



# First quarter 2022 conference call

APRIL 29, 2022



# Forward-looking information and non-GAAP measures

This presentation includes certain forward-looking information, including, but not limited to, statements related to future dividend and earnings growth, future EBITDA growth, the future growth of our core businesses, the sustainability commitments and targets contained in our 2021 Report on Sustainability and our GHG Emissions Reduction Plan, as well as 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 is based on certain key assumptions and is subject to risks and uncertainties, including but not limited to: realization of expected benefits from acquisitions and divestitures, our ability to successfully implement our strategic priorities and whether they will yield the expected benefits, our ability to implement a capital allocation strategy aligned with maximizing shareholder value, the operating performance of our pipeline, power and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, the amount of capacity payments and revenues from our power generation assets due to plant availability, production levels within supply basins, construction and completion of capital projects, cost and availability of, and inflationary pressure on labour, equipment and materials, the 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 and COVID-19, our ability to realize the value of tangible assets and contractual recoveries, including those specific to the Keystone XL pipeline project, competition in the businesses in which we operate, unexpected or unusual weather, acts of civil disobedience, cyber security and technological developments, ESG related risks, impact of energy transition on our business, economic conditions in North America as well as globally, and global health crises, such as pandemics and epidemics, including COVID-19 and the unexpected impacts related thereto. You can read more about these factors and others in the MD&A in our most recent Quarterly Report to Shareholders and in other reports we have filed with Canadian securities regulators and the SEC, including the MD&A in our most recent Annual Report.

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 our most recent quarterly report and 2021 Annual Report filed under TC Energy's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) and the "Forward-looking information" section of our 2021 Report on Sustainability and our GHG Emissions Reduction Plan which are available on our website at [www.TCenergy.com](http://www.TCenergy.com).

This presentation contains reference to certain financial measures (non-GAAP measures) that do not have any standardized meaning as prescribed by U.S. generally accepted accounting principles (GAAP) and therefore may not be comparable to similar measures presented by other entities. These non-GAAP measures may include comparable EBITDA, comparable EBIT, comparable earnings, comparable earnings per common share, funds generated from operations and comparable funds generated from operations. The most directly comparable equivalent GAAP measures are, respectively, Net income attributable to common shares, Net income per common share, Segmented earnings and Net cash provided by operations. Reconciliations to the most directly comparable GAAP measures are included in this presentation. Refer to the About this document – Non-GAAP measures section of the MD&A in our 2021 Annual Report to Shareholders for more information about the non-GAAP measures we use, which section of the MD&A is incorporated by reference herein. The MD&A can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under TC Energy's profile. Our Quarterly Report to Shareholders is filed with Canadian securities regulators and the SEC and available at [www.TCenergy.com](http://www.TCenergy.com) under *Investors*.

