



First quarter 2023 conference call

APRIL 28, 2023



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 Group Executive, U.S. and Mexico Natural Gas Pipelines

Corey Hessen - Executive Vice-President and President, Power and Energy Solutions

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

Tina Faraca - President, U.S. Natural Gas Pipelines

Greg Grant - President, Canadian Natural Gas Pipelines

Richard Prior - President, Liquids Pipelines

Gavin Wylie - Vice-President, Investor Relations

APRIL 28, 2023



Forward-looking information and non-GAAP measures

This presentation includes certain forward-looking information, including but not limited to, our financial and operational performance, including the performance of our subsidiaries, expectations about strategies and goals for growth and expansion, including acquisitions, expected cash flows and future financing options available along with portfolio management, including our expectations regarding the size, timing and outcome of the asset divestiture program, expected dividend growth, expected duration of discounted DRP, expected access to and cost of capital, expected energy demand levels, expected costs and schedules for planned projects, including projects under construction and in development, expected capital expenditures, contractual obligations, commitments and contingent liabilities, including environmental remediation costs, expected regulatory processes and outcomes, statements related to our GHG emissions reduction goals, expected outcomes with respect to legal proceedings, including arbitration and insurance claims, the expected impact of future tax and accounting changes, the commitments and targets contained in our 2022 Report on Sustainability and GHG Emissions Reduction Plan and expected industry, market and economic conditions, including their impact on our customers and suppliers. 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 the 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 pipelines, power generation and storage assets, amount of capacity sold and rates achieved in our pipeline businesses, the 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 and availability of, and inflationary pressures 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, 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, 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, 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. 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.

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 most recent annual report filed under TC Energy's profile on SEDAR at www.sedar.com and with the U.S. Securities and Exchange Commission at www.sec.gov and the "Forward-looking information" section of our most recent Report on Sustainability and our GHG Emissions Reduction Plan which are available on our website at www.TCEnergy.com.

Comparable EBITDA, comparable earnings, comparable earnings per share, funds generated from operations, and comparable funds generated from operations are non-GAAP measures used throughout this presentation. These measures do not have any standardized meaning under GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. The most directly comparable equivalent GAAP measures are, segmented earnings (losses), net income attributable to common shares, net income per common share, and net cash provided by operations. Reconciliations to the most directly comparable GAAP measures are included as an Appendix to this presentation. Refer to the MD&A in our most recent Quarterly Report for more information about the non-GAAP measures, which section of the MD&A is hereby incorporated by reference. Our Quarterly Report to Shareholders is filed with Canadian securities regulators and the SEC and available at www.TCEnergy.com under Investors.





François Poirier

President and Chief Executive Officer



2023 priorities are clear



PROJECT EXECUTION

- Remain on track to place **\$6 billion** of projects into service in 2023
- **Tracking cost and schedule** on both Coastal GasLink and Southeast Gateway



ENHANCING BALANCE SHEET STRENGTH AND FLEXIBILITY

- Advancing \$5+ billion asset divestiture program
- Prioritizing **deleveraging** targets



MAXIMIZING THE VALUE OF OUR ASSETS THROUGH SAFETY AND OPERATIONAL EXCELLENCE

- **Reiterating** 2023 comparable EBITDA⁽¹⁾ expected to be **5-7% higher** than 2022
- **High** system utilization and demand for our services

Safely and reliably delivering the energy North America needs



Q1 OPERATIONAL HIGHLIGHTS

Focusing on operational performance



OUR OBJECTIVES

- Place **\$6 billion** of assets into service in 2023

- Extend connectivity of our assets to key demand markets

- Reliably meet North America's energy needs

Q1 HIGHLIGHTS

- Placed **\$1.4 billion** of projects into service
- Placed **\$1.1 billion** of Canadian Natural Gas projects in service
 - Enabling **700 mmcf/d** of additional market access, with an incremental **500 mmcf/d** expected in Q2
- **Port Neches Link** placed into service in March
- Multiple **record deliveries** to **LNG facilities** achieved
- U.S. Natural Gas on track to meet or exceed 2022 record year for **compressor reliability**
- **Achieved 95%** Bruce Power availability

Q1 DEVELOPMENTS

Major milestones achieved



COASTAL GASLINK

- Approximately **87% complete**
- **No critical path items delayed** through winter construction season
- Commenced **Wilde Lake compressor** station commissioning
- Completed excavation of **Cable Crane Hill ahead of schedule**, now installing final pipe
- **Completed 85%** of all classified water crossings
- Continue to target mechanical completion in **late 2023**
- Total expected cost unchanged at **\$14.5 billion**

MILEPOST 14

- Root cause analysis now complete
- Recovered **98%** of release volume
- **90%** of cleanup activities **complete**

