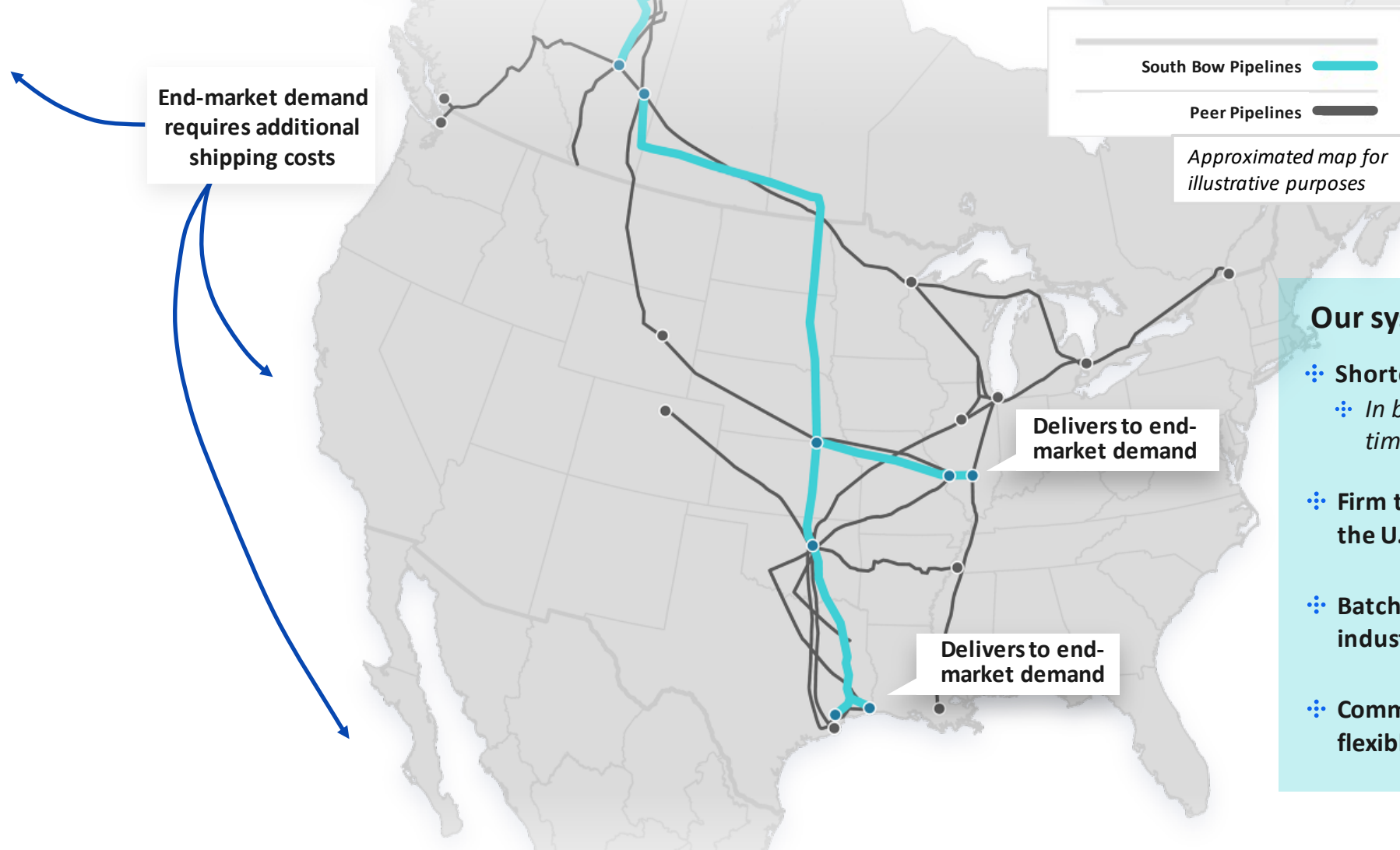
Examples of regulator-approved potential Pathways Alliance members' projects incremental to supply outlook:⁽²⁾

Project	Capacity (Kbbl/d)
Grand Rapids Phase A, B & C	180
Kearl Phase 3 & 4	125
Firebag Stage 5 & 6	125
Muskeg River	115
Jackpine expansion	100
Announced projects pending regulatory approval	
Horizon - Phase 4 & 5	307

WCSB resource capable of adding over 1 MMbbl/d above the peak

Our corridor provides a competitive advantage to maintain and capture additional market share

Most competitive corridor with the shortest transit time

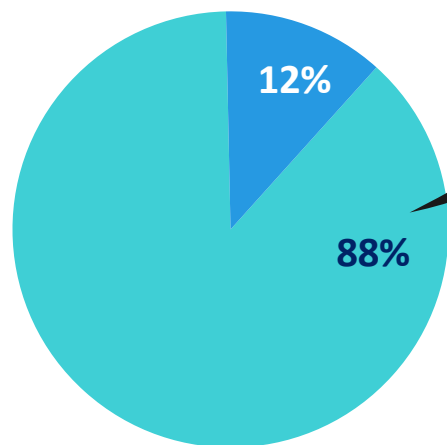


Our system's competitive advantages

- ❖ Shortest, most direct route
 - ❖ In backwardated markets, shorter transit times are extremely valuable
- ❖ Firm transportation to premium markets in the U.S. mid-continent and Gulf Coast
- ❖ Batched, direct connection provides industry-leading product quality preservation
- ❖ Commercial optionality for customers; flexible delivery points