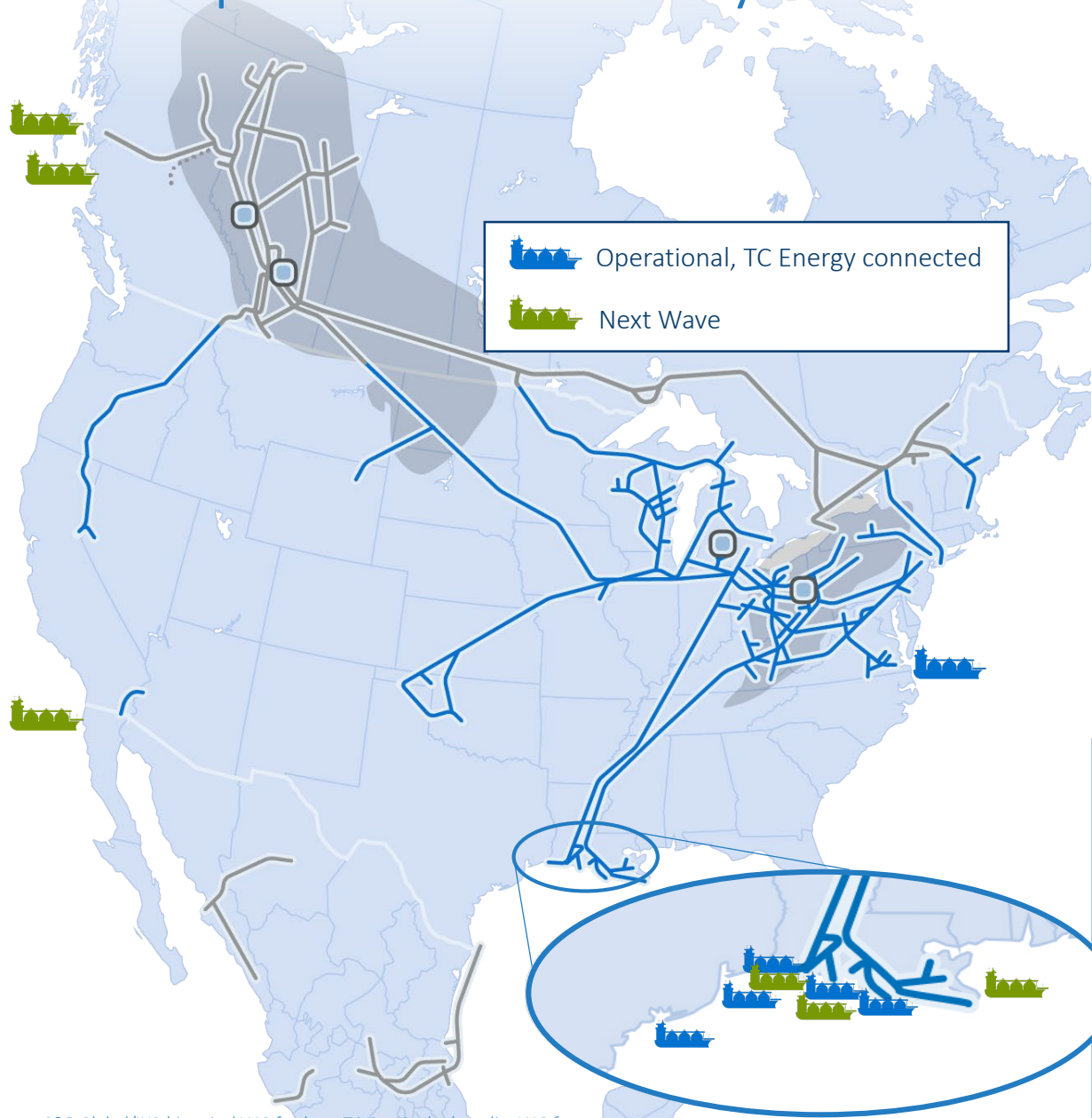
# François Poirier

President and Chief Executive Officer

APRIL 29, 2022



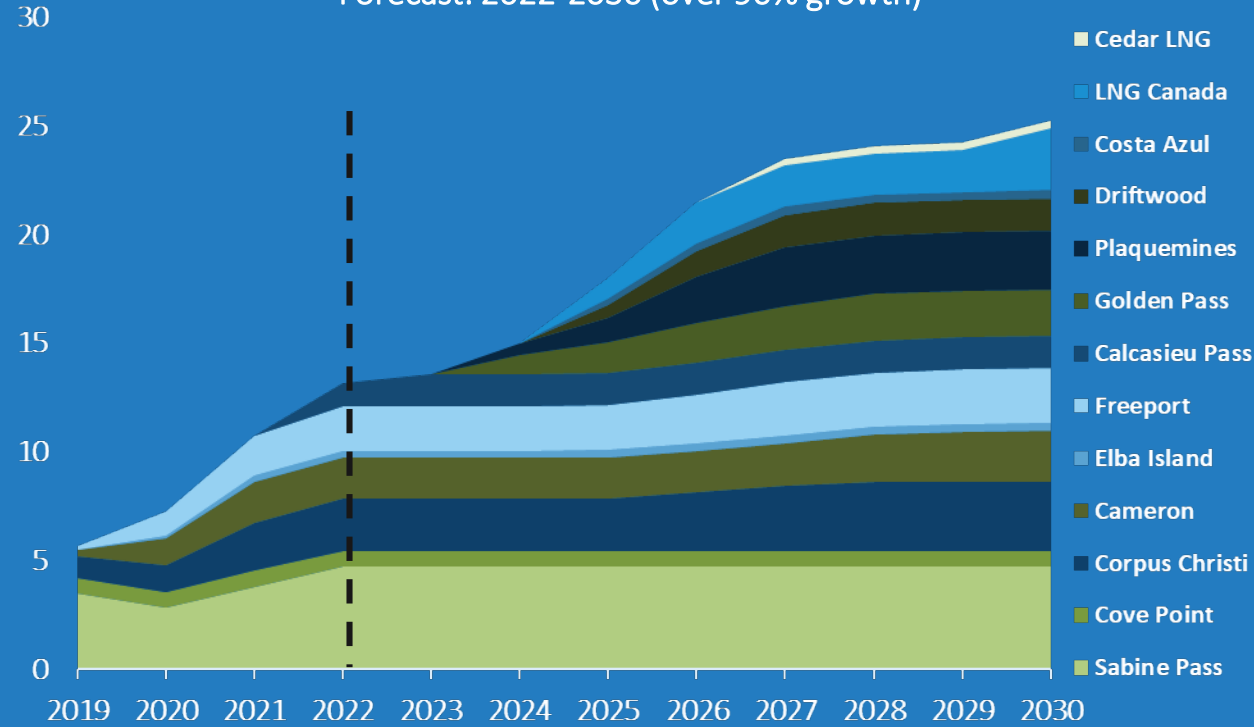
# Connecting North America's premier basins to LNG export terminals on every coast



## LNG Export Forecast

Bcf/d

Forecast: 2022-2030 (over 90% growth)



## U.S. LNG affiliated projects

- In service – Grand Chenier XPress (1.1 Bcf/d)
- Progressing – Louisiana XPress (0.8 Bcf/d)
- FERC approval received – East Lateral XPress (0.7 Bcf/d)
- FERC approval received – North Baja XPress (0.5 Bcf/d)
- FERC approval received – Alberta XPress (~0.2 Bcf/d)

## U.S. Natural Gas Pipelines

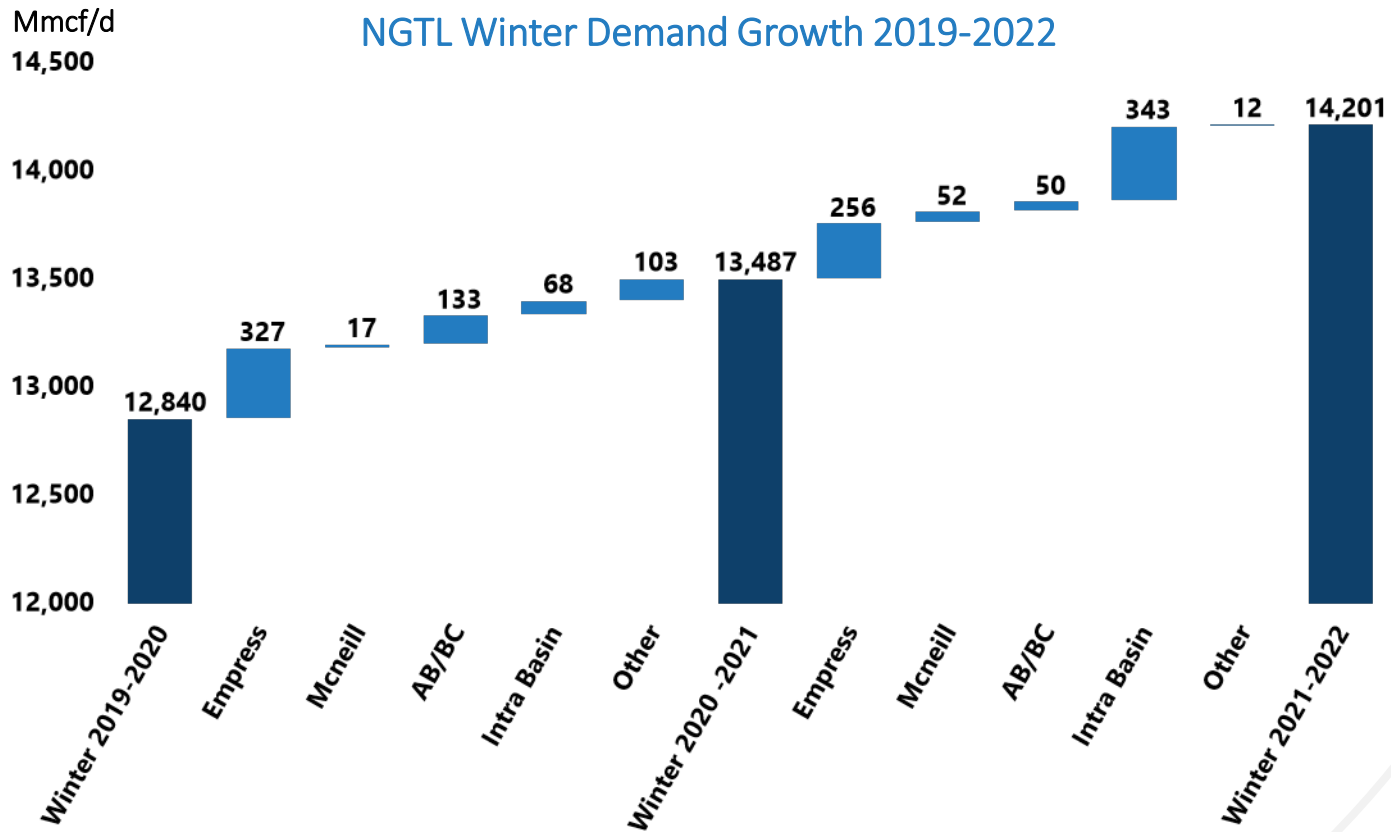
- Daily average flows were 30 Bcf/d, up 5 per cent versus 2021
- **Numerous all-time flow records** despite warmer than average winter season
  - January 7 – **Columbia Gas** set all-time sendout record of **10.4 Bcf**
  - January 27 – **PNGTS** set an all-time sendout record of **0.49 Bcf**
  - February 3 – **GTN** set an all-time sendout record of **2.9 Bcf**