SOUTHEAST GATEWAY PIPELINE

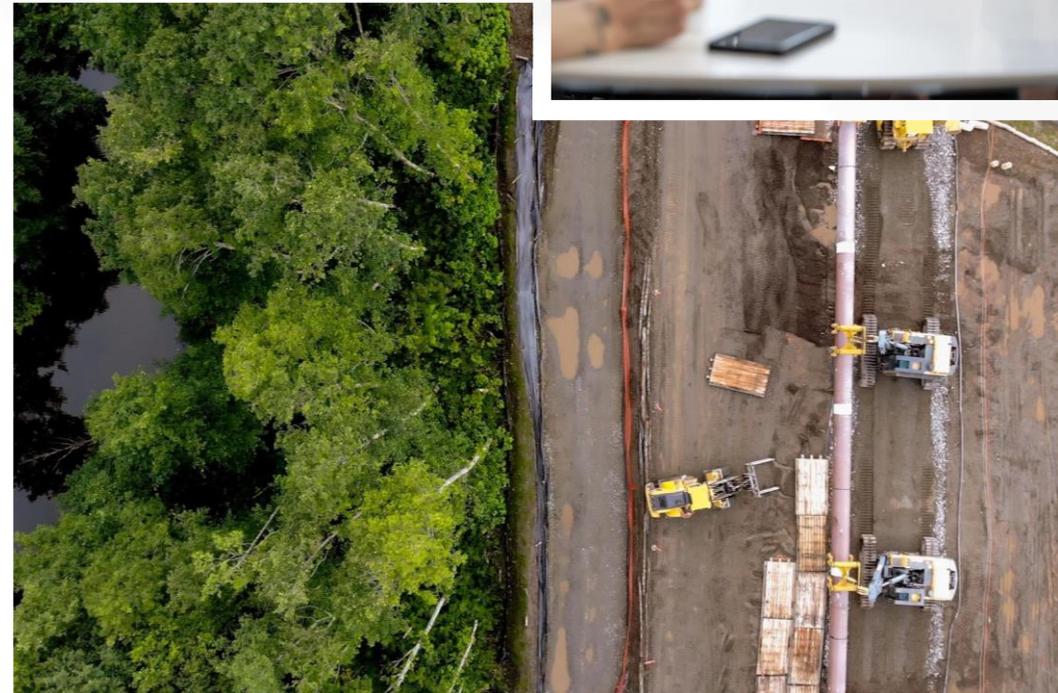
- Critical **long-lead items** including offshore vessel secured
- Obtained **key** federal environmental authorizations and local permits
- Closed land acquisitions for main **landfalls** and **compressor stations**
- **~70%** of total project costs under **fixed** price contracts
- Onshore construction expected to commence in **summer 2023**; offshore pipe installation toward the **end of 2023**



CAPITAL DISCIPLINE

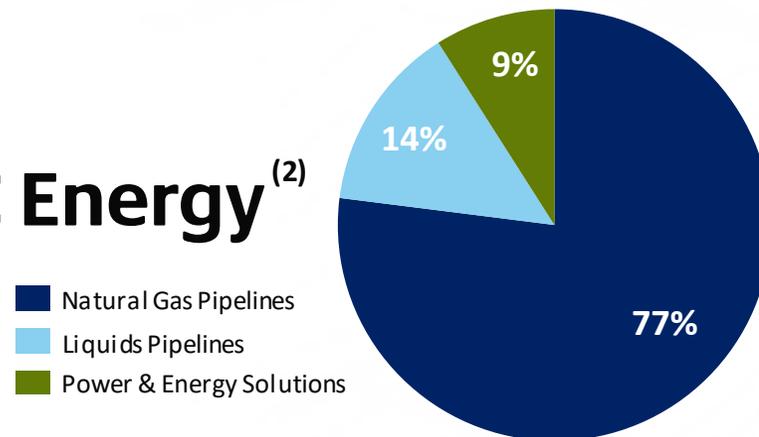
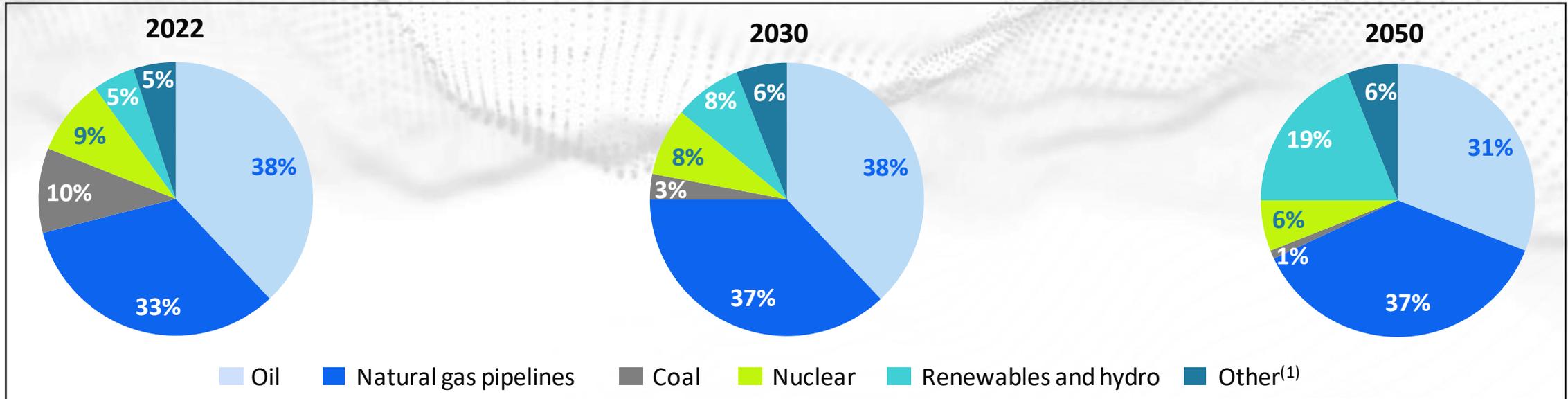
Disciplined capital allocation