Unrivalled low-risk contractual framework

South Bow



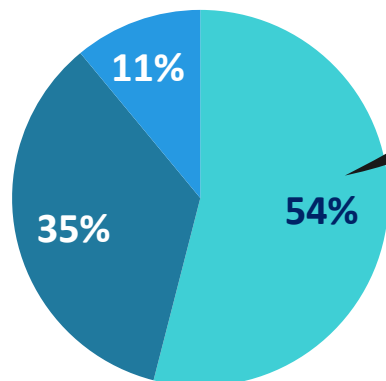
~8 years

weighted average contract length on Keystone System providing greater stability in cash flows

Contract profile⁽¹⁾ (% of cash flow)



Peer average⁽²⁾



~6.5 years

weighted average contract length⁽¹⁾

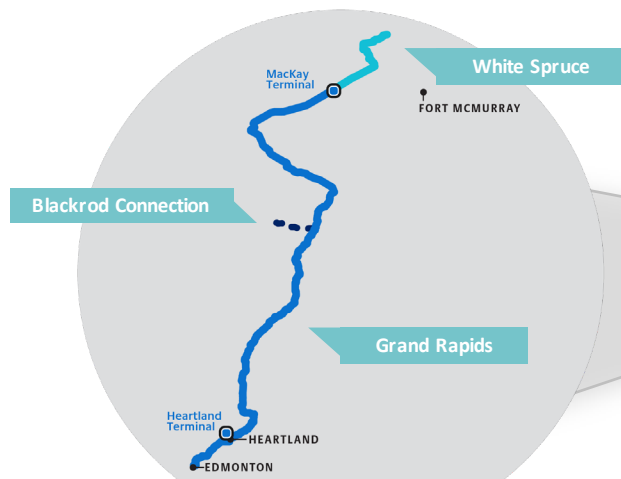
South Bow's unique contractual framework

- ❖ 6% of Keystone System volumes reserved for spot
- ❖ **Longest tenure** amongst peer group
- ❖ **Minimal** volumetric and price **risk**
- ❖ Operating costs **predominantly recovered** through tolls
- ❖ **96% investment-grade** counterparties
- ❖ Approvals received for recontracting at **market-driven rates**

(1) Source: Investor materials

(2) Weighted average of a group of peers including Pembina Pipelines, Keyera, Magellan Midstream Partners (pre-ONEOK acquisition), Plains All American Pipeline, L.P., Gibson Energy and Energy Transfer based on 2023 EBITDA.

Operational and commercial optimization plus in-corridor growth



Blackrod Connection Project

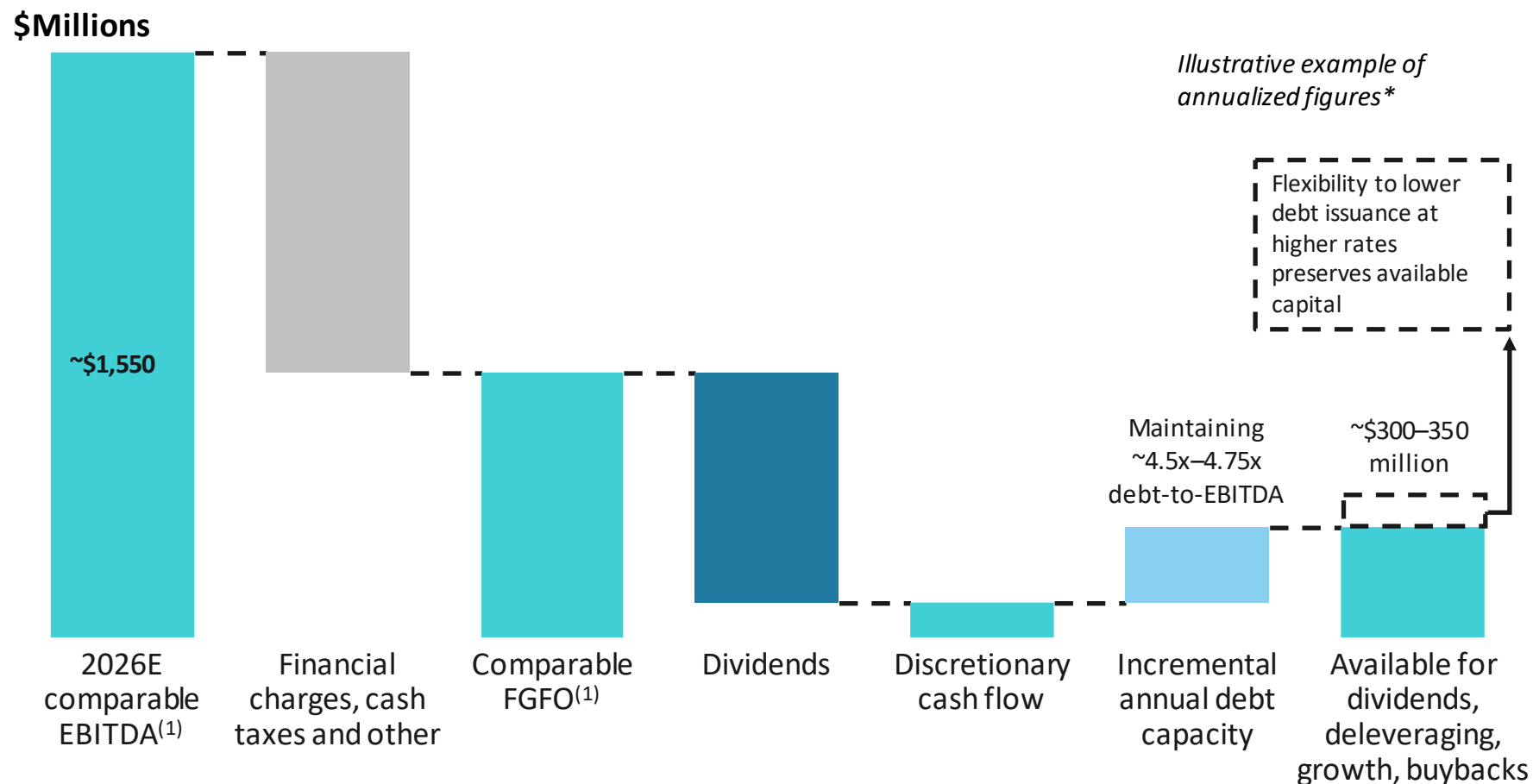
- ❖ Connection from IPC's Blackrod SAGD project to Grand Rapids Pipeline System
- ❖ Estimated capital cost ~\$250 million
- ❖ **25-km crude oil pipeline, 25-km natural gas pipeline** and associated facilities
- ❖ Construction expected to commence in **Q3 2024**
- ❖ Expected in-service date in **late 2025**
- ❖ **Underwrites a significant part of stated comparable EBITDA growth⁽¹⁾**