*Our assets play a critical role in reliably delivering the energy people need every day*

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# Canadian Natural Gas Pipelines

- NGTL experienced **highest average winter demand** since 2000 of 14.2 Bcf/d
- Canadian Mainline experienced additional contracting, and is currently **sold-out of long-term firm capacity**



## Coastal GasLink

*16 First Nations across the project corridor sign historic Equity Option Agreements for 10 per cent ownership interest in CGL*

- Project surpasses **63 per cent completion**
- **100 per cent** of the project route has been cleared
- Over **\$1 billion in contracts** have been awarded to **local Indigenous businesses** and significant capacity is being developed in these communities through these partnerships and local job creation



# Power and Storage

## Bruce Power

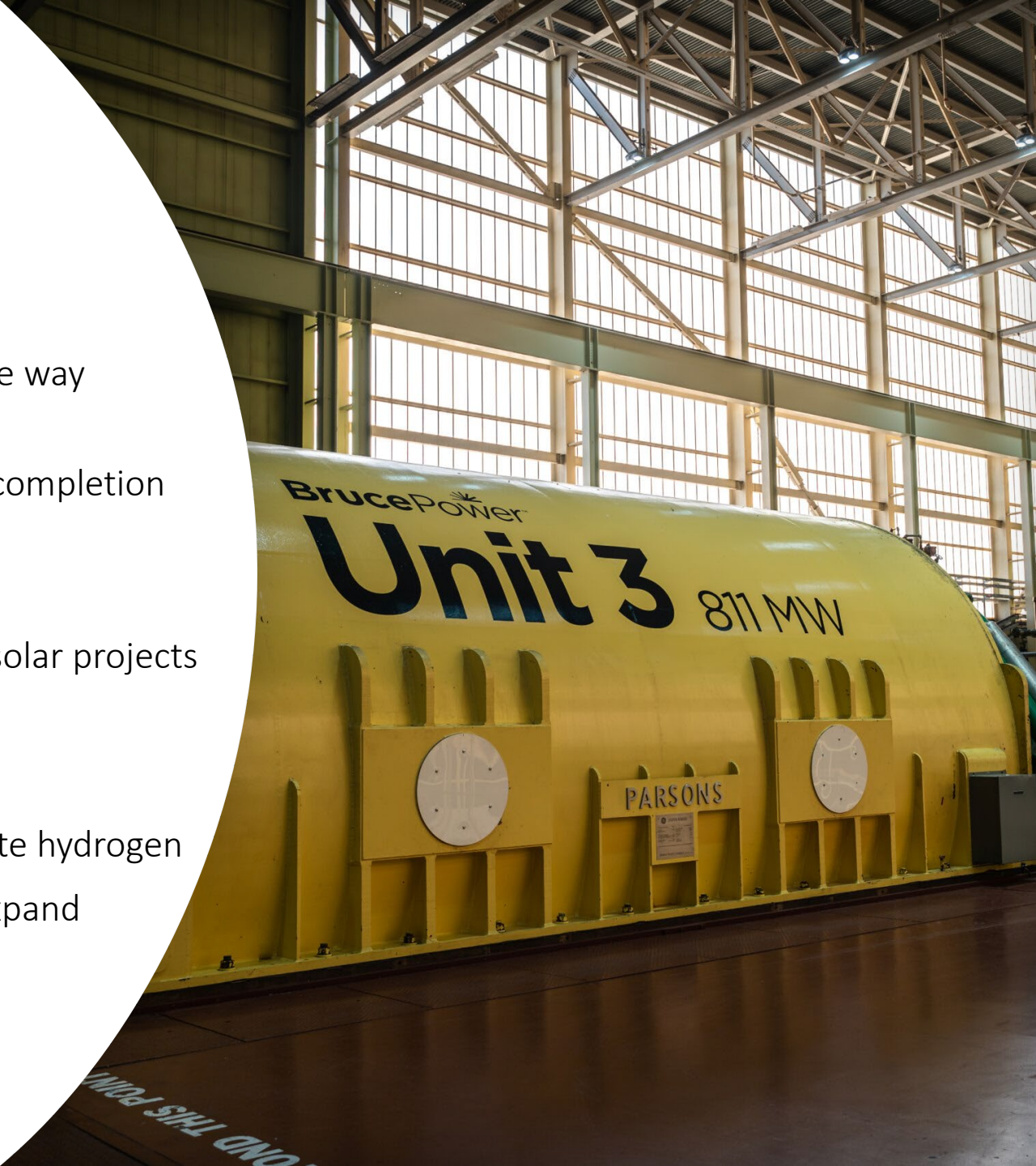
- The IESO accepted the MCR3 Basis of Estimate, clearing the way for the power price increase received on April 1, 2022
- Unit 3 MCR Project will begin in early 2023 with expected completion in 2026

## RFI process

- Finalized contracts for ~160 MW of wind and ~240 MW of solar projects
- Expect to finalize additional contracts in 2022

## Crossfield Hydrogen Hub

- Joint development hub with Nikola to produce and distribute hydrogen
- Initially 60 tonnes of hydrogen per day, with potential to expand to 150 tonnes per day







**AlbertaCarbonGrid™**

*Part of TC Energy's and Pembina's commitment to energy diversification, industry collaboration and a lower-carbon future*