- **\$7 billion** annual sanctioned capital spending limit beyond 2024
- **Allows flexibility** to capture highest-value opportunities, further reduce leverage or buy back shares
- **Enhanced governance practices** for sanctioning capital projects
 - **Class 3 estimate** and **independent third-party assessment** required prior to FID for large or complex projects
- **Adhere** to risk/return preferences with **98%** of the secured capital program underpinned by long-term take-or-pay contracts or **rate regulation**
- **Timing of new capital expenditures** to align with deleveraging targets



NORTH AMERICAN ENERGY MIX

Resiliency grounded in long-term fundamentals



- Natural Gas Pipelines
- Liquids Pipelines
- Power & Energy Solutions

⁽¹⁾ Includes modern biomass, solid waste, traditional biomass (used in the domestic sectors; includes charcoal, wood, bagasse), ambient heat, and net trade of electricity, hydrogen and heat.

⁽²⁾ Based on 2022 Comparable EBITDA⁽³⁾

⁽³⁾ 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.

Source: S&P Global Commodity Insight's Energy and Climate Scenarios, 2022. ©2023 by S&P Global Inc. All rights reserved.



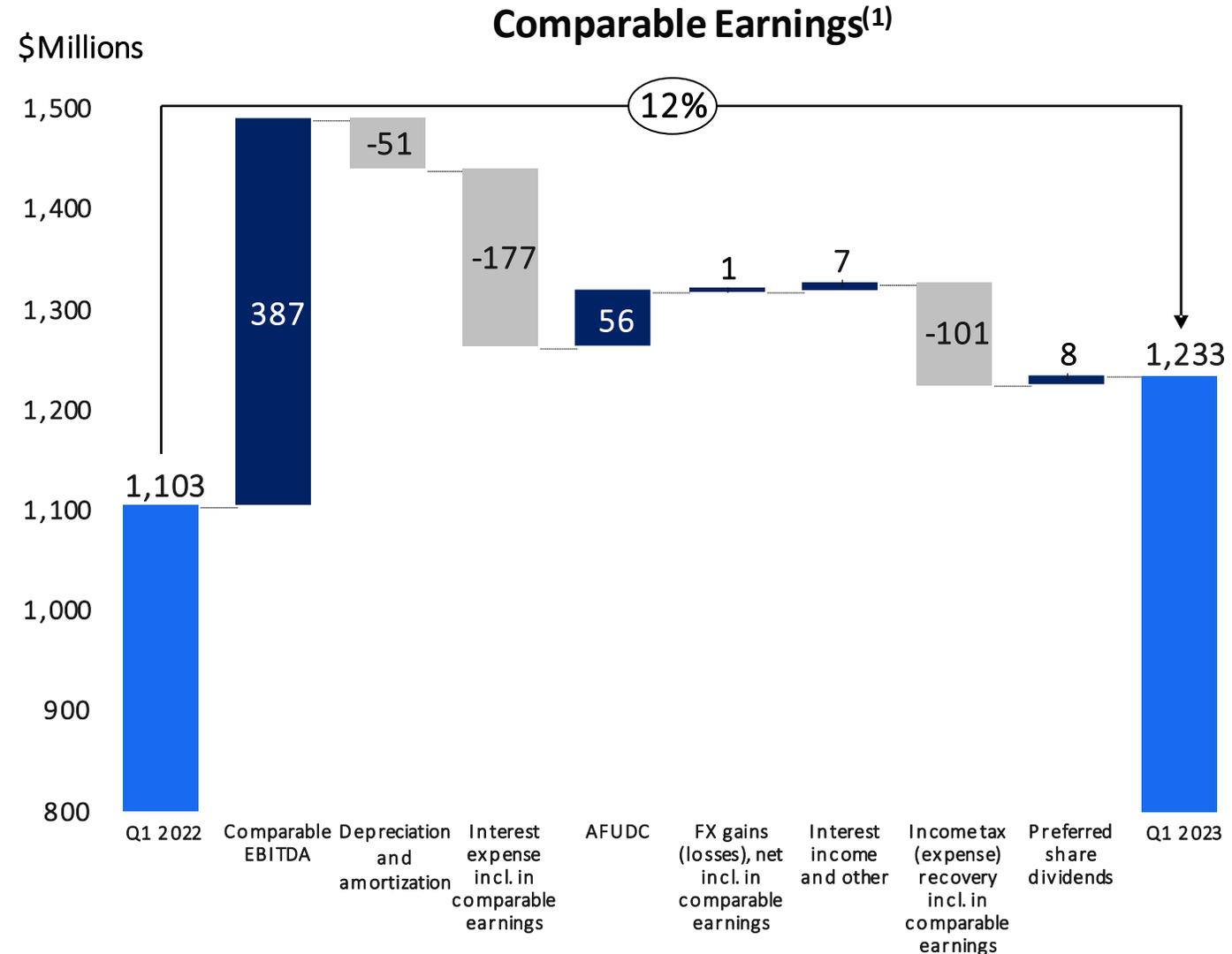
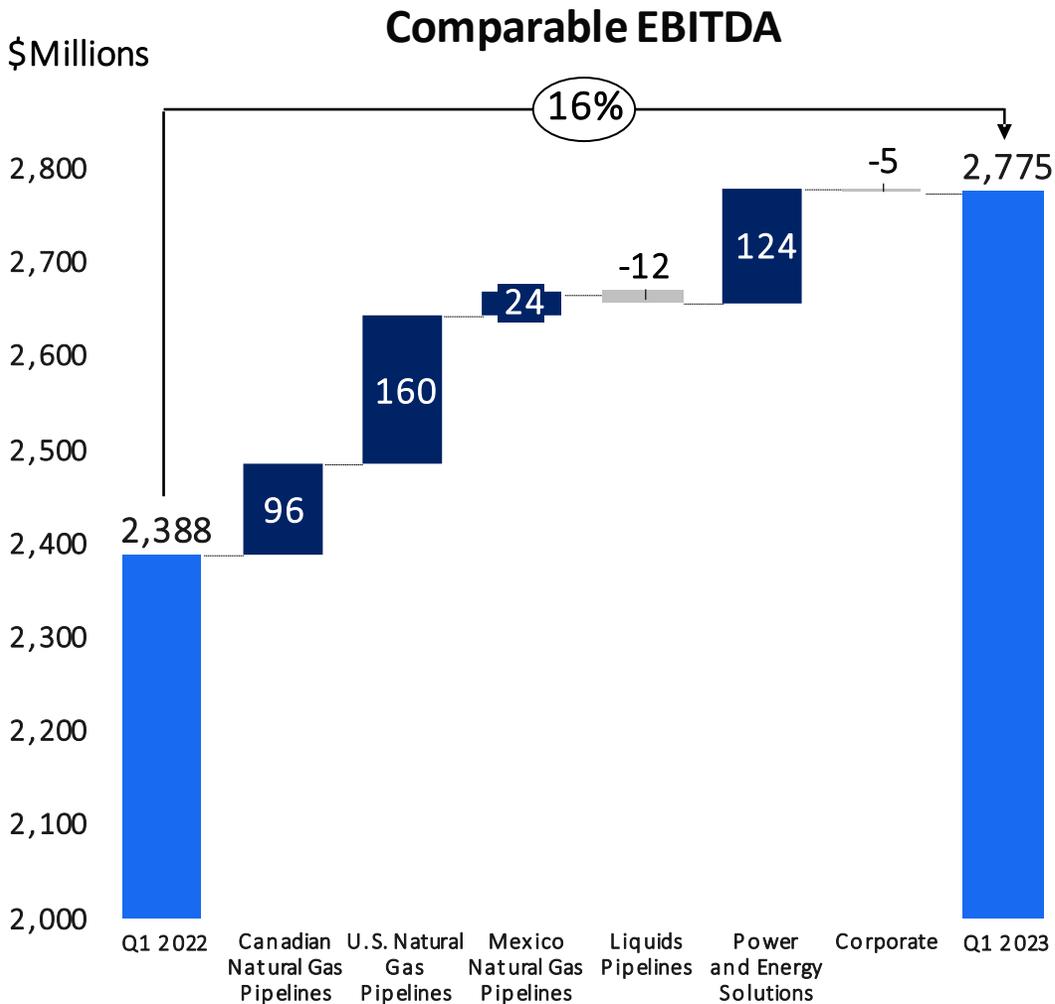
Joel Hunter

Executive Vice-President and Chief Financial Officer



EARNINGS GROWTH BREAKDOWN

First quarter comparable EBITDA⁽¹⁾ up 16 per cent year-over-year



(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.

Q1 OPERATIONAL HIGHLIGHTS

Aligning strong demand and operational performance

CANADIAN NATURAL GAS PIPELINES

- Net income⁽¹⁾ **up 11%** vs. Q1 2022
- Average NGTL System deliveries up year-over-year to **14.5 Bcf/d**
- Placed **\$1.1 billion** of capacity projects in service



U.S. NATURAL GAS PIPELINES

- Comparable EBITDA⁽²⁾ **up 14%** vs. Q1 2022
- USNG throughput averaged **28.5 Bcf/d**
- New **all-time record** deliveries to LNG facilities
 - Record eclipsed again with **3.8 Bcf** on April 21



MEXICO NATURAL GAS PIPELINES

- Comparable EBITDA⁽²⁾ **up 16%** vs. Q1 2022
- Southeast Gateway progressing **on-time and on-budget**
- **Record flows** on Guadalajara due to higher power sector demand



(1) Represents NGTL System and Canadian Mainline net income

(2) 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.