Optimization & Growth Opportunities

- ❖ Organic capacity expansions
- ❖ Latent capacity optimization
- ❖ More frequent open seasons
- ❖ Re-contracting
- ❖ Last-mile connectivity
- ❖ Tidewater access to global markets

Debt optimization to maintain the ability to return significant cash to shareholders



Modeling assumptions:

- ❖ Initial leverage target below **~5.0x debt-to-EBITDA⁽²⁾** expected to support investment-grade rating
- ❖ Accelerated deleveraging of **~0.25x to 0.5x** in 3 years of spinoff
- ❖ Effective tax rate percentage expected to be in the **mid-to-high 20's**
- ❖ Targeting **6x to 8x build multiple⁽³⁾** on organic growth
- ❖ Cash tax expected to be the **majority** of total tax expense
- ❖ Maintenance capital is predominantly **recoverable**

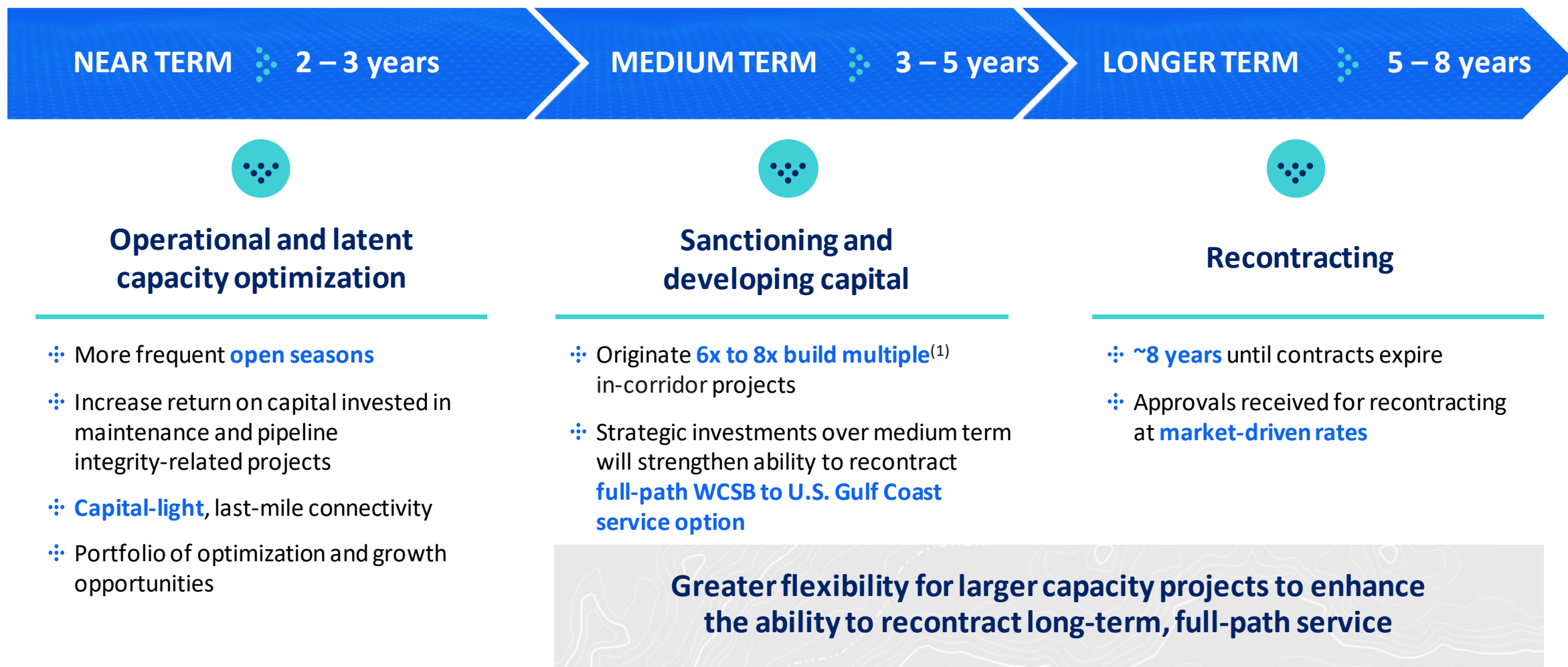
Optionality for growth in capital program, balance sheet strengthening, share buybacks