ACG has been invited into the next stage of Alberta's carbon capture strategy

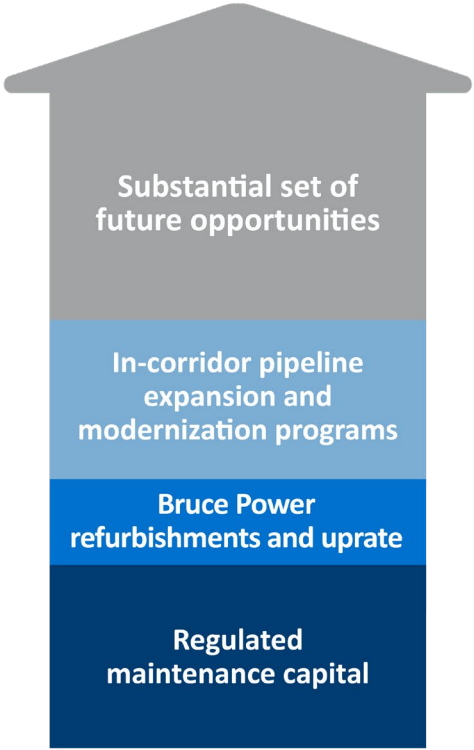
ACG will be capable of transporting and sequestering up to **20 million** tonnes of CO2 annually

ACG will have a vital role to play to support the **Carbon competitiveness** of Alberta's industries and the development of its lower-carbon economy

# Substantial suite of opportunities to extend our growth horizon

\$Billions

7  
6  
5  
4  
3  
2  
1  
0



*Incremental investments and future projects could include:*

- Electrification of our pipeline network**  
Using renewables to power a portion of our pipeline network
- Other in-corridor growth**  
Capital-light investments and enhanced returns on existing assets
- Canyon Creek and Ontario pumped hydro storage**  
On-demand, flexible, clean energy
- Alberta Carbon Grid in partnership with Pembina**  
World-scale carbon transportation and sequestration system
- Irving Oil agreement**  
Joint development of clean energy projects
- Nikola and Hyzon hydrogen agreements**  
Hubs producing up to 150+ tonnes of hydrogen per day

*Expect to sanction \$5+ billion of new growth projects in each of the next several years consistent with our risk and return preferences*

# 2022 Priorities and progress

Safely deliver the energy people need, every day

Increase return on capital invested in existing assets

Place \$6.5 billion of assets in service

Sanction \$5+ billion of high-quality growth opportunities

Maintain financial strength & flexibility

Progress sustainability commitments, including reducing GHG emissions intensity

Enhance organizational capabilities to position for continued success

## Q1 Highlights

Placed **\$0.5 billion** in service year-to-date

Finalized contracts for **160 MW** and **240 MW** from **wind** energy and **solar** projects, respectively

**ACG invited to the next phase** of Alberta's carbon capture strategy

Issued **US\$800 million of Junior Subordinated Notes** to redeem all issued and outstanding Series 15 preferred shares on May 15, 2022

**Indigenous Advisory Council** recruited. First meeting scheduled for Q2



# Joel Hunter

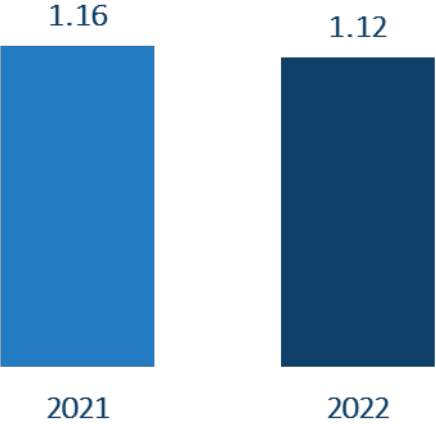
Executive Vice-President and Chief Financial Officer

APRIL 29, 2022



# Financial highlights<sup>(1)</sup> – quarter ended March 31

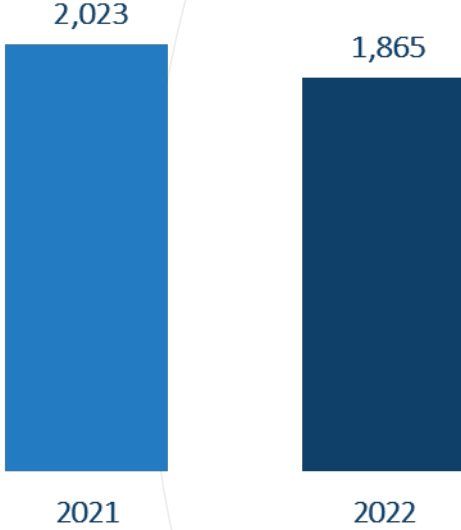
Comparable earnings per common share<sup>(2)</sup> (dollars)



Comparable EBITDA<sup>(2)</sup> (millions of dollars)



Comparable funds generated from operations<sup>(2)</sup> (millions of dollars)



*Executing an opportunity-rich portfolio while supplying the growing demand for energy*

(1) Refer to Appendix A for these financial highlights presented with reference to the most directly comparable GAAP measures.

(2) Comparable earnings per common share, Comparable EBITDA, and Comparable funds generated from operations are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# Consolidated results of operations

(millions of dollars, except per share amounts)

	Three months ended March 31	
	2022	2021
Net income attributable to common shares	358	(1,057)
Specific items (net of tax):		
Great Lakes goodwill impairment charge	531	-
Settlement-in-principle of Mexico prior years' income tax assessments	193	-
Keystone XL asset impairment charge and other	-	2,192
Keystone XL preservation and other	5	-
Bruce Power unrealized fair value adjustments	15	(2)
Risk management activities	1	(27)
Comparable earnings <sup>(1)</sup>	<u>1,103</u>	<u>1,106</u>
Net income per common share	<u>\$0.36</u>	<u>(\$1.11)</u>
Specific items (net of tax):		
Great Lakes goodwill impairment charge	0.54	-
Settlement-in-principle of Mexico prior years' income tax assessments	0.20	-
Keystone XL asset impairment charge and other	-	2.30
Keystone XL preservation and other	0.01	-
Bruce Power unrealized fair value adjustments	0.02	-
Risk management activities	(0.01)	(0.03)
Comparable earnings per common share <sup>(1)</sup>	<u>\$1.12</u>	<u>\$1.16</u>
Weighted average basic common shares outstanding (millions)	<u>981</u>	<u>953</u>

(1) Non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# Business segment results<sup>(1)</sup>

(millions of dollars)

	Three months ended March 31	
	2022	2021
Comparable EBITDA <sup>(2)</sup>		
Canadian Natural Gas Pipelines	644	686
U.S. Natural Gas Pipelines	1,107	1,055
Mexico Natural Gas Pipelines	148	180
Liquids Pipelines	329	393
Power and Storage	157	178
Corporate	3	(3)
Total	2,388	2,489

First quarter 2022 Comparable EBITDA decreased by \$101 million compared to the same period in 2021, principal variances included:

- **Canadian Natural Gas Pipelines** – Lower largely due to the impact of lower flow-through depreciation on the Canadian Mainline, partially offset by increased flow-through depreciation on the NGTL System
- **U.S. Natural Gas Pipelines** – Increased primarily due to Columbia Gas following FERC-approved settlement for higher transportation rates effective February 1, 2021 and incremental earnings from growth projects placed into service
- **Mexico Natural Gas Pipelines** – Decreased primarily as a result of lower equity earnings from Sur de Texas due to higher deferred income tax expense as a result of a foreign exchange gain calculated for Mexico income tax purposes, on the revaluation of U.S. dollar-denominated loans
- **Liquids Pipelines** – Decreased due to lower contributions from liquids marketing activities, mainly attributable to lower margins
- **Power and Storage** – Decreased as a result of lower Natural Gas Storage and other results reflecting lower realized Alberta natural gas storage spreads

<sup>(1)</sup> For more information see our most recent Quarterly Report to Shareholders. Please refer to Appendix B for business segment results presented with the most directly comparable GAAP measures

<sup>(2)</sup> 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.