Q1 OPERATIONAL HIGHLIGHTS

Aligning strong demand and operational performance

LIQUIDS PIPELINES

- Keystone System continues to **deliver contracted volumes**
- Keystone System had **over 95% operational reliability** year-to-date



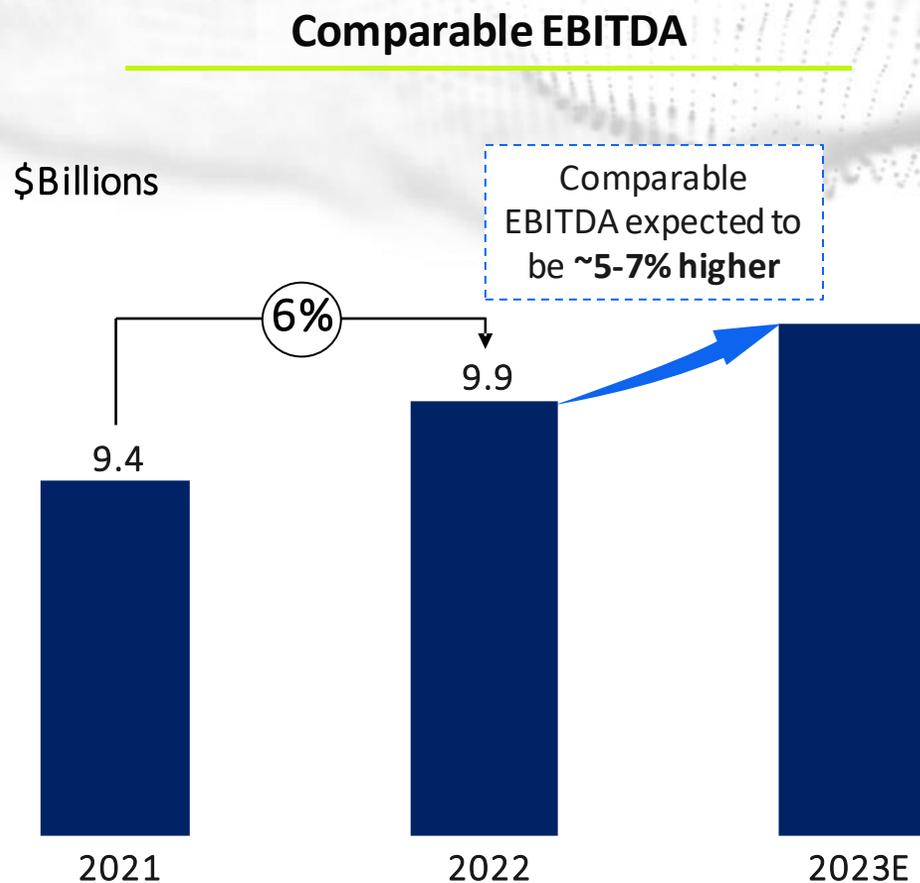
POWER & ENERGY SOLUTIONS

- Alberta cogeneration assets achieved **100% availability** in February
- Robust Alberta power prices, avg. **\$142/MWh**
- Bruce Power **availability of 95%**
- MCR Unit 6: **on-time and on-budget**
- MCR Unit 3: **commenced** on March 1