(1) Comparable EBITDA and comparable FGFO are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and C for more information.

(2) Debt-to-EBITDA is a non-GAAP ratio. Adjusted debt and adjusted comparable EBITDA are the non-GAAP measures used to calculate Debt-to-EBITDA. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix D for more information.

(3) Build multiple is a metric calculated by dividing capital expenditures by comparable EBITDA. Please note our method for calculating build multiple may differ from methods used by other entities. Therefore, it may not be comparable to similar measures presented by other entities.

Spin allows for compounding of shareholder value over time



(1) Build multiple is a metric calculated by dividing capital expenditures by comparable EBITDA. Please note that our method for calculating build multiple may differ from methods used by other entities. Therefore, it may not be comparable to similar measures presented by other entities.

South Bow's balance sheet strength

Initial debt-to-EBITDA⁽¹⁾ ratio below 5.0x

- ❖ ~\$7.9 billion of senior debt and junior subordinated notes expected to be established at South Bow
 - ~\$6 billion of senior debt
 - ~\$2 billion of junior subordinated notes receiving 50% equity credit
- ❖ Accelerated deleveraging of ~0.25x to 0.5x

Flexibility to optimally implement the long-term capital structure

- ❖ Optimize the timing and amount of debt issued
- ❖ Will establish the capital structure in a constructive capital markets environment
- ❖ Various tools available if entire capital structure is not in place ahead of spin

~\$30 million of comparable EBITDA⁽²⁾ = 0.1x debt-to-EBITDA⁽¹⁾
 ~\$145 million of debt reduction = 0.1x debt-to-EBITDA⁽¹⁾



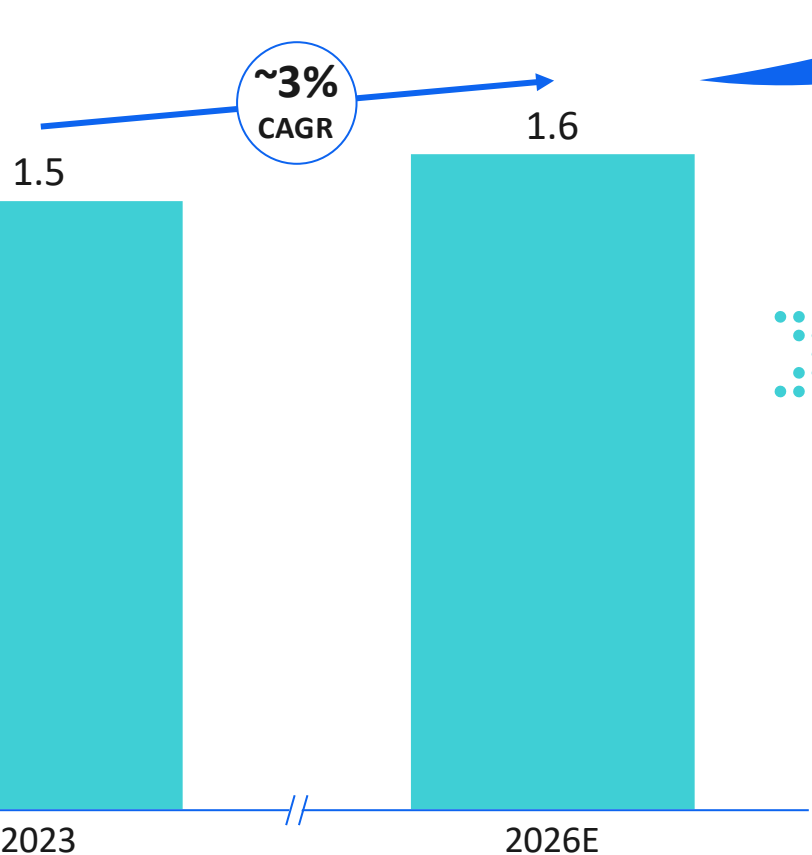
Commercial underpinning supports investment-grade outlook

(1) Debt-to-EBITDA is a non-GAAP ratio. Adjusted debt and adjusted comparable EBITDA are the non-GAAP measures used to calculate Debt-to-EBITDA. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix D for more information.