# Other income statement items<sup>(1)</sup>

(millions of dollars)

	Three months ended March 31	
	2022	2021
Comparable EBITDA <sup>(2)</sup>	2,388	2,489
Depreciation and amortization	(626)	(645)
Comparable EBIT <sup>(2)</sup>	1,762	1,844
Interest expense <sup>(3)</sup>	(580)	(570)
Allowance for funds used during construction	75	50
Interest income and other included in comparable earnings <sup>(3)</sup>	67	92
Income tax expense included in comparable earnings <sup>(3)</sup>	(179)	(203)
Net income attributable to non-controlling interests	(11)	(69)
Preferred share dividends	(31)	(38)
Comparable earnings <sup>(2)</sup>	1,103	1,106

Principal variances between first quarter 2022 and the same period in 2021 include:

- **Depreciation and amortization** – Lower due to the Canadian Mainline, partially offset by higher depreciation on the NGTL System from expansion facilities that were placed in service and in U.S. Natural Gas Pipelines mainly due to the timing of certain adjustments related to the Columbia Gas rate case settlement
- **Income tax expense<sup>(3)</sup>** – Decreased primarily due to lower earnings and a U.S. state tax adjustment, partially offset by lower foreign tax rate differentials and flow-through taxes
- **Interest expense** – Higher due to lower capitalized interest as a result of cessation for the Keystone XL Pipeline project following the revocation of the Presidential Permit in January 2021
- **Interest income and other<sup>(3)</sup>** – Lower mainly as a result of lower realized gains in 2022 compared to 2021 on derivatives used to manage our net exposure to foreign exchange rate fluctuations on U.S. dollar-denominated income
- **Non-controlling interests** – Decreased following the March 2021 acquisition of all outstanding common units of TC Pipelines, LP not beneficially owned by TC Energy

<sup>(1)</sup> For more information see our most recent Quarterly Report to Shareholders. Please refer to Appendix B and C for business segment results presented with the most directly comparable GAAP measures.

<sup>(2)</sup> Non-GAAP measure and excludes specific items. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information; <sup>(3)</sup> Excludes specific items to arrive at amount included in comparable earnings.



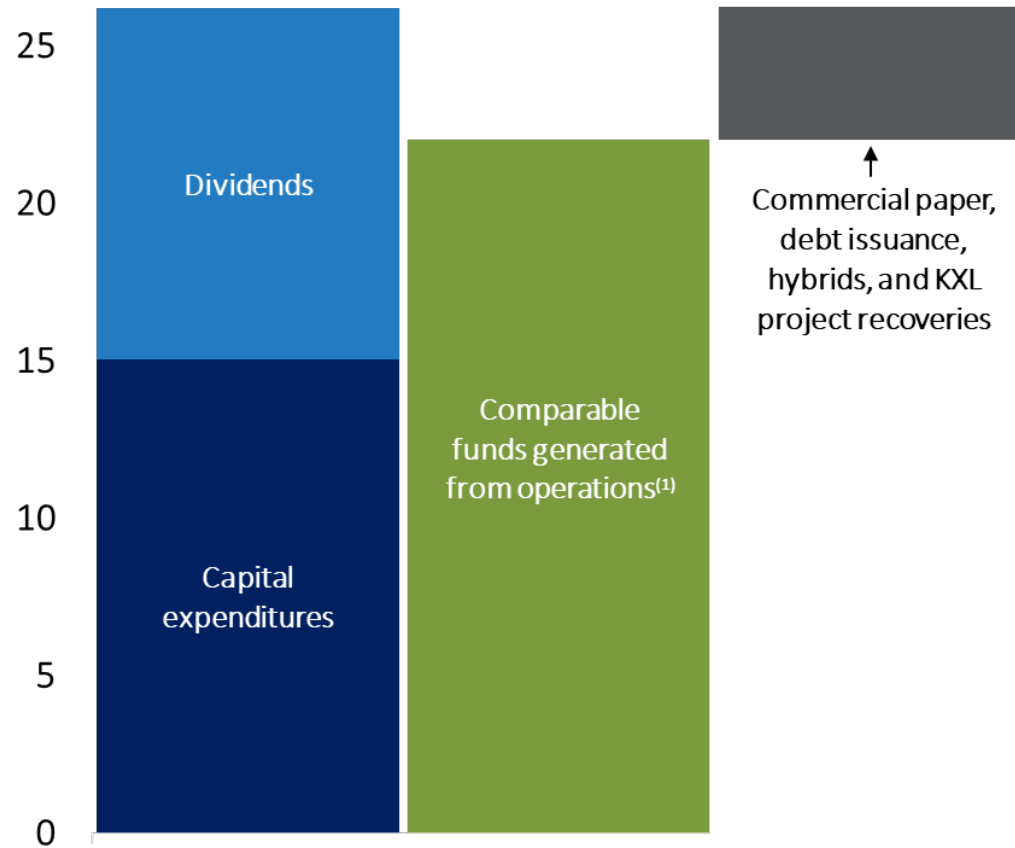
# 2022 Outlook

- Comparable EBITDA is expected to be **modestly higher** than 2021
- Comparable earnings per share are expected to be **consistent** with 2021
- Total **capital expenditures** for 2022 expected to be **~\$7 billion**
  - Primarily due to higher costs for the NGTL System, reflecting inflationary pressures on labour and materials, additional regulatory conditions and other factors
- Will continue to develop **cost mitigation strategies** and assess market conditions, developments in construction projects and the impact of COVID-19 for further changes



# Funding program outlook 2022-2024E

\$Billions  
30



Comparable funds generated from operations<sup>(1)</sup> expected to remain robust

- \$1.9 billion in the first quarter
- Reflects the resiliency and criticality of our energy infrastructure portfolio

Financial strength and flexibility underpinned by:

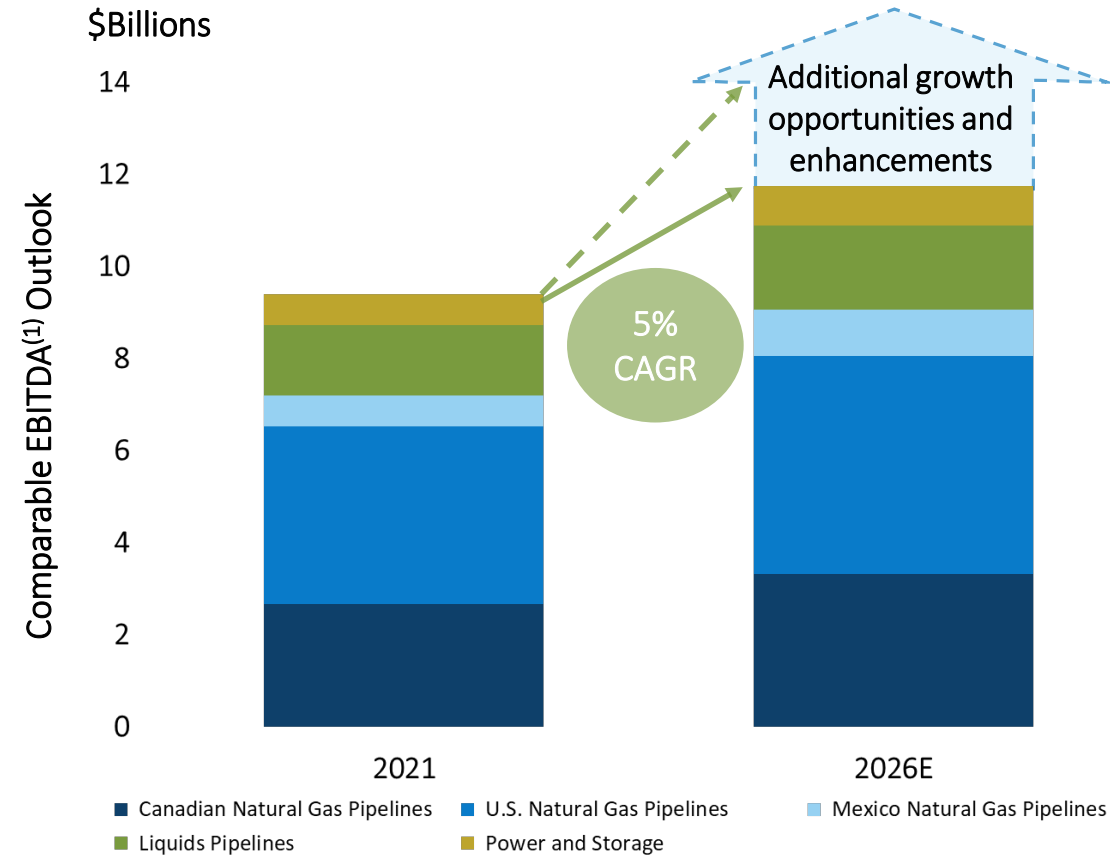
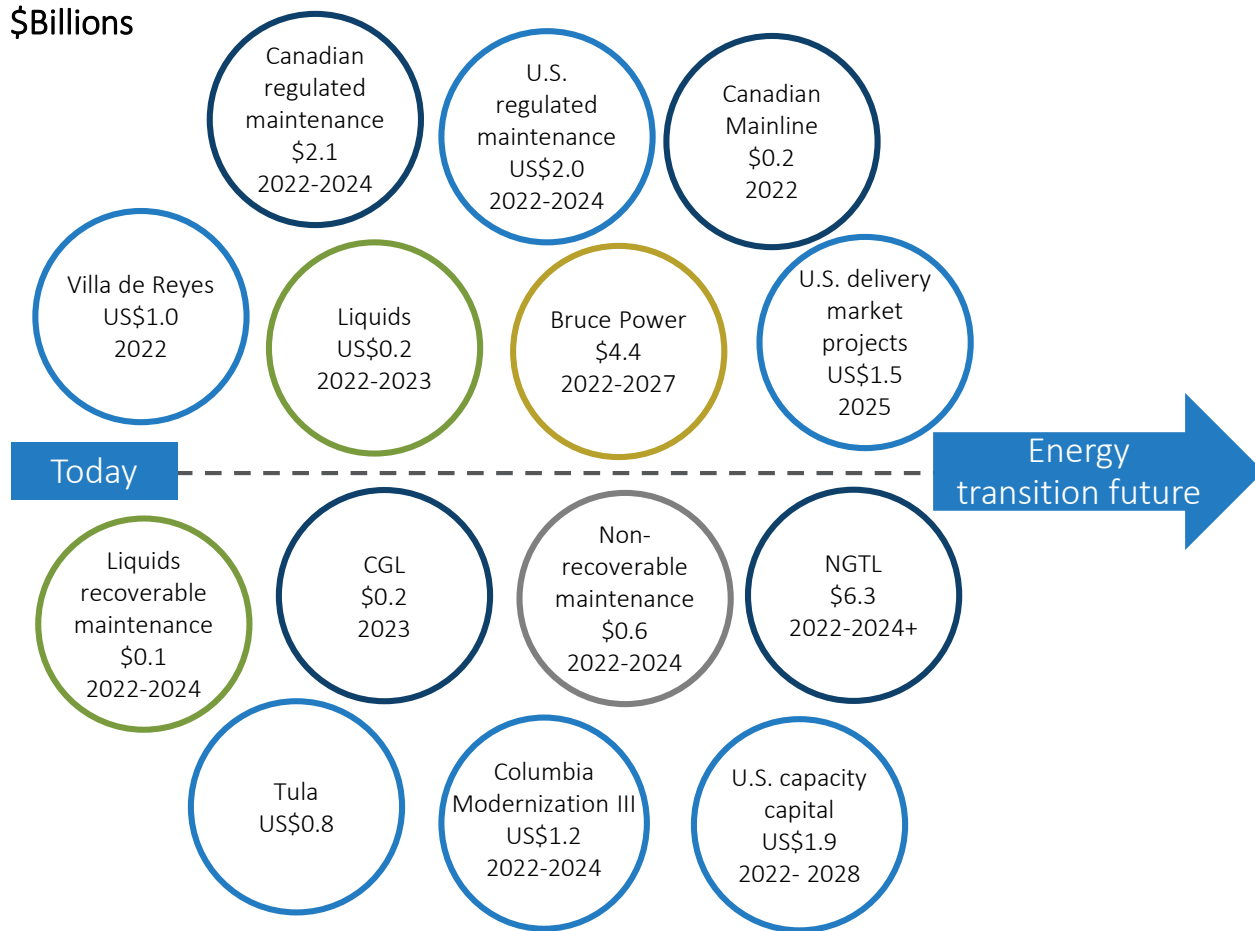
- Robust, predictable cash flow from operations
- Access to capital markets on compelling terms
- Expected Keystone XL project recoveries
- Portfolio management, if and as deemed appropriate