REITERATING EXPECTED SUSTAINABLE GROWTH IN 2023

2023E Comparable EBITDA⁽¹⁾ outlook & sensitivities



Interest rate: Δ +/- 25 bps

- Financial charges: \$20MM
- Comparable EPS⁽¹⁾: ~\$0.02/share

Foreign exchange: Δ +/- \$0.01 USD/CAD

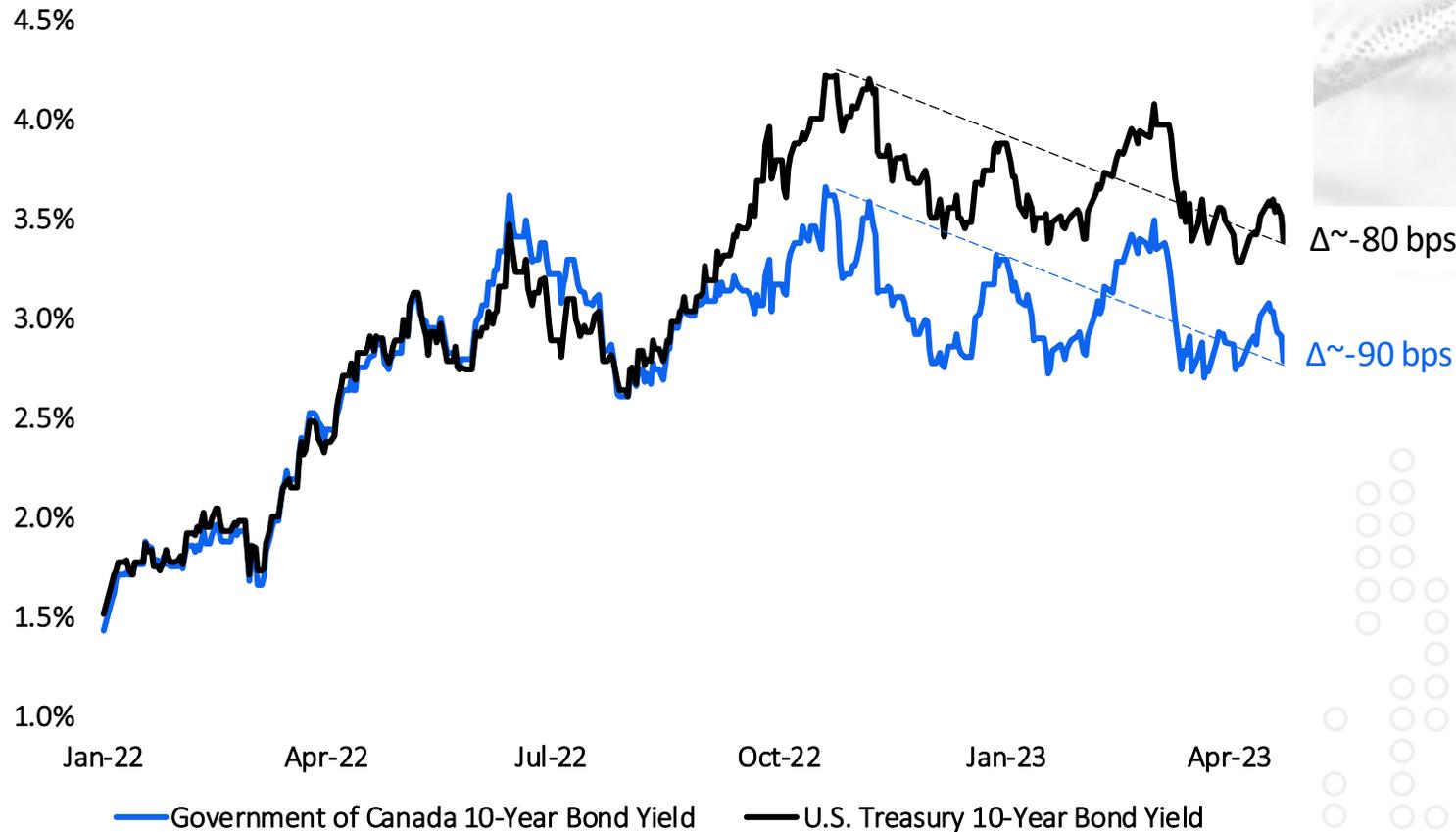
- Comparable EBITDA⁽¹⁾: \$45MM
- Comparable EPS⁽¹⁾: No material impact due to USD hedge program

Inflation: Δ +/- 1% (+/- assumed rate)