(2) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

Incremental growth underpinned by strong commercial contracts

Comparable EBITDA⁽¹⁾ outlook
\$Billions



Long-term average
growth of **2% to 3%**

Significant free cash flow
Historical maintenance capital ~5% of comparable EBITDA⁽¹⁾

Targeting long-term growth rate of **2% to 3%**

- ❖ **88%** of comparable EBITDA⁽¹⁾ is contracted
- ❖ **96%** of contracts with investment-grade counterparties
- ❖ Low **sustaining** capital requirements
- ❖ **Minimal** commodity and volumetric **risk**

Incremental upside could be provided:

- ❖ **Recontracting** opportunities
- ❖ **In-corridor** opportunities
- ❖ Sanctioning projects at the lower end of **6x to 8x build multiple⁽²⁾** range
- ❖ **Joint tolling** opportunities

(1) Comparable EBITDA represents Liquids Pipelines. Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A, B and F for more information. Liquids Pipelines comparable EBITDA for 2023 and 2022 were \$1.5 billion and \$1.4 billion, respectively, and full-year segmented earnings for 2023 and 2022 were \$1.0 billion and \$1.1 billion, respectively.

(2) Build multiple is a metric calculated by dividing capital expenditures by comparable EBITDA. Please note that our method for calculating build multiple may differ from methods used by other entities. Therefore, it may not be comparable to similar measures presented by other entities.

Proposed South Bow Board of Directors

HAROLD (HAL) N. KVISLE – PROPOSED BOARD CHAIR

- **Career highlights:** CEO of Talisman Energy Inc.; CEO of TC Energy; Founder and President of Fletcher Challenge Energy Canada Inc.

CHANSOO JOUNG

- **Career highlights:** Partner and Senior Advisor at Warburg Pincus LLC; held increasingly senior positions at Goldman Sachs, including Head of the Americas and Power investment banking group

GEORGE LEWIS

- **Career highlights:** Member of Royal Bank of Canada ("RBC")'s Group Executive Board; CEO of RBC Global Asset Management; EVP and Head of Products for RBC Banking Investments; Group Head (Vice-Chair) for the RBC Wealth Management and RBC Insurance segments; Director of Research and Managing Director, Head of Institutional Equities for RBC Capital Markets

LEONARD MALLET

- **Career highlights:** EVP and COO and executive director and Interim CEO at Summit Midstream GP, LLC; SVP of Engineering and SVP of Environmental Health and Safety at Enterprise Products Partners LP; held increasingly senior positions at TEPPCO Partners LP, including SVP of Operations

ROBERT (BOB) G. PHILLIPS

- **Career highlights:** President and CEO of Crestwood Equity Partners LP and Crestwood Midstream Partners; President and CEO and COO of Enterprise Products Partners LP; held senior executive positions with El Paso Corporation

SONYA M. REED

- **Career highlights:** SVP and Chief Human Resources Officer at Phillips 66; EVP and Chief Human Resources Officer at General Cable Corporation; VP of Human Resources (Latin America) at Zurich Financial Services

SHANNON RYHORCHUK

- **Career highlights:** Managing Partner of PricewaterhouseCoopers LLP ("PwC")'s Calgary assurance practice, and leader of PwC's National Independence Office

MARY PAT SALOMONE

- **Career highlights:** SVP and COO of The Babcock & Wilcox Company; President and CEO of Marine Mechanical Corporation

FRANCES M. VALLEJO

- **Career highlights:** VP of Corporate Planning and Development, VP and Treasurer, VP of Upstream Planning and Portfolio Management, and General Manager of Corporate Planning and Budgets of ConocoPhillips

DON WISHART

- **Career highlights:** EVP of Operations and Major Projects, SVP of Field Operations, and SVP of Project Development of TC Energy

BEVIN WIRZBA – INTENDED PRESIDENT AND CEO

- **Career highlights:** Current EVP and Group President, Liquids Pipelines of TC Energy; SVP, Business Development and Capital Markets of ARC Resources Ltd.; Managing Director of RBC Dominion Securities; held multi-disciplinary roles with Chevron Corp.