Excludes normal-course refinancing of scheduled debt maturities

(1) Comparable funds generated from operations is a non-GAAP measure. Please refer to Appendix D for the most directly comparable GAAP measures; See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# Advancing \$25 billion secured capital program

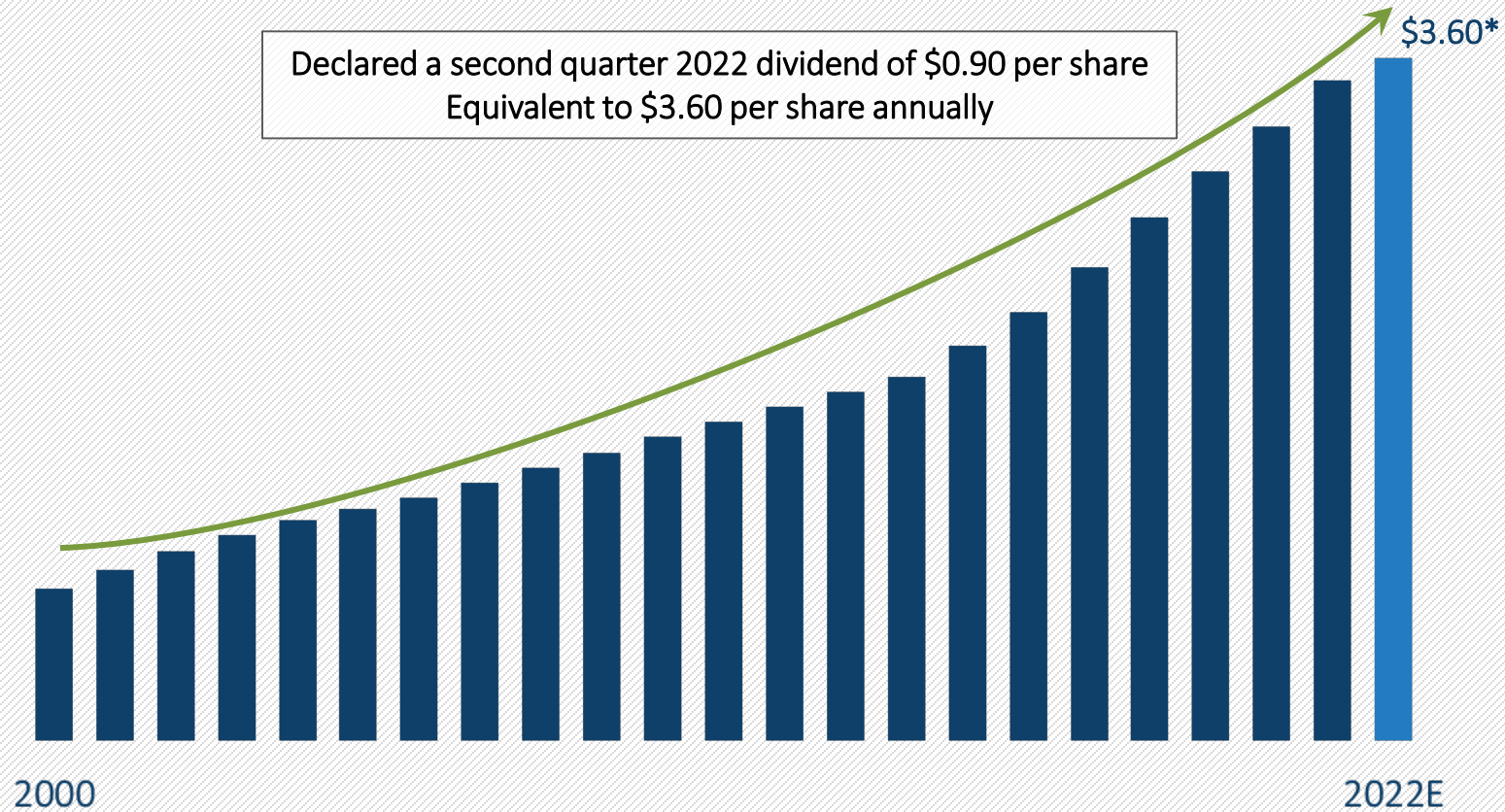
Expect to place \$6.5 billion of assets in service in 2022



*Portfolio expected to deliver a weighted average unlevered after-tax IRR of ~8 per cent*

(1) 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.

# Stable and consistent dividend growth



*Twenty-two consecutive years of common share dividend increases  
with 3-5% expected future growth per annum*

\*Annualized based on second quarter dividend declared of \$0.90 per share  
See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

# Delivering long-term shareholder value

## Track record

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13% average annual total shareholder return since 2000

## Visible growth

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\$25 billion secured capital program through 2028  
Vast opportunity set emanating from unparalleled footprint and organizational capabilities

## Attractive dividend

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5.0%\* yield

Long track record of consecutive annual dividend increases

## Solid financial position

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Numerous levers available to fund future growth  
Simple, understandable corporate structure

\*Based on closing price of \$71.67 on April 28, 2022

*Proven resilience of our critical energy infrastructure portfolio will continue to drive value*

# Question & answer period

## *Call participants*

*François Poirier - President and Chief Executive Officer*

*Joel Hunter - Executive Vice-President and Chief Financial Officer*

*Stanley G. Chapman, III - Executive Vice-President and President, U.S. and Mexico Natural Gas Pipelines*

*Corey Hessen - Executive Vice-President and President, Power, Storage and Origination*

*Bevin Wirzba - Executive Vice-President, Strategy and Corporate Development and Group Executive, Canadian Natural Gas Pipelines and Liquids Pipelines*