- Comparable EBITDA⁽¹⁾: \$10MM
- Comparable EPS⁽¹⁾: ~\$0.01/share

INTEREST RATE TRENDS

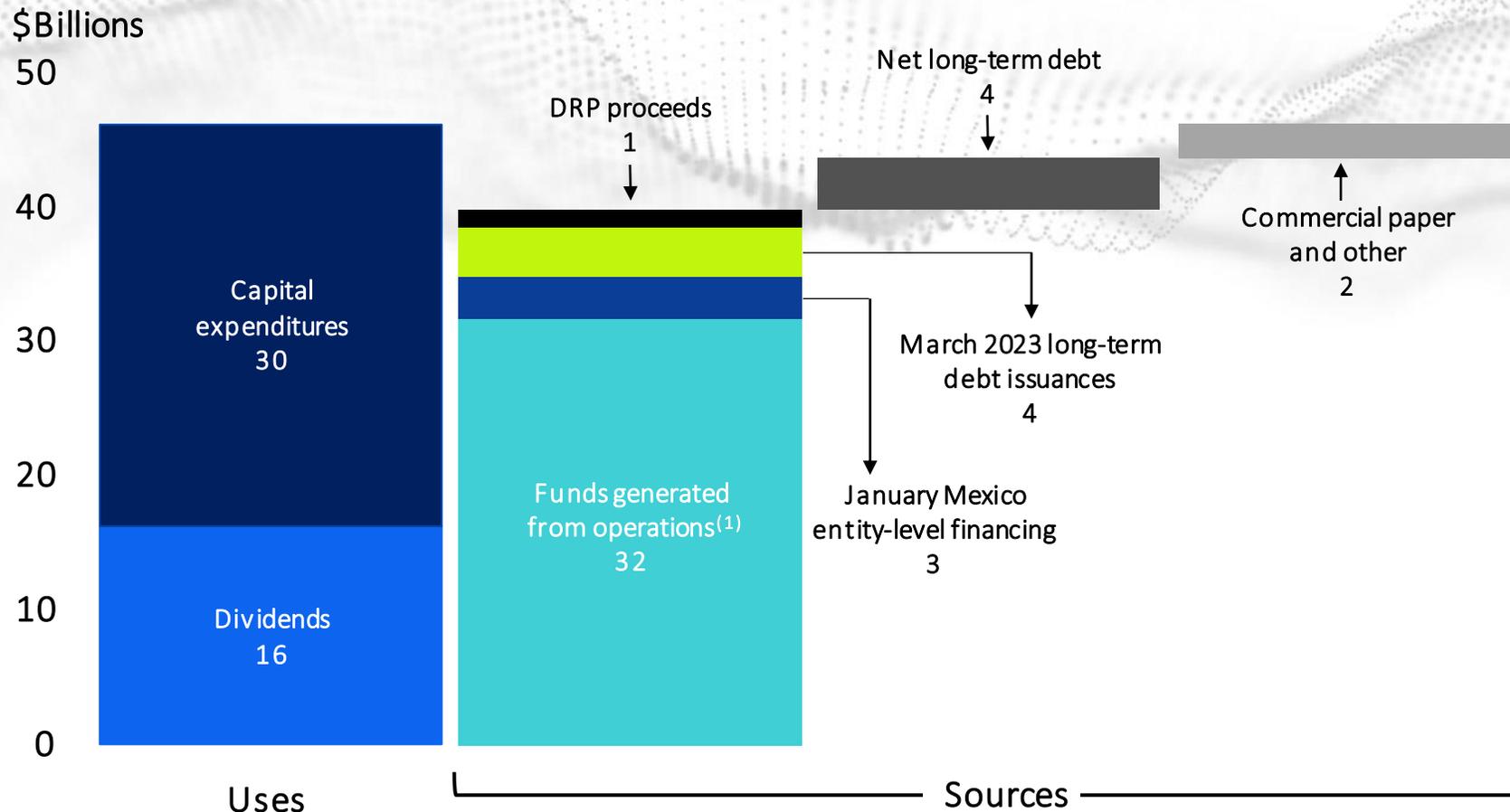
Continued access to capital amidst market volatility



- Access to debt capital at competitive rates remains strong
 - Issued **\$2.25 billion** Canadian medium-term notes
 - Issued **US\$1.25 billion** senior notes
 - Completed **US\$2.3 billion** Mexico entity-level financing
- Government 10-year yields have **moderated ~85 bps** from late-2022 highs
 - Tailwind for reducing cost of debt

2023 – 2026E OUTLOOK

Funding our capital program



- Excludes the impact of asset divestitures aimed at **reducing net long-term debt requirements** and enhancing financial strength and flexibility
- **In-country** financing in Mexico to limit exposure
- **Well-supported** commercial paper programs in Canada and the U.S.
- ~\$10 billion of **committed** revolving credit facilities

(1) Funds generated from operations is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

OUR VALUE PROPOSITION

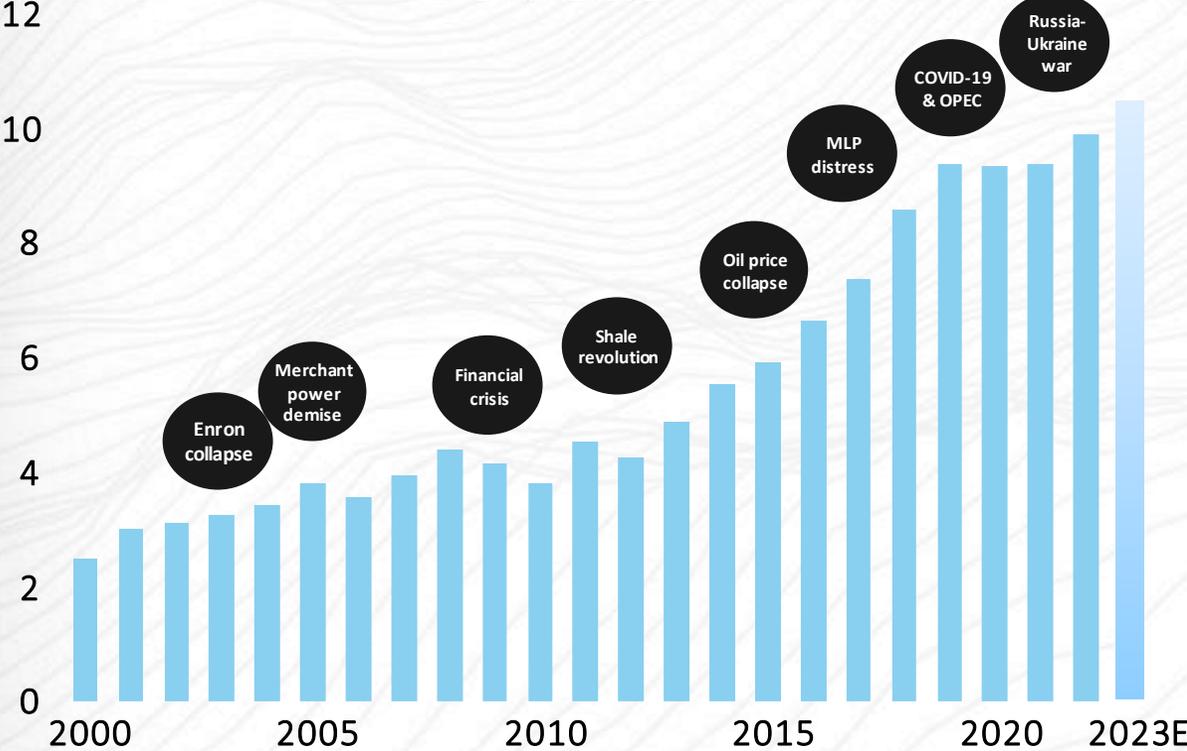
Executing on growth through multiple economic cycles