South Bow leadership team



BEVIN WIRZBA

INTENDED SOUTH BOW PRESIDENT
AND CHIEF EXECUTIVE OFFICER

*Current TC Energy Executive Vice-President
and Group President, Liquids Pipelines*



VAN DAELE

SOUTH BOW SENIOR VICE-PRESIDENT AND
CHIEF FINANCIAL OFFICER

*Former Senior Vice-President and Chief Financial
Officer of ARC Resources Ltd.*



RICHARD PRIOR

INTENDED SOUTH BOW SENIOR
VICE-PRESIDENT AND CHIEF OPERATING OFFICER

Current TC Energy President, Liquids Pipelines



LORI MURATTA

SOUTH BOW SENIOR VICE-PRESIDENT AND
GENERAL COUNSEL

*Former Vice-President, General Counsel and
Secretary of Shell Midstream Partners LP, as well as
Managing Counsel, Midstream and Commercial*

Harnessing the team's deep expertise and high-performance culture to drive strategic value and results



Appendix

Appendix A – Non-GAAP reconciliations – Comparable EBITDA⁽¹⁾

(Millions of dollars)

	Year ended December 31	
	2023	2022
Total segmented earnings (losses)	6,136	3,632
Interest expense	(3,263)	(2,588)
Allowance for funds used during construction	575	369
Foreign exchange gains (losses), net	320	(185)
Interest income and other	242	146
Income (loss) before income taxes	4,010	1,374
Income tax (expense) recovery	(942)	(589)
Net income (loss)	3,068	785
Net (income) loss attributable to non-controlling interests	(146)	(37)
Net income (loss) attributable to controlling interests	2,922	748
Preferred share dividends	(93)	(107)
Net income (loss) attributable to common shares	2,829	641

	Year ended December 31	
	2023	2022
Comparable EBITDA ⁽¹⁾	10,988	9,901
Depreciation and amortization	(2,778)	(2,584)
Interest expense included in comparable earnings	(3,253)	(2,588)
Allowance for funds used during construction	575	369
Foreign exchange gains (losses), net included in comparable earnings	118	(8)
Interest income and other included in comparable earnings	278	146
Income tax (expense) recovery included in comparable earnings	(1,037)	(813)
Net (income) loss attributable to non-controlling interests	(146)	(37)
Preferred share dividends	(93)	(107)
Comparable earnings ⁽¹⁾	4,652	4,279

(1) Comparable EBITDA and comparable earnings are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.
For reconciliation of net income to comparable earnings, please see Appendix B.

Appendix B – Non-GAAP reconciliations – Net Income (loss) to comparable earnings⁽¹⁾

(Millions of dollars, except per share amounts)

	Year ended December 31	
	2023	2022
Net income (loss) attributable to common shares	2,829	641
Specific items (net of tax):		
Coastal GasLink impairment charge	1,943	2,643
Keystone XL asset impairment charge and other	(18)	5
Foreign exchange (gains) losses, net – intercompany loan	44	—
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(55)	114
Liquids Pipelines business separation costs	34	—
Focus Project costs	48	—
Keystone regulatory decisions	52	20
Keystone XL preservation and other	14	19
Milepost 14 insurance expense	36	—
Great Lakes goodwill impairment charge	—	531
Settlement of Mexico prior years' income tax assessments	—	196
Bruce Power unrealized fair value adjustments	(5)	13
Risk management activities	(270)	97
Comparable earnings ⁽¹⁾	4,652	4,279
Net income (loss) per common share	2.75	0.64
Specific items (net of tax):		
Coastal GasLink impairment charge	1.89	2.66
Keystone XL asset impairment charge and other	(0.02)	0.01
Foreign exchange (gains) losses, net – intercompany loan	0.04	—
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(0.05)	0.11
Liquids Pipelines business separation costs	0.03	—
Focus Project costs	0.05	—
Keystone regulatory decisions	0.05	0.02
Keystone XL preservation and other	0.01	0.02
Milepost 14 insurance expense	0.03	—
Great Lakes goodwill impairment charge	—	0.53
Settlement of Mexico prior years' income tax assessments	—	0.20
Bruce Power unrealized fair value adjustments	—	0.01
Risk management activities	(0.26)	0.10
Comparable earnings per common share ⁽¹⁾	4.52	4.30

Appendix C – Non-GAAP reconciliations – Net cash provided by operations to Comparable funds generated from operations⁽¹⁾

(Millions of dollars)

	Year ended December 31	
	2023	2022
Net cash provided by operations	7,268	6,375
Increase (decrease) in operating working capital	(207)	639
Funds generated from operations ⁽¹⁾	7,061	7,014
Specific items:		
Current income tax expense on disposition of equity interest ⁽²⁾	736	—
Liquids Pipelines business separation costs	40	—
Focus Project costs, net of current income tax	54	—
Keystone regulatory decisions, net of current income tax	53	27
Keystone XL preservation and other, net of current income tax	14	20
Current income tax expense on Keystone XL asset impairment charge and other	(14)	96
Milepost 14 insurance expense	36	—
Settlement of Mexico prior years' income tax assessments	—	196
Comparable funds generated from operations ⁽¹⁾	7,980	7,353

(1) Funds generated from operations and comparable funds generated from operations are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.

(2) Current income tax expense related to applying an approximate 24 per cent tax rate to the tax gain on sale of a 40 per cent non-controlling equity interest in Columbia Gas and Columbia Gulf. This is offset by a corresponding deferred tax recovery resulting in no net impact to tax expense.

Appendix D – Non-GAAP reconciliations – Adjusted Debt/Adjusted Comparable EBITDA (Debt-to-EBITDA)

Adjusted debt and adjusted comparable EBITDA are non-GAAP measures used to compute the debt-to-EBITDA multiple. Each of adjusted debt and adjusted comparable EBITDA measures does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.