*Greg Grant - President, Canadian Natural Gas Pipelines*

*Richard Prior - President, Liquids Pipelines*

*Glenn Menuz - Vice-President and Controller*

*Gavin Wylie - Vice-President, Investor Relations*





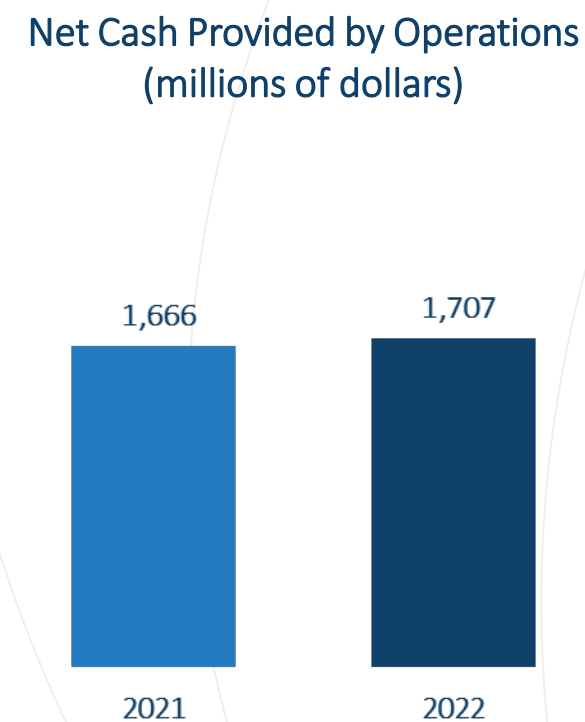
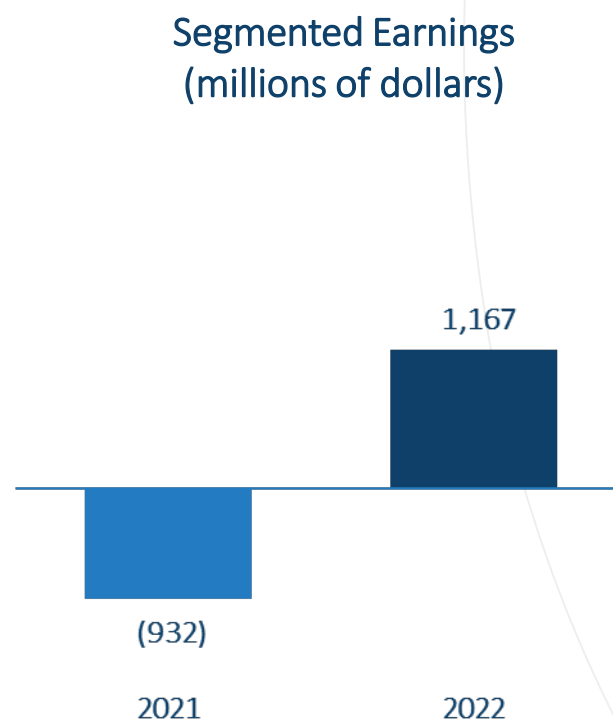
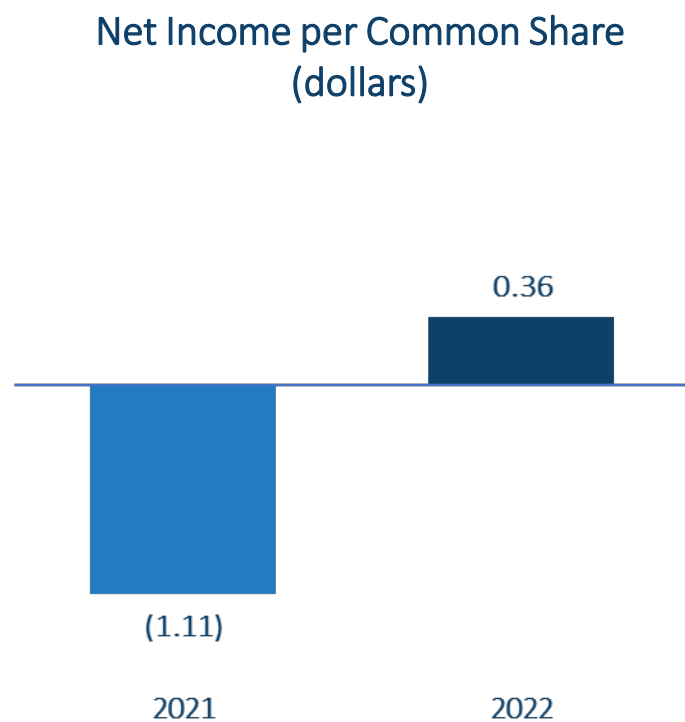
# First quarter 2022 conference call

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# Appendix A – Financial highlights comparable GAAP measures

Quarter ended March 31, 2022





# Appendix B – Business segment results comparable GAAP measure

(millions of dollars)

	Three months ended March 31	
	2022	2021
<b>Segmented Earnings</b>		
Canadian Natural Gas Pipelines	358	356
U.S. Natural Gas Pipelines	310	873
Mexico Natural Gas Pipelines	120	152
Liquids Pipelines	272	(2,508)
Power and Storage	76	163
Corporate	31	32
<b>Total</b>	<b>1,167</b>	<b>(932)</b>
Interest expense	(580)	(570)
Allowance for funds used during construction	75	50
Interest income and other	61	62
<b>Income/(loss) before incomes taxes</b>	<b>723</b>	<b>(1,390)</b>
Income tax (expense)/recovery	(323)	440
<b>Net income/(loss)</b>	<b>400</b>	<b>(950)</b>

# Appendix C – Comparable EBITDA and comparable earnings comparable GAAP measure

(millions of dollars)

	Three months ended March 31	
	2022	2021
Comparable EBITDA <sup>(1)</sup>	2,388	2,489
Depreciation and amortization	(626)	(645)
Interest expense included in comparable earnings	(580)	(570)
Allowance for funds used during construction	75	50
Interest income and other included in comparable earnings	67	92
Income tax expense included in comparable earnings	(179)	(203)
Net income attributable to non-controlling interests	(11)	(69)
Preferred share dividends	(31)	(38)
Comparable Earnings <sup>(1)</sup>	1,103	1,106
Specific items (net of tax):		
Great Lakes goodwill impairment charge	(531)	-
Settlement-in-principle of Mexico prior years' income tax assessments	(193)	-
Keystone XL impairment charge and other	-	(2,192)
Keystone XL preservation and other	(5)	-
Loss/(gain) on Bruce Power unrealized fair value adjustments	(15)	2
Risk management activities	(1)	27
Net Income Attributable to Common Shares	358	(1,057)

(1) Comparable EBITDA and comparable earnings are non-GAAP measures. See the non-GAAP measures slide at the front of this presentation for more information.

# Appendix D – Funds generated from operations and comparable funds generated from operations comparable GAAP measure

(millions of dollars)

	Three months ended March 31	
	2022	2021
Net Cash Provided by Operations	1,707	1,666
(Decrease)/increase in operating working capital	(40)	232
Funds Generated from Operations <sup>(1)</sup>	1,667	1,898
Specific items:		
Settlement-in-principle of Mexico prior years' income tax assessments	193	-
Keystone XL preservation and other	6	-
Current income tax (recovery)/expense on Keystone XL impairment charge, preservation and other	(1)	125
Comparable Funds Generated from Operations <sup>(1)</sup>	1,865	2,023

(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.