Maintaining dividend growth

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



Comparable EBITDA⁽¹⁾ 2000-2023E



*Annualized based on second quarter 2023 dividend declared of \$0.93 per share. Dividend yield as of market close April 25, 2023.

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

(2) Based on April 25, 2023 closing share price of \$55.51

2023 strategic priorities



PROJECT EXECUTION

Execute on our industry-leading secured capital program

Deliver comparable EBITDA⁽¹⁾ growth



ENHANCING BALANCE SHEET STRENGTH AND FLEXIBILITY

Accelerate our deleveraging target

Advancing \$5+ billion asset divestiture program

D/EBITDA and distributable cash flow linked to executive compensation



MAXIMIZING THE VALUE OF OUR ASSETS THROUGH SAFETY AND OPERATIONAL EXCELLENCE

Safely, reliably and affordably deliver energy

Maintain 3-5% dividend growth rate

GHG emissions intensity reduction linked to executive compensation





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Appendix

APRIL 28, 2023



Q1 2023 FINANCIALS

Appendix – Non-GAAP reconciliations

(Millions of dollars)

	Three months ended March 31	
	2023	2022
Comparable EBITDA ⁽¹⁾	2,775	2,388
Depreciation and amortization	(677)	(626)
Interest expense included in comparable earnings	(757)	(580)
Allowance for funds used during construction	131	75
Foreign exchange gains (losses), net included in comparable earnings	33	32
Interest income and other	42	35
Income tax (expense) recovery included in comparable earnings	(280)	(179)
Net income attributable to non-controlling interests	(11)	(11)
Preferred share dividends	(23)	(31)
Comparable earnings ⁽¹⁾	1,233	1,103
Specific items (net of tax):		
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	72	-
Keystone FERC decision	(48)	-
Coastal GasLink LP impairment charge	(29)	-
Keystone XL preservation and other	(4)	(5)
Great Lakes goodwill impairment charge	-	(531)
Settlement of Mexico prior years' income tax assessments	-	(193)
Bruce Power unrealized fair value adjustments	6	(15)
Risk management activities	83	(1)
Net income attributable to common shares	1,313	358

(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.

Q1 2023 FINANCIALS

Appendix – Non-GAAP reconciliations

(Millions of dollars, except per share amounts)

	Three months ended March 31	
	2023	2022
Net income attributable to common shares	1,313	358
Specific items (net of tax):		
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(72)	-
Keystone FERC decision	48	-
Coastal GasLink LP impairment charge	29	-
Keystone XL preservation and other	4	5
Great Lakes goodwill impairment charge	-	531
Settlement of Mexico prior years' income tax assessments	-	193
Bruce Power unrealized fair value adjustments	(6)	15
Risk management activities	(83)	1
Comparable earnings ⁽¹⁾	1,233	1,103
Net income per common share	1.29	0.36
Specific items (net of tax):		
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(0.07)	-
Keystone FERC decision	0.05	-
Coastal GasLink LP impairment charge	0.03	-
Keystone XL preservation and other	-	0.01
Great Lakes goodwill impairment charge	-	0.54
Settlement of Mexico prior years' income tax assessments	-	0.20
Bruce Power unrealized fair value adjustments	(0.01)	0.02
Risk management activities	(0.08)	(0.01)
Comparable earnings per common share ⁽¹⁾	1.21	1.12

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

Q1 2023 FINANCIALS

Appendix – Non-GAAP reconciliations

(Millions of dollars)

	Three months ended March 31	
	2023	2022
Net cash provided by operations	2,074	1,707
Increase (decrease) in operating working capital	(60)	(40)
Funds generated from operations ⁽¹⁾	2,014	1,667
Specific items:		
Keystone FERC decision, net of current income tax	48	-
Settlement of Mexico prior years' income tax assessments	-	193
Keystone XL preservation and other, net of current income tax	4	5
Comparable funds generated from operations ⁽¹⁾	2,066	1,865

(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.