Adjusted debt is defined as the sum of Reported total debt, including Notes payable, Long-Term Debt, Current portion of long-term debt and Junior Subordinated Notes, as reported on our Consolidated balance sheet as well as Operating lease liabilities recognized on our Consolidated balance sheets and 50 per cent of Preferred Shares as reported on our Consolidated balance sheet due to the debt-like nature of their contractual and financial obligations, less Cash and cash equivalents as reported on our Consolidated balance sheet and 50 per cent of Junior Subordinated Notes as reported on our Consolidated balance sheet due to the equity-like nature of their contractual and financial obligations.

Adjusted comparable EBITDA is calculated as comparable EBITDA excluding Operating lease costs recorded in Plant operating costs and other in our Consolidated statement of income and adjusted for Distributions received in excess of income from equity investments as reported in our Consolidated statement of cash flows which is more reflective of the cash flows available to TC Energy to service our debt and other long-term commitments. See the forward-looking information and non-GAAP measures slide at the front of the presentation for more information.

Appendix D – Non-GAAP reconciliations – Adjusted Debt/Adjusted Comparable EBITDA⁽¹⁾ (Debt-to-EBITDA) *continued* (Millions of dollars)

	Year ended December 31	
	2023	2022
Reported total debt	63,201	58,300
Management adjustments:		
Debt treatment of preferred shares ⁽²⁾	1,250	1,250
Equity treatment of junior subordinated notes ⁽³⁾	(5,144)	(5,248)
Cash and cash equivalents	(3,678)	(620)
Operating lease liabilities	459	433
Adjusted debt	56,088	54,115
Comparable EBITDA ⁽⁴⁾	10,988	9,901
Operating lease cost	118	106
Distributions received in excess of (income) loss from equity investments	(123)	(29)
Adjusted Comparable EBITDA	10,983	9,978
Adjusted Debt/Adjusted Comparable EBITDA	5.1	5.4

(1) Adjusted debt and Adjusted Comparable EBITDA are non-GAAP measures. Management methodology. Individual rating agency calculations will differ.

(2) 50 per cent debt treatment on \$2.5 billion of preferred shares as of December 31, 2023.

(3) 50 per cent equity treatment on \$10.3 billion of junior subordinated notes as of December 31, 2023. U.S. dollar-denominated notes translated at December 31, 2023, U.S./Canada foreign exchange rate of 1.32.

(4) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

Appendix E – Non-GAAP reconciliations – AFFO Reconciliation

AFFO or “adjusted funds generated from operations” represents comparable FGFO, adjusted to reflect non-controlling interest distributions before capex contributions and debt recapitalization. AFFO is a non-GAAP measure which does not have any standardized meaning under U.S. GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. The most directly comparable measure is net cash provided by operations presented in our financial statements. See the forward-looking information and non-GAAP measures slide at the front of the presentation for more information. Our 2023 and future period AFFO disclosed in this presentation do not include any anticipated results from our Liquids Pipelines business segment. Historical AFFO for 2023 and 2022 were \$7.7 billion and \$7.3 billion respectively, including the results of our Liquids Pipelines business. Our full-year net cash provided by operations for 2023 and 2022 were \$7.3 billion and \$6.4 billion, respectively.

We believe AFFO is a useful measure of our consolidated operating cash flows because it excludes fluctuations from working capital balances, which do not necessarily reflect underlying operations in the same period and is used to provide a consistent measure of the cash-generating ability of our businesses. We calculate forward looking AFFO measures to exclude expected non-controlling interest distributions before capex contributions and debt recapitalization related primarily to our disposition of a 40% interest in Columbia Gas and Columbia Gulf assets, to provide a measure of the cash-generating ability of our businesses following the completion of the sale of this interest. Historical AFFO amounts have not been adjusted to reflect this sale.

Appendix E – Non-GAAP reconciliations – AFFO Reconciliation *continued*

(Millions of dollars)

	Year ended December 31	
	2023	2022
Net cash provided by operations	7,268	6,375
Increase (decrease) in operating working capital	(207)	639
Funds generated from operations ⁽¹⁾	7,061	7,014
Specific items:		
Current income tax expense on disposition of equity interest ⁽²⁾	736	—
Focus Project costs, net of current income tax	54	—
Keystone regulatory decisions, net of current income tax	53	27
Liquids Pipelines business separation costs	40	—
Milepost 14 insurance expense	36	—
Settlement of Mexico prior years' income tax assessments	—	196
Keystone XL preservation and other, net of current income tax	14	20
Current income tax expense on Keystone XL asset impairment charge and other	(14)	96
Comparable funds generated from operations ⁽¹⁾	7,980	7,353
NCI distributions (pre-capex and debt recap)	(246)	(44)
Adjusted FGFO (AFFO)	7,734	7,309

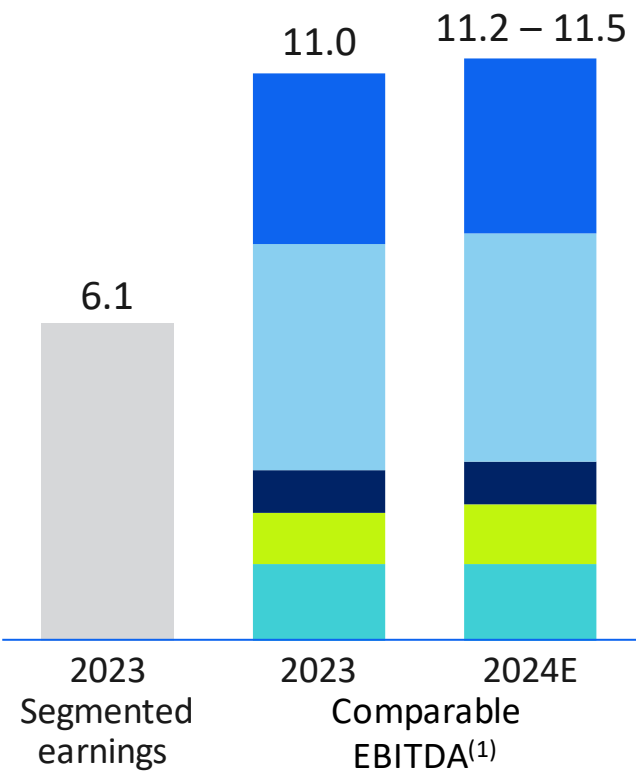
(1) Funds generated from operations, comparable funds generated from operations and adjusted funds from operations are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.

(2) Current income tax expense related to applying an approximate 24 per cent tax rate to the tax gain on sale of a 40 per cent non-controlling equity interest in Columbia Gas and Columbia Gulf. This is offset by a corresponding deferred tax recovery resulting in no net impact to tax expense.

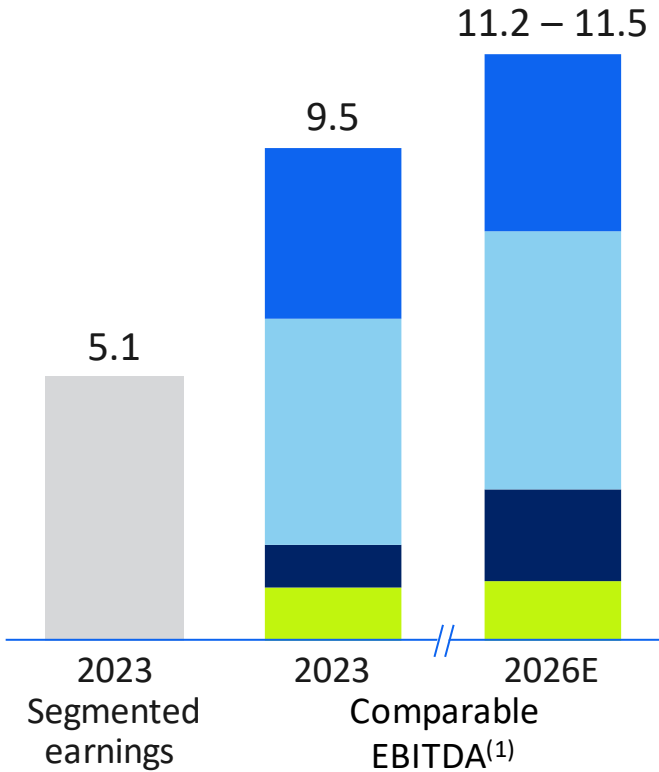
Appendix F – Non-GAAP reconciliations – Charts

Comparable EBITDA⁽¹⁾ outlook
\$Billions

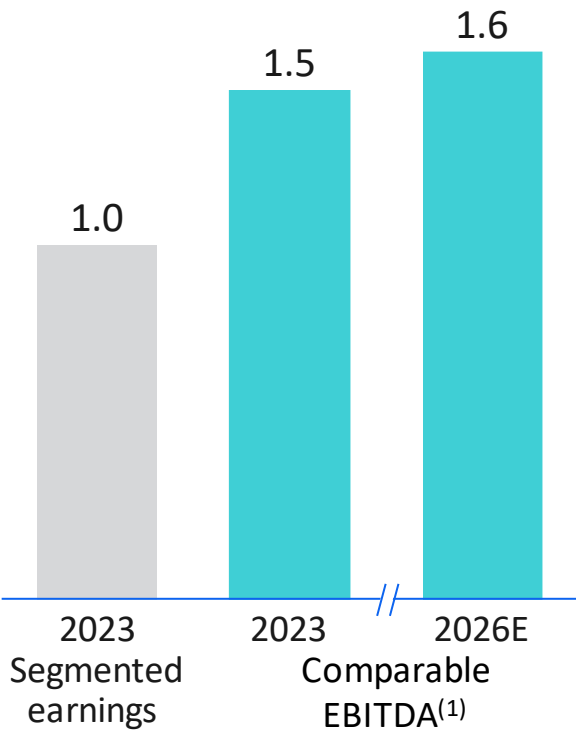
TC Energy
(including Liquids Pipelines business)



TC Energy
(excluding Liquids Pipelines business)



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Canadian Natural Gas Pipelines U.S. Natural Gas Pipelines Mexico Natural Gas Pipelines Power & Energy Solutions Liquids Pipelines

(1) